

MATAMATA PIAKO

DRAFT LONG TERM PLAN TAUIRA RAUTAKINGA TŪROA

Draft for public consultation



2024
2034



te kaunihera ā-rohe o
matamata-piako
district council

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TAUIIRA RAUTAKINGA TŪROA

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district council

HE KUPU WHAKATAKI ME
TE TIROHANGA WHĀNUI

INTRODUCTION AND
OVERVIEW

WĀHANGA
SECTION

1

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He mihi | Welcome

How do we plan for the future when the current environment is so uncertain?

Local government in New Zealand has been working through the implications of a number of reform programmes (Three Waters, RMA and Future for Local Government). The new government has repealed some of the legislative changes and is working on new laws and regulations – this creates a lot of uncertainty, which makes long term planning difficult. On top of this, New Zealand has been grappling with significant inflation and interest rate increases, increasing prices not just for households, but for local government as well. **Yet despite these challenges, we need to plan ahead.**

For our district to be a vibrant, passionate, progressive place we must continue to look ahead and make future-focussed decisions.



We need to strike a balance between what is affordable and essential in these uncertain times, and what we really need to progress with to ensure this district remains not just a well-served community, but a place that puts people at the heart of everything we do. We've developed a draft plan that we think will do just that.

We've kept affordability front and centre in drafting this plan. Removing and deferring projects, and proposing to change how we account for some of our assets in a bid to keep costs down. Even with all these efforts, we believe we need to collect an additional \$8 million in rates for the year ahead, just to continue to deliver our services, and the projects we MUST deliver. How the \$8 million increase affects your property will vary widely depending on the services you receive, with those connected to water and wastewater services seeing the largest increases. As an example, the median property in our district valued at \$700,000 would see a \$483 (14.9%) increase if they receive all Council services, or \$232 (13.8%) increase if they do not receive services. You can see exactly how the proposed rates increase will affect you by searching your address at mpdc.nz/rid

This document outlines the key challenges we're facing and how we're proposing to tackle them to make good, future focussed decisions that reflect the needs of our people. There are lots of opportunities for you to give us your feedback throughout – we really need input from the community to help us gauge whether we're on the right track.



Adrienne Wilcock
Mayor

There are some complex issues, some tough decisions, and some areas where we have no choice but to proceed. It makes this a lengthy document! But we want to be really clear and transparent with the community, sharing all of these options and considerations – and we invite you to take the opportunity to read and understand the issues and share your own perspectives with us.

Anei te Rautakinga

Tūroa | Introducing the Long Term Plan

Your guide to Council's 10-year plan

Every three years Council produces a Long Term Plan that sets the direction for the next 10 years, outlining our key aims, objectives and priorities for the Matamata-Piako District, and that also:

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

Producing a Long Term Plan is a Council obligation under the Local Government Act 2002. And it is an important way for our community to have a say on where we are heading, and ensure our planning is robust.

In completing the Long Term Plan we are required to do a number of things, including:

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



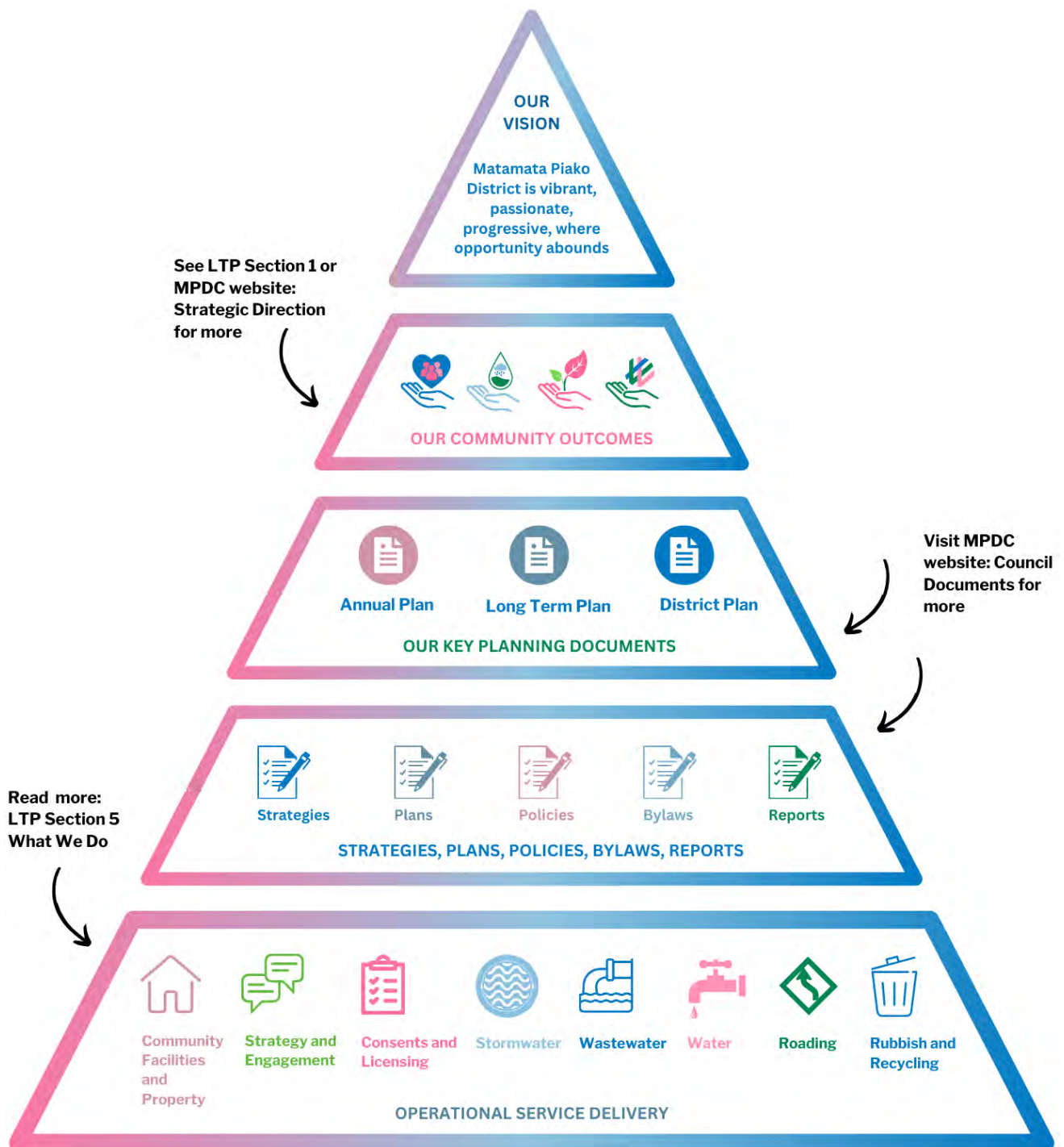
We produce an Annual Plan in the two years that we don't produce a Long Term Plan. The Annual Plan highlights any changes or variances from the Long Term Plan for the coming year. If the proposed Annual Plan does not include significant differences from the content of the Long Term Plan for that year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

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



The diagram on the next page illustrates how our activities, planning and reporting, community outcomes and vision link together to provide services and infrastructure for the benefit of our community.

Council's strategic planning and implementation framework



Tukuna ō whakaarō |










Have your say

Make a submission on the Long Term Plan

Seeking feedback from our community is an integral part of creating the Long Term Plan. Below we outline the steps, including opportunities for you have to have your say, that will take us from this draft plan to the final Long Term Plan for 2024-2034.

➔ Consultation 21 March - 21 April 2024

This is when you can provide your feedback - we need to hear from you by 5pm on Sunday 21 April. Visit our website and follow the link to have your say. The key topics that we are consulting on are:

 <p>Te Aroha Spa</p> <p>Visit mpdc.nz/spa for more detailed information on this project</p>	 <p>Roading renewals</p> <p>We have included more information on this in our Infrastructure Strategy (section 4) and under the roading activity in section 5</p>	 <p>Walking and cycling improvements</p> <p>We talk about this further in our Infrastructure Strategy (section 4)</p>	 <p>Town Centre infrastructure</p> <p>We talk about this further in our Infrastructure Strategy (section 4) and you can visit mpdc.govt.nz/prideofplace for more information about Council's 'Pride of Place' project</p>	 <p>Additional playgrounds</p> <p>You can read more information about what we proposed in our last Long term plan 2021-31 on our website</p>
 <p>Stage for Matamata Civic Centre</p> <p>Read more information in our last Long term plan 2021-31 on our website</p>	 <p>The services we provide</p> <p>Read more about our proposed levels of service in section 5</p>	 <p>Te Aroha Library</p> <p>You can read more about our Libraries activity in section 5</p>	 <p>Our approach to rates and debt</p> <p>We have included a large amount of information on this in our Financial Strategy (section 3)</p>	

➔ Hearings 8 and 9 May 2024

This is your chance to speak with the Mayor and Councillors in person about your feedback, if you wish to do so.

➡ **Deliberations 29 May 2024**

The Mayor and Councillors will consider all the feedback from the community and give direction on any changes required.

➡ **Adoption of Long Term Plan 26 June 2024**

The Mayor and Councillors will confirm the Long Term Plan 2024-34 on this date.

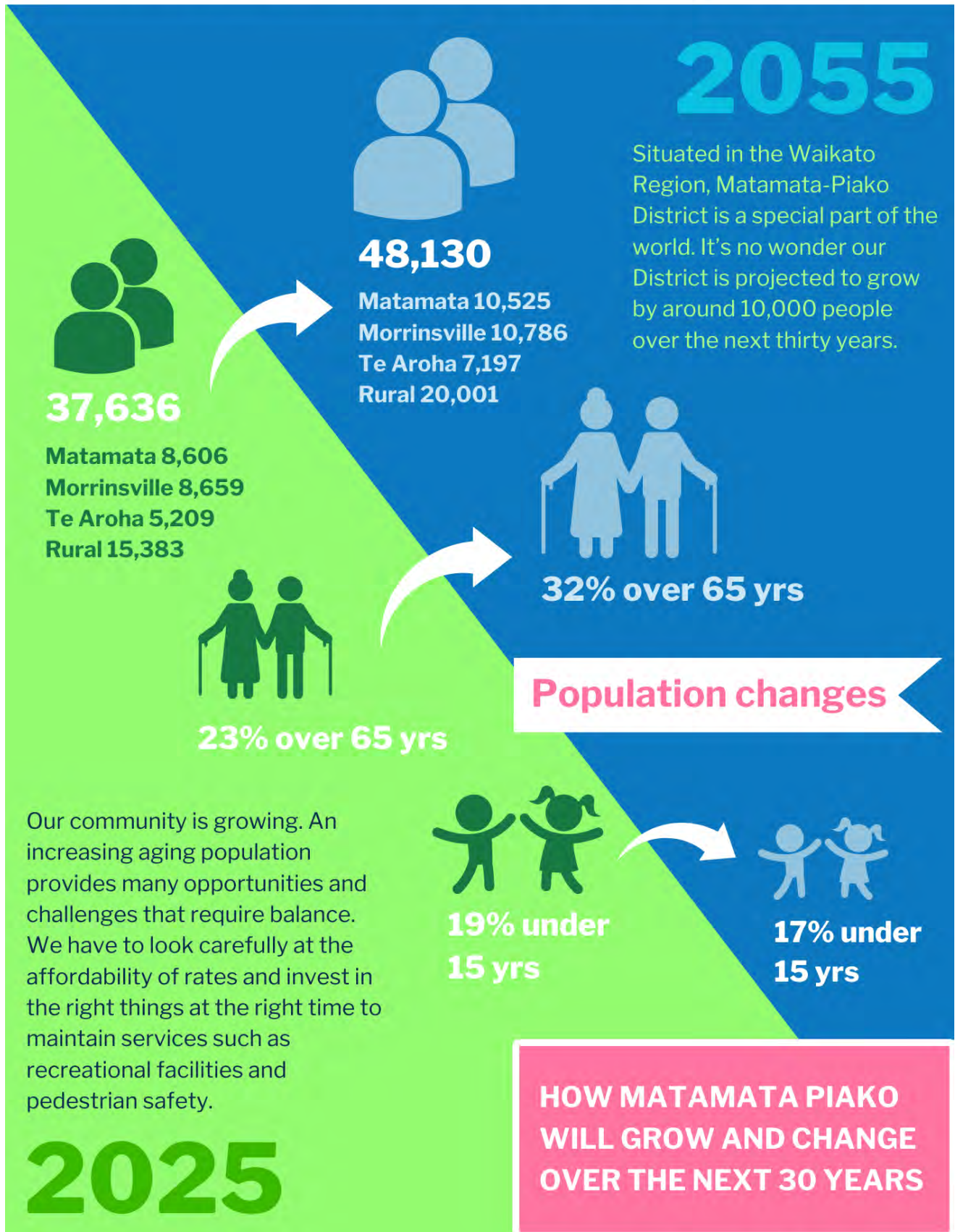
➡ **Long Term Plan is in place 1 July 2024**

From 1 July 2024 the new Long Term Plan will take effect and the new rates will begin.

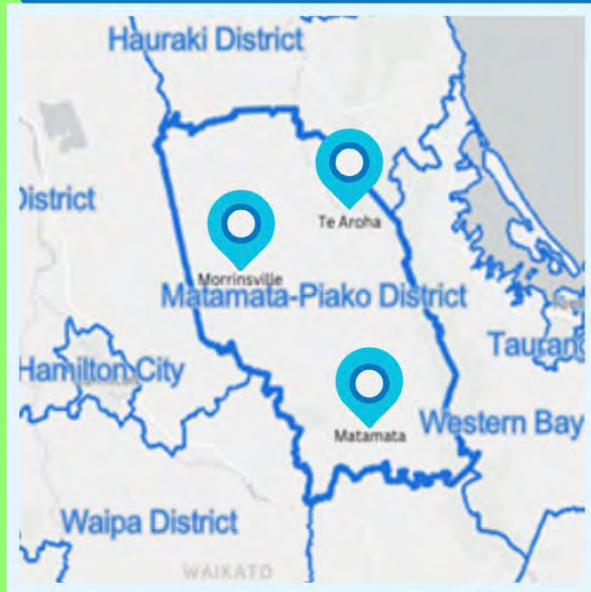
Summary of the Long Term Plan process



Our District - a snapshot



Our District - a snapshot



2055

Our District has stunning landscapes including extensive farmland across the Hauraki Plains, peat swamps, the Waihou, Waitoa and Piako river systems, wetlands and the bush clad Kaimai Ranges.

Land use changes



139,573
hectares

Agriculture

Farming is central to our District and is a core part of who we are in Matamata-Piako. In fact, over 75% of the land in our District is used for agriculture.

Manufacturing is the second largest sector, with much of it also linked to agricultural production including meat, dairy and food processing.



3,834
hectares

Residential



2,132
hectares

Forestry



29,878
hectares

Other land use
eg horticulture,
wetlands, park
and reserves,
urban centres



137,599
hectares



4,671
hectares



3,663
hectares



29,484
hectares

2025

**HOW MATAMATA PIAKO
WILL GROW AND CHANGE
OVER THE NEXT 30 YEARS**

Te Kaunihera I Council

Your elected representatives

Councillors and Mayor



ADRIENNE
WILCOCK
Koromatua I
Mayor



CALEB J ANSELL
Matamata Ward



KEVIN TAPPIN
Matamata Ward



JAMES
SAINSBURY
Matamata Ward



SUE WHITING
Matamata Ward



BRUCE
DEWHURST
Morrinsville Ward



SHARON DEAN
Morrinsville Ward



DAYNE HORNE
Morrinsville Ward



JAMES THOMAS
Koromatua
Tautoko I Deputy
Mayor
Morrinsville Ward



SARAH-JANE
BOURNE
Te Aroha Ward



PETER JAGER
Te Aroha Ward



RUSSELL SMITH
Te Aroha Ward



GARY
THOMPSON
Te Toa Horopū ā
Matamata Piako

Tō tātou kāwanatanga | Our governance



Independent Chair: Jaydene Kana
 Independent member: Joanne Aoake
 Members:
 Mayor Adrienne Wilcock,
 Cr Gary Thompson,
 Cr Bruce Dewhurst,
 Cr Kevin Tappin,
 Cr James Thomas (Dep Mayor)



4 Wards:
 Matamata
 Morrinsville
 Te Aroha
 Te Toa Horopū ā Matamata Piako



Mayor +
 13 Councillors



The Mayor and Councillors represent their communities and make decisions for the District.



Ensures Council has appropriate risk management and internal and financial control systems.



RISK AND ASSURANCE COMMITTEE



They are supported by Council's Chief Executive Officer and staff: advice, implementation of Council decisions, day-to-day operations.

TE MANA WHENUA FORUM



Has the opportunity to contribute to Council processes and provide recommendations to Council for consideration in decision-making.



Member Representatives from: Council, Ngāti Hauā, Ngāti Rāhiri-Tumutumu, Raukawa, Ngāti Maru, Ngāti Whanaunga, Ngāti Pāoa and Ngāti Hinerangi. Ngāti Tamaterā has the ability to join but is not currently represented.



Details overleaf

HEARINGS COMMISSION



Hearing and determining

- Applications for resource consents under Resource Management Act 1991
- Objections under Dog Control Act 1996



Members:
3 Councillors
Coordinator:
Cr Kevin Tappin
(no chairperson)

DISTRICT LICENSING COMMITTEE



Consider and determine alcohol license applications under Sale and Supply of Alcohol Act 2012



Chair:
Cr Sue Whiting
Dep Chair:
Cr Russell Smith
Members:
Appointed from list of appropriately qualified people

WAHAROA AERODROME COMMITTEE



Established 2015 under Ngāti Hauā Claims Settlement Act 2014

- Recommendations: Waharoa Aerodrome land
- Final decisions: Access & parking that affect Raungaiti Marae
- Administering body: In relation to any review of the Reserve Management Plan



Chairs:
Mokoro Gillet & Mayor Adrienne Wilcock
Members:
Cr James Thomas (Dep Mayor), Cr Kevin Tappin, 3 members appointed by Ngāti Hauā Iwi Trust Board trustees

CHIEF EXECUTIVE OFFICER PERFORMANCE COMMITTEE



Annual review of performance and remuneration of CEO



Members:
Mayor Adrienne Wilcock,
Cr James Thomas (Dep Mayor),
Cr Bruce Dewhurst,
Cr James Sainsbury,
Cr Sue Whiting

Te whai wāhi a te iwi ki ngā whakataunga a te kaunihera | Māori engagement in decision making

The iwi in our district include: Ngāti Hako, Ngāti Hauā, Ngāti Hinerangi, Ngāti Korokī Kahukura, Ngāti Maru, Ngāti Pāoa, Ngāti Rāhiri Tumutumu, Ngāti Tamaterā, Ngāti Tara Tokanui, Ngāti Whanaunga, Raukawa and Waikato-Tainui.

One of the goals within Council's strategic direction framework is 'genuine partnership with mana whenua'. To help achieve this goal we have the following governance structures and staff roles:

Te Manawhenua Forum mō Matamata-Piako

Council and forum members established Te Manawhenua Forum mō Matamata-Piako as a formal process of representation for Māori within the District. The forum is a standing committee of Council and the structure was developed through discussions with Māori nominated representatives. The Forum meets bi-monthly.

The purpose of Te Manawhenua Forum mō Matamata-Piako, as outlined in its 'Heads of Agreement', is "to facilitate tangata whenua contribution to Council's decision making." The Forum considers matters to sustainably promote the social, economic, environmental and cultural wellbeing of Māori communities for today and for the future.

The Forum includes representatives from Council, Ngāti Hauā, Ngāti Rāhiri-Tumutumu, Raukawa, Ngāti Maru, Ngāti Whanaunga, Ngāti Pāoa and Ngāti Hinerangi. Ngāti Tamaterā also has the ability to join.

Te Toa Horopū ā Matamata Piako

A Māori Ward – Te Toa Horopū ā Matamata Piako was set up in the district for the 2022 elections. This followed a change to legislation which enabled councils to establish Māori wards without the potential for a binding poll generated by just five per cent of electors.

Manawhenua advocated for Council to make this decision, noting the benefits would include making local decision-making more inclusive and fairer for everyone. Its establishment was unanimously supported by the members of the forum.

The inaugural Māori Ward Councillor was subsequently elected in the 2022 Local Government elections.

Iwi liaison staff

Within the last three years an Iwi Liaison role has been established alongside increased operational funding to continue progress in this area. And within the next three-year period an additional staff role is budgeted to support this work.

Projects and Advisory Groups

Iwi representatives have been involved in the development of a number of Council projects including Te Aroha Spa, Morrinsville Recreation Grounds, Wastewater consents and Papakāinga District Plan change.

Spotlight on a project: Papakāinga District Plan change

Council have been developing new rules to better enable Papakāinga development in Matamata-Piako.

The Papakāinga Plan Change (PC 54) seeks to include new rules that enable quality papakāinga development that supports the social, cultural and economic wellbeing of tangata whenua.

Te Manawhenua Forum mō Matamata-Piako formed a working party to help drive the papakāinga process plan change process within the community and to assist with preparing the provisions. The working group consisted of representatives from the iwi authorities and Te Manawhenua Forum. The group was supported by representatives from Te Kooti Whenua Māori, Te Puni Kōkiri, Waikato Regional Council and Council staff.

The decision on the plan change is due mid-2024.



Ō tātou whāinga | Our goals

Te whāinga matua | Our purpose

The Local Government Act 2002 sets out the purpose for Councils as follows:

- To enable democratic local decision-making and action by, and on behalf of, communities
- To promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future.



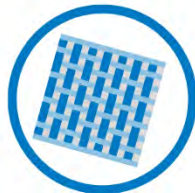
social



economic



environmental



cultural

Te whakakitenga | Our vision

To fulfil this purpose, Council regularly reviews its vision and community outcomes for the District.

Council wants our District to continue to be “our place” for everyone who lives here. It needs to be easy to get around, economically thriving, environmentally sustainable, and with facilities and amenities that are something our communities can be proud of. A place that retains the “small town feel” even as we grow. Where people say “hi” to each other and have a sense of belonging within their community.

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



Ō tātou hua ā-hapori | Our community outcomes

Council has identified four community outcomes for our District that together help us to achieve our vision. For each outcome we have identified the key ways in which Council will work toward achieving it.



Outcome #1

He wāhi kaingākau ki te manawa | A place with people at its heart

Priorities

- Be the connector between community, iwi, NGOs and government agencies
- Prioritise community grants that enhance placemaking
- Create vibrant, welcoming town centres
- Strive for liveable, accessible, connected neighbourhoods



Outcome #2

He wāhi puawaitanga | A place to thrive

Priorities

- Seek opportunities to realise Matamata-Piako's economic potential
- Support and encourage quality, sustainable and varied development
- Invest in the right infrastructure at the right time



Outcome #3

He wāhi e poipoi ai tō tātou taiao | A place that embraces our environment

Priorities

- Educate and exemplify continuous improvement in waste minimisation
- Create and maintain green and natural and open spaces
- Demonstrate and advocate for climate friendly and community resilient initiatives



Outcome #4

He wāhi whakapapa, he wāhi hangahanga | A place to belong and create

Priorities

- Genuine partnership with mana whenua
- Partner and plan for multi-purpose sporting, cultural and community hubs
- Support arts and heritage as an important part of our communities

Ō tātou whakapātaritari me ngā angitū | Our key challenges and responses

When planning how we will work toward achieving our vision and community outcomes, we face a range of external factors that influence our decision making.

There are four key challenges that have had a significant impact on the decisions we have made in this Long Term Plan. On the following pages we outline each of these factors – Affordability, Growth and Demand, Compliance, and Climate Change and Resilience. And we describe our response to each. We also discuss an additional factor – Legislative Reform – that is adding to the complexity of our planning.



Weighing up these different challenges has meant finding the balance that we think is right for our community, between delivering services and keeping rates in check.

As well as the four challenges outlined below, you can read in more detail about the full range of factors we have taken into account in Section 2 of this Plan - Significant Forecasting Assumptions.

To understand in more detail our strategic response to these challenges, from both a financial and service delivery point of you, you can read Section 3 – The Financial Strategy, and Section 4 – The Infrastructure Strategy.

Then, to see how all this translates into action, you can read Section 5 – What We Do, where we outline our plans for each our activities – from elderly housing and resource consents to roads, footpaths, rubbish services, and much more.



Balancing our key drivers

Te ngāwari o te utu | Affordability

We rely on the rates paid by our community to cover approximately two thirds of the cost of providing Council services. That means we know we must balance the need to provide services with the financial impact that this will have for our ratepayers. Keeping rates as low as possible is always a key consideration for us. But especially this time, with costs rising for everyone, we have made affordability the focus for the Long Term Plan – putting the costs to our community front and centre in all our decision-making. [You can review the Affordability assumption in Section 2 of this LTP for more detail on the macroeconomic situation we are facing]

The challenge



The costs for Council to provide services to the community has gone up

Local government has been affected by general price increases across the board, as well as some even bigger cost pressures for products that are in short supply world wide - such as oil, chemicals for water treatment, transportation and labour costs. Costs keep increasing just to provide the same services to the current standard.



Costs have risen for everyone in the community over the last few years

Costs have gone through the roof in recent years. Every household will have seen this in their groceries, insurance, electricity, fuel etc. Significant increases in inflation and interest rates have made it tough for many in our community.



The ability of our community to pay is constrained

Our district has a higher than average proportion of households who are on a fixed income, and find it even harder to cover rate rises.

More about the factors driving up Council costs

Desludging our wastewater plants

Wastewater gets treated and discharged back to the environment but the solids left behind also need to be disposed of in an environmentally friendly way. We've been using a process that minimises the build-up but we now we need to invest to remove it on an annual basis.



Interest rate increases

Everybody will know that interest rates have continued to increase over the last 12 months. This also affects Council as we borrow money to pay for capital projects, such as buildings or roads.



The impact of inflation

Household inflation has risen while Council's inflation costs – based on a different bundle of goods, have risen even more sharply.



Staff costs

Our District is growing and that means more to maintain, more consents to process and more projects to manage. We need additional staff to meet this demand and to ensure our organisation is resilient and efficient.



Our response

Prioritising affordability while still delivering services for our community means we will take the following approach in this Long Term Plan period.

Looking after what we've got

We plan to continue with our maintenance and renewals programmes to ensure our assets remain in average to good condition.

Focusing on the projects we must do

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.

Smoothing our renewal costs

We renew and replace assets based on their useful life, but to keep things more affordable, we smooth our renewal costs over the 10year plan, meaning some years we'll collect slightly less, and others slightly more than we need, which will help keep rates increases at more stable levels.

Increasing spending on our roads at a rate below inflation

Inflation means that the cost to complete a normal level of road renewals will now cost us significantly more. To limit increased costs we're proposing to reduce our maintenance and renewal programme. While we aim to keep our roads to the same standard, there is a risk that this will impact the quality of our roads over time e.g. more ruts or potholes.

Increasing the revenue we receive from fees and charges

The costs to deliver our services have increased so we're proposing that a number of our fees and charges should increase too. This would keep fees and charges at 16% of Council's overall income.

Increasing our limit on borrowing

To fund the must do capital work required for our three waters activities, we're proposing to increase our debt significantly over the first 3-4 years of this plan. This would push our debt over the limit Council has historically set for itself, but still keeps it within the bounds of our key lender.

Running an unbalanced budget

We're proposing to have an 'unbalanced budget' in all 10 years of this plan. This means that the revenue received each year will be less than the expenses for that year. There are two reasons for this:

Not fully funding depreciation

As part of managing our assets well, we are required to collect money to gradually replace them over time. Because costs have been going up, the cost to replace our assets has risen too, so in order to keep rates down we're proposing to not collect the full amount needed to cover this depreciation.

Paying for costs over a longer time period

We're proposing to remove our bio-sludge over 5 years, but pay for it over 15 years.

Find out more

Two key parts of this Long Term Plan - the Financial Strategy and the Infrastructure Strategy set out in more detail our approach to affordability.



Te whakawhānui me te hiahia | Growth and demand

Our towns are growing, and are forecast to continue to grow, while our rural areas are projected to have static or declining population numbers. Most of the population increase will take place within older age groups. Growth helps build thriving communities and increases the number of ratepayers to split the total rates bill across, but that growth also requires improvements to our infrastructure that have an impact on rates.

The challenge



Population growth is driving the need for infrastructure in our towns

Population growth and land intensification increase demand for infrastructure services in urban centres. And this comes at a cost.



Our community's infrastructure and service needs are changing

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



We need to get the timing right

We don't want to burden ratepayers with costs too early, or leave growth projects too long, resulting in poor service. Getting the timing right is important, and tricky.

Our response

Responding to growth and demand means we will take the following approach to providing services to our growing and ageing population.

Balancing growth and demand with affordability

We are spreading out, and staging our growth projects where we can to keep costs as low as possible. As well as deferring and not proceeding with a number of projects.

Using Development Contributions to help fund projects

We will continue to use development contributions as an income source

Investing at the right time and in the right place

We will plan for sustainable growth and manage demand - investing in infrastructure at the right time and in the right place.

Planning for sustainable expenditure

We will provide additional capital and operational expenditure over the next 30 years to meet growth demand.

Managing our water and wastewater assets

We have developed master plans for our water schemes in Morrinsville and Matamata and we will now do the same for our wastewater facilities in these centres.

Monitoring growth

We will continue to keep a close eye on indicators of growth such as the number of building consents we are issuing to stay up to date with the rate and nature of growth in the District.

Find out more

You can read the Infrastructure and Financial Strategies to learn more about our strategic approach to growth and demand.



Te tūtohutanga | Compliance

Councils have responsibilities for protecting the health of people and the environment from the potential adverse effects of their activities. Many of the compliance standards that Council must adhere to – for drinking water, rubbish and recycling and more, have become more stringent in recent years. And that means the associated costs to Council to meet the standards have increased too. Compliance is an area where we are obliged to respond – these are must dos for us.

The challenge



There are more regulations that Council must comply with

We have seen an increase in the level of central and regional government direction particularly with changes to the Drinking Water Standards and new legislative mandates for rubbish and recycling. Most of these changes require significant upgrades to our assets or service levels, which come at a cost to ratepayers.



Our water, stormwater and wastewater consents are due for renewal

The amount of drinking water we take, and the stormwater and treated wastewater we discharge is regulated by Regional Council. We are due to renew our consents for these activities during the life of the Long Term Plan and we know we will face more stringent compliance requirements.



The cost for this work is really significant

In the past we have generally spent around \$15 million per year on our water, wastewater and stormwater assets. In comparison, this plan includes \$37m of must do's in year one, \$36m in year two and \$23m in year three. These are significant increases for projects that we MUST do to comply with the new regulations. For urban ratepayers with water, wastewater and stormwater rates - this will have a big impact.

Our response

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

Focusing on compliance

Our compliance projects are our 'Must Do's' so this is where we have budgeted for the most significant spend.

Meeting our consent obligations

By focusing on our compliance projects we will meet our consent requirements for closed landfills, wastewater, water and stormwater activities.

Taking steps to improve road safety

We will continue to look to reduce serious and fatal injuries on our roads.

Investing in managing our solid waste

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.

Find out more

The Infrastructure Strategy outlines our strategic approach in more detail. And the What We Do section details the performance measures and targets we will work to meet under each activity group



Te huringa āhuarangi me ngā manahautanga | Climate change and resilience

Over the next ten years, we propose to focus on some key upgrades and strategic planning work that will ensure our assets and services - like drinking water, the stormwater network, and rubbish and recycling - are climate resilient, environmentally sustainable and keep our communities safe. And we want to work with iwi and the wider community to create a climate change strategy that reflects the aspirations of the people in our district.

The challenge



Climate change impacts are projected to increase over time

Extreme weather events are projected to become more frequent and severe, impacting many aspects of our community and environment.



We have a key role in looking after the wellbeing of our community

Council has an important part to play in ensuring many aspects of our community's wellbeing is protected now and into the future from the impacts of climate change.



Council manages many assets that are vulnerable to a changing climate

We have a responsibility to ensure our assets are protected from the impacts of severe weather events, and continue to function effectively in a range of conditions.



There are increasing obligations on Council to respond

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.



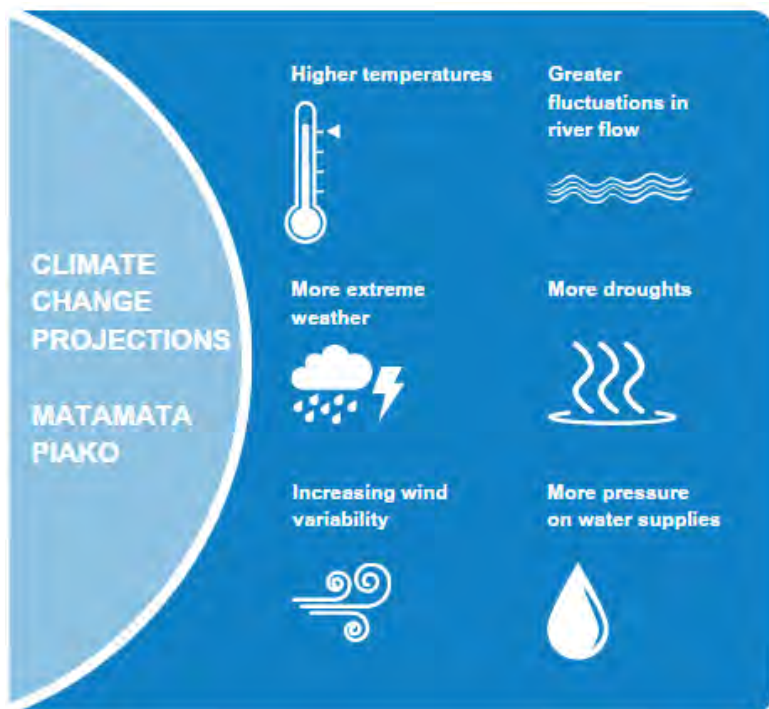
The costs are high

There are significant costs associated with upgrading our infrastructure to be more climate resilient, but the cost of not being prepared – as we have seen in recent weather events – can also be severe.

Climate change projections for Matamata Piako

Waikato Regional Council (WRC) has undertaken work to understand how global climate changes are predicted to impact our region and District into the future. The key impacts are illustrated below.

Source: *Matamata-Piako District Climate Impact Report Applying CMIP6 Data*, prepared by CLIM Systems for Waikato Regional Council, October 2021



Our response

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

Growing our climate change knowledge

This will include mapping flood risk in our urban areas, modelling stormwater network capacity, an inventory of Council's emissions, and a climate change risk assessment of Council's assets.

Protecting our waterways

In the shorter term this will involve work to reduce the risk of wastewater entering waterways and properties, and in the medium term will also include stormwater sediment control measures.

Increasing drinking water sustainability

Measures will include reducing water loss from our network, public education, increasing the use of grey water and in the medium term, household water meters.

Reducing our waste

We will continue to divert more waste from landfill and plan for future solid waste needs

Developing a climate change strategy

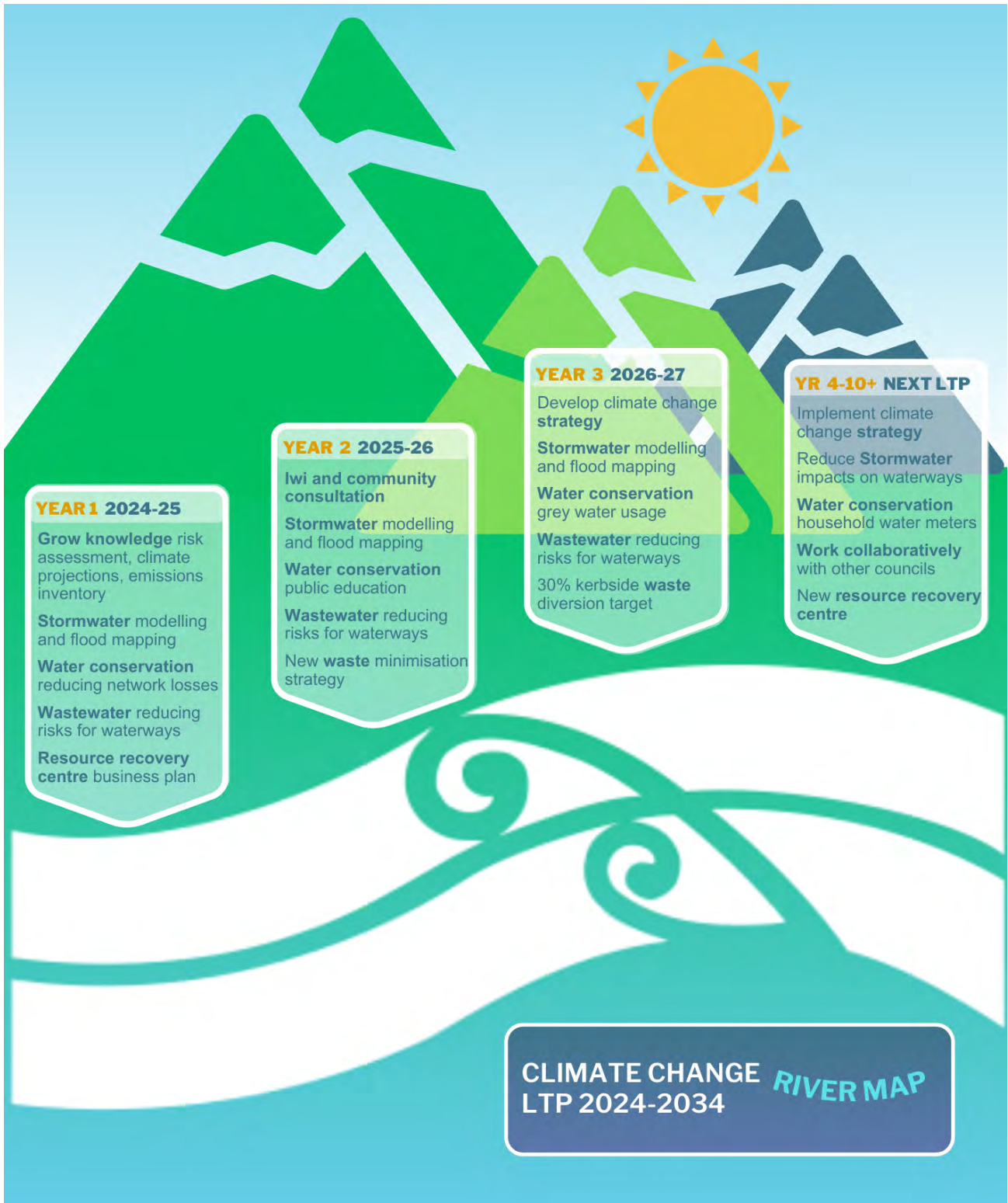
We will engage with iwi and the wider community to develop a plan that improves resilience and meets the aspirations of our community

Finding out more

Read more about our strategic approach and actions in the Infrastructure Strategy and the What We Do section. And refer to our Climate Change Rivermap below.

Our climate change rivermap

The climate change rivermap sets out an overview of the work happening across Council's range of activities to plan and prepare for climate resilience.



Ngā whakahoutanga ā- Ture | Legislative change

Below we outline three areas of legislative reform where changes are currently being made or are signalled, and where those changes have significant implications for Council:

- Water services reform
- Resource management reform
- Local government reform

Te whakahoutanga o ngā kaupapahere i ngā wai | Water Services Reform

The challenge



The ownership and management of water assets is changing

The Water Services Act Repeal Bill returns responsibility for water services delivery to local authorities, while further signalled legislation will bring more changes to the model for the management of Council's water assets over the next two years.



Uncertainty makes planning difficult

While the Local Water Done Well policy indicates the government's general policy direction to Councils, there are still many unknowns as to the nature and timeframes of the changes that will occur in the short and medium term.



There are significant budget implications for Council

The management of Council's three waters assets makes up a significant proportion of Council's budget each year. In addition, there are increased compliance costs and costs associated with any change to the model for managing water assets.

Our response

Continuing to manage our three water assets

We will continue to prudently manage these services, which are key to community health and wellbeing.

Responding to legislative change

Over the last year, as Council has developed the Long Term Plan, we have sought to plot a path through uncertainty in respect to water services reform, responding to guidance from the sector, and change as it occurs. This will remain our approach over the coming years. We will respond to the Local Water Done Well policy programme as it is developed and implemented.

Engaging and informing our community

In the Financial Strategy we have chosen to separate out the costs associated with the three waters and non-three waters activities so as to better communicate to our community how water services impact our financial position.

Begin investigating a new waters management model

We will begin the process of developing options for the new water entities model signalled by the Local Water Done Well policy.

Proactively engaging with partners

We will engage constructively with potential partners in developing any new model for the management of water assets in our district.

Te whakahoutanga o te Ture Whakahaere Rawa | Resource management reform

The challenge



Resource management legislation is key to how Councils function

The laws and policies that direct how Councils manage the environment are central to Council's decision making and actions, so change or uncertainty in this area has a big effect on our planning.



Resource management has seen a lot of change over the last few years

Extensive reform of resource management law has been underway over the last few years, with Council's anticipating and preparing for these changes to come into effect in the next Long Term Plan period.



Central government has indicated repeal and reform of resource management policy

The coalition agreements contain a number of planned changes to resource management policy which will have an impact for Councils.

Our response

Continuing to maintain District Plan

Our approach will be to continue with business as usual – maintaining and reviewing our District Plan as scheduled.

Keeping up to date

We will continue to stay up to date with the latest plans and advice in this area, and respond accordingly.

Further detail

You can read Section 2 – Key Assumptions and Section 5 – What We Do for more detail on our response to resource management reform.

Ngā whakahounga Kāwanatanga ā Rohe | Local government reform

The challenge



An extensive review of the local government sector has taken place

The Review into the Future for Local Government has been a significant process for Councils over the last two years. It has explored how councils can maintain and improve the wellbeing of the communities they serve, long into the future.



Next steps are uncertain

The final report from the review panel has now been released with a range of recommendations, but how central government will respond is unclear.



The coalition agreements indicate change in respect to Māori wards

The agreements refer to “the right to local referendum on the establishment or ongoing use of Māori wards, including requiring a referendum on any wards established without referendum at the next Local Body elections”.

Our response

We will remain an active participant in local government forums

We will continue to participate in the local government forums for both advice and advocacy.

Watching brief in respect to the Māori ward

We will maintain a watching brief and follow guidance as it comes to hand in respect to our Māori ward.



**DRAFT
LONG
TERM
PLAN**

2024
2034



te kaunihera ā-rohe o
matamata-piako
district council

**NGĀ WHAKATATAU
MATUA**

KEY ASSUMPTIONS

**WĀHANGA
SECTION**

2

NGĀ HUA - WĀHANGA 2 | CONTENTS - SECTION 2

Ngā whakatatau matua | Key assumptions

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Tīrohanga Whānui I

Overview

The key assumptions outlined in this document consist of a range of factors that have an impact on the planning and provision of Council services to our community. Within the assumptions, we identify important trends and projections, assess the levels of uncertainty and associated risks, and outline how Council will respond to mitigate these risks.

These key assumptions provide the basis for the Long Term Plan as a whole, particularly the Infrastructure Strategy and the Financial Strategy.

How to read the assumptions

A factor that we need to take into account in our planning

What we think is most likely to occur, based on evidence.

Assumption

Assumption – Most likely scenario		
Data sources		
Other possible scenarios		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
Low	Medium-High	

Where we obtained the data

Other ways this factor may impact us

How much confidence we have in our assumption

What the implications are if outcomes are different from what we've assumed

What we'll do to minimise the impacts of different outcomes

How our assumptions relate to the key drivers

Throughout the Long Term Plan you will see discussion of the four key drivers that we have identified as having the most significant impact on our planning:





The assumptions in this section are organised into seven themes, four of which relate directly to the key drivers, and which provide detail on the range of factors associated with each driver.

- Significant Assets
- Policy Landscape
- Growth and Demand**
- Climate Change and Resilience**
- Compliance
- Affordability**
- Council Services



Ngā rawa motuhake I

Significant assets



Asset lifecycles and depreciation

Assumption – Most likely scenario		
<p>Our assumption is that</p> <ul style="list-style-type: none"> Asset lifecycles will align with forecast and be used as the basis of depreciation Assets will be replaced at the end of their useful life (based on age, condition and/or performance) 		
Data source		
Depreciation method and estimated useful life of assets: refer to the Financial Statement notes in Section 6		
Other possible scenarios		
<ul style="list-style-type: none"> Assets wear out earlier/ later than estimated or are replaced prior to reaching the end of their useful lives Asset condition is not correctly assessed 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Medium Asset lives are based on estimates made by suppliers, manufacturers, asset managers, engineers and registered valuers.</p> <p>In general there is a low level of uncertainty, however there is greater uncertainty related to stormwater assets.</p>	 <p>Medium Depreciation and interest costs would increase if capital expenditure was required earlier than anticipated.</p> <p>Levels of service could be diminished if asset condition is not appropriately assessed.</p> <p>The greater uncertainty relating to the asset lives of stormwater assets has a relatively low impact. The impact of the failure of a section of stormwater pipe is minor, as compared to water or wastewater pipes.</p>	<p>There is some room to reprioritise the ‘should do’ capital projects and our renewal programme in the event of early expiration of assets.</p> <p>Council has a robust asset management planning process which includes regular condition monitoring and assessment for most of our assets. Risk is minimised by performing a combination of physical inspections and condition modelling assessments of underground assets; estimating any deterioration or surplus capacity of an asset. Priority is given to those assets that will have the greatest impact on levels of service.</p> <p>Where a decision is made not to replace an asset, this will be factored into capital projections.</p>



Asset funding

Assumption – Most likely scenario		
Our assumption is that sources of funds for capital expenditure will be in accordance with our Revenue and Financing Policy.		
Data source		
MPDC Revenue and Financing Policy: refer to Section 7		
Other possible scenarios		
<ul style="list-style-type: none"> Sources of funds are not achieved Cost of alternative funds is high to certain ratepayer groups leading to constraints on these options The community does not support use of these options 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Medium Some sources of funding are more uncertain than others (refer to assumptions on Waka Kotahi (NZTA) subsidy funding and Development Contributions). There is a greater level of certainty around the funding of the replacement of assets over their useful lives from rates and the utilisation of borrowing where asset replacement funds have been exhausted.</p>	 <p>High Council may have to utilise alternative sources of funding with potential impacts to rates and debt, or will need to defer or reconsider the project. Each additional \$1 million borrowed would increase interest costs by an average of \$54,100 per annum and increase rates by 0.099%</p>	<p>Every year, Council reviews the replacement cost of assets and seeks to recover increased funding requirements through rates (in most but not all cases). Other available funding sources are reviewed on an annual basis through the Annual Plan budget review. At this time Council can also reduce capex levels and/or levels of service to meet funding constraints.</p> <p>Council maintains sufficient headroom in its borrowing portfolio to ensure that funding can be accessed when required.</p>



Asset revaluation

Assumption – Most likely scenario		
<p>Our assumption is that the forecast movement in asset valuations will be in line with the Local Government Cost Index as outlined in the Inflation section (following), and in line with the expected timing of the valuations of the various classes of assets.</p> <p>Note: Infrastructure of significant value (roading and three water assets) is revalued annually in order to smooth volatility in rates that may occur from revaluing less regularly. Land and building valuations are completed every 3 years as movements for these assets have less financial impact on rates given their relative value.</p>		
Data source		
MPDC Asset Management Plans, Asset Management Register, and BERL <i>Cost adjusters 2023 final update</i>		
Other possible scenarios		
<ul style="list-style-type: none"> Assets values are under/overstated and therefore the budgeted recovery of funding for the replacement of assets is too high or too low, and the projected balance sheet does not reflect accurately the value of MPDC's assets 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Medium Uncertainty around asset values is higher in times of high inflation.</p> <p>For some assets our data is limited, for example construction costs.</p>	 <p>High The impact of asset valuations will likely result in changes to the forecasted rates and debt in this Long Term Plan.</p>	<p>Our regular valuation cycle ensures that valuations are regularly brought up to date as accurate.</p> <p>Valuers use comparable data from neighbouring councils to verify construction costs. A regional approach to valuations is currently being developed.</p> <p>In our Annual Plan budget review we review the impact of recent revaluations and can reduce capex levels and/or levels of service to meet funding constraints.</p>



Vested assets

Assumption – Most likely scenario		
<p>Our assumption is that based on current growth projections, subdivisions will continue to be completed, and associated assets transferred to Council ownership.</p> <p>Note: Vested assets are assets created through developments which are then transferred to Council ownership, and become Council's responsibility to maintain, insure and eventually replace in the future.</p>		
Data source		
<p><i>Waikato Projections</i>, Te Ngira: Institute for Population Research (formerly NIDEA) link Housing and Business Assessment, MPDC link</p>		
Other possible scenarios		
<ul style="list-style-type: none"> • Council has significantly more assets vested thereby increasing the depreciation and operating costs in subsequent years • Council has significantly less assets vested thereby reducing the depreciation and operating costs in subsequent years 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Low Council has reviewed growth data and completes a business and housing assessment every 3 years.</p>	 <p>Low Proportion of additional assets is low and therefore the associated financial impact would be low.</p> <p>In addition, growth generally brings additional rating units to spread the cost.</p>	<p>Council has recently joined Future Proof to consider growth implementation specific to the Waikato region.</p> <p>Growth forecasts are updated regularly in order to ensure vesting predictions are kept up to date.</p>

Development contributions

Assumption – Most likely scenario		
<p>Our assumption, using growth projections as a basis, is that income from development contributions will occur at a steady rate over the life of the Long Term Plan and that the capital costs of development will be recovered as per our Development Contributions Policy.</p> <p>Note: Most infrastructure assets have very long useful lives. In order to make sure the period of funding and the period of benefit are the same, a long life funding tool such as development contributions must be used. Our Development Contributions Policy allows for the costs of growth related infrastructure to be recovered over 25 years, ensuring that each generation of development ‘pays its own way.’ That is to say, each generation of development pays only for its own needs, not those of future generations.</p>		
Data source		
MPDC Development Contributions Policy, Growth Projections and Asset Management Plans		
Other possible scenarios		
<ul style="list-style-type: none"> The amount of funding raised from Development Contributions over 25 years does not cover the growth component of capital works planned The projects do not go ahead and we have overfunded the growth component 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Medium Growth could be higher or lower than projected due to a range of factors such as strength of the economy, and population changes.</p> <p>Growth may not occur in the areas where we have provided for development to happen.</p>	 <p>Medium Revenue from development contributions over the ten-year period is budgeted at \$19.6 million.</p> <p>If growth does not occur as predicted, revenue from development contributions will drop and we may have to borrow additional funds or reconsider the growth related projects.</p>	<p>The growth assumptions within the Development Contributions Policy are considered robust as they are based on Te Ngira:Institute for Population Research (formerly NIDEA) population modelling used across the Long Term Plan.</p> <p>Project scoping is completed for growth projects to ensure up to date costs are used.</p> <p>Growth data and project costs are regularly reviewed.</p>

Waka Kotahi NZ Transport Agency funding



Assumption – Most likely scenario		
<p>Our assumption is that for roading maintenance, renewals and capital projects</p> <ul style="list-style-type: none"> The rate of subsidy of 51% for our Land Transport activities will remain constant over the life of the Long Term Plan Operating and capital expenditure programs will be fully co-funded by Waka Kotahi NZ Transport Agency over the life of the Long Term Plan and our subsidy income will be as predicted. <p>Note: We receive annual subsidies of over \$6 million from Waka Kotahi NZ Transport Agency to co-fund our annual roading programme. The funding assistance rate is reviewed by Waka Kotahi NZ Transport Agency every 3 years and has been confirmed for the next three-year period to continue at 51%.</p>		
Data source		
MPDC Land Transport Activity Management Plan		
Other possible scenarios		
<ul style="list-style-type: none"> The total available funding pool through the Government Policy Statement may be less than we have assumed in the Long Term Plan 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>High The Government Policy Statement has not been confirmed. Accordingly, while the co-funding rate of 51% is certain for the next 3 years at least, the total pool of available funds is not certain.</p> <p>Funding decisions for regular programmes of work have not all been finalised and this may affect programme delivery in the first three years.</p>	 <p>High The total subsidy received could be higher or lower than expected.</p> <p>Beyond the next 3-year period, if the funding assistance rate from Waka Kotahi NZ Transport Agency was reduced from the current rate of 51%, ratepayers would need to fund a greater share, or we would need to review our projects or level of service.</p> <p>If Waka Kotahi NZ Transport Agency does not approve the value of the work programme that Council has requested, there will be two options:</p> <ol style="list-style-type: none"> Council would need to cut-back the roading programme which will impact the level of service 	<p>Maintenance of a positive relationship with Waka Kotahi NZ Transport Agency allows frequent communication and the awareness of issues in advance.</p> <p>Our working partnership with Waikato Regional Council, through the Regional Land Transport Committee, provides the basis of long-term investment decisions. Our planning has been done in partnership with Waka Kotahi NZ Transport Agency (including Transport System Plan).</p> <p>MPDC will seek other sources of funding as they become available to minimise risk e.g. the transport choices fund etc.</p> <p>If funding from Waka Kotahi NZ Transport Agency is reduced, ratepayers would need to fund a greater share, or we would need to review our projects or level of service.</p> <p>If our work programmes are not approved by Waka Kotahi NZ Transport Agency, then we will need to review our budgets. Work that would otherwise receive subsidy may be deferred, or the approved three year programme may be adjusted as part of future Annual</p>

	<p>that we provide. The extent of the impact would depend on the amount of the funding cut <i>or</i></p> <p>2. Council would need to fund any shortfall. As an indication, if the operating funding contribution drops by 10% (a reduction in funding of \$320,000 for 2024/25) rates would have to increase by \$320,000, or 0.54%. If the capital funding contribution drops by 10% (a reduction in funding of \$346,000 for 2024/25) then Council's debt would increase by the same amount, and rates would need to be increased in subsequent years to repay that debt and interest.</p>	<p>Plans. A reduction in the level of subsidy by 1% per annum would increase general rates by 0.18% on average over the 10 years of the plan and/or would affect the level of service we provide.</p>
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Te mahere kaupapahere

I Policy landscape



Local government reform

Assumption – Most likely scenario		
<p>Our assumption is that</p> <ul style="list-style-type: none"> • Most of Council’s current structure, roles and functions will remain the same except where this has been clearly stated in the Long Term Plan • Council’s electoral arrangements for Te Toa Horopū ā Matamata-Piako may need to be reviewed to reflect any legislative change 		
Data source		
<p><i>Incoming Government Coalition Agreements</i>, Taituarā <i>The Future for Local Government</i>, Department of Internal Affairs link</p>		
Other possible scenarios		
<ul style="list-style-type: none"> • The structure of local government changes and moves to unitary, combined or other governance model • There are changes to the boundaries of local government in our region • Central government allocates or removes responsibilities for services to local government and/or the regional council allocates responsibility for additional services or standards to local government in the Waikato region that requires immediate action and affects our capacity to deliver 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Medium Changes may be made to the structure or function of local government over the Long Term Plan period.</p>	 <p>Medium There could be significant restructuring, reorganisation or establishment costs incurred.</p> <p>There would be associated financial and rating changes as a consequence.</p> <p>Changes in the purpose and role of local government may have substantial impacts on budgets and financial forecasts and may require an amendment to the Long Term Plan.</p>	<p>The Council will proactively monitor and engage in discussions regarding local government reform.</p>

Resource management reform

Assumption – Most likely scenario		
<p>Our assumption is that resource management reforms take place as outlined in the Coalition Agreements and 100 Day Plan. This includes the repeal of the majority of the Natural and Built Environment Act 2023 (NBEA) and the Spatial Planning Act 2023 (SPA), and the review of the National Policy Statement on Freshwater Management 2020 as the first phase. The first step in this plan has been achieved by the repeal of the majority of the NBEA and SPA on 24 December 2023.</p>		
Data source		
<p><i>Incoming Government Coalition Agreements, Taituarā</i></p>		
Other possible scenarios		
<ul style="list-style-type: none"> Reforms take a different direction than is currently planned by central government 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
		<p>Council will proactively monitor and engage in discussions regarding resource management reform.</p>
<p>High High level of uncertainty as to timeframes and content of any new legislation.</p>	<p>Medium It is assumed that any significant changes will be phased in over a time period that allows councils to adjust budgets and planning.</p>	<p>We are continuing with District Plan reviews.</p>

Water reform

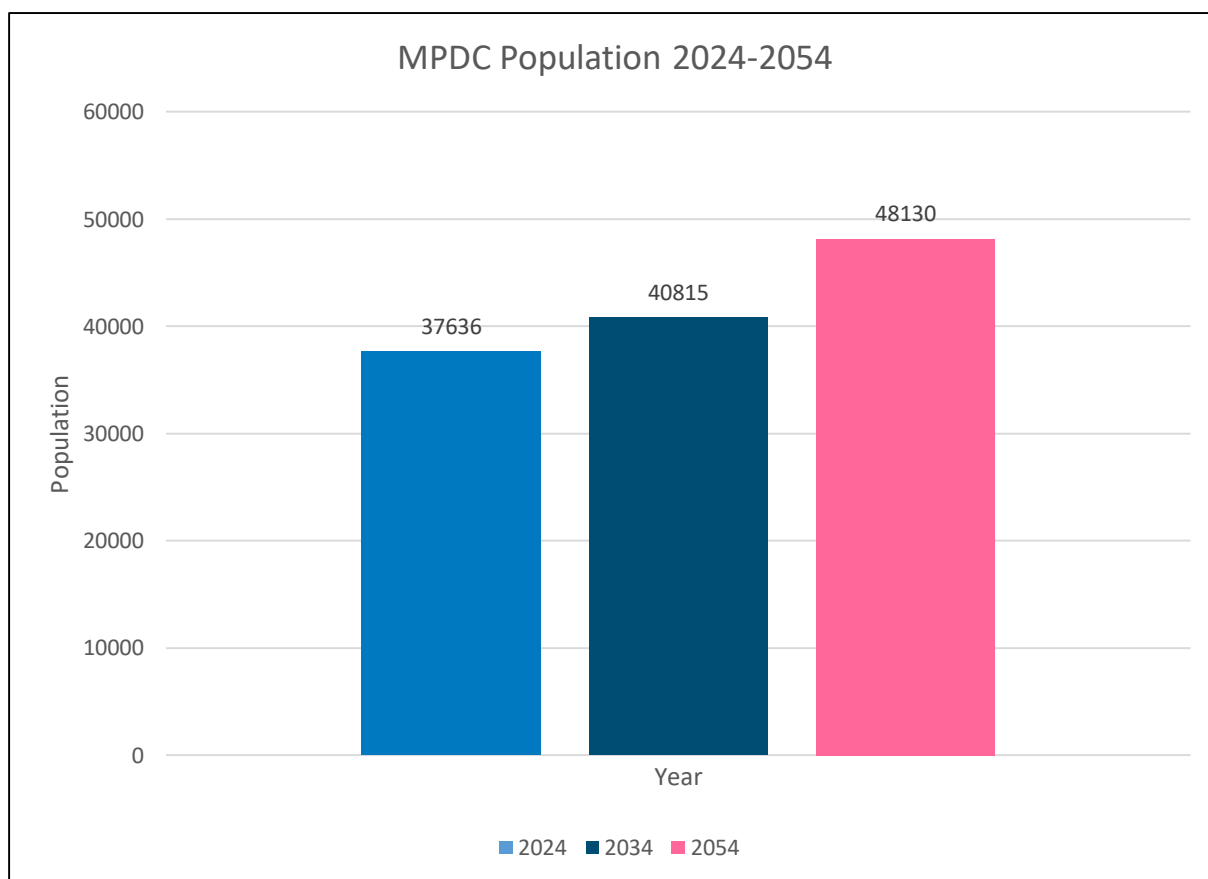
Assumption – Most likely scenario		
<p>Our assumption is that</p> <ul style="list-style-type: none"> In line with the government's Local Water Done Well policy, there will be changes to the ownership and/or management models for water assets that affect Matamata Piako District Council 		
Data source		
<p><i>Incoming Government Coalition Agreements, Taituarā</i> Water Services Acts Repeal Bill link Press release from Minister link</p>		
Other possible scenarios		
<ul style="list-style-type: none"> The ownership and management of water services are reformed in ways that have unanticipated consequences for Council 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>High High level of uncertainty as to the nature and timeframes for change.</p>	 <p>Medium Any new ownership or management structures for three waters assets will have cost implications for Council.</p>	<p>Provision of drinking water, stormwater and wastewater services are critical to the health and wellbeing of our community. And the costs of managing these assets is continuing to rise. We will therefore continue to carefully plan, budget for and manage these critical assets.</p> <p>We will stay up to date with latest advice and guidance to the local government sector.</p> <p>We will proactively participate in the process of developing any new water ownership and/or management model that incorporates our district.</p>

Te whakawhānui me te hiahia | Growth and demand

Population growth



Assumption – Most likely scenario

Our assumption is that Council's population, household growth, and location of growth, align with Te Ngira's high growth projections for Matamata Piako.





Data source

Waikato Projections, Te Ngira: Institute for Population Research (formerly NIDEA) [link](#)

Other possible scenarios		
<ul style="list-style-type: none"> Population/ household growth occurs faster or slower than predicted and/or in different locations than assumed 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Medium Projections developed by Te Ngira use the 2018 Census data as a base for the projection model, which has a 50-year horizon to 2068. There is a risk of projections being wrong, as assumptions are made about the rate of births, deaths and migration in the district.</p>	 <p>Medium Growth that occurs differently from that planned, will put pressure on our infrastructure. We may need additional infrastructure or may need to bring infrastructure projects forward. This would then impact depreciation.</p> <p>Population growth also has an impact on rates – if it is higher than projected, rates per property will be lower because we can spread our costs across more ratepayers unless additional infrastructure is needed to meet the additional growth. However, if it is lower than projected, the opposite occurs and rates would be spread across less ratepayers.</p>	<p>Council uses population projections as a key planning tool. Following the release of Census 2023 data, Council will compare this to projected figures and make any adjustments as necessary.</p>

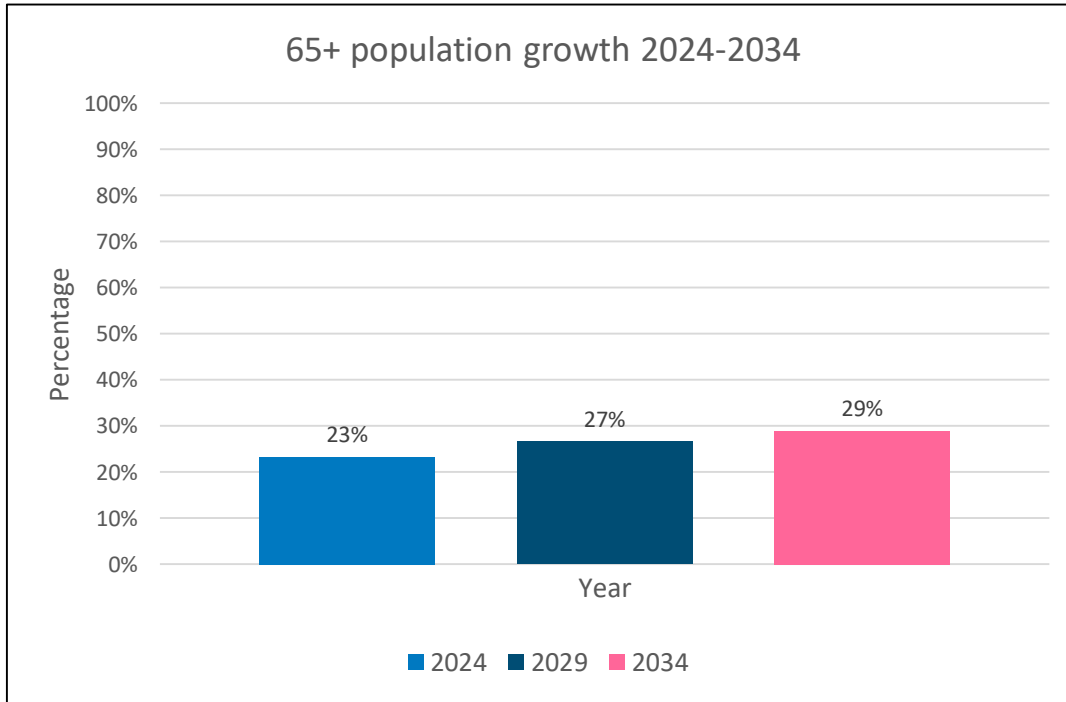
Rating unit growth

Assumption – Most likely scenario									
<p>Our assumption is that the number of rating units in the district will continue to grow, consistent with the population growth. Projected growth in the number of rating units applied in the calculation of rates over the ten years of the LTP is as follows:</p>									
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
15,622	15,778	15,935	16,095	16,256	16,418	16,583	16,748	16,916	17,085
Data source									
<p>The projection is estimated based on 1% growth per annum. To compare, the growth between 2022/23 and 2023/24 was 1.15%</p>									
Other possible scenarios									
<ul style="list-style-type: none"> Growth in the number of rating units occurs faster or slower than predicted 									
Level of uncertainty			Risk: Impact if other scenario occurs				Managing the risk		
							<p>Rating unit projections are updated annually for the modelling and assessment of rates, taking into account new rating units added, and growth from subdivisions and consents expected to be issued prior to the start of the rating year.</p>		
<p>Medium Growth can fluctuate from year to year.</p>			<p>Low A change in the number of rating units in each year does not have a significant effect on the value of rates calculated for individual properties.</p>						

Demographic changes – Age

Assumption – Most likely scenario

Our assumption is that the proportion of the district’s population over 65 continues to rise in line with national trends.



Data source

Waikato Projections, Te Ngira: Institute for Population Research (formerly NIDEA) [link](#)

Other possible scenarios

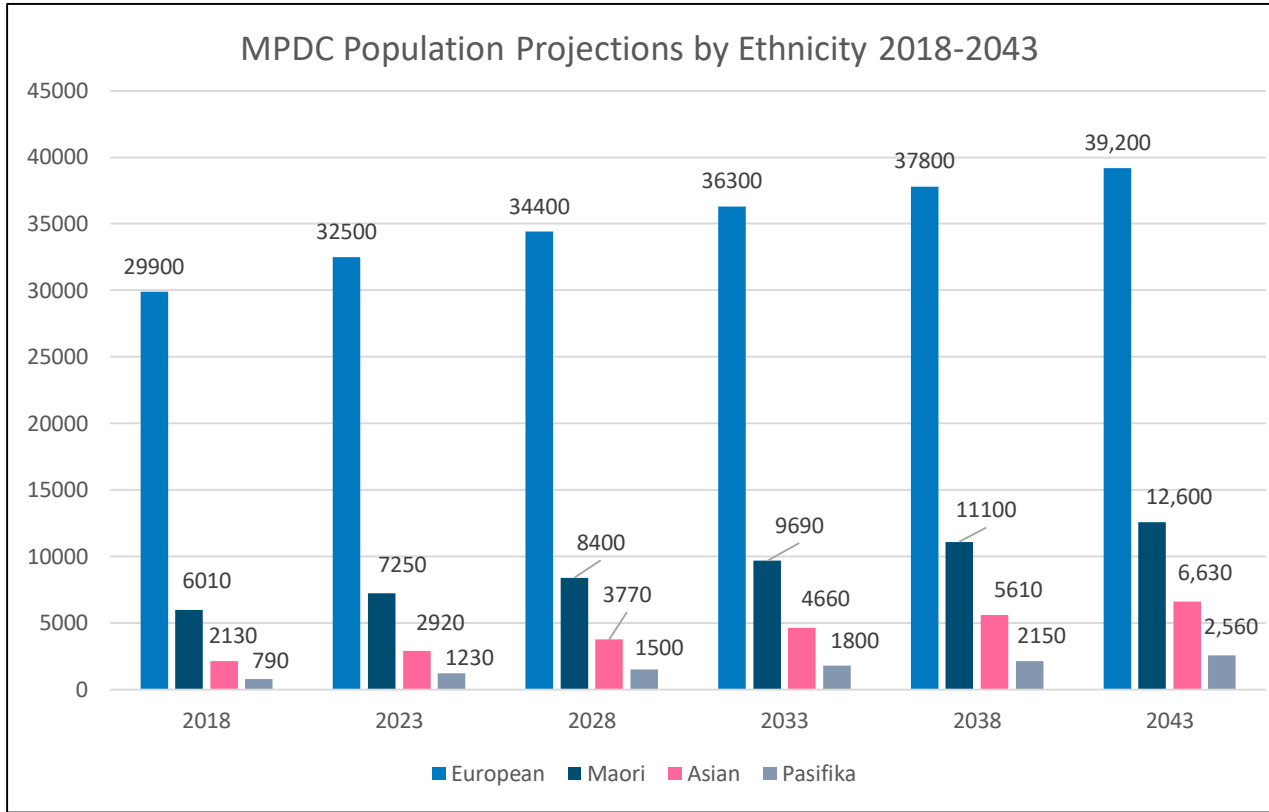
- A different population demographic profile is realised than the one that is currently projected

Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
<p>Low-Medium At a national level the population is projected to age at a similar rate to our district. However, factors such as high house prices in Auckland leading to outward migration, and changes in immigration policy could potentially lead to more families and younger people moving to the area than currently assumed.</p>	<p>Low-Medium Changing age demographics may have an impact on housing, recreation, health and service provision needs. This may require alterations to our work programmes, however there should be time to respond and budget for these changes taking into consideration the needs of our communities.</p>	<p>We will monitor age composition of the population at each Census to see how this aligns with projections and make any adjustments to our work plan as necessary.</p>

Demographic changes – Ethnicity

Assumption – Most likely scenario

Our assumption is that the district's population continues to grow across all ethnicities.



Data source



Ethnic population projections-subnational ethnic pop projections 2043 update, [Stats NZ Ethnicity: 2018-2043](#)

Other possible scenarios

- The district's ethnic profile may change with migration into New Zealand

Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
<p>Medium Migration policy and job opportunities may have impacts on the ethnic composition of our district.</p>	<p>Low Growth in different ethnic groups may bring different demands on service provision, and different opportunities.</p>	<p>We will monitor ethnic composition of the population at each Census to see how this aligns with projections and make any adjustments to our work plan as necessary.</p>

Demographic changes – Socioeconomic

Assumption – Most likely scenario									
Our assumption is that the pattern of socioeconomic deprivation in Matamata Piako district continues along the same lines as the 2018 results from the NZDep2018 analysis of census 2018 variables report.									
Percentage of households in Matamata Piako district in each NZDep2018 Decile									
1 Least deprived	2	3	4	5	6	7	8	9	10 Most deprived
2.9%	4.9%	4.4%	10.7%	12.2%	13.0%	22.2%	16.4%	8.0%	5.2%
Data source									
New Zealand Deprivation Index 2018 Analysis of Census 2018 Variables Report, University of Otago link									
Other possible scenarios									
<ul style="list-style-type: none"> The district’s pattern of socioeconomic deprivation may deviate from the current pattern 									
Level of uncertainty			Risk: Impact if other scenario occurs				Managing the risk		
							We regularly monitor research in this area to see how it aligns with projections and make any adjustments to our work plan as necessary.		
Low-Medium Housing affordability and job opportunities impact the socioeconomic profile of some communities.			Low-Medium Socioeconomic deprivation in neighbourhoods may place increased or reduced demands on some services.						

Employment sectors

Assumption – Most likely scenario

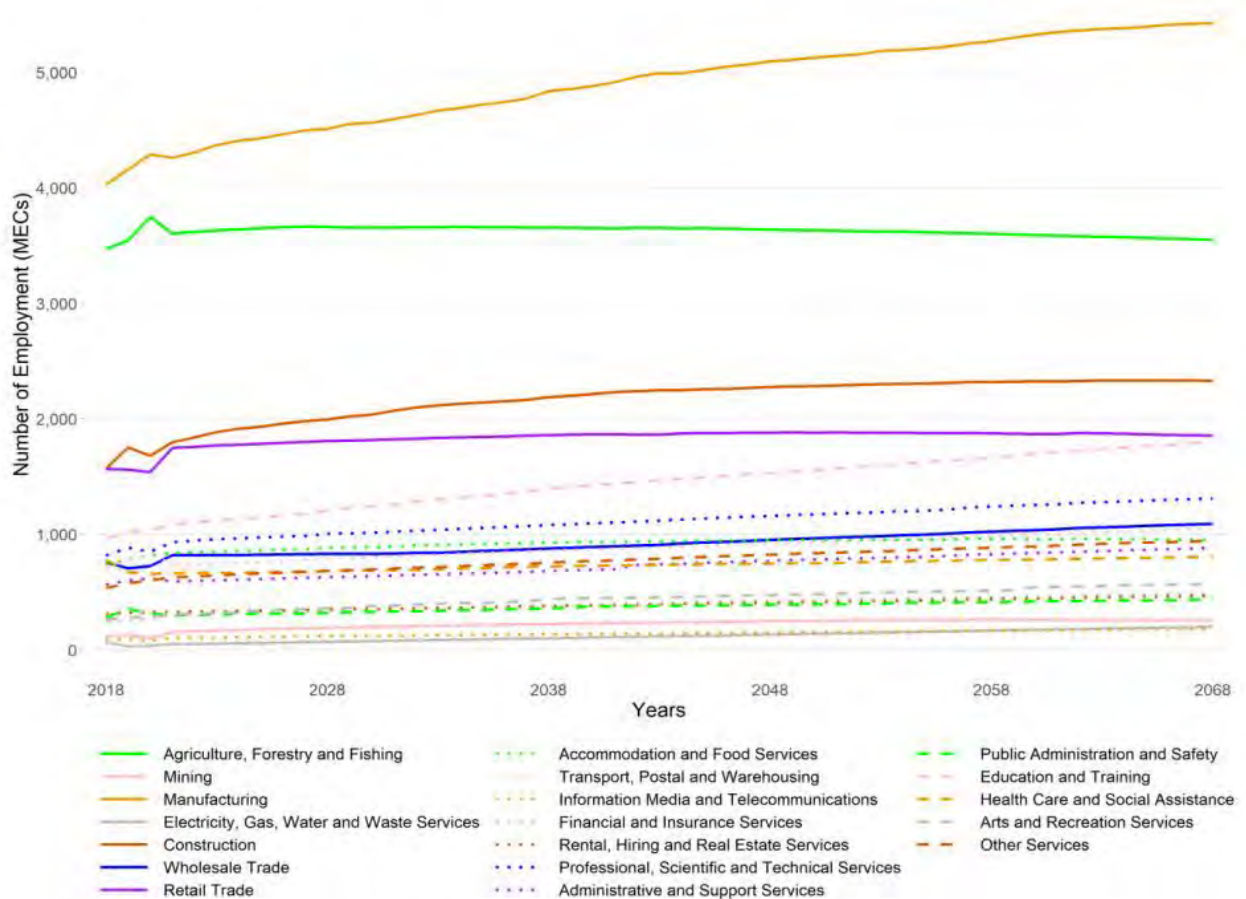
Our assumption is that in the next 50 years:

- Manufacturing continues to be the largest sector for employment, followed by Agriculture, Forestry and Fishing and Construction
- The highest growth sector will be Manufacturing
- There will be a slight decline in Agriculture, Forestry and Fishing

Note: A considerable proportion of the Manufacturing sector is directly linked to agricultural production, in the form of meat, dairy and food processing.

Graph

Figure 18 Matamata-Piako District Employment under a High Growth Scenario, 2018 to 2068





Note: The employment figures for 2018 through to 2020 are actuals derived from StatsNZ's 2020 Business Directory.

Data source

Employment projections 2021 Report (pp 26-28) Te Ngira [link](#)

Other possible scenarios

- Employment growth occurs faster or slower than predicted, and/ or in different sectors than assumed

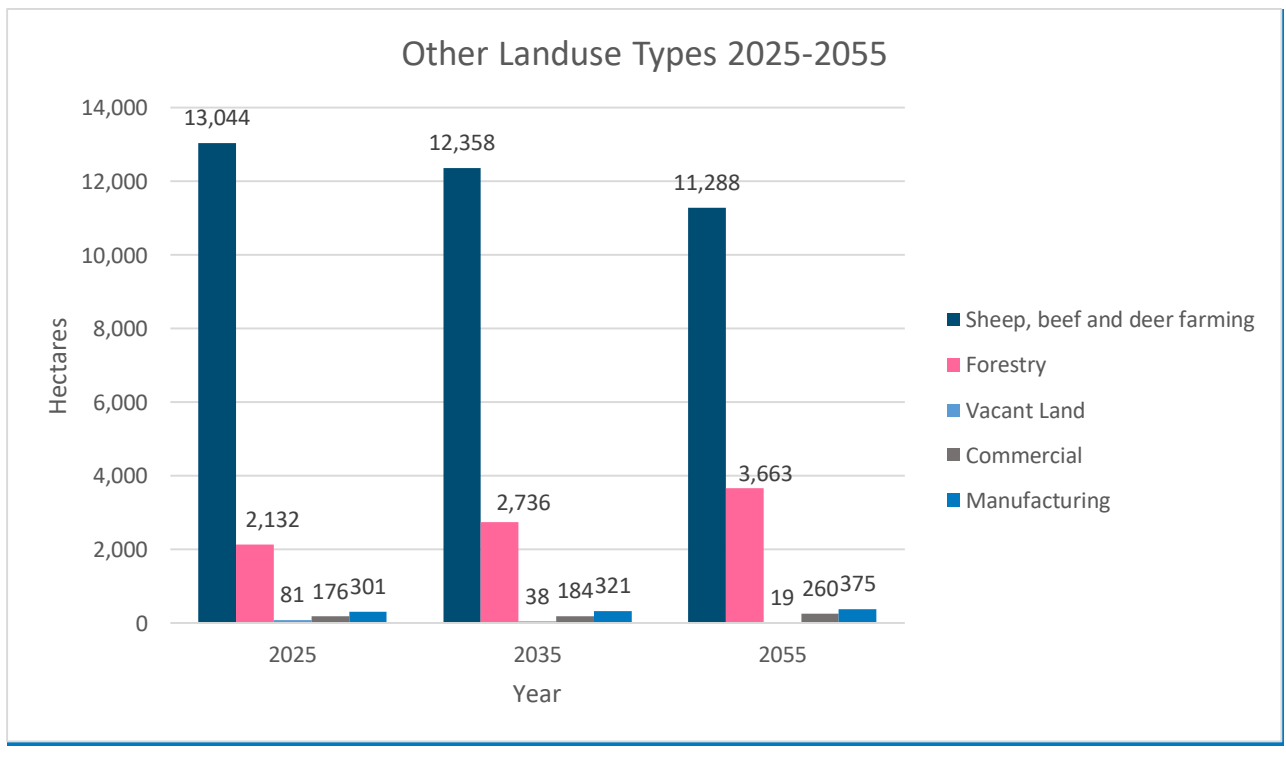
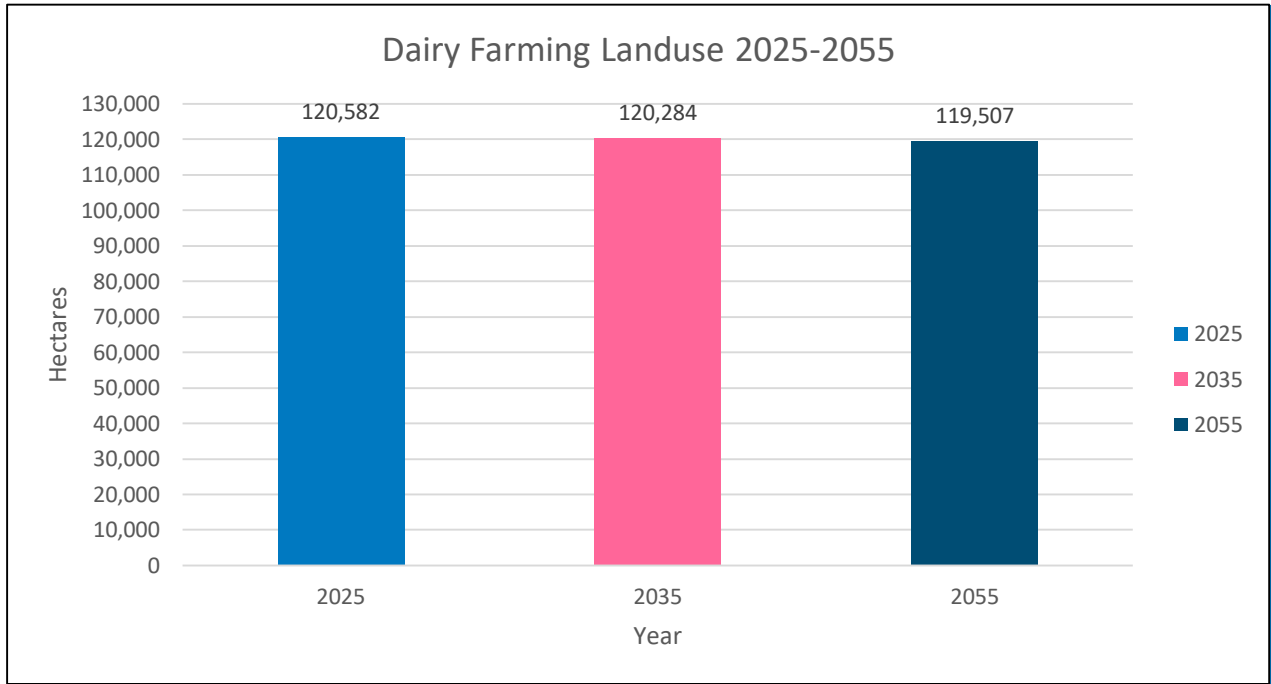
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
		<p>We review employment trends at least 3 yearly, in line with the Long Term Plan.</p>
<p>Low Employment projections are based on robust data</p>	<p>Low-Medium Council should have time to adjust planning if employment trends shift. Changes to employment sectors can have flow on effects to household incomes and land use planning.</p>	



Land use change

Assumption – Most likely scenario

Our assumption is that

- As a result of policy change at national and local government levels, land use change particularly residential growth on the periphery of Morrinsville, Matamata and Te Aroha will decrease, and development within existing urban areas will increase
- Papakāinga development will occur as a result of the recent Plan Change 54: Papakāinga



Data source		
<p><i>NPS-UD Housing Development Capacity Assessment</i>, prepared for Future Proof link <i>Landuse Projections</i>, Te Ngira link</p>		
Other possible scenarios		
<ul style="list-style-type: none"> Land use change may occur at a faster or slower rate than anticipated Land use may occur in areas other than those we have planned for, particularly given the application of the National Policy Statement – Urban Development and the National Policy Statement – Highly Productive Land across the wider district, especially the use of productive rural land for housing 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
		<p>Land use changes need to be advanced as a comprehensive package of greenfield and brownfield development.</p> <p>Partnership with other government agencies will play a key role; as will staged development and investment in infrastructure to support development.</p> <p>Provision is made for growth for district-wide infrastructure and investment. (This is discussed further in the Infrastructure Strategy).</p> <p>Development Contributions are used to fund the capital costs of required infrastructure works to support growth. Ongoing operational funding will be required to look after these assets going forward.</p> <p>Strong input and collaboration with Waikato Regional Council will significantly aid the advancement of future land use changes.</p>
<p>Medium Land use change is certain but the proportion of this change that equates to housing growth or changes in rural landuse types is less certain. It relies on community responses, political willingness, costs of additional infrastructure, market forces, and government agency partnerships.</p> <p>Council is enabling housing growth to meet forecasted demand, particularly around Morrinsville and Matamata.</p> <p>Council is proposing to enable the development of papakāinga housing through Plan Change 54: Papakāinga. The scale of future developments as a result of this plan change is unknown.</p>	<p>Medium If land use changes are different to those we have planned for there could be flow on costs to Council to adapt to these changes.</p>	

Te huringa āhuarangi me ngā manahautanga | Climate change and resilience

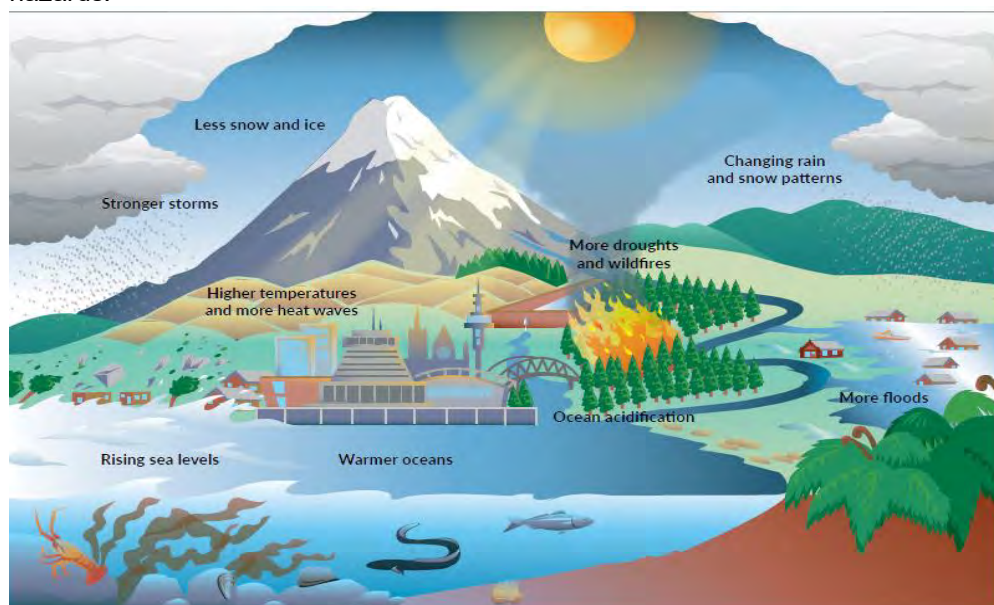
Climate Change

Assumption – Most likely scenario

Our assumption is that

- Climate change occurs in line with Ministry for the Environment projections and the Matamata Piako Climate Impact Report referenced below
- Council's assets and services are impacted by climate change as outlined in the Infrastructure Strategy

Ministry for the Environment's National Climate Change Risk Assessment gives a national picture of the risks New Zealand faces from climate change. The graphic below from this report summarises the key hazards.



Our Atmosphere and Climate 2023 report, from the Ministry for the Environment and Stats NZ, gives an updated overview of how and why our climate and atmosphere are changing and considers the current and future effects of these changes on the things communities value.

In addition, Waikato Regional Council have modelled climate change impacts for the Waikato region as a whole and for each district, including Matamata Piako. Projections indicate that our district can expect to experience increasingly frequent and severe extreme storm events, higher temperatures and more frequent episodes of drought.

Data source

National climate change risk assessment for New Zealand Snapshot 2020 Ministry for the Environment [link](#)



Our Atmosphere and Climate 2023 Ministry for the Environment, Stats NZ [link](#)

Matamata-Piako District Climate Impact Report Applying CMIP6 Data, prepared by CLIM Systems for Waikato Regional Council, October 2021



MPDC Infrastructure Strategy

Other possible scenarios



- Climate change impacts are less or more severe, and occur sooner or more slowly than projected
- Council’s assets and services are more or less severely impacted by climate change

Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
		<p>Council will stay up to date with the latest science on climate change projections.</p>
<p>High There is a high level of uncertainty as to exactly how climate change will impact our region.</p> <p>One of the ways in which this uncertainty is managed is by using climate change scenarios. The climate projections in the Climate Impacts Report are based on the IPCC 6th Assessment Report, and use two different climate scenarios:</p> <ol style="list-style-type: none"> 1) A moderate emissions scenario (+2.7°C warmer world) – the path we are currently on if we follow current policy settings. 2) A very high emissions scenario (>4°C warmer world). 	<p>Medium-High If climate change impacts our district sooner or more severely than projected, we may be insufficiently prepared and could incur additional unplanned capital and renewal costs in response and recovery.</p> <p>If the impacts of climate change are less severe than projected then we may have spent more than was needed on upgrades to our assets.</p>	<p>Council will undertake a best practice risk assessment of Council assets and services using at least two climate scenarios.</p> <p>Council will use best practice adaptation planning processes that take uncertainty into account.</p> <p>Council will undertake flood mapping, stormwater modelling, water sustainability and waterway quality protection work to plan for more resilient services.</p> <p>Council will work with iwi and the community to create a climate change strategy that meets the needs of the community and increases resilience.</p> <p>Council will strengthen governance processes in respect to climate change to ensure robust decision making and oversight.</p> <p>Council will seek to work collaboratively with others building on shared knowledge to create local solutions.</p>



Natural hazard emergencies

Assumption – Most likely scenario		
Our assumption is that an earthquake or other natural hazard emergency does not significantly impact the district in the Long Term Plan period.		
Data source		
<i>Earthquake hazard in the Waikato region</i> , Waikato Regional Council link <i>Civil Defence Emergency Management Group Plan</i> link		
Other possible scenarios		
<ul style="list-style-type: none"> An earthquake or other natural hazard emergency significantly impacts the district during the Long Term Plan period 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Medium As with all natural hazard events, there is always some uncertainty as to what will occur.</p>	 <p>High Matamata-Piako could incur loss of life and injury, damage to assets and infrastructure, financial impact on the community and reduction in the local/ sub-regional economy requiring significant investment in recovery. Council may be required to make considerable resourcing and financial investment to return essential services to pre-impact capacity.</p>	<p>Council has insurance cover of \$15m for fire and \$150m for other natural disasters. Council has business continuity and emergency management plans, building standards, identification of earthquake prone buildings and public readiness information.</p>

Impacts of Covid-19



Assumption – Most likely scenario		
Our assumption is that remaining Covid-19 impacts on economic activity will continue to lessen over the LTP period.		
Data source		
BERL <i>Cost adjusters 2023 final update</i>		
Other possible scenarios		
<ul style="list-style-type: none"> A resurgence of Covid-19 has a significant impact on economic activity 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Low We have confidence in the BERL analysis that the effects of Covid disruption have mostly but not completely dissipated and that the World Health Organisation no longer considers Covid-19 to be a global health emergency.</p>	 <p>Medium If a resurgence of Covid-19 impacts economic activity in the district this will have impacts on Council’s revenue, project costs and supply chains.</p>	<p>We have operational resilience practices and business continuity plans and health and safety plans to ensure Council’s essential activities continue to function in the event of a lockdown and non-essential services have the capacity to operate as fully as is safely possible.</p> <p>Our experience of Covid-19 means we are well placed to support the community in the event of future pandemics.</p>

Emergency management



Assumption – Most likely scenario		
<p>Our assumption is that during and after an emergency Council can continue operating to deliver essential services to the community, albeit at a reduced level.</p>		
<p>Data source</p>		
<p>Civil Defence Emergency Management Group Plan link</p>		
Other possible scenarios		
<ul style="list-style-type: none"> Council’s ability to function is severely disrupted in the event of a disaster and we are unable to protect the community from hazards or events which compromise their physical and emotional wellbeing; and/or provide essential services to the fullest extent possible within appropriate timeframes 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Medium Although robust planning and processes are in place to respond to an emergency, there is always some uncertainty as to the possible scale of any future emergency event.</p>	 <p>High Matamata-Piako could incur moderate to severe levels of community impacts including loss of life, injuries, assets and infrastructure interruption, financial impact on the community and reduction in the local/sub-regional economy requiring significant investment in recovery. Council may be required to make considerable resourcing and financial investment to return essential services to pre-impact capacity and to increase the resilience of assets to withstand future emergencies.</p>	<p>Council is part of the Waikato Civil Defence Emergency Management (CDEM) Group. As part of the Group Plan, Council is undertaking risk assessments over the period of the next Long Term Plan to understand community risks and to ensure the ongoing improvement of Council’s emergency management system and response.</p> <p>Additionally, Council has:</p> <ul style="list-style-type: none"> Insurance for its critical assets Business continuity plans Emergency management response and recovery plans and ongoing collaboration with Waikato Regional CDEM Group partner agencies Community resilience education delivered through local CDEM Established protocols for public alerting and issuing of warnings Partnership structures with emergency service, iwi and social sector partners

Te tūtohutanga I Compliance



Drinking water

Assumption – Most likely scenario		
<p>Our assumption is that</p> <ul style="list-style-type: none"> The 2022 Drinking Water regulations will not change significantly in the near future We have allowed for sufficient funding to achieve compliance 		
Data source		
<p>Taumata Arowai link MPDC Activity Management Plans</p>		
Other possible scenarios		
<ul style="list-style-type: none"> The regulator significantly changes the 2022 Drinking Water regulations within the Long Term Plan period and the standards become more stringent 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
		<p>We will continue to liaise closely with Taumata Arowai and we will contribute our views and/or provide comments on potential changes to drinking water regulations.</p>
<p>Low The 2022 Drinking Water regulations have been introduced following an extensive consultation process and they are unlikely to be changed significantly in the near future.</p>	<p>High If compliance requirements significantly increase we will incur additional costs to meet the new standards. Improvements to water quality are expensive so this would have a significant financial impact - increasing our capital expenditure and resulting in an increase in depreciation.</p>	



Stormwater

Assumption – Most likely scenario		
<p>Our assumption is that</p> <ul style="list-style-type: none"> Stormwater compliance requirements will become more stringent over the period of the Long Term Plan Our discharge consent for 2024 will include some of these requirements Some capital and operational investment will be required to meet these new requirements 		
Data source		
Supporting documents for Draft Comprehensive Stormwater Discharge Consent Application MPDC Activity Management Plans		
Other possible scenarios		
<ul style="list-style-type: none"> Stormwater compliance requirements do not increase and no additional funding is required The requirements in our consent become more stringent than we anticipated and additional funding is required from what we have planned for 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Low We are confident that we have a good understanding of the stormwater discharge issues that we will be required to address within the new consent which we will submit by the end of March 2024, and we have undertaken planning accordingly.</p> <p>Our understanding of the issues is based on a Technical Assessment Report completed in 2023, which was produced as supporting material for our stormwater discharge consent application.</p>	 <p>Medium If compliance requirements do not increase, we may end up spending more than necessary on Stormwater quality improvements or have collected more rates from our ratepayers than required.</p> <p>If requirements are more stringent, we may not have enough budget to ensure we have undertaken enough upgrades to our Stormwater network to meet new conditions of consent and would need to reprioritise some other work or seek more funding.</p>	<p>This risk will be managed by phased implementation of the Stormwater quality improvement programme in the Long Term Plan, which is aligned with the approach taken in our discharge consent.</p>

Wastewater

Assumption – Most likely scenario		
<p>Our assumption is that</p> <ul style="list-style-type: none"> Wastewater compliance requirements become more stringent over the period of the Long Term Plan Additional capital and operating budgets are required to meet these requirements Our new discharge consents have new consent conditions we need to meet 		
Data source		
Supporting documents for Draft Wastewater Discharge Consent Application MPDC Activity Management Plans		
Other possible scenarios		
<ul style="list-style-type: none"> Wastewater compliance requirements do not increase and no additional funding is required The requirements in our consent become more stringent than we anticipated and additional funding is required from what we have planned for 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Low We are confident that we have identified the key wastewater discharge issues that we will be required to address within the new consent which we plan to submit in May 2024, and we have undertaken planning accordingly.</p> <p>Our understanding of the key issues is based on consultation with iwi and environmental groups which was carried out as part of the wastewater discharge consent renewal application process</p>	 <p>Medium If compliance requirements do not increase, we may end up spending more than necessary on wastewater improvements or have collected more from our ratepayers without spending it.</p> <p>If requirements become more stringent than anticipated, we may not have enough budget to ensure our plants meet our new conditions of consent resulting in non-compliance or the need to reprioritise spending.</p>	<p>This risk will be managed by phased implementation of the wastewater improvement programme in the Long Term Plan.</p> <p>We have been working with our key stakeholders in developing our new consent application in order to understand the requirements as best as possible.</p>

Solid waste

Assumption – Most likely scenario		
Our assumption is that solid waste compliance will follow that set out in current policies and plans.		
Data source		
Waste Legislation Reform, Ministry for the Environment link MPDC Waste Management and Minimisation Plan link		
Other possible scenarios		
<ul style="list-style-type: none"> Solid waste compliance requirements are reviewed and downgraded 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Medium The Ministry for the Environment has undertaken a comprehensive review of waste legislation resulting in significant and resource intensive new requirements to work towards a low waste, circular economy.</p> <p>Central government may choose to reverse these requirements on local councils.</p>	 <p>Medium Council consulted with its community as part of its 2021 Long Term Plan and introduced a new kerbside collection service in alignment with new requirements (such as the requirement to introduce a food scraps scheme).</p> <p>If this is not required in the future, there may be queries from the community in regard to the value of this service.</p>	<p>We regularly monitor information released by the Ministry for the Environment to be able to respond effectively to directions/requirements as necessary.</p> <p>We have introduced a solid waste bylaw with more stringent requirements which anticipates coming legislation.</p> <p>We are planning for a resource recovery centre and upgrades to existing sites to meet shorter term and longer term compliance requirements.</p>

Te ngāwari o te utu | Affordability

Inflation

Assumption – Most likely scenario

Our assumption is that inflation will be in line with BERL forecasts.

Note: The forecast figures in this Long Term Plan have been adjusted to include inflation expectations over the next 10 years. We have used the Local Government Cost Index (LGCI) which has been developed based on components of both operating and capital expenditure. The inflation factors below are applied on a cumulative basis. The average inflation factor applied over the 10 years of the Long Term Plan is 2.1%. The Infrastructure Strategy, which has a 30 year horizon, is also adjusted for inflation, using an average inflation factor for the following 20 years of 2.6%.



2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
0%	2.15%	2.38%	2.24%	2.19%	2.05%	2.01%	2.06%	1.93%	1.90%

Data source

BERL *Cost adjusters 2023 final update*, Table 12 Legacy LG Aggregated Cost Adjuster
 Inflation forecasts were provided by Business and Economic Research Limited (BERL) in October 2023. BERL are contracted by Taituarā to provide such forecasts specifically for the local government sector for this purpose.

Other possible scenarios

- Inflation occurs at rates significantly different (either higher or lower) from forecasts

Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>High Inflation is affected by external economic factors that are outside of our control.</p>	 <p>Medium to High Changes could have a significant impact on rates affordability, depending on the level of variation from forecasts.</p> <p>For example, if inflation in the 2025/26 year was 1% higher than forecast, this would require an additional \$829,000 in funding.</p>	<p>Council has an opportunity to review the impact of inflation on its costs and rates at each Annual Planning round, and can plan to adjust work programmes and/or levels of service accordingly, but given the current focus of the Long Term Plan on affordability, the scope for adjustment is more limited.</p>

Borrowing

Assumption – Most likely scenario

Our assumption is that we will have ready access to loan funds at competitive interest rates. We have available headroom in our balance sheet that supports this assumption, and as a borrowing member of the Local Government Funding Agency there is more certainty in Council and the local government sector in raising liquidity and debt as needed.

Note: The projected average total cost of borrowing for each of the 10 years of the Long Term Plan is shown below. These rates include the effect of forward starting interest rate swap contracts that are currently in place for years 1 to 8 of the Long Term Plan. The interest rate projection is driven by the current implied market 90-day bank bill rate over the next 10 years. To this is added an assumed credit margin for the refinancing of existing debt and the raising of new debt.



2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
5.00%	4.83%	4.91%	5.12%	5.32%	5.55%	5.72%	5.81%	5.89%	5.95%

Data source

Projected cost of funding, as at November 2023, provided by independent advisors PWC

Other possible scenarios

- Market interest rates fluctuate significantly

Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>High There is no certainty that the forecasted interest rates will be accurate, particularly over a 10 year term, however they are based on the best information we have available at the time.</p>	 <p>High If the forecasted borrowing rates prove to be significantly understated, then additional funding may be required to maintain existing levels of service. For example, an increase in the interest rate of 0.5% would increase interest costs for 2024/25 by \$382,000 and rates by 0.65%.</p>	<p>Borrowings issued at fixed rates of interest expose Council to fair value interest rate risk. Council's approach in the Liability Management Policy is to maintain total borrowings in fixed rate instruments between a range of minimum (20% to 40%) and maximum (25% to 90%) risk control limits over the term of the forecast debt. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where the Council has borrowed at fixed rates outside of these limits.</p> <p>Council has an opportunity to review the impact of interest rates on its overall costs and rates at each Annual Planning round, and can look to slow and spread capital work programmes and/or levels of service accordingly and where this is acceptable to our regulators (if water related).</p>

Return on investments

Assumption – Most likely scenario

Our assumption is that interest rates will be in line with PWC forecasts.

Note: The interest rate projections for cash investments shown below are driven by the implied 90-day bank bill rates as implied by the wholesale swap curve, with an added margin of 50 basis points p.a. We have not budgeted to receive returns on investments held for strategic purposes over the next 10 years of this plan (as set out in the Financial Strategy). Interest earned on internally borrowed funds will be used to subsidise rates. Forecast internal interest rates shown below, are calculated at the midway point between Council's average external borrowing and average external treasury investments.

Forecast investment interest rates:

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
4.50%	4.33%	4.41%	4.62%	4.82%	5.05%	5.22%	5.31%	5.39%	5.45%

Forecast internal interest rates:



2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
4.75%	4.58%	4.66%	4.87%	5.07%	5.30%	5.47%	5.56%	5.64%	5.70%

Data source



Projected market deposit rates are provided by independent advisors PWC.

Other possible scenarios

- Market interest rates fluctuate significantly


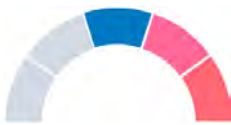
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>High There is no certainty that the forecasted interest rates will be accurate, particularly over a 10 year term, however they are based on the best information we have available at this time.</p>	 <p>Low If the forecasted interest rates prove to be significantly overstated, then additional funding may be required to maintain existing levels of service. A decrease in the investment interest rate of 0.5% would decrease interest income by \$67,000 and increase rates required by 0.11%. A reduction in internal interest would result in a shift between general and targeted rate requirements, but overall, would have no significant impact.</p>	<p>We maintain detailed cashflows to manage the investment portfolio and interest is managed on a net basis.</p> <p>We have an Investment Policy which is reviewed at least every 3 years.</p>

Project costings

Assumption – Most likely scenario		
Our assumption is that capital and operational costs will not exceed those set out in the Long Term Plan.		
Data source		
<p>BERL <i>Cost adjusters 2023 final update</i></p> <p>Project costs are based on valuation unit rates and historical expenditure on similar projects</p> <p>Project costs take into account inflation projections. See Section 5 What We Do capital projects tables which show costs including inflation.</p>		
Other possible scenarios		
<ul style="list-style-type: none"> Project costs and the scope of projects may exceed those planned for through the Long Term Plan New or enhanced regulations may have a significant impact on the scope and cost of a project 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Medium</p> <p>There are a wide range of factors that can impact the final cost, some of which are outside of Council’s control (eg inflation, supply chain issues etc.) and others that can be managed (eg the size or scope of the selected design).</p>	 <p>Medium-High</p> <p>Depending on the level of variation, significant changes to the cost of the project may make it unviable or lead to increased costs that may impact debt requirements and rates.</p>	<p>We have processes and guidance in place for the development of project budgets, which also includes guidance on setting risk/contingency amounts.</p> <p>Council has an opportunity to review detailed costings and seek quotes and tenders prior to awarding project contracts. We can consider the overall affordability of planned projects at each Annual Planning round, and can look to adjust capital work programmes and/or levels of service accordingly.</p>



Whakaratonga ā Kaunihera I Council services

Service delivery and levels of service



Assumption – Most likely scenario		
<p>Our assumption is that</p> <ul style="list-style-type: none"> Existing services and methods of delivery continue, except where this has been clearly stated in the Long Term Plan Levels of service changes are limited to those outlined in the Long Term Plan ie for Rooding we're proposing to reduce our renewals work programme – spreading the renewals out over a longer time period and closely monitoring the condition of the roads. 		
Data source		
MPDC policies and processes MPDC Activity and Asset Management Plans		
Other possible scenarios		
<ul style="list-style-type: none"> Future investigations or reviews under section 17 of the Local Government Act 2002 reveal more cost-efficient methods of delivering services which may be preferred Service delivery changes may be mandated by central government as part of reform programmes MPDC is unable to maintain levels of service and meet performance measure targets 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Medium Costs are being deferred for some capital projects which means a level of uncertainty as to whether we will be able to maintain our levels of service.</p>	 <p>Medium-High Changes in the delivery of services may have substantial impacts on budgets and financial forecasts and may require an amendment to the Long Term Plan.</p> <p>There may be a need to review and possibly reduce a level of service to reflect available fiscal capacity. Or</p>	<p>Council will continue to seek collaboration opportunities with other councils.</p> <p>Council will pursue shared service options through Co-Lab (Waikato LASS – Local Authority Shared Services, a company owned by us and other local councils to assist in the acquisition of services) and other methods, such as public/private partnerships where appropriate.</p>

	<p>there could be the case where a change in circumstances could lead to a need for a higher or new level of service.</p> <p>Reducing a level of service could increase customer complaints and result in additional costs in the medium term to rectify the level of service in the future.</p>	<p>Council will carry out periodic service delivery reviews to assess options.</p> <p>Council also utilises Activity Management Plans as part of the Long Term Plan process to effectively and efficiently plan the delivery of its services.</p> <p>Council has well defined service levels for its planned activities which have been reviewed as part of the Long Term Plan process. We have used historical trends in our performance to set current targets.</p> <p>Customer satisfaction surveys and other engagement strategies are used to gauge whether we are meeting community expectations on levels of service.</p> <p>Council will continue to monitor performance of the network.</p>
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Resourcing - staff

Assumption – Most likely scenario		
Our assumption is that Council's provision of services is not negatively impacted by our ability to employ and retain suitably qualified and able staff.		
Data source		
MPDC People Safety and Wellness Team		
Other possible scenarios		
<ul style="list-style-type: none"> The availability of staff limits the ability of Council to deliver its agreed work programme 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Medium There is always some uncertainty as to whether all available positions can be filled in a timely manner. The uncertainty of the labour market is outside the control of Council.</p>	 <p>Medium Costs may be negatively affected by the availability of resources. Projects may not be fully resourced leading to delays. There may be savings in staff costs but this is likely to be offset by increases in contractor costs.</p>	<p>Council attracts and retains people through offering employment arrangements that are valued by employees and ensure productivity and engagement. These include flexible work options that address changing demographics/ needs of employees, utilising relevant technologies as well as other drivers of employee engagement i.e. development opportunities/career options, competitive remuneration/ benefits etc.</p> <p>In the event of unavailability of employees, Council may seek to utilise contractors and consultants to ensure delivery of essential services/key projects.</p>



Resourcing - suppliers

Assumption – Most likely scenario		
Our assumption is that we will be able to procure the suppliers needed to deliver the work programme, prioritising the compliance based projects.		
Data source		
Infrastructure Strategy, Capital budgets		
Other possible scenarios		
<ul style="list-style-type: none"> The availability of suppliers severely limits the ability of Council to deliver its agreed work programme, particularly if there are wider national demands on a specific sector 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>High While demand for labour is high, our planning and relationship building processes help to mitigate the uncertainty around labour availability.</p>	 <p>High Costs may be negatively affected by the availability of suppliers. Projects may not be able to be resourced leading to delays and rising project costs.</p>	<p>Council carefully manages the planning of projects to allow for adequate lead in times and tender documents.</p> <p>Our Annual Plan process allows some variations to be made in the timing of the work programme to respond to supplier availability.</p> <p>Council has comprehensive procurement procedures in place to guide the procurement process. We work to develop a healthy marketplace based on our procurement policy.</p> <p>It is intended that we will continue to strengthen partnerships with key suppliers to drive positive outcomes.</p> <p>Supplier information meetings are held regularly with our key infrastructure providers with an indication of Council's forward works programme.</p>



Capital programme delivery

Assumption – Most likely scenario		
Our assumption is that the capital programme will be delivered as outlined in the Long Term Plan.		
Data source		
MPDC Asset management plans		
Other possible scenarios		
<ul style="list-style-type: none"> We are not able to fully deliver the programme (for example due to contractor availability, staff resourcing, cost increases, changing priorities due to an emergency or co-funding opportunities) 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>High We have large projects that are 'Must Do's for our community but capacity is constrained. This increases the level of uncertainty regarding our ability to deliver.</p>	 <p>High Should we not deliver on our capital programme our expectation is that:</p> <ul style="list-style-type: none"> 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 we want to undertake. Our levels of service may be affected. The level of improvement or additional resilience we are seeking will probably not be achieved. 	<p>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.</p> <p>The estimated cost over the 10-year period amounts to \$350 million and we may not be able to deliver 10-25% (\$35 million to \$88 million) of the proposed programme.</p> <p>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.</p> <p>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.</p> <p>We are prioritising our 'Must Do' projects. We have reduced our work programme where possible to enhance capacity for these must do projects.</p> <p>Procurement strategies are in place to provide efficiencies to deliver projects or programmes of work.</p> <p>We continue to bolster internal project management resources and we make use of subject matter experts (both our staff and potentially contractors) to ensure successful delivery of projects.</p>



Resource consents

Assumption – Most likely scenario		
<p>Our assumption is that</p> <ul style="list-style-type: none"> Resource consents required for capital works will be granted and that this process does not significantly impact timing of projects Existing resource consents will be renewed where appropriate Environmental standards requirements will increase, with corresponding requirements imposed through resource consents 		
Data source		
MPDC Internal records – Asset Management Plans		
Other possible scenarios		
<ul style="list-style-type: none"> Significant delays to capital works projects are experienced due to the resource consent process Existing consents are not renewed or require us to meet significantly changed conditions Technological advances result in our infrastructure investment being unsuitable, or communities being unable to benefit from the most beneficial or appropriate resources 		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Low Council does not have control over legislative requirements and how this may affect its applications, however we can comply to the legislative standards at the time.</p>	 <p>High Delays to capital works projects may have material cost implications. Failure to renew existing consents, or the requirement to meet significantly higher consent conditions may require significant expenditure.</p>	<p>We are currently working through a comprehensive wastewater discharge consent for all of our wastewater plants. We are also working through the renewal of our comprehensive stormwater discharge consents for Te Aroha, Matamata, Morrinsville and Waharoa.</p> <p>Budget revisions will take place where there are anticipated changes to consent requirements.</p> <p>Early communication with affected parties and resource consent issuing bodies may enable early identification of issues.</p> <p>Council has included 'Must Do' projects in its Long Term Plan to be able to comply with resource consent conditions.</p>

Major industries

Assumption – Most likely scenario		
Our assumption is that the major industries in our district will continue to operate and require the same services over the Long Term Plan period.		
Data source		
MPDC internal data, Section 6 Long Term Plan – Financials		
Other possible scenarios		
One or more major industries cease to operate in the district or no longer use Council services.		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>Low We have had no indication from major industries that use Council services that they intend to make changes to their operations or move from the district.</p>	 <p>High There are a number of major industrial entities operating in the Matamata-Piako district that contribute significantly to our revenue streams including metered water and tradewaste income, as well as income related to development. If one or more major industries left the district or changed their operating model this would have significant effects on Council's revenue.</p>	<p>Council maintains relationships with our major industrial entities to be aware of their needs and plans.</p> <p>Our planning processes help to keep us informed as to industry changes.</p> <p>A significant drop in tradewaste or metered water revenue would require either additional funding to be obtained through rates, or a reduction in the level of service provided.</p>

Disruptive technologies

Assumption – Most likely scenario		
Our assumption is that there will be technological changes that render some projects unnecessary, or that alter people's interactions with Council.		
Data source		
<i>The 2050 challenge: future proofing our communities</i> , Local Government NZ link <i>Fit for the digital future</i> , Taituarā link <i>Public sector digital trends 2022</i> , Socitm Ltd link		
Other possible scenarios		
Unforeseen technological changes impact Council's operations		
Level of uncertainty	Risk: Impact if other scenario occurs	Managing the risk
 <p>High The rate and impact of technological developments is uncertain. The exact timing of developments cannot be assumed.</p> <p>Of note are the potential impacts of generative AI, transportation changes and driverless cars, increasing automation affecting business and employment and opportunities of increased data analytics through 'big data'.</p>	 <p>Medium Technological changes can have significant impacts on our lives, the way we work, the way we use our district, and in project costs for Council. However, there should be time for Council to respond to these changes to diminish the impact.</p> <p>Being unaware of technological advances may result in substantial inefficiency if new infrastructure investment is not suitable for emerging technology; and communities may not benefit from the most beneficial or appropriate resources to overcome social and/or environmental challenges.</p>	<p>Council is establishing a governance group to understand industry trends and re-prioritise projects as required.</p> <p>Council will monitor and keep informed of developments in this area.</p> <p>Project scopes and budgets may be altered to reflect changes in available technology.</p>



NGĀ HUA - WĀHANGA 3 | CONTENTS - SECTION 3

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Horopaki | Context

Our Financial Strategy helps us to make decisions on the services and resources required to achieve our vision.

It provides a context for these decisions by outlining our current financial health, where we want to be, and what's driving our direction.

The strategy is based on the assumptions described in Part 2. The assumptions that are particularly key to the Financial Strategy include inflation, borrowing, return on investments, service delivery and levels of service, asset funding, development contributions, Waka Kotahi funding, rating unit growth, and capital programme delivery. This strategy should be read in conjunction with these assumptions and the Infrastructure Strategy in Part 4.

We report on our performance against the key financial strategy goals in our Annual Report at the end of each financial year and in the Pre-Election Report in the run-up to the local government elections.



Tirohanga whānui | Overview

Financial goals

Our financial goals have been consistent for the last two Long Term Plans. We have strived to:

- Maintain the current levels of service we provide
- Improve levels of service where this complements our vision
- Keep our rates at an affordable level
- Ensure our debt is manageable and allow ourselves some headroom to respond to emergencies or opportunities that may arise

These are still the goals that we want to achieve.

The challenge

The challenge has become harder as:

- The costs to maintain our levels of service have increased more than what we projected
- We have to accelerate changes to our operations to meet the expectations of regulators, particularly in relation to drinking water and sewerage treatment
- We accept that our systems have to be more robust to deliver the services we provide to the standards expected
- And we understand that these same challenges exist for many local authorities. This means that Councils are competing for staff and resources to meet our needs.

Three waters – uncertainty and impact

We do not yet have certainty regarding the future management structures for water, wastewater and stormwater under the current government. It is clear that improvements are needed in the delivery of the services, irrespective of who manages or owns the infrastructure.

With this in mind we have included a full 10-year view of the operation of these services in the Long Term Plan.

We note the significant emerging impact that these services will have on our finances and that this has prompted some changes in our Financial Strategy for the next 10 years, including the limits we set on debt and rate increases.

So what are we doing?

Continuing with our current approach, plus doing some things differently

To continue to deliver the current services at the same levels, rates will need to increase. But affordability is our key focus for this Long Term Plan.

So, we are also taking some different approaches:

- We have a large number of projects that we need to undertake to ensure that our water and wastewater services can meet the expected standards. We do not have the capacity to complete these projects in one or even two years. Our capital programme is based on progressing the [most urgent projects \(see the capital profile in the financial projections section\)](#).
- The priority given to water and wastewater has an impact on our capacity to undertake projects in other areas. The only [discretionary projects](#) included in the 10 years are those projects that we had already committed to in the previous plan.
- We are looking at different ways we can do things to keep rates at affordable levels. This includes [the way we fund replacement](#) of stormwater and roading assets (refer to the 'unbalanced budget' discussion).
- We are also looking to make some short-term investments in [new technologies](#) to help us work in more efficient ways.
- While not a change in approach, we are proposing significant increases to some fees and charges to ensure the fees keep up with the significantly increasing costs. The increase will maintain budgeted fees and charges at around 14% of total revenue over the Long Term Plan, and will reduce the need to put further pressure on rates.
- On an overall basis, we have forecast the level of rates we need to collect to deliver the services and projects proposed in the Long Term Plan. But to highlight the relative levels of discretion Council has in [setting budgets and rates](#), we have set two limits on our rate increases:
 - One for three waters targeted rates
 - One for other rates funded activities

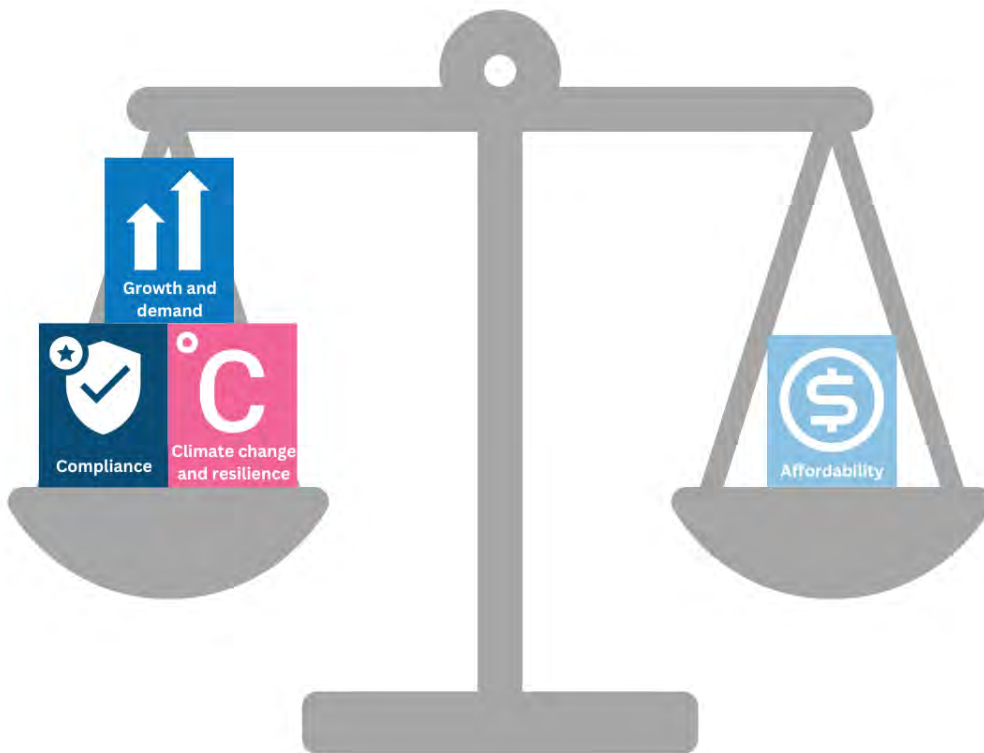
Ngā whakapātariari I

Our challenges

Key drivers and our responses

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

- Affordability
- Growth and demand
- Climate change and resilience
- Compliance



Balancing our key drivers

Responding to our key drivers is about balancing the things we need to respond to on the one hand: growth and demand, compliance, and climate change and resilience, with affordability on the other: keeping rates affordable for our community.

A discussion and our response to these drivers is outlined below.

Affordability

The challenge



The ability of our community to pay is constrained

- The median household income for our district is \$32,400 (Census 2018)
- We have an ageing population
- The average household size is forecast to decrease from 2.5 to 2.3 by 2051
- We expect a higher proportion of single income or fixed income households



The cost of providing our services and replacing assets has increased beyond what we had previously projected

This means it is not possible to keep rates and charges at current levels

Our response

The following measures will ensure we set the right level of rates and charges.

Limiting our discretionary projects to those that have already been committed to with the community

Our capital programme is heavily dominated by infrastructure projects. This is influenced by regulation, particularly in three waters, and government funding for roading. As a result, Council has more discretion on non-infrastructure activities. This is where we are making the biggest trade-off with our improvement programme, to keep rates as low as possible. We are limiting our discretionary projects to those that have already been committed to. This means that we cannot progress as many improvements as we would like.

Budgeting, prioritising, and setting annual work programs with the goal of remaining within the prudential limits in this strategy

At times, budget forecasts may indicate that we could exceed these limits. In these cases, we will seek alternative funding sources or consider changes in the way we operate. For example, we may review the provision of non-essential services or defer projects.

Continuing to develop our asset management practices to improve our knowledge of the condition of our assets

This will drive our asset replacement decisions and ensure that we derive best value from the assets.

Smoothing costs and the impact of any anticipated drops in revenue where possible and looking at alternatives to funding

Where it makes sense, we will consider alternative ways of funding aspects of our services or asset replacement, after considering the impact on our levels of service, funding, the effect on ratepayers today and tomorrow's ratepayers, and how it aligns with our other policies and objectives. Refer to the unbalanced budget discussion on page 30 in this section.



Growth and demand

We are forecasting that our population will increase over time with the majority of this increase happening among older groups and within urban areas. In terms of land use, there will be a continued shift of the geographical distribution of our people towards our main urban centres.

The challenge



Population growth and land intensification

Population growth and a shift to the towns increases demand for infrastructure service in urban centres. Growth requires infrastructure investment to extend networks to new areas of development which results in on-going costs to maintain and renew these assets.



Our population is ageing

Our changing demographic increases demand for accessibility and changes the way infrastructure assets and services are used.



Our tourism industry is continuing to recover

Our district is home to key visitor destinations, attracting regional, national and international tourists. Although international tourism hasn't recovered to pre-Covid levels, it is anticipated there will still be growth during the term of the strategy.



Getting the timing right is key

Getting the assets in the ground at the right time is critical – too soon, and there is a risk that the growth will not eventuate leaving ratepayers to carry the costs. Too late, and opportunities for growth could be missed.

Our response

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

Planning strategically

The Infrastructure strategy (Part 4) has considered and allowed for the requirements for residential growth areas in the next 30 years as identified in the District Plan. We are striving to ensure we can be more prepared for private plan changes or future zoning changes. We are looking to cater for anticipated growth, and plan for infrastructure appropriately.

Using revenue from those who benefit from growth to help fund it

Our Revenue and Financing Policy requires that those who create the need for or benefit most from the investment pay for it. This is done by way of development contributions or developer agreements.

We will continue to collect development contributions to recover growth related investments in infrastructure already undertaken.

National and Council policy directs development to zoned and serviceable areas. When developers comply with Council requirements, development can proceed. There is a risk that development can bring forward upgrades to treatment facilities or reticulation. Where the cost implications are significant, Council will promote specific developer agreements to recover the appropriate share of the cost of growth from the developers.

Growth in rating units expands the rating base upon which to share the on-going maintenance and renewal costs.

Looking for opportunities to work with others

Council has a track record of partnering with major industry when necessary to provide increased infrastructure capacity.



Climate change and resilience

Natural disasters and economic recessions continue to pose a threat to our communities. The Infrastructure Strategy (Section 4) addresses the threat of natural hazards and climate change to our infrastructure.

We are well prepared to deal with incident management and short-term recovery actions through our emergency management function.

With a borrowing limit of 175% (net debt to revenue), we project to have some available head-room so that if necessary, we could take on more debt to deal with one-off events. Nonetheless, a significant event would test the finances of any New Zealand council and government assistance would be critical.

The challenge



Severe weather events significantly impact our community

Our district is heavily dominated by agriculture and agri-related industry. Severe weather events and sudden or sustained changes in economic conditions affecting these industries can impact significantly on the whole community. The needs of the community and their ability to pay can shift as a result. As a Council, we must be in a position to respond to these shifts.



Environmental and economic changes directly affect Council

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

Our response

The following financial management measures will help to safeguard our resilience

Managing within our debt limit

Careful financial management within our prudent debt limits means that we have some headroom to cope with issues that may arise unexpectedly in the future without compromising affordability or sustainability. But there are limits to what level of issue we could cope with alone. The section under our financial goals around setting prudent limits on debt in this strategy reflects the debt limits and the level of available headroom we have based on our projections for this Long Term Plan.

Smoothing our costs and any anticipated drops in revenue where possible

This approach will help to minimise the annual impact on ratepayers.

Continuing to sustainably fund asset replacement

We plan to fully fund depreciation for the assets that we will be required to renew when they reach the end of their useful life. Or we will look for alternative funding methods to achieve the same objective. Refer to the unbalanced budget section in this document for more on this. This funding is needed so we can pay for the replacement of these assets in the future. Where an asset was initially funded by way of external subsidy e.g. Waka Kotahi (NZTA subsidy) we have assumed its future replacement will be funded in the same way unless otherwise stated (refer to the assumptions in Part 2).

Insuring our most critical infrastructure

Council is part of a region-wide collaborative insurance scheme to ensure that we get the best possible cover in the most cost effective manner.

Having a \$5.4 million fund invested that can be accessed in an emergency situation

This fund could be used in events such as a natural disaster. We also maintain credit facilities that currently allow us to access \$6 million as required.

Managing our interest rate risk through the use of interest rate forward swap agreements

These agreements give us greater confidence in our future financing costs, with which we can more accurately budget funding requirements.

Having a rate remission for natural disasters and emergencies

This scheme could be used in the event of a natural disaster or other type of emergency affecting the capacity of one or more rating units to be used for an extended period of time.

Annually reviewing the available tools within our Revenue and Financing Policy

Reviewing tools that would allow Council to shift the incidence of rates, where this may provide some relief to affected ratepayers (e.g. shifting the Uniform Annual General charge between 22.5% and the maximum of 30%).

Compliance

Many of our activities and services are subject to national and regional compliance, regulatory and legislative controls. There is rightly an expectation that Council will comply or is actively working towards compliance. Non-compliance can result in legal costs, fines and diverted effort.

The common overall objectives of these changes to legislation and consent conditions are the improvement in the health of our communities and environmental sustainability. These general objectives are consistent with the vision and outcomes that we seek for our district.

The challenges



Increased standards and the need to reduce the risk of non-compliance comes at a cost

Our response

Underpinning our planning with a clear strategic approach

Our Infrastructure Strategy sets out the planned spend attributable to compliance for the next thirty years. This is a major driver for the three waters capital programme in the Long Term Plan.

Improving our infrastructure

Doing necessary upgrades to ensure that we can meet the prescribed standards.

Improving our management practices and staff capabilities

Internal upskilling in order to be able to better monitor asset performance and respond to potential threats. Enhance our digital capabilities, so that staff can focus on what matters most.

Working with industry and in the community

Working with others to identify and mitigate risks to compliance.

Using direct charges or legal action where necessary

Using enforcement to recover costs or dis-incentivise non-compliant actions.

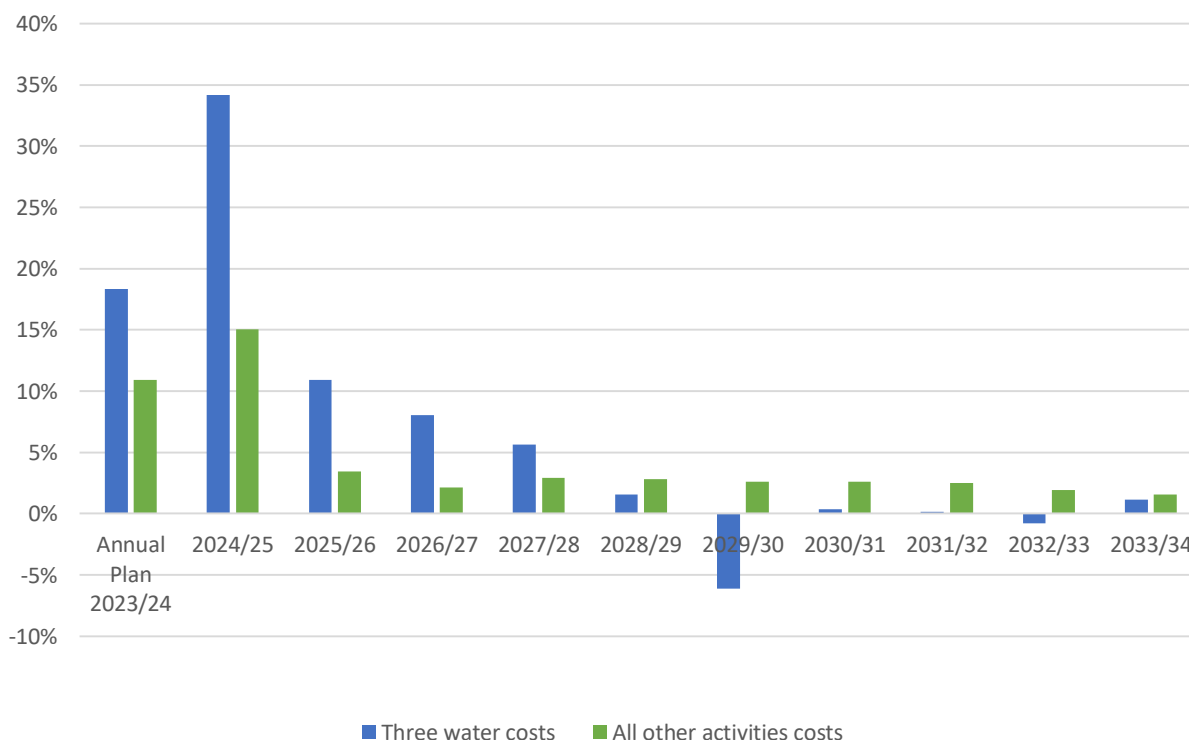
Te rautaki hou | Our new strategy

What's changed from last time?

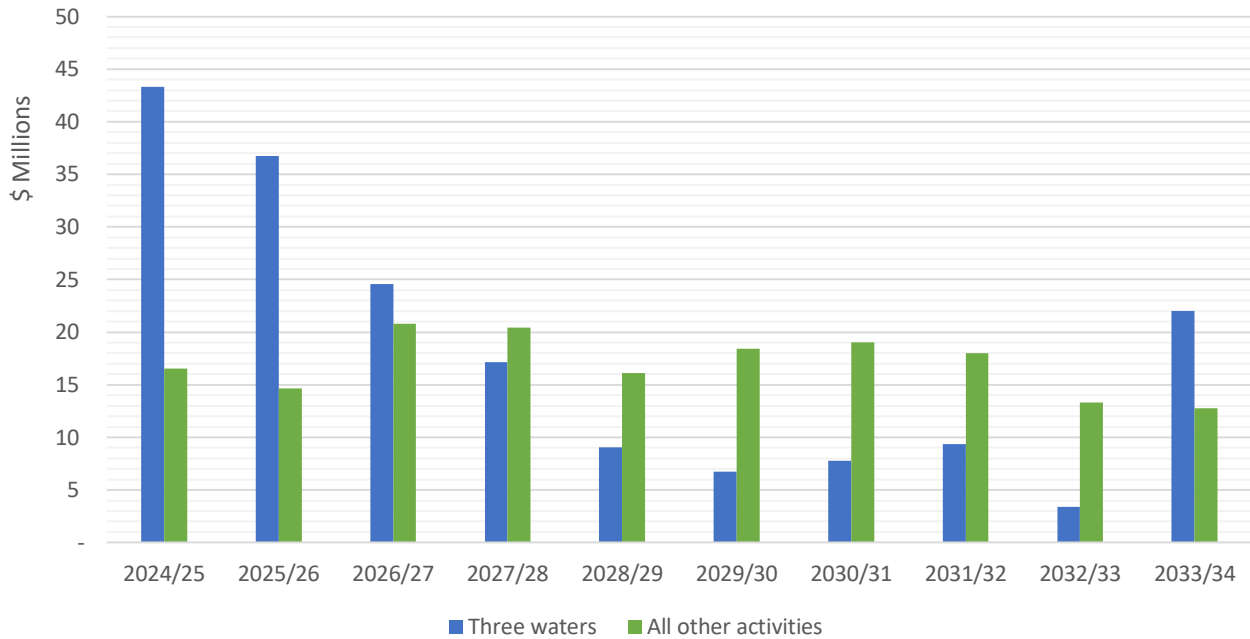
The emerging impact of three waters on our finances

Regulation of New Zealand's water services began in October 2021. The new regulations are driving the need for significant upgrades to our assets and services over the coming years in order to comply. This means our three waters services are set to have an increasing dominance on our finances going forward. Regulators like Taumata Arowai determine the minimum standard that Council must achieve, so we have very little choice over our spending in this area. The future impact is evident when we look at the projected movement in annual operating costs, capital spend and projected debt to fund the capital spend.

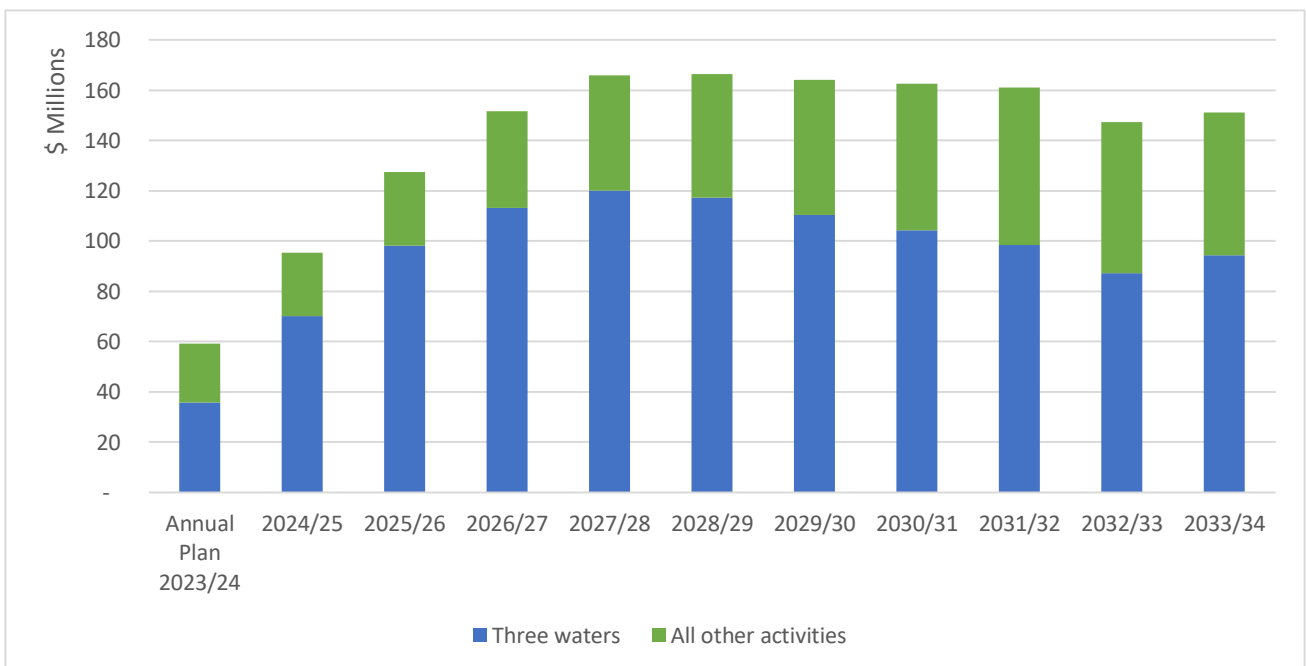
Forecast movement in annual costs – three waters compared to all other activities



Proposed capital spend for next 10 years



Forecast debt

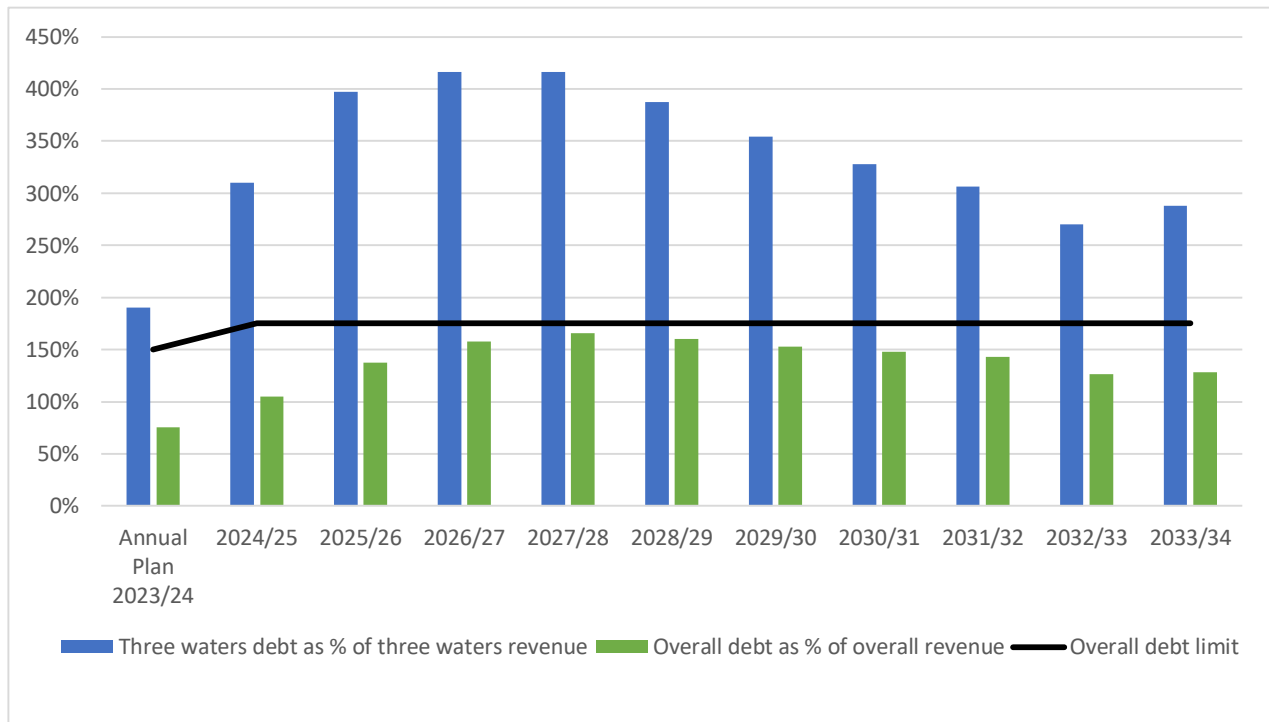


The emerging dominance of the three waters has prompted several changes or considerations in our proposed Financial Strategy for the next 10 years of this Long Term Plan. These include:

Increasing our limit on borrowing. The scale of the capital work required for three-waters means that we are proposing to increase our limit on borrowing (read more under our financial goals around setting prudent limits on debt).

Consideration of the sustainability of debt related to three-waters beyond the 10 years of this Long Term Plan. Our lenders measure the reasonableness of our debt based on our ability to repay it over time, and we fund these repayments from rates. They have set a limit on our overall debt of 175%. On an overall basis, we project that we can manage within the increased limit of 175%. What the projections do reveal however, is that when we drill down and look at the proposed level of debt for just our three-water activities alone, compared to the revenue for these activities over the next 10 years, the ratio gets as high as 416%.

Three waters debt to revenue ratio compared to overall debt to revenue ratio



Forecast three waters debt compared to three waters revenue

	Annual Plan 2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000	2031/32 \$000	2032/33 \$000	2033/34 \$000
Debt	35,727	70,009	98,022	113,046	120,130	117,172	110,481	104,307	98,434	87,152	94,310
Revenue	18,791	22,598	24,672	27,177	28,867	30,242	31,168	31,841	32,151	32,270	32,768
Debt to revenue ratio	190%	310%	397%	416%	416%	387%	354%	328%	306%	270%	288%

This made us question, is that level sustainable? Does the debt of the three water activities unfairly reduce the ability for Council to meet other needs and wants of the community? Given the infrastructure needs that lie beyond the 10 years of this plan (as outlined in the 30-year Infrastructure Strategy) how are our funding decisions within this 10 year plan going to leave us placed to deal with the following 10 years and beyond?

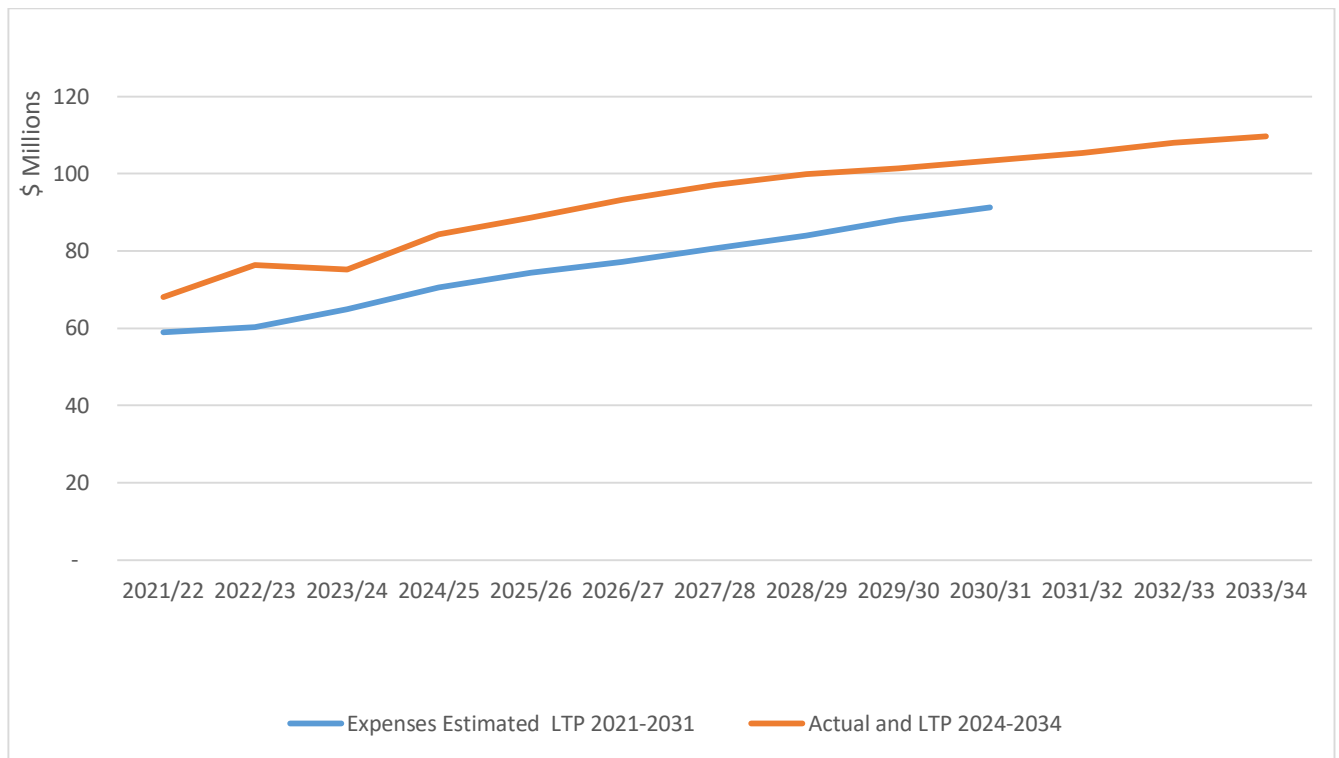
And how can we address this issue? There are two ways – reducing debt or increasing revenue. All of Council's proposed three waters capital work is considered MUST DO projects, so Council's ability to reduce debt is limited, leaving increasing rates as the most likely solution. However, with so much uncertainty around the three waters space at this time, and our overall debt manageable within the limits, Council does not think it would be prudent to rush into hiking rates to resolve this now. Instead, we've provided for a small additional increase in three waters revenue of 1.5% over the last 4 years of the plan, which will put us in a better position to address the debt position post 2034. And being aware of this issue, it is something we can continue to monitor over future Long Term Plans and as the future becomes clearer from the government's position on three waters, regulation and potential future funding sources.

Setting limits on three water rates separately from rates for all other activities. Council has very little discretion in the three waters space, and the rates we have proposed are what we consider to be the minimum required to meet the increased requirements. Council has more discretion around our general rate funded activities, and other targeted rate areas, so we have set separate limits on rate increases for each. See more in our financial goals section on limits on rate increases.

The costs to maintain our current levels of service have increased more than we projected

The actual costs to provide our services - maintaining our roads, replacing our water pipes, powering our treatment plants, treating our drinking water and pools, insuring our assets, employing staff, processing building consents, fuel for mowing our parks - almost everything increased by far more than what we had projected when we adopted the last Long Term Plan back in June 2021.

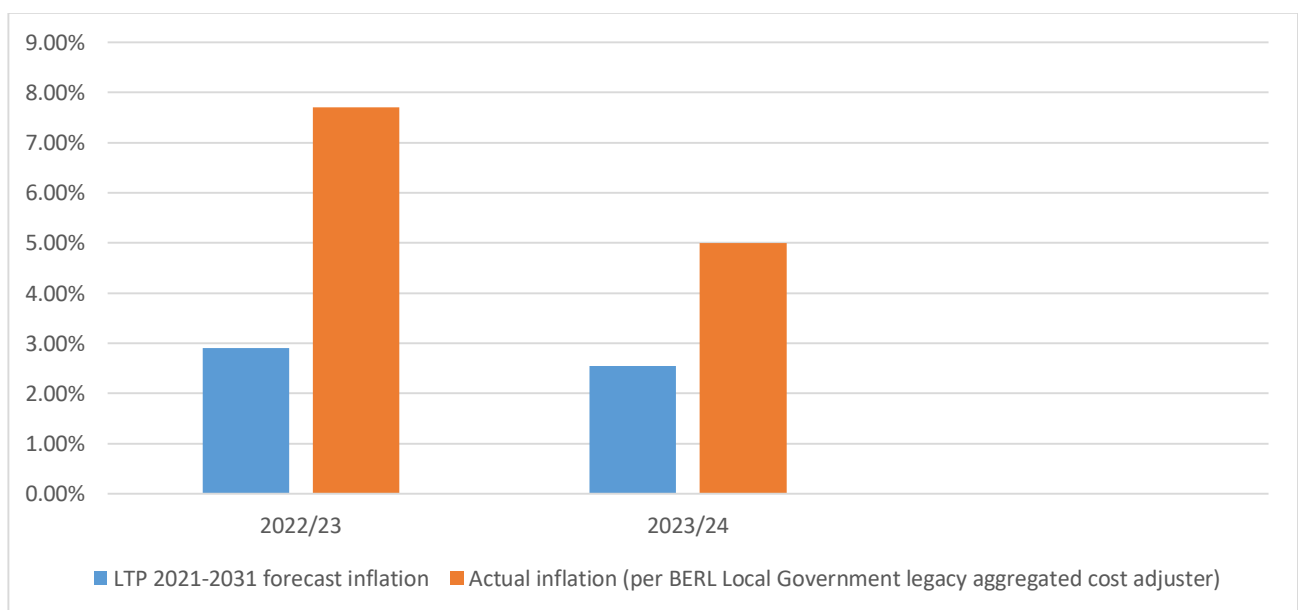
LTP 2021-2031 forecast expenditure compared to actual and LTP 2024-2034 forecast



In the last Long Term Plan, the rate increases projected were based on the assumption of expenses increasing by inflation rates of 2.9% in 2022/23 and 2.55% in 2023/24.

The actual inflation for 2022/23 for local government is calculated by BERL at 7.7% and is projected to be 5% for 2023/24.

LTP 2021-2031 forecast inflation vs actual inflation for local government



On top of the inflation in costs and aside from the growing costs of compliance and regulation in respect of the three waters, the scope of our services has had to increase to look after new parks, walkways, cycle trails, footpaths, streetlights etc. that have been developed in our district over recent years, along with the costs of regulating, processing and monitoring all of that development. We have extended cemeteries to maintain, and additional event centres to manage.

Like all businesses, the unexpected can happen. Unexpected pressures on our costs increase the risk of activities being short-funded or non-urgent work needing to be delayed. It isn't sustainable to have deficits in our operating funding. So our choices are either to cut services to reduce our costs, or to increase rates and other revenue.

We have to accelerate changes to our operations to meet the expectations of regulators

Regulatory bodies and the community expect Council to achieve the expected regulatory standards. This applies particularly to the production of drinking water and the discharge of sewerage. This has also had an impact on our building consent process.

These requirements necessitate that Council must ensure systems and processes are more robust to meet the expected standards.

As a result, we have to accelerate our efforts to ensure we can comply with regulatory requirements. An example is the bio solids (sludge) that have accumulated at the Morrinsville and Te Aroha wastewater treatment plants. This material presents an environmental risk and we have known for some time that it must be addressed. It is estimated that it will cost \$8.5 million over 5 years. We have made provision in the plan to remove the sludge and fund this over 15 years.

Regulators determine the minimum standard that Council must achieve. We can aim to exceed these standards. Council does not have discretion to achieve lower standards.

We accept that our systems have to be more robust

The structure of the organisation has been largely unchanged since 2011. In that time our district and the organisation have grown. With changes in legislation and regulation we have been reflecting on whether the current structure is fit-for-purpose. This has included:

- the need for resilience and robustness in the delivery of our services
- how we can be more effective at providing our services
- being ready to respond to what the future may bring

These goals have been balanced against the need to be a good employer. A place where people want to come and work to meet the needs of our community.

We are proceeding with a new organisation structure that is planned to achieve these outcomes and be more efficient.

As part of this organisation change we are investing in new digital technology. It is not sustainable to expect to be able to employ more staff to respond to increased demands. Digital technologies

can help free up staff from repetitive or dull aspects of their work, allowing them to focus on the most important parts of their job.

Council will be investing \$800,000 over three years to be funded from special funds. The return on this investment would be expected to filter through from year 4 of the Long Term Plan.



Ngā whakautu | Our response

Our goals and actions

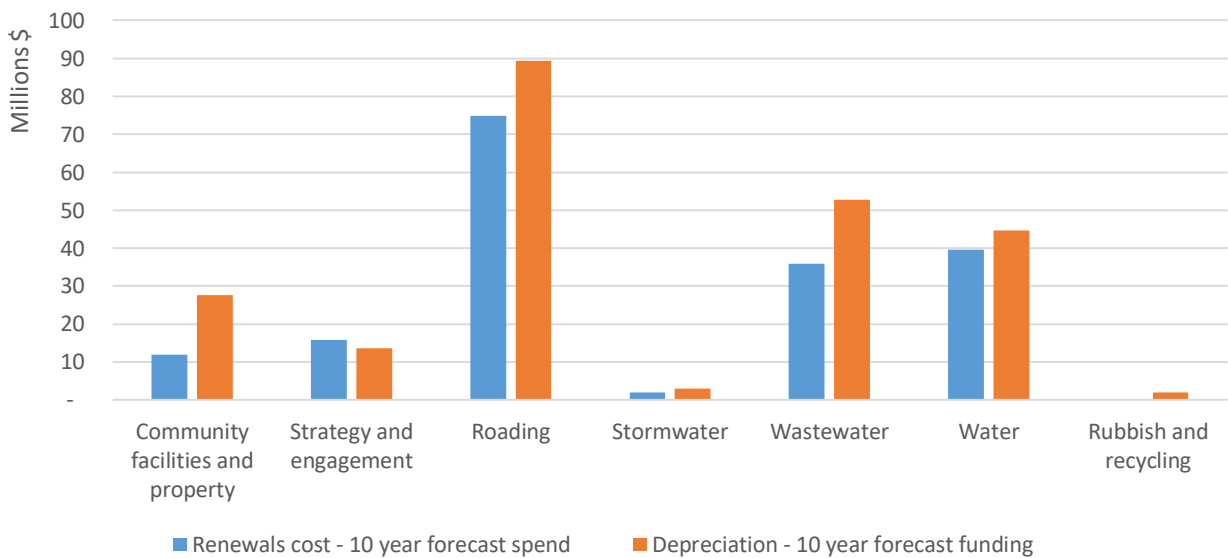
Our goals haven't changed, our actions have changed slightly

Financial goals	Key actions
Maintain the levels of service we currently provide	<p>Use asset management planning to ensure the future costs of maintenance and asset renewals can be planned, and actively minimised</p> <p>Allocate \$180 million over 2024-2034 to renew existing assets</p> <p>Smooth our costs and any anticipated drops in revenue where possible, to minimise the impact on ratepayers</p> <p>When the time is right, extend services to provide for new areas of growth at a forecast cost of \$46 million over 2024-2034 (\$38 million of which relates to wastewater)</p>
Improve some levels of service where this complements our vision.	<p>Give priority to improvements that are related to compliant and resilient water and wastewater systems</p> <p>Undertake other improvements that align with Council's vision and that are already committed</p> <p>Allocate \$119 million over 2024-2034 to improve levels of service</p>
Set prudent limits on rates and rate increases.	<p>Rates for the three waters services will not increase by more than 25% in 2024/25, 11% in 2025/26 and 2026/27, and will not increase by more than 7% over the remainder of the 10-year period</p> <p>Rates for all other activities will not increase by more than 12% in 2024/25, and will not increase by more than 5% over the remainder of the 10-year period</p> <p>Leverage other funding opportunities where possible</p> <p>Maintain or increase the proportion of revenue from user fees and charges</p>
Set prudent limits on debt	Limit net debt to 175% of annual revenue

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

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

Forecast asset renewal costs and funding for next 10 years, by activity group

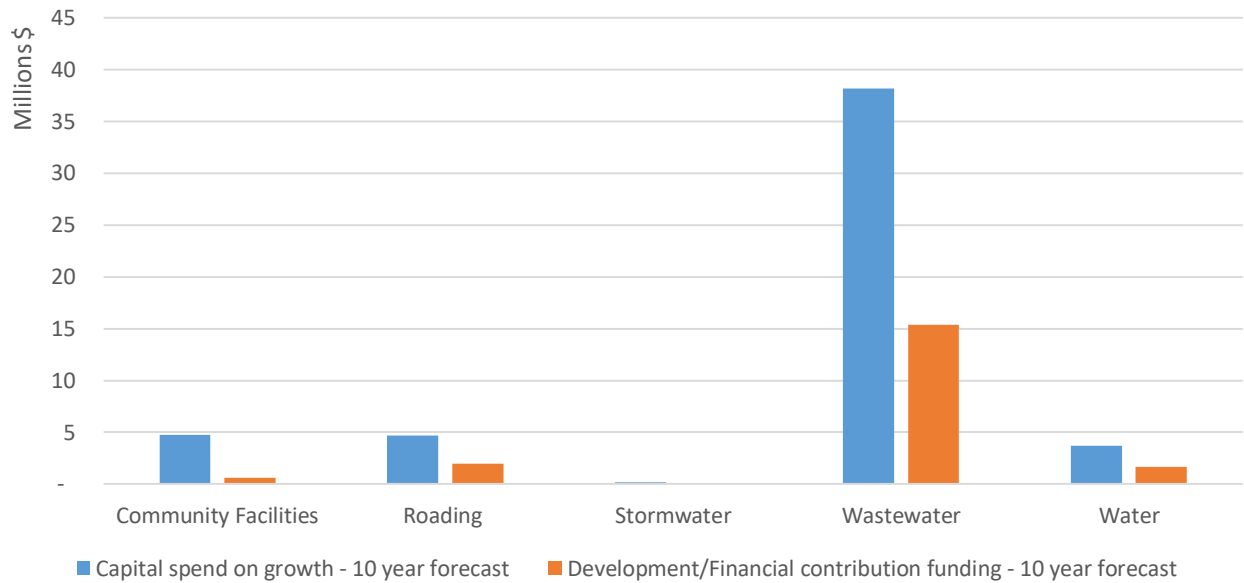


For activities where the depreciation funding collected over 10 years is less than what is forecast to be spent on renewing assets, we will look to fund the shortfall by borrowing from other activities where the funding collected over this 10-year period is more than required for the planned spend.

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

Our AMPs also set out, based on the assumptions developed around population and development growth (see Part 2), the level of investment required to provide the required infrastructure at the right time. This infrastructure will extend the provision of services currently provided to new areas of development. That investment over the next 10 years, along with the funding expected from development and financial contributions over this same time is shown below:

Forecast growth capital costs and development/ financial contribution funding over next 10 years

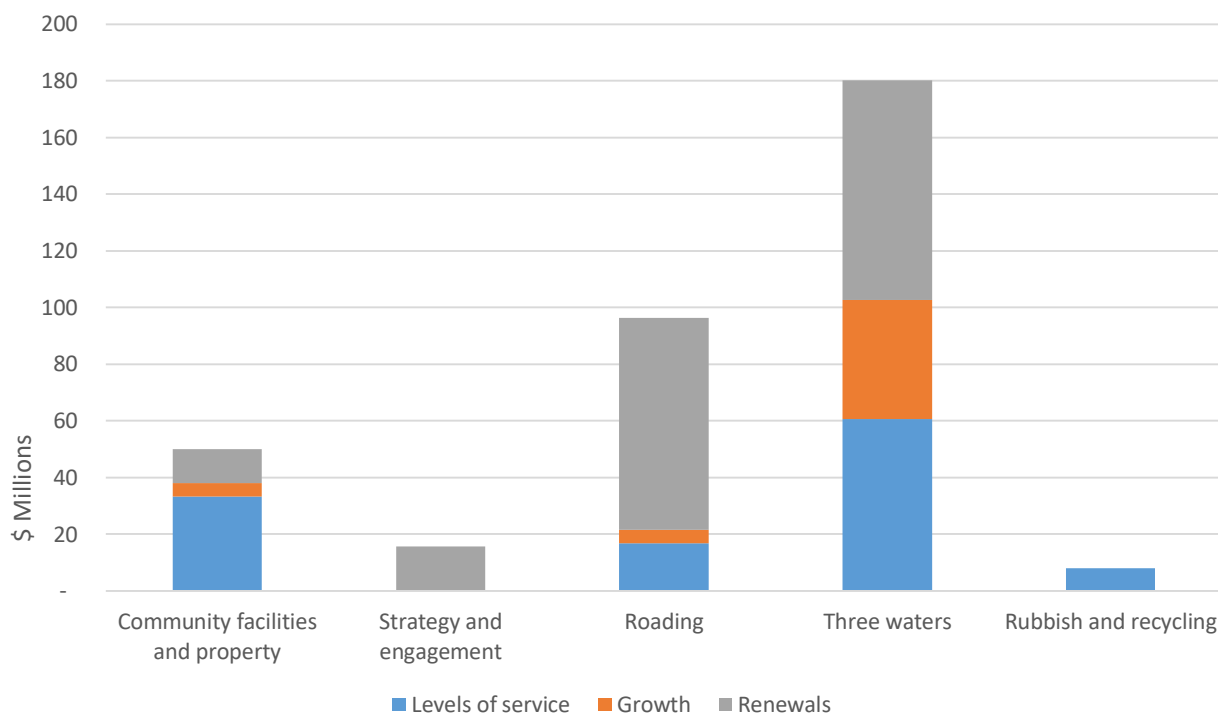


The total contributions to be collected for projects are spread out over a 25-year period, so will continue to be collected outside of this Long Term Plan period. The contributions to be collected over the next 10 years shown above, will be used to reduce the amount borrowed to fund the capital works undertaken to meet the demands of growth in the district.



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

Forecast total capital spend for next 10 years



Our capital programme is based on progressing the most urgent projects. It is not physically possible or financially viable to do all of our capital projects.

Once again we have had to prioritise our projects. Infrastructure projects and particularly water and wastewater dominate the investment programme. This reflects the need for more resilience in our systems to ensure we comply with expected standards. This has meant that we cannot afford to include as many improvement projects as we would prefer.

Council has more discretion on non-infrastructure activities (Community facilities and property). This is where we are making the biggest trade-off with our improvement programme to keep rates as low as possible. We are limiting our discretionary projects to those that have already been committed to. This means that we cannot progress as many improvements as we would like.

Goal 3: Set prudent limits on rates and rate increases

Proposed rates for the next 10 years

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Proposed total rates revenue* \$000	51,129	59,162	62,903	66,567	70,267	73,229	75,531	77,329	78,756	80,755	81,897
Proposed increase in total rates revenue*	14.4%	15.7%	6.3%	5.8%	5.6%	4.2%	3.1%	2.4%	1.8%	2.5%	1.4%

*Total rates revenue includes targeted rates from metered water that is charged to large industries and extra-ordinary water users.

Increases in three waters operating expenses, capital budgets and debt have a significant impact on Council finances in the early years of this plan.

The changes are driven by the need:

- to comply with tougher regulations - particularly for drinking water and sewerage treatment
- to have more robust systems to deliver the services we provide to the standards expected

Regulators can have a major influence on the focus and timing of the investments Council has to make. Council has more choice/ discretion in non-three waters activities. For this reason, Council has decided to set two rating limits for the 10-year period:

Three waters activities

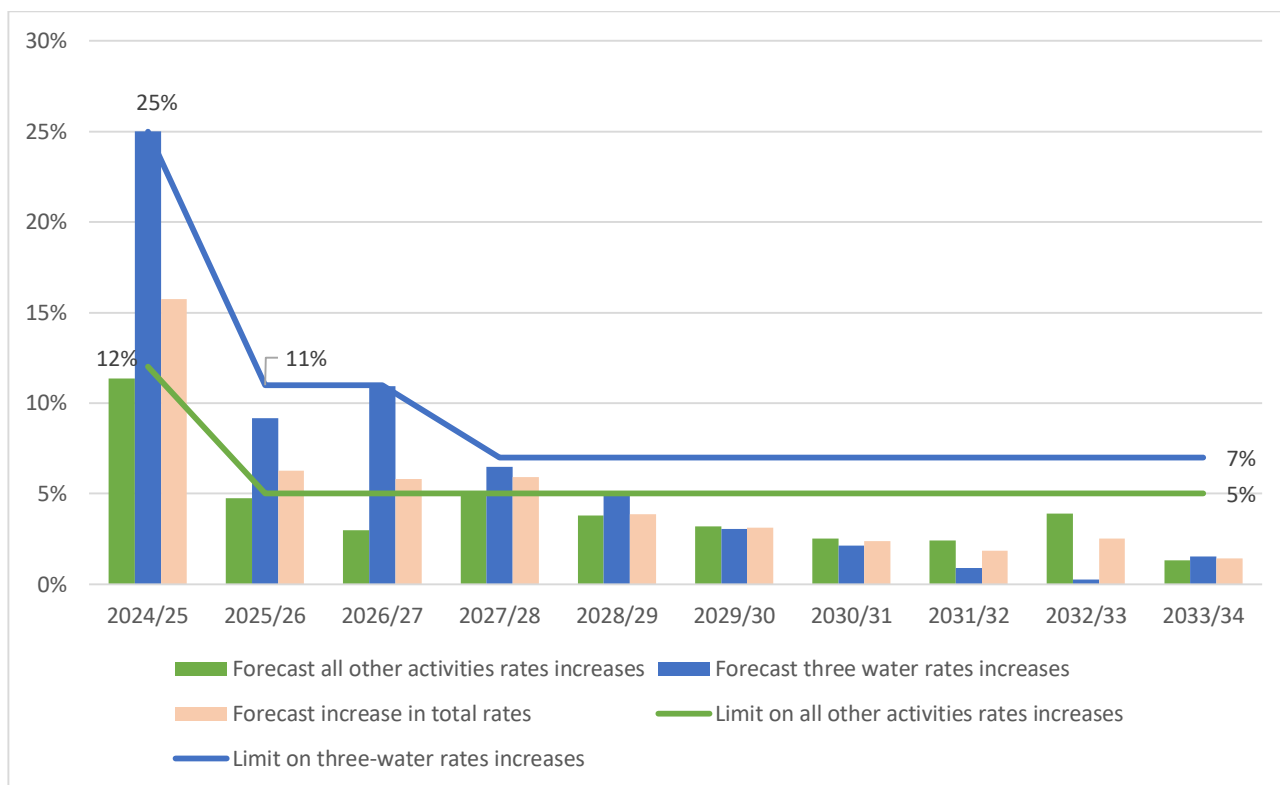
Rates for the three water services will not increase by more than 25% in 2024/2025, 11% in 2025/2026 and 2026/2027, and will not increase by more than 7% over the remainder of the 10-year period.

All other activities

Rates for all other rates funded activities will not increase by more than 12% in 2024/2025, and will not increase by more than 5% over the remainder of the 10-year period.

- The green bars show projected rate increases for all our services, EXCLUDING water, wastewater and stormwater. If your property doesn't have water, wastewater or stormwater services, then you only need to look at the green bars.
- The blue bars show projected rate increases and decreases just for water services. If you have a fully serviced property, then you will be affected by both the green and blue bars.
- The pink bars show the projected increase in total rates – that is the total rate revenue that Council collects from the whole district including from our large industrial metered water users.

Proposed rate increases and limits showing three water related rates, rates for all other activities and total rates



Leveraging other funding opportunities

Council will continue to partner with or seek funding from industry, community groups, other district and regional councils and central government agencies to deliver shared outcomes that benefit our district.

In recent years our district has benefited from funding from Waka Kotahi (NZTA) for connectivity projects under the Transport Choices funding scheme which funded the Morrinsville Recreation Grounds shared walkway, Ministry for the Environment funding for waste minimisation initiatives which helped fund aspects of the new kerbside collection contract roll-out, partnering with the Ministry of Education to provide the new indoor Matamata Stadium, etc. Council will also continue to pursue funding opportunities as they arise.

Maintain or increase the proportion of revenue from user fees and charges

One way that we can ease pressure on rates is to increase fees and charges.

We have forecast to maintain fees and charges at around 14% of total revenue over the 10 years of the LTP. Because costs have increased so significantly, this will require a large jump in many of our individual fees for 2024/25, and then a steady increase for inflation over the remainder of the 10-year period.

In terms of total revenue from fees and charges the increase in 2024/25 represents an 8% increase which is relatively small in the context of the proposed rates movements. But the change signals an intent from Council.

Increases in the cost of providing services have often not been matched by increases in fees for the service. Council wishes to ensure that people who directly benefit from the services will be expected to pay a justifiable share of the service, and may look to increase this share in the future. However, it is also important to find a balance that does not discourage use of our facilities and services, and a decline in the outcomes we are aiming to provide for our community.



Goal 4: Set prudent limits on debt

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

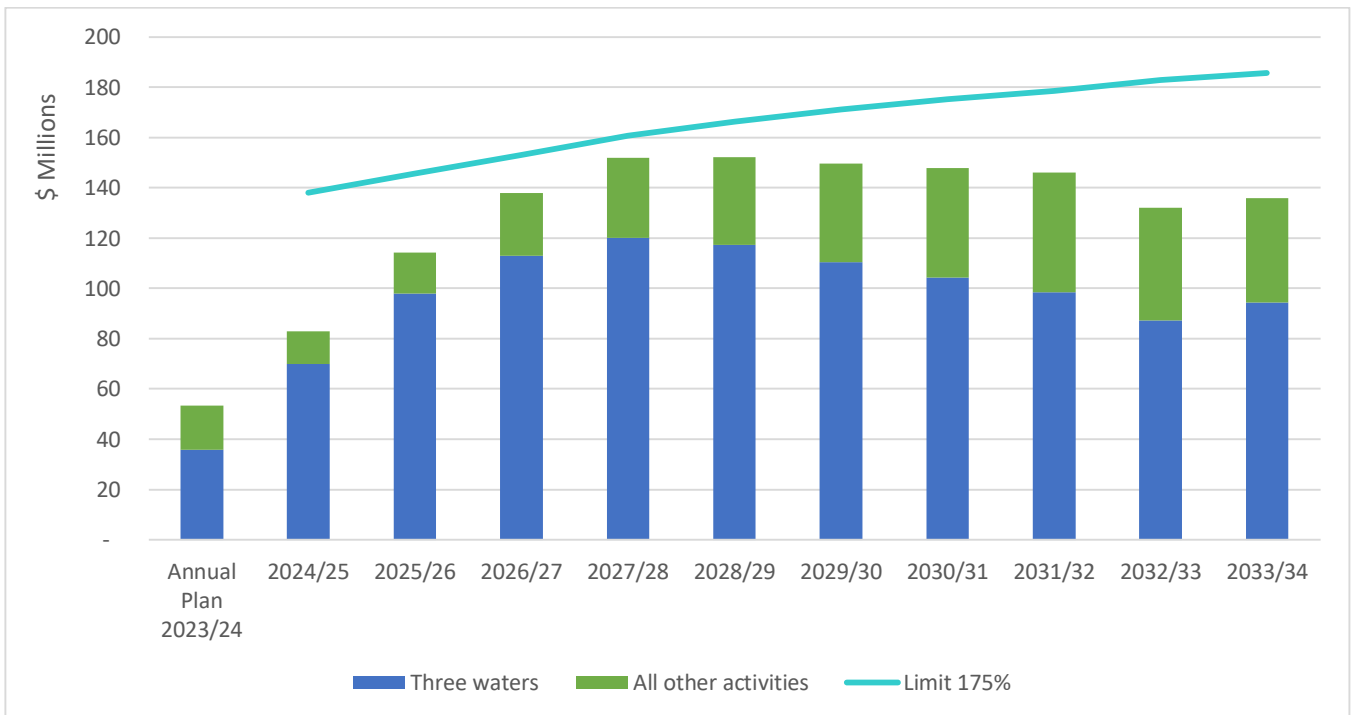
Using loans to pay for these kinds of assets means we can recover the costs over time, so that both current and future ratepayers pay their fair share.

It also means that increases in rates are usually more stable/steady, as the cost of the asset is spread out over a longer period. While having a certain level of debt makes sense, it can also make us feel uncomfortable – we shouldn't borrow any more than we can comfortably afford to pay interest on, or eventually repay.

The New Zealand Local Government Funding Agency (LGFA) is one of the main lenders to New Zealand Councils. As our key lender, LGFA has set a limit on how much it believes our Council can comfortably borrow, based on our net debt compared to revenue – which is set at a ratio of 175%. (Net debt is external borrowing less cash and investments).

Up until now, Council has set our own internal limit at a more conservative level of 150%. We have only before reached as high as 47%, and have felt comforted by the extra buffer within our debt limits, which provides opportunity to the district if new things come up, and security if the worst happens.

Proposed net debt to revenue



To fund the MUST DO capital work required for our three waters activities, we're proposing to increase our debt significantly over the first 3-4 years of this plan. This would push our debt over 150%, peaking at \$152 million or 166%, meaning we would exceed our current limit and have very

little to no headroom for much of the next 10 years. These pressures mean that we feel there is little option but to increase our limit to 175% - however this is not a target. Any borrowing adds additional interest costs to ratepayers, so all projects will continue to be carefully considered with that tension in mind.

How our actual debt tracks against this forecast will depend significantly on how well we progress with our planned capital programme. We expect our debt to be, on average, around 143% of our revenue over the next 10 years.

Risk management strategies for debt are outlined in Council's Liability Management Policy, including strategies to manage interest rate risk, limits to manage liquidity and funding exposure, counterparty credit exposure, debt repayment, borrowing limits, maintaining financial covenants and security arrangements. The full policy can be found at mpdc.nz/liabilitymanagement. Council has an opportunity to review the impact of interest rates on its overall costs and rates with the community at each Annual Planning round, and can look to slow and spread capital work programmes and/or levels of service accordingly and where this is acceptable to our regulators. However, should a significant event occur, there is uncertainty that the headroom will be sufficient. Included within the headroom, we have a \$5.4m investment fund for emergencies and a \$6m credit facility for urgent cashflow requirements.

Council's full suite of financial prudence benchmarks can be found in section 6 of the Long Term Plan .

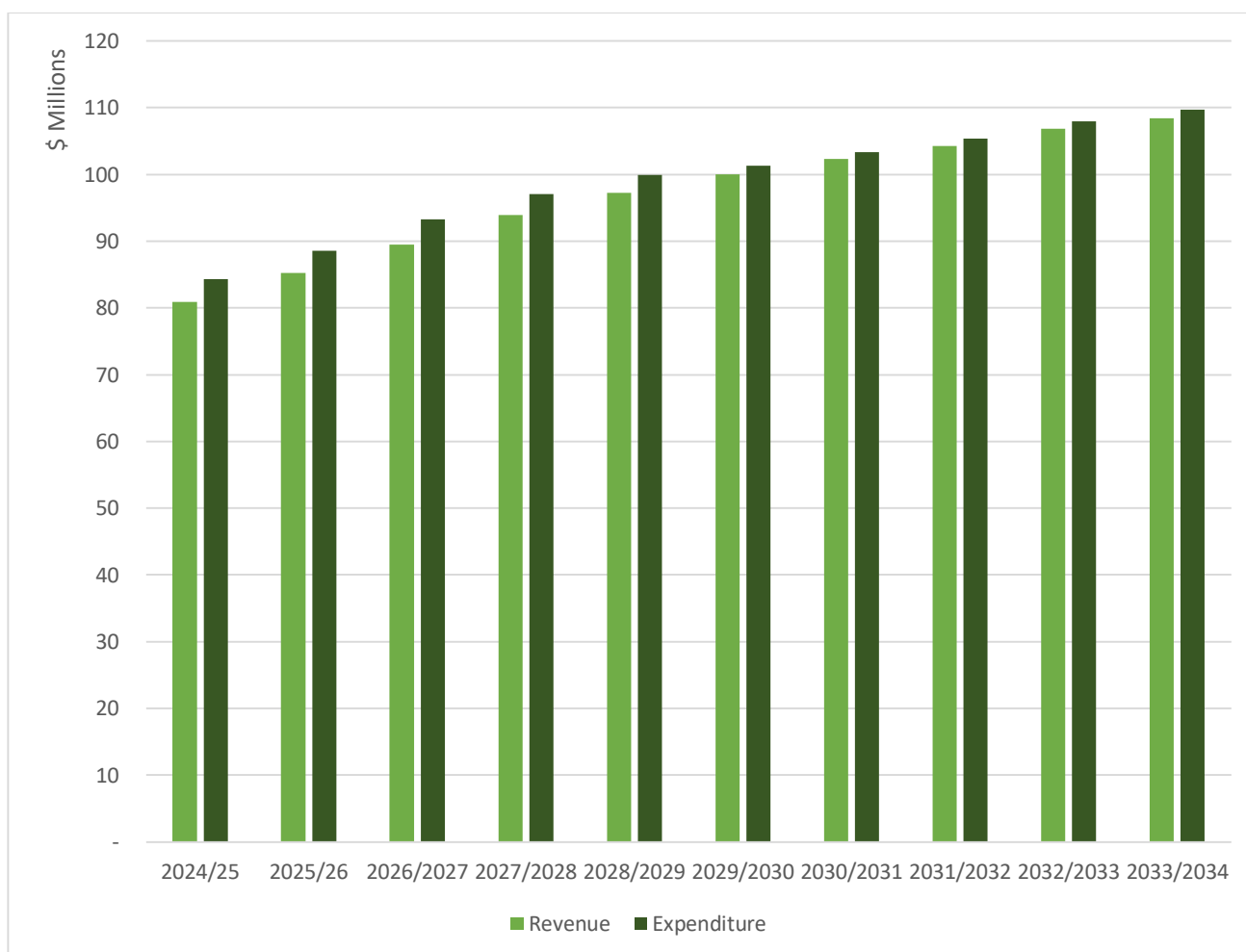


More on different actions we are taking

We have looked at how we fund things and are proposing to have an 'unbalanced budget'

Under the Local Government Act 2002, local authorities are required to set balanced budgets, where operating revenue is equal to expenditure. Council may operate an unbalanced budget only where this can be shown to be financially prudent. We're proposing to have an 'unbalanced budget' in all 10 years of this plan. This means that the revenue received each year will be less than the expenses for that year.

Proposed unbalanced budget over the next 10 years



There are three reasons for this:

- To manage the level of rate increases (affordability) over the next 10 years
- We are not planning to fund the total depreciation expense each year
- We are planning to remove wastewater biosolids (sludge) for Matamata, Morrinsville and Te Aroha over a 5 year period. We are going to fund this work over a 15 year period.

In making sure these decisions are prudent over the term of the Long Term Plan, Council have considered the risks and what effect they may have on the level of service we can provide, funding

of the service and how it may impact both current and future ratepayers. These considerations are outlined below.

Affordability

We have a goal to manage the level of rates increases over the next 10 years by keeping them affordable and avoiding significant fluctuations. Our capital programme is heavily dominated by infrastructure projects. This is influenced by regulation, particularly around three waters, government funding for roading and maintaining critical assets. Non-infrastructure activities are where we have more discretion and this is where we are planning the biggest trade-off with our improvement programme to keep rates as low as possible. We are limiting our discretionary projects to those that have already been committed to. This means that we cannot progress as many improvements as we would like.

Depreciation

Depreciation is an accounting entry not an actual cash expense.

Annual depreciation, which is reflected as an expense in each year, provides a guide on the amount of money that should be collected each year to fund the replacement of assets at the end of their life. Asset replacements are funded directly from rates. Asset lives are based on estimates and in general there is a low level of uncertainty. However, there is greater uncertainty related to the asset lives of stormwater assets. We don't believe it is necessary to collect the total depreciation expense each year for assets as outlined below:

Community Facilities - There are a number of buildings on Council land that are not owned by Council or are not essential to Council operations. Council has decided that it will not make provision to fund the replacement or refurbishment of these buildings, amounting to an average of \$141,000 per year that would otherwise have to be recovered from rates or from users (or a mixture of both).

Council's approach places the responsibility for building refurbishment and replacement on the users or owners of the buildings. The risk is that the different groups will not be able to raise the necessary funds to undertake this work. There may then be an expectation that Council will fund the work.

However, Council has determined that this approach is prudent as the buildings in this category are not essential. Non-replacement or non-refurbishment of the buildings is a valid option. This does not prevent owners or users of the buildings from funding the work required.

Roading - The renewal or replacement of roading assets is jointly funded by Council and Waka Kotahi (NZTA).

We have ensured that we rate for Council's share and have assumed the agency will continue to meet its obligations. This amounts to an average of \$3.2 million per year which we would otherwise have to include in the rates.

As Council is funding a sufficient amount to meet its share of the planned physical works, there is not considered to be any financial risk over the term of the 10-year plan. A fundamental assumption in this approach is that Waka Kotahi (NZTA) will continue to fund its share of the programme.

On that basis Council is comfortable that the approach is prudent.

Stormwater - The amount of depreciation over the ten years is \$12.1 million. In that period we are expecting to undertake \$4.8 million of capital work.

The 30 year projection in the Infrastructure Strategy shows that the major portion of our asset replacement or renewals occurs in the 20 year period after this plan.

So instead of using depreciation as a guide, we have looked at how much we would have to invest each year to ensure we have sufficient funds to undertake the work. This has reduced our annual provision by an average of \$908,000 per year. Alternatively, we would need to fund this amount through annual rates.

This is considered to be a low risk strategy as there will be a number of long term plans to review the calculations before the renewals programme escalates. Council considers it is prudent as the strategy is to ensure sufficient funding is available to meet the renewals programme. This strategy meets that test for the 10 year and 30 year planning periods.

Desludging

Council is planning to remove biosolids (sludge) in ponds in the Morrinsville and Te Aroha wastewater treatment plants. This is estimated to cost \$8.5m and the work will be undertaken over 5 years. The sludge has built up over many decades.

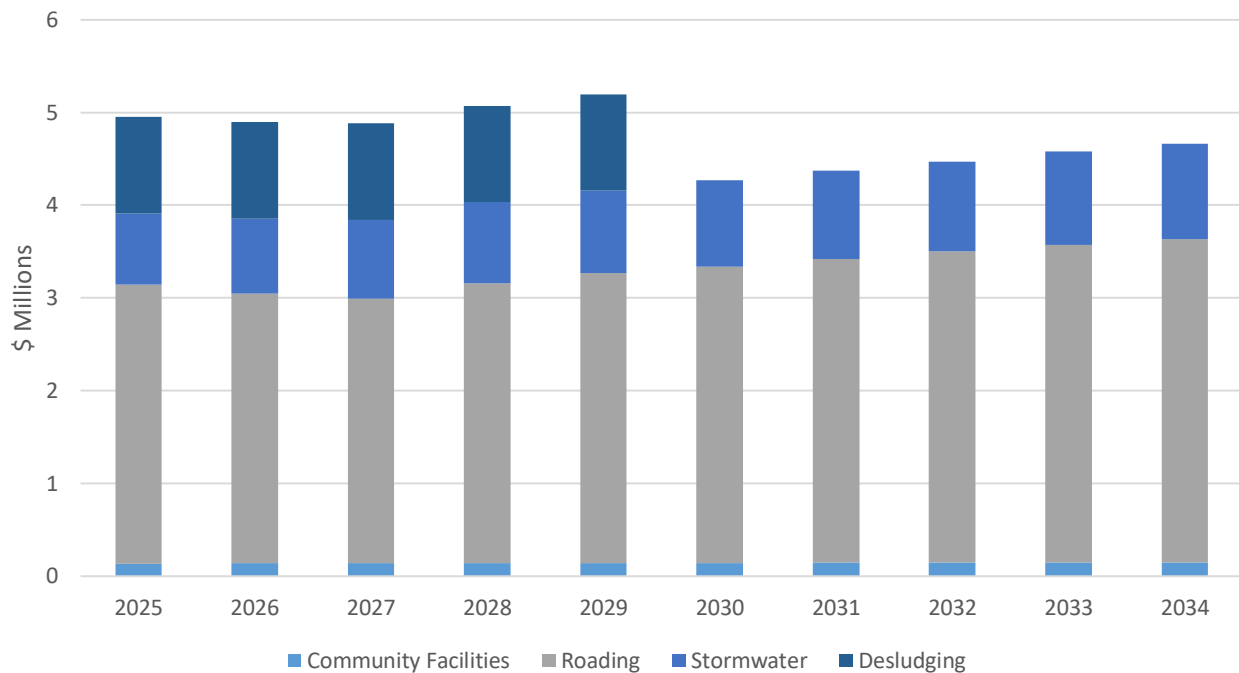
Council has decided that it is unfair, particularly in the current environment, to load all of that cost on ratepayers over a 5 year period. Instead it will be funded over 15 years, resulting in \$1.04 million less funding from rates per year for the first 5 years.

This is considered to be a low risk strategy as Council can continue to manage within its prudent debt limits over the term of the Long Term Plan. Also funding the work for rates over 5 years would have increased the risk of making rates less affordable. Council considers this strategy is prudent as it ensures the work is funded from the appropriate sources, over an extended periods, and the desludging work will also provide the benefit of increased capacity over an extended period.

Overall impact of the unbalanced budget

Together, these alternative funding decisions result in a funding gap between revenue and expenses over the 10 year plan as follows:

What is not funded over the next 10 years?



We are not planning to take steps to achieve a balanced budget during this 10-year period. With each Long Term Plan cycle we will re-assess our financial position. We foresee that an unbalanced budget will likely continue past the 10-year period due to similar reasons as stated above for this cycle.

Except for the wastewater sludge removal projects, there is not expected to be any impact on our borrowing as a result of the unbalanced budget beyond this 10-year period. The proposed budget is based on a number of assumptions, with the risk of uncertainty and impact high in some. A full understanding of these assumptions and risks is presented in this Long Term Plan.

As outlined above, Council acknowledges these alternative funding decisions are not without risk, but considers them to be prudent considering that projected funding will ensure levels of service will be maintained and that intergenerational equity will be achieved by ensuring that the current generation does not fund replacement of assets significantly in advance of when their replacement will occur, or fund assets that are not considered essential to the desired levels of service. These funding decisions are consistent with the Revenue and Financing Policy.

Ngā mōrearea | Risks

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

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

We have continued to plan and budget to undertake our Water, Wastewater and Stormwater activities, but acknowledge that this may change in the future.

Some of these assumptions could have a big impact on our financial situation if they prove to be significantly higher or lower than we anticipated. The assumptions set out in Part 2 explain how shifts in these assumptions may be managed, and the need to manage these will be assessed on an annual basis in the development of the Annual Plan.

As we have already noted, the need to improve our three waters services to comply with regulations or consent conditions is a major driver for the plan. Council has based the capital programme on priorities and also what it thinks it can practically achieve. It is possible that priorities in these areas could change at the direction of regulators.



Ngā take pūtea | Other financial matters

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

Investments

Our Investment Policy (available on our website) sets out the detail of the type of investments we can hold, and our objectives and risk management strategies related to holding these investments.

Council's commitment is to:

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

Cash and treasury investments

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

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

We have targeted an average rate of return on cash and treasury investments of 4.91% over the 10 years of this Long Term Plan

Strategic Shareholdings

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

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

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

Security for borrowing

Our Liability Management Policy (available on our website) sets out our policy related to giving securities for our borrowing as follows.

In brief, Council will:

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



TAUJIRA RAUTAKI AKINGA TŪROA

DRAFT LONG TERM PLAN

2024
2034



te kaunihera ā-rohe o
matamata-piako
district council

RAUTAKI Ā-HANGANGA INFRASTRUCTURE STRATEGY

WĀHANGA
SECTION

4

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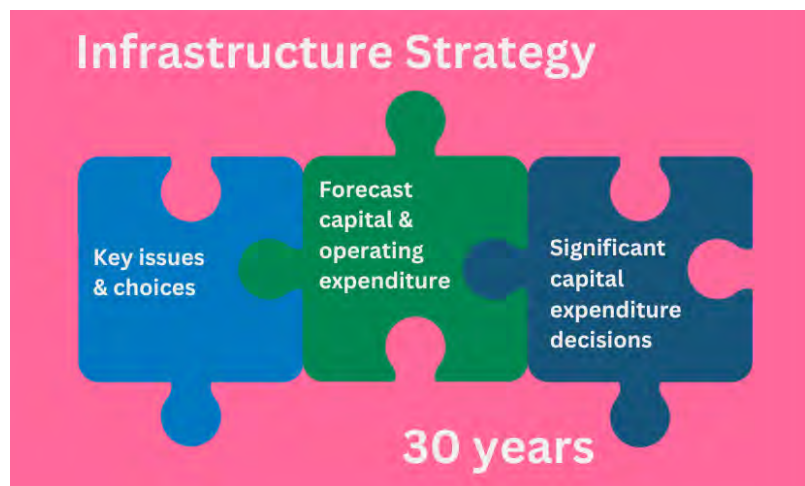
Tirohanga Whānui | Overview

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 cupped together 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.

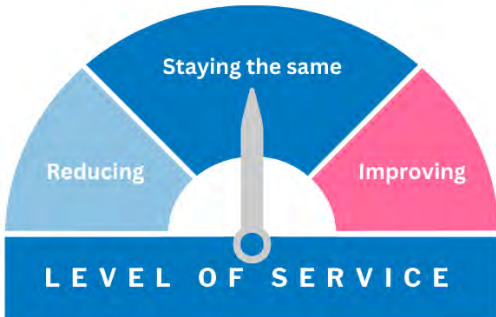
Over the past 10 years we have spent on average \$13 million on renewal of assets each year across our network infrastructure (water supply, wastewater/sewer treatment and disposal, stormwater, roads and footpaths and community facilities and waste management).

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</p> <p>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</p> <p>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</p> <p>9 Water Treatment Plants 10 Water Pump Stations 410km Reticulated Water Supply</p> 	<p>Stormwater</p> <p>166km Stormwater Drains, Pipes 18 Stormwater Ponds</p> 
<p>Wastewater</p> <p>5 Wastewater Treatment Plants 268km Reticulated Wastewater Network 37 Pump Stations</p> 	<p>Rubbish and Recycling</p> <p>3 transfer stations and associated buildings and plant at the site 3 closed landfills</p> 
<p>Community Facilities and Buildings</p> <p>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

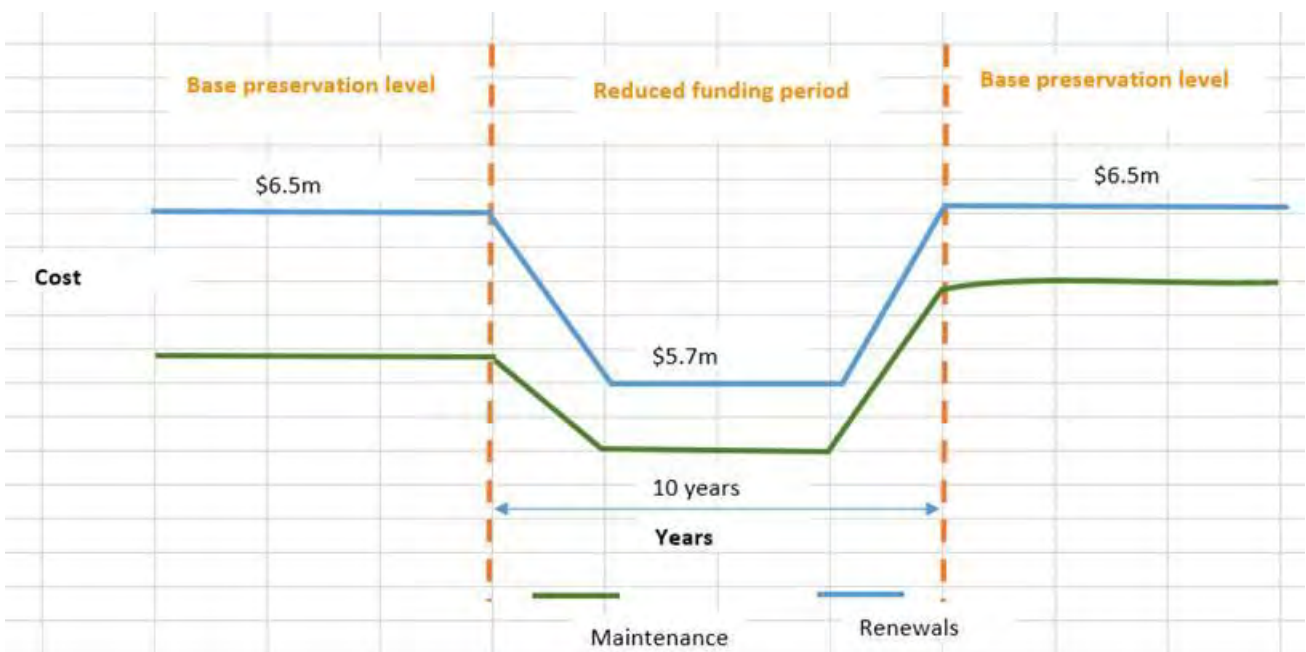
- **Investment in roading renewal**
- **Meeting water demand**
- **Prioritising capital projects**
- **Responding to climate change**
- **Servicing growth**
- **Meeting our waste minimisation targets**

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

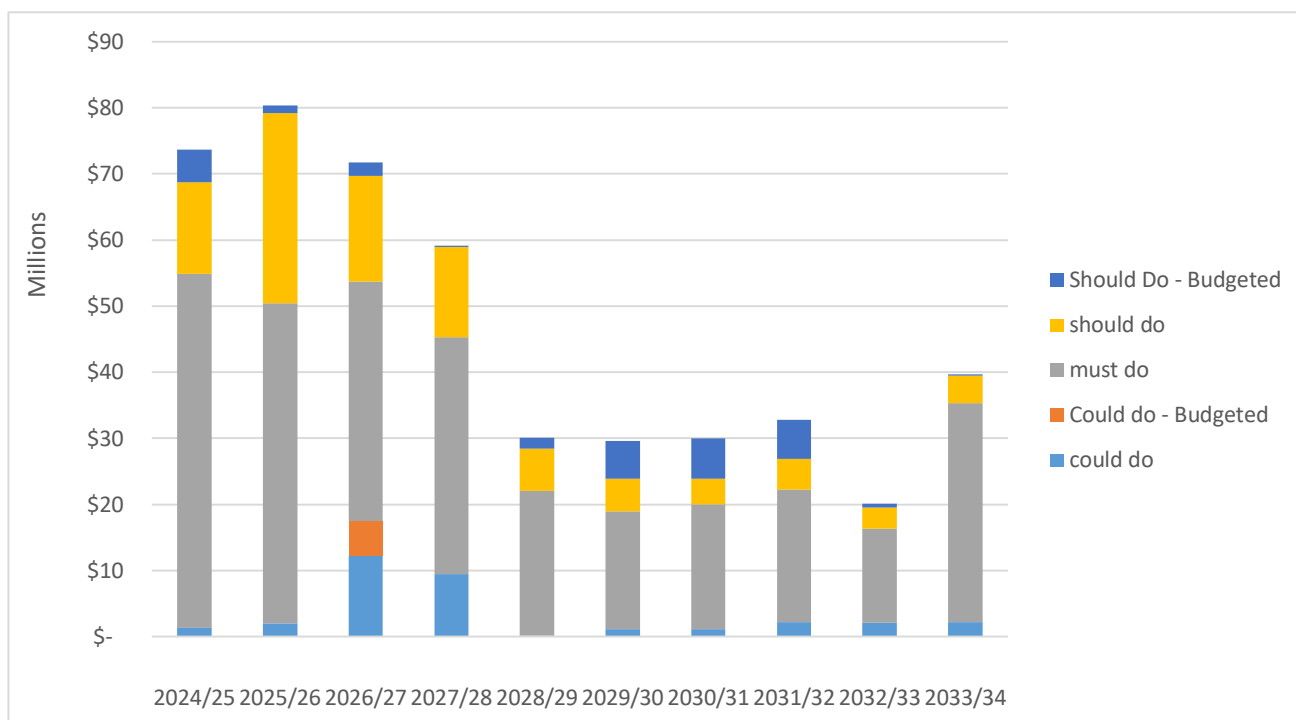
Principal options	Implications of options – What are the benefits? What are the risks?	Cost estimate, timing	Expenditure type
<p>Funding only what we must do</p> <p>The must dos are projects that are needed to meet legislative requirements across all infrastructure activities</p>	<p>The benefits are 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	
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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**
- **Roading**
- **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:

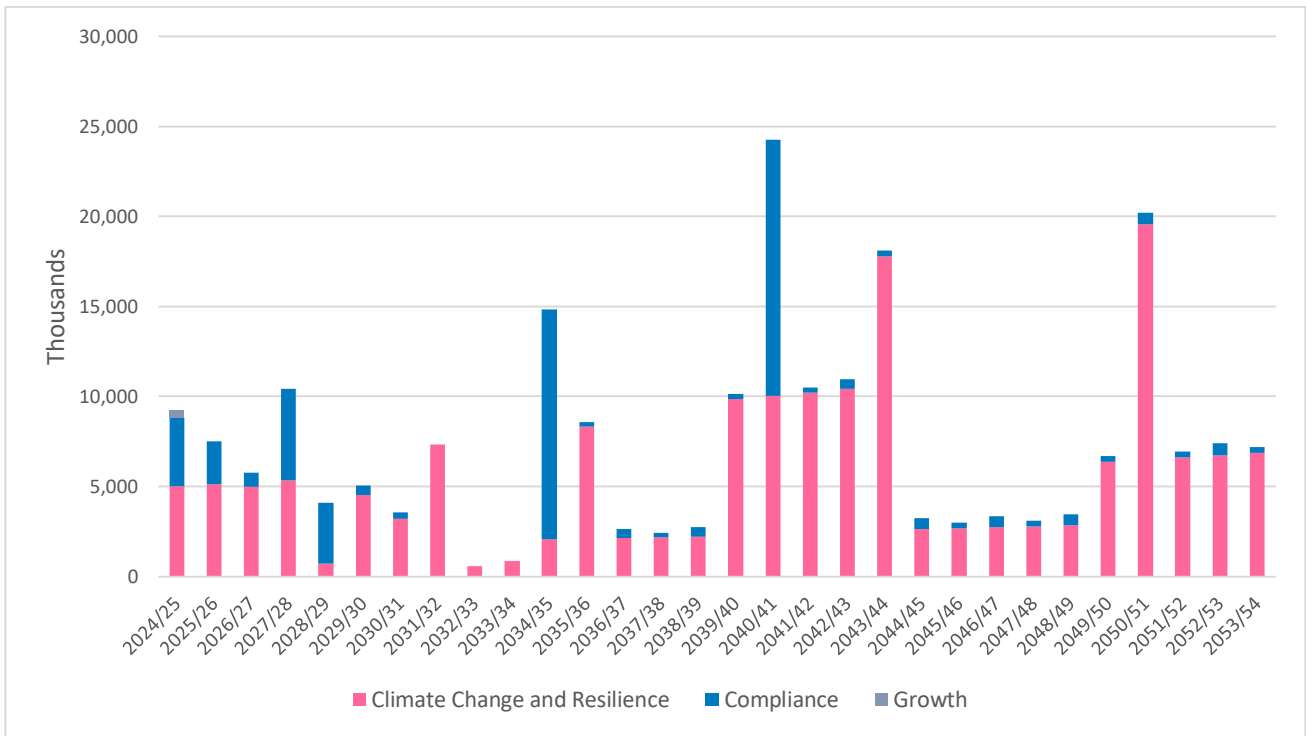
- Identify risks and opportunities
- Analyse high level options
- Recommend short, medium and long term options for meeting agreed and achievable levels of service, growth projections and resilience

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

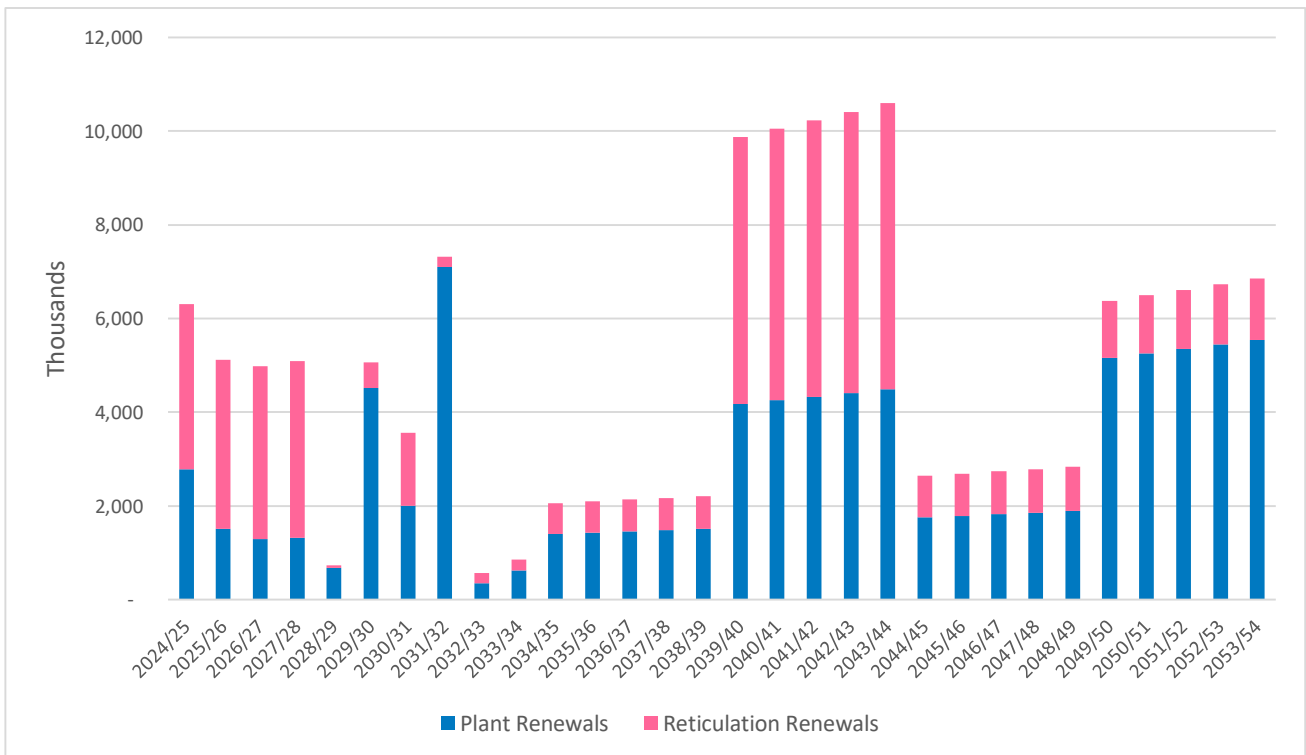
Projects to increase network and supply resilience include the installation or upgrade of our reservoirs. This ensures our community has a more water supply that is more resilient to the anticipated increase in major weather events.

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

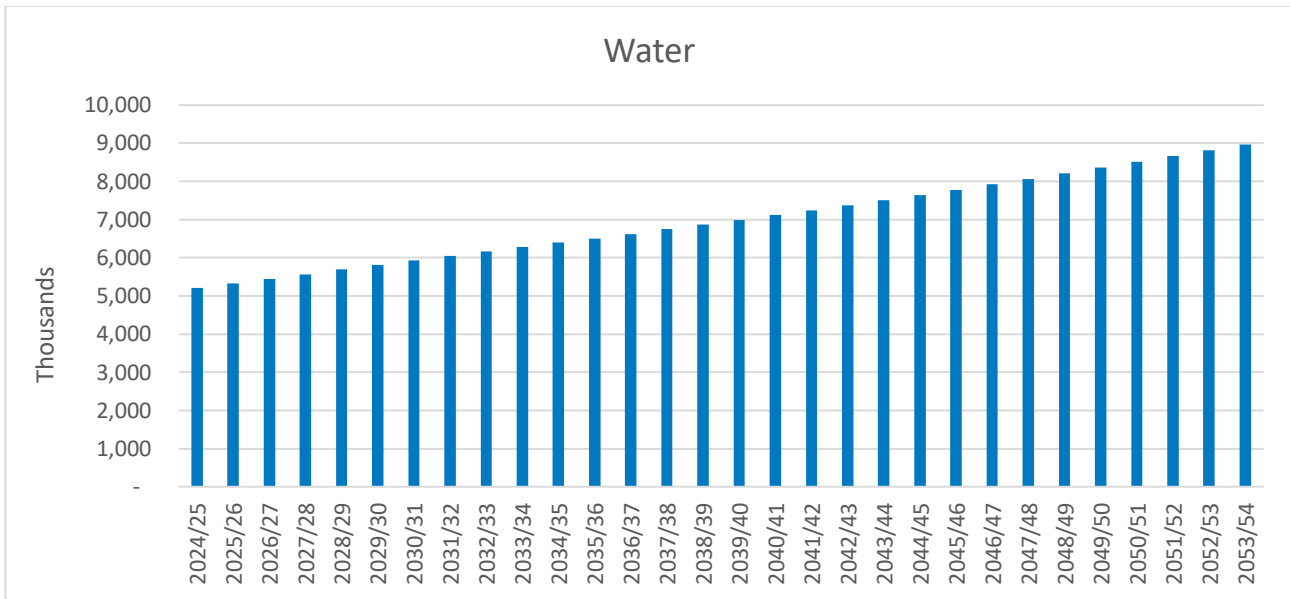
Renewals expenditure

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:

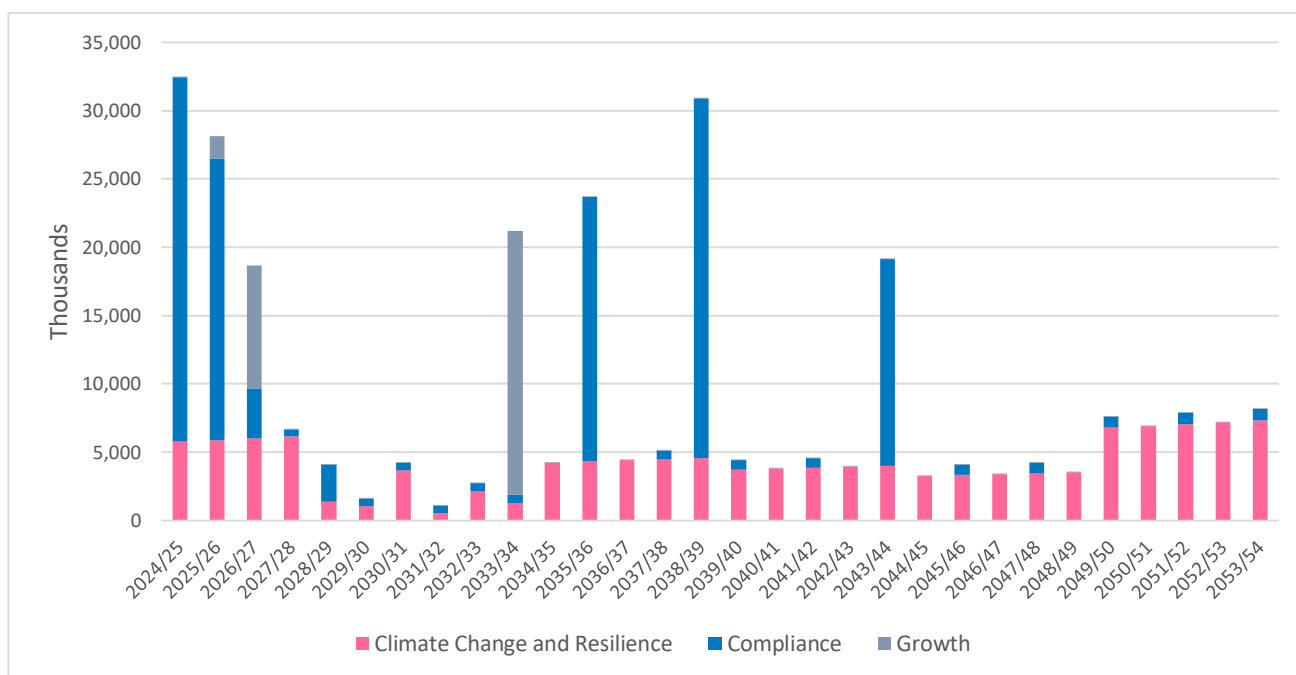
- Identify risks and opportunities
- Analyse high level options
- Recommend short, medium and long term options for meeting agreed and achievable levels of service, growth projections and resilience

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		

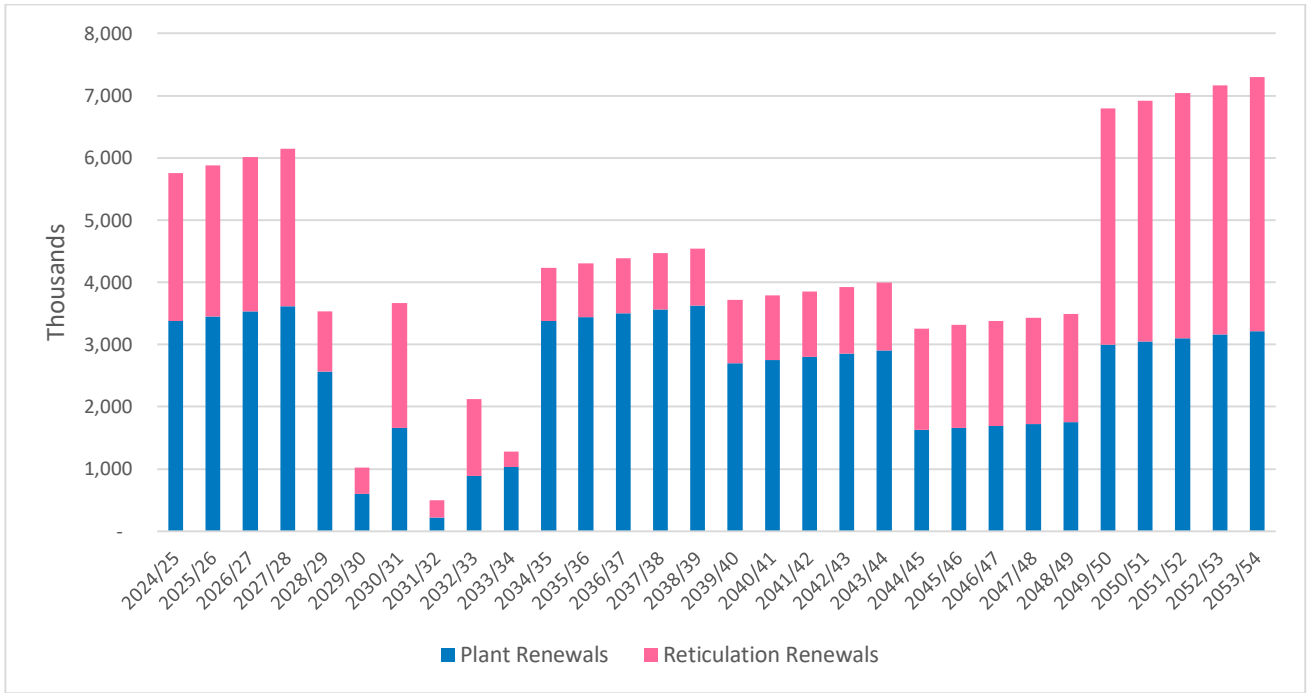
Climate change and resilience capital projects

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

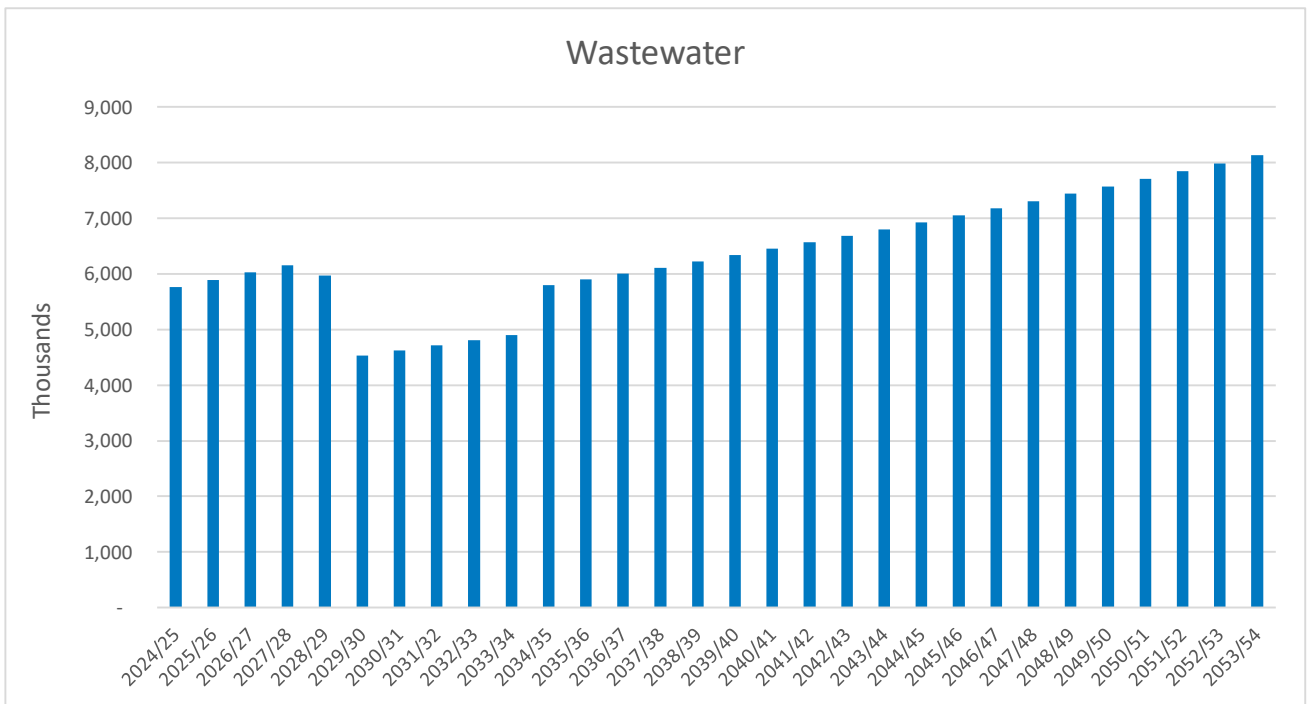
Renewals expenditure

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.

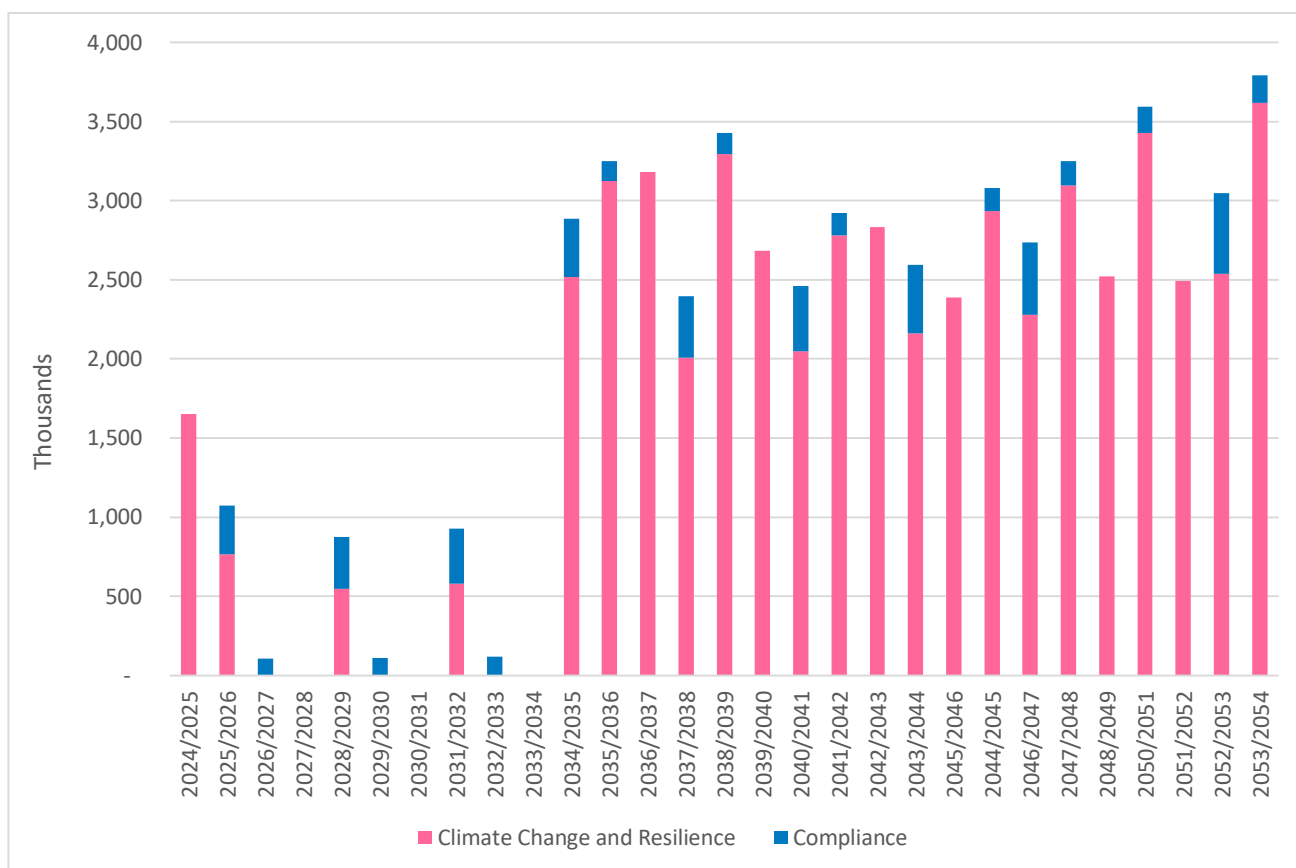
We are currently working through the renewal of our comprehensive discharge consents, and expect that some treatment of stormwater may be required in future due to requirements under the National Policy Statement for Freshwater Management 2020. At the time of writing, the detailed consent conditions 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

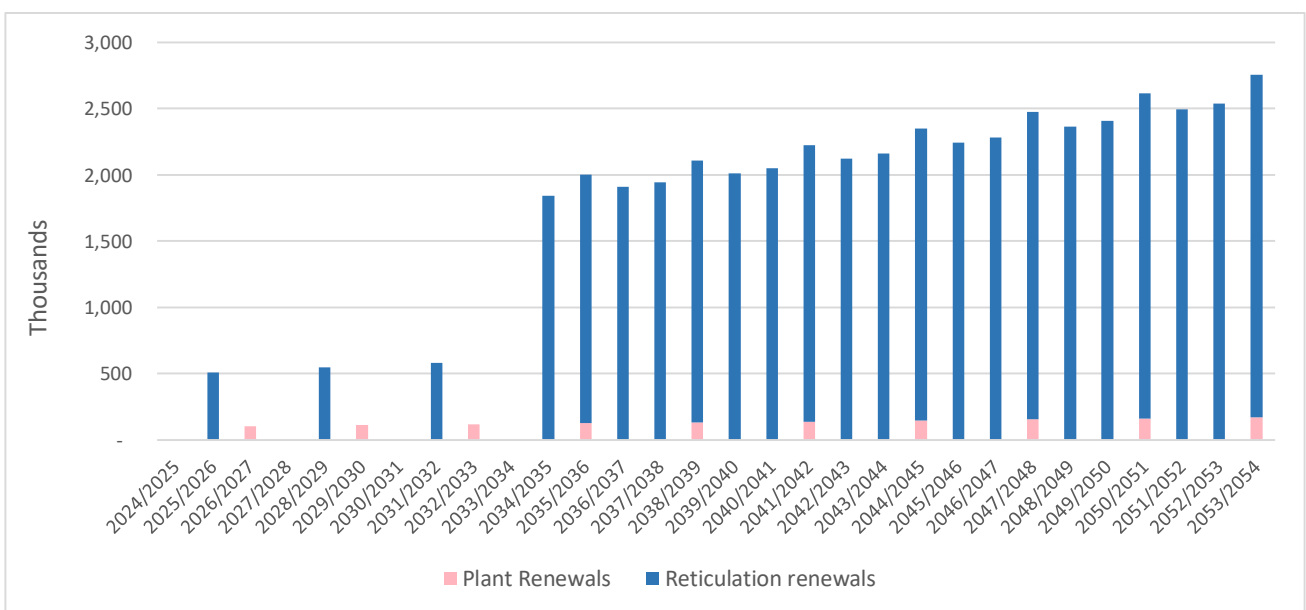
Plant and reticulation renewals are the main business as usual projects.

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.

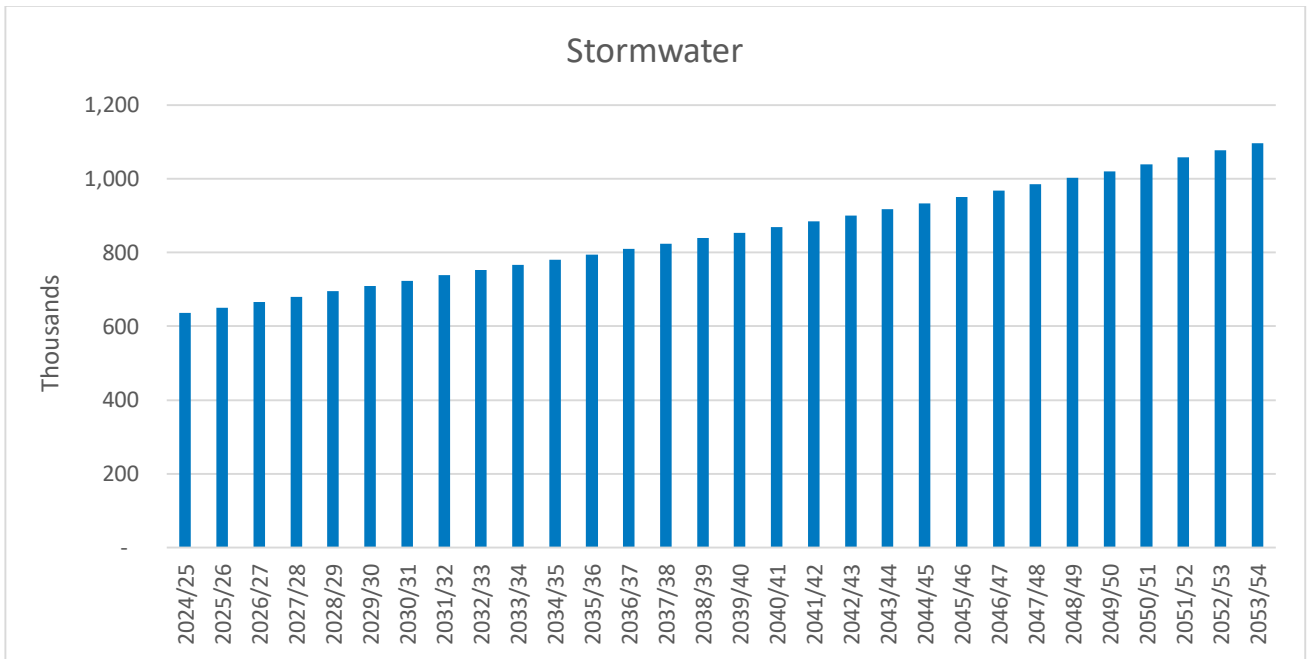
The peaks in the renewal profile are the replacement of the majority of our Matamata pipes in 2047 and Te Aroha in 2052. There have been no issues with the pipe condition to date. It is planned to complete some assessments of their condition and to verify the asset age.

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.

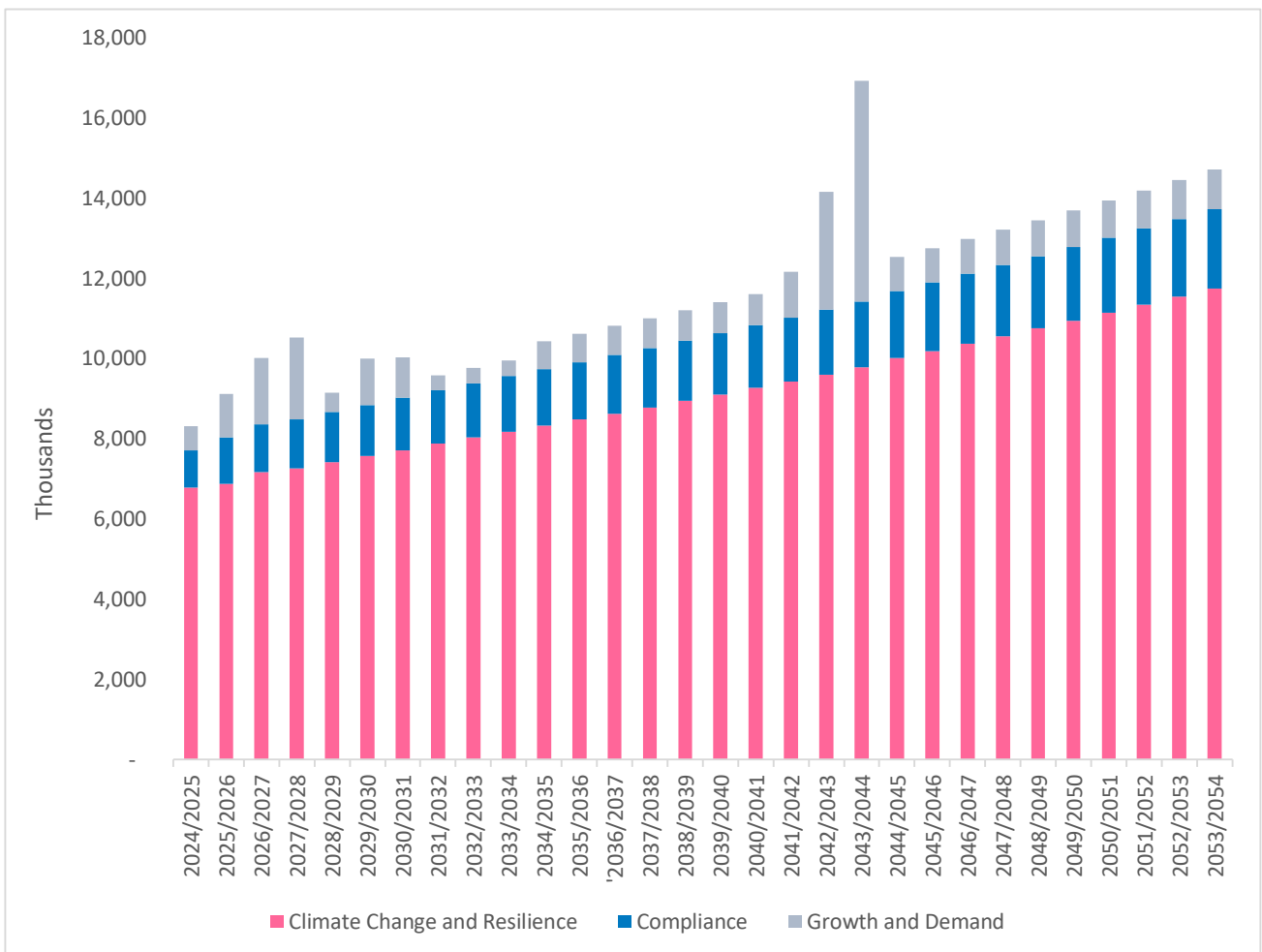
There are a number of growth projects that we have to fund to ensure our roads are safe and can manage the increase in road users created through new subdivisions. Our aim is to ensure we can maximise our co-funding from Waka Kotahi, which contributes 51% of our approved programme.

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.

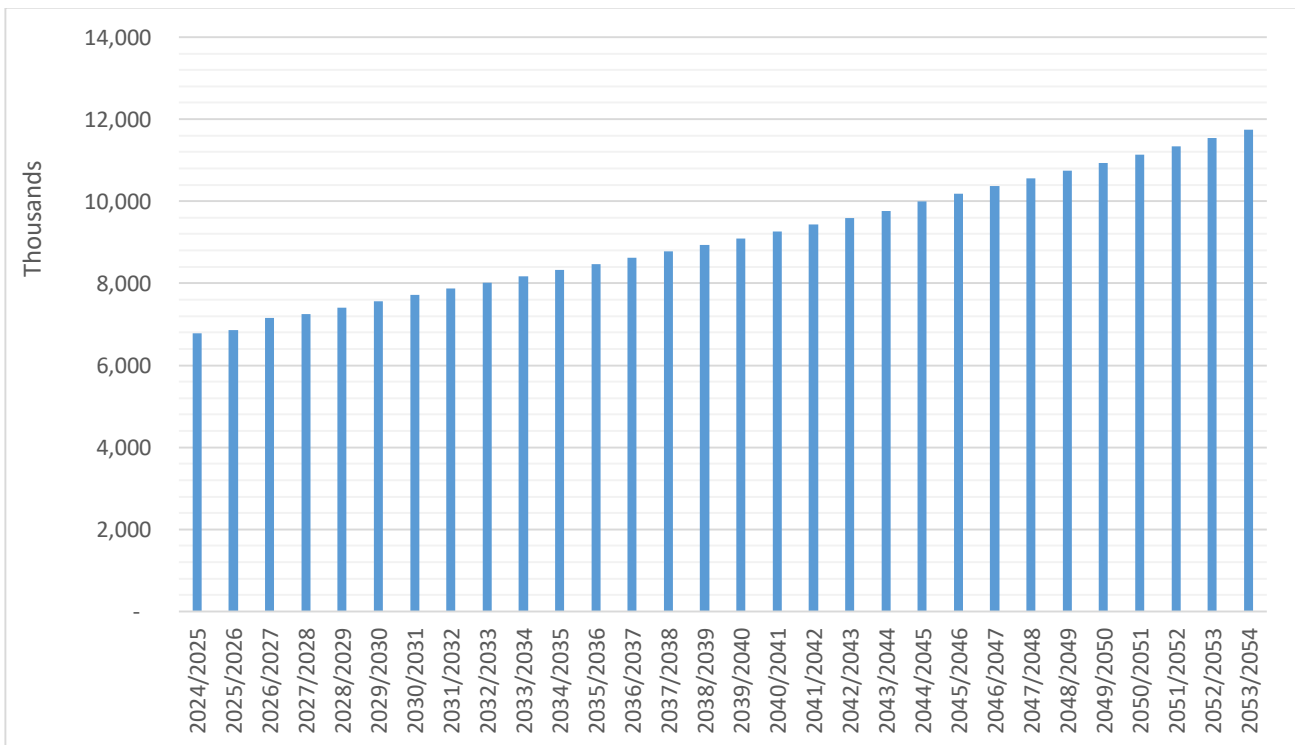
Project	2024/25 (000)	2025/26 (000)	2026/27 (000)	2027-2034 (000)	2034-2054 (000)
School Travel Plan implementations					7,310
Cycleway developments					7,156

Renewals expenditure

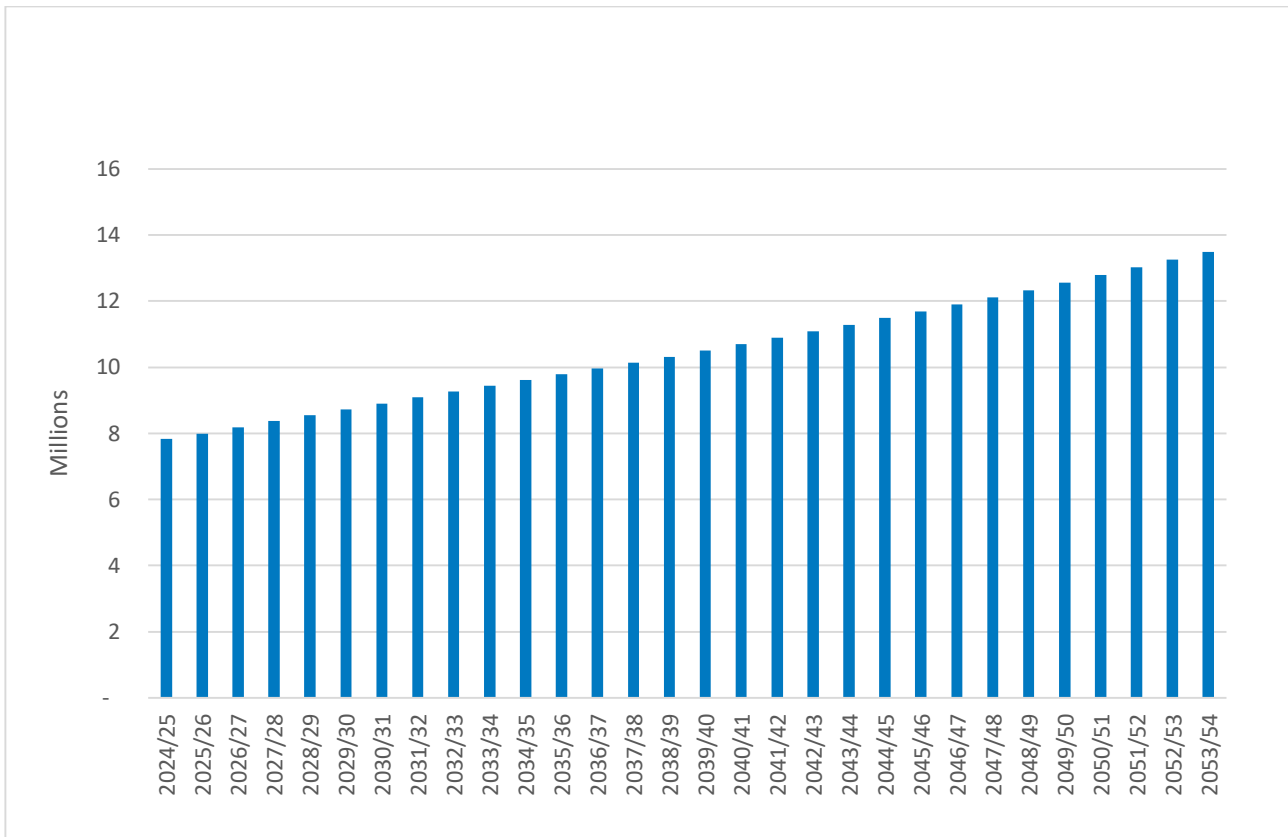
Our business as usual projects include pavement, signage, marking, drainage and footpath renewals. Modelling has been completed that has identified the most economical and sustainable renewal strategy for our pavements. Pavements make up 80% of the renewal costs so are critical to a cost effective approach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

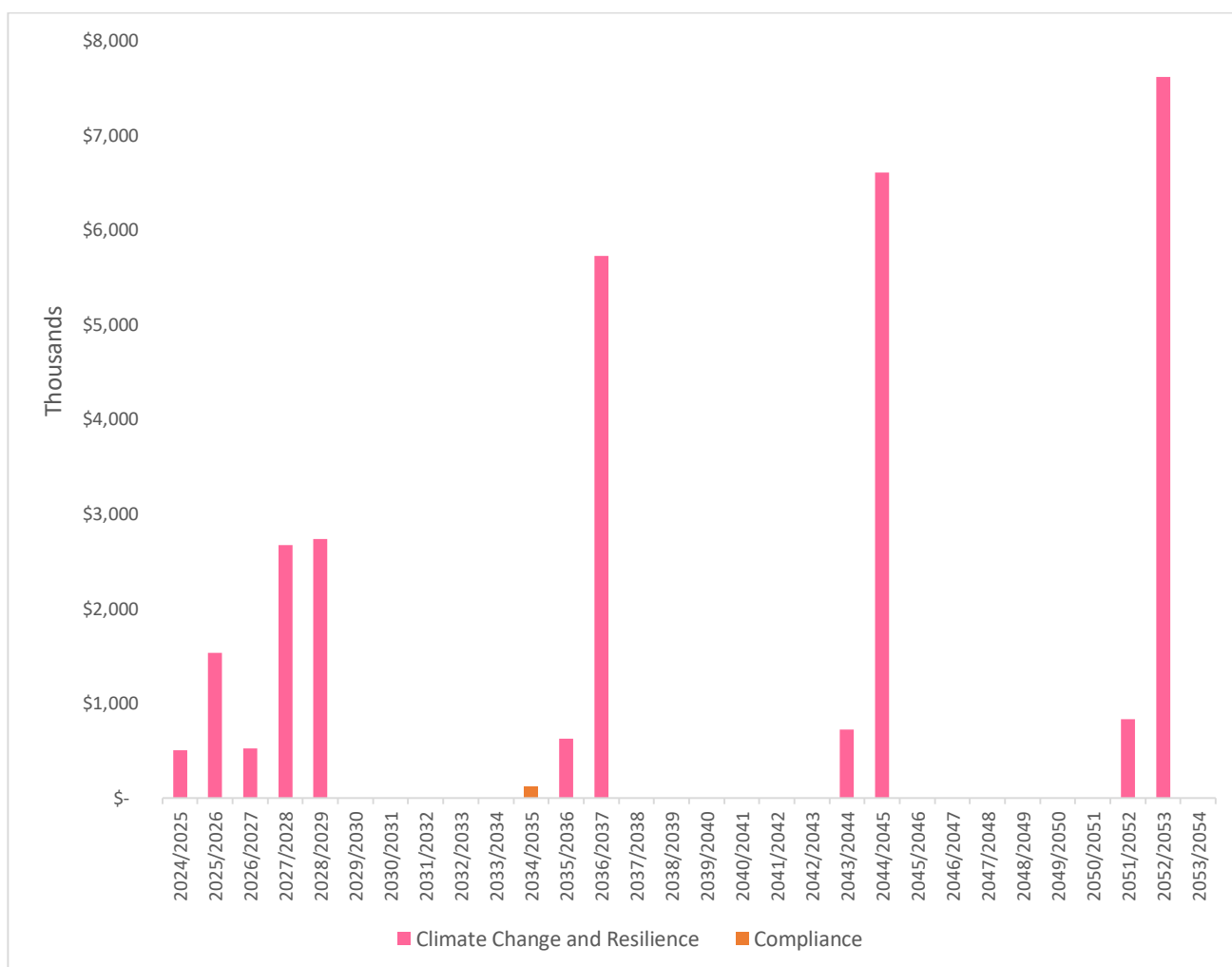
- The Emissions Reduction Plan
- Te rautaki para, The New Zealand Waste Strategy
- The Action and Investment Plan
- Kerbside Standardisation
- The Waste Disposal Levy
- The Emissions Trading Scheme
- Product Stewardship schemes

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)
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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.

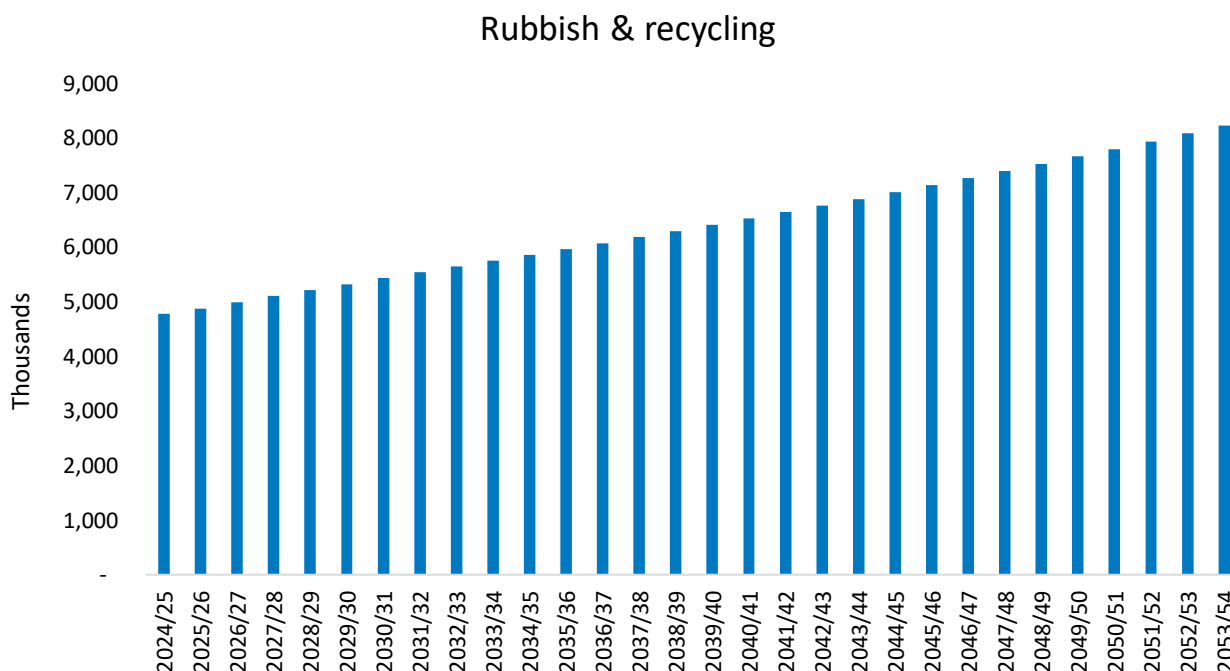
Project	2024/25 (000)	2025/26 (000)	2026/27 (000)	2027-2034 (000)	2034-2054 (000)
New Recovery Centre			523	5,404	22,119

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.

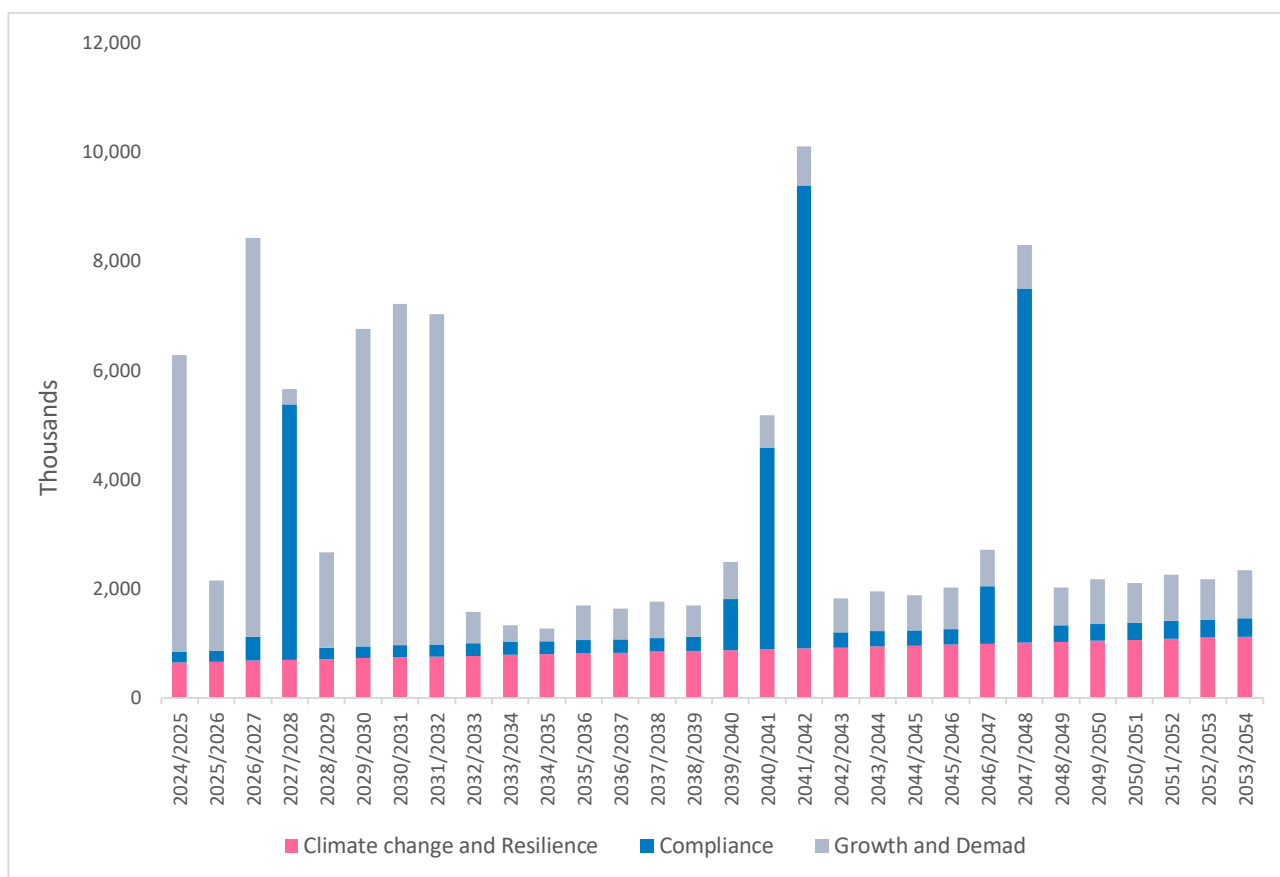
Context

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.

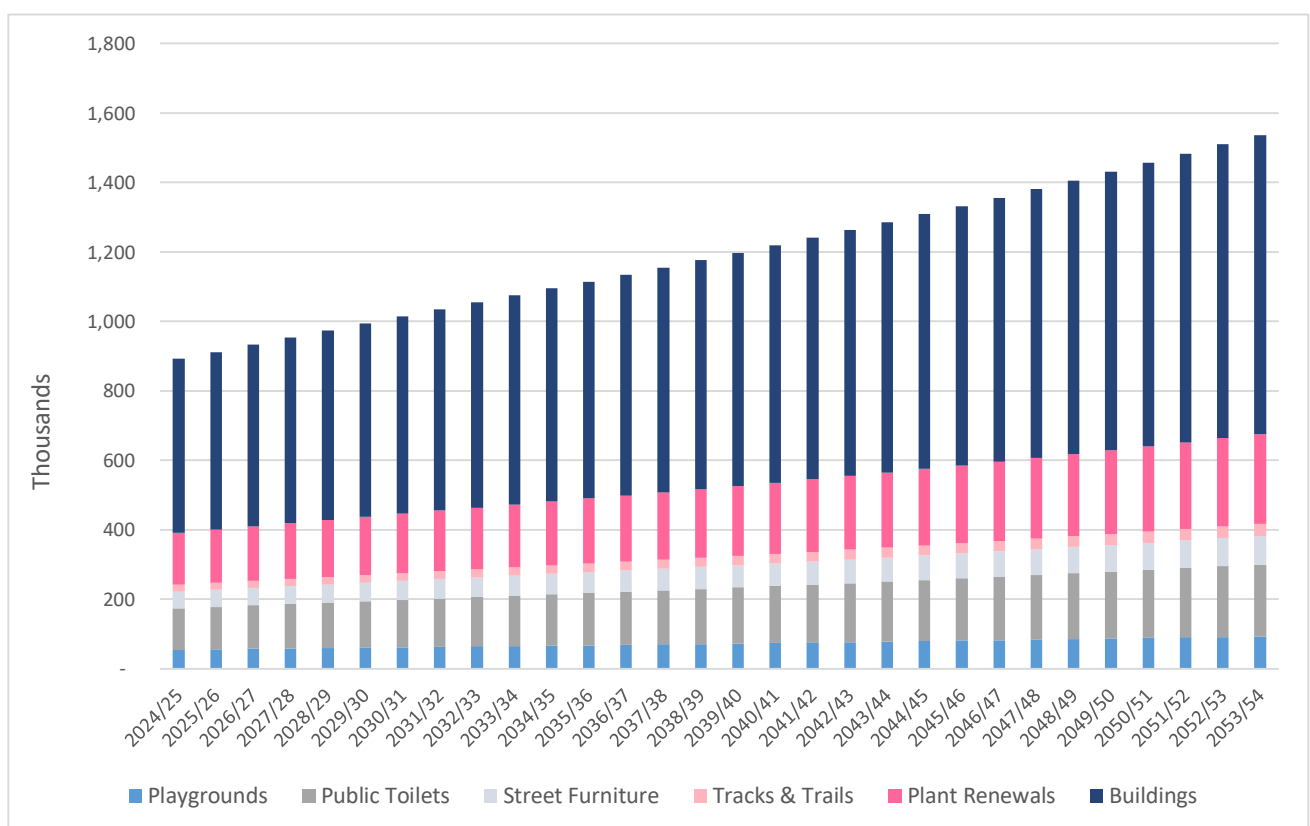
Renewals Expenditure

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.

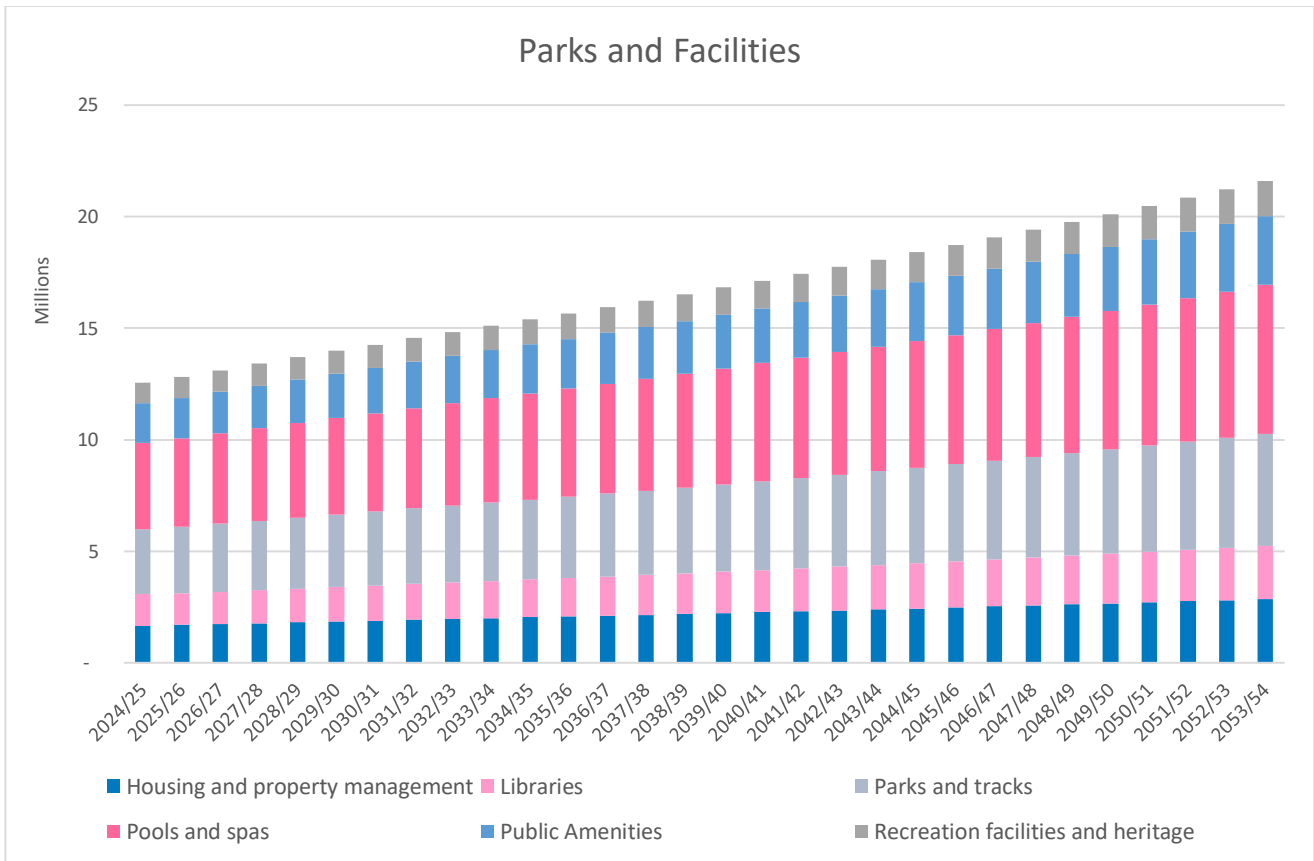
Council has adopted an approach for buildings where the need for major renewals is assessed against the use of the building, the associated costs and benefits, and its strategic purpose. A building with very limited use, high replacement cost and no planned future use will not be renewed. Some allowance 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.

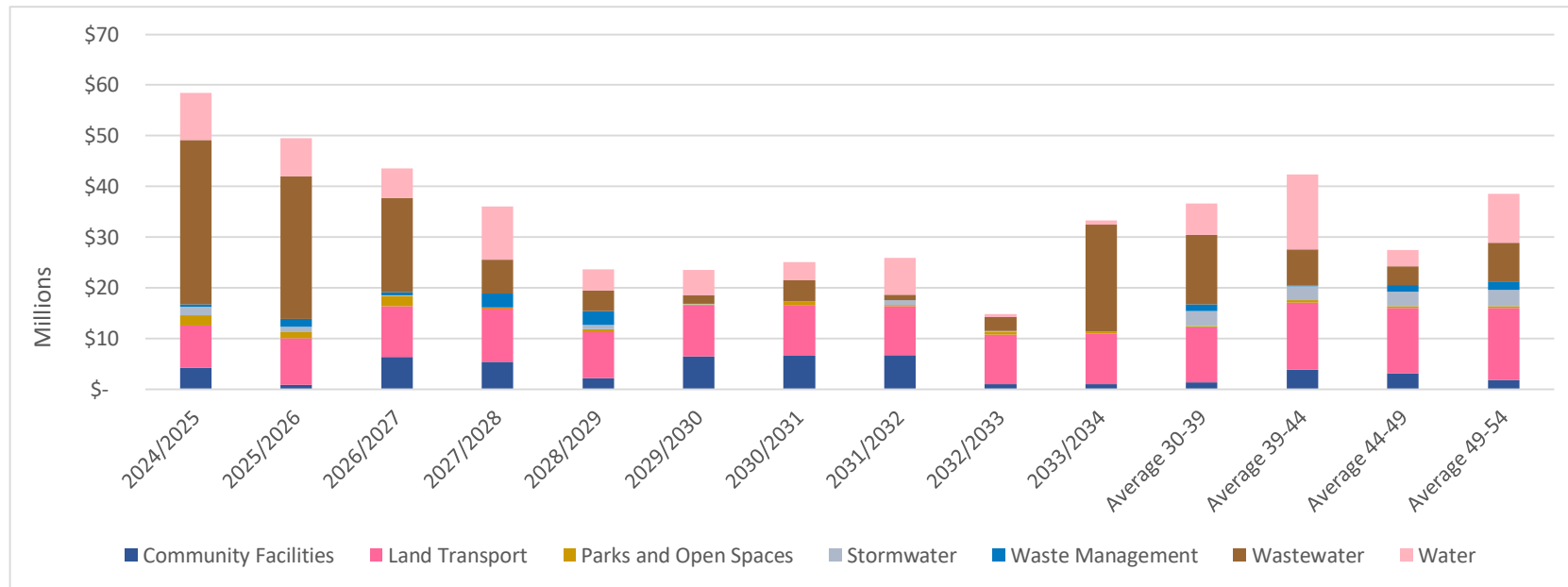
Condition assessments are completed for our buildings and pool assets and a work programme is developed and prioritised based on this assessment.

Te rāpopotonga ā-pūtea | Financial Summary

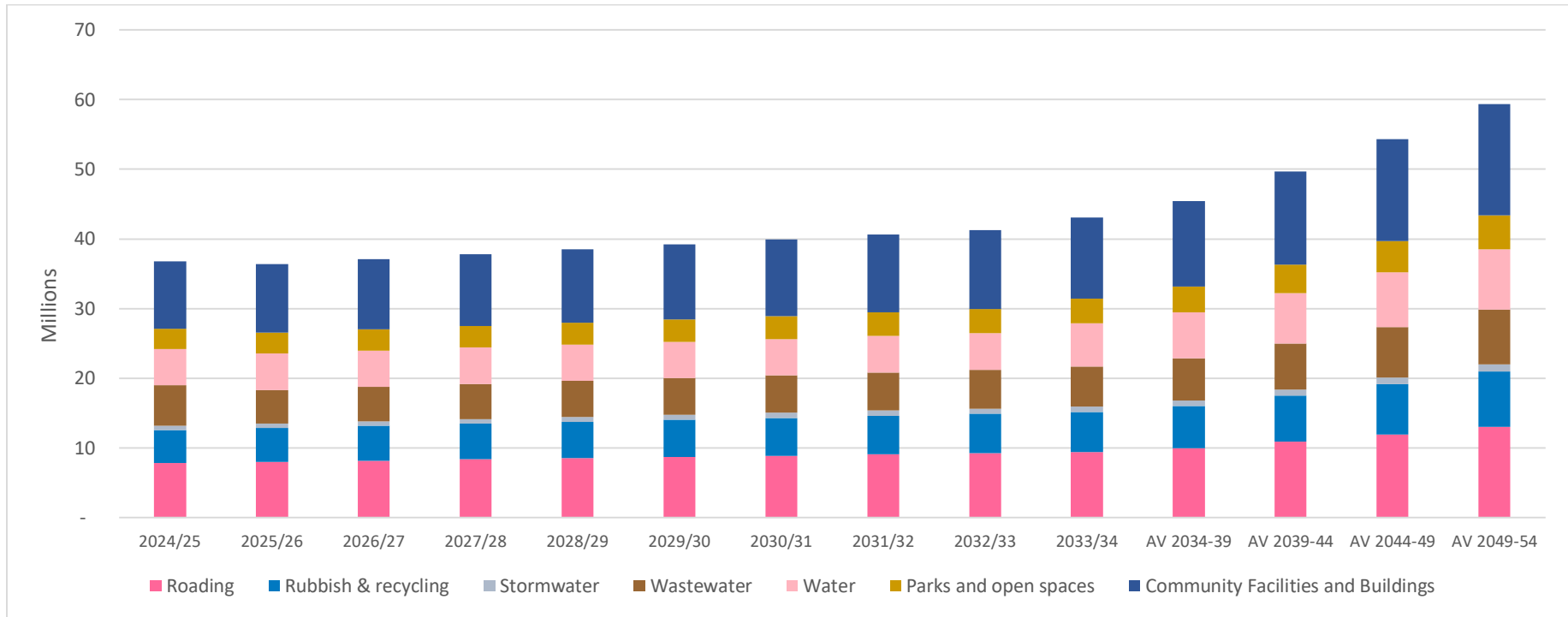
Financial forecasts

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)



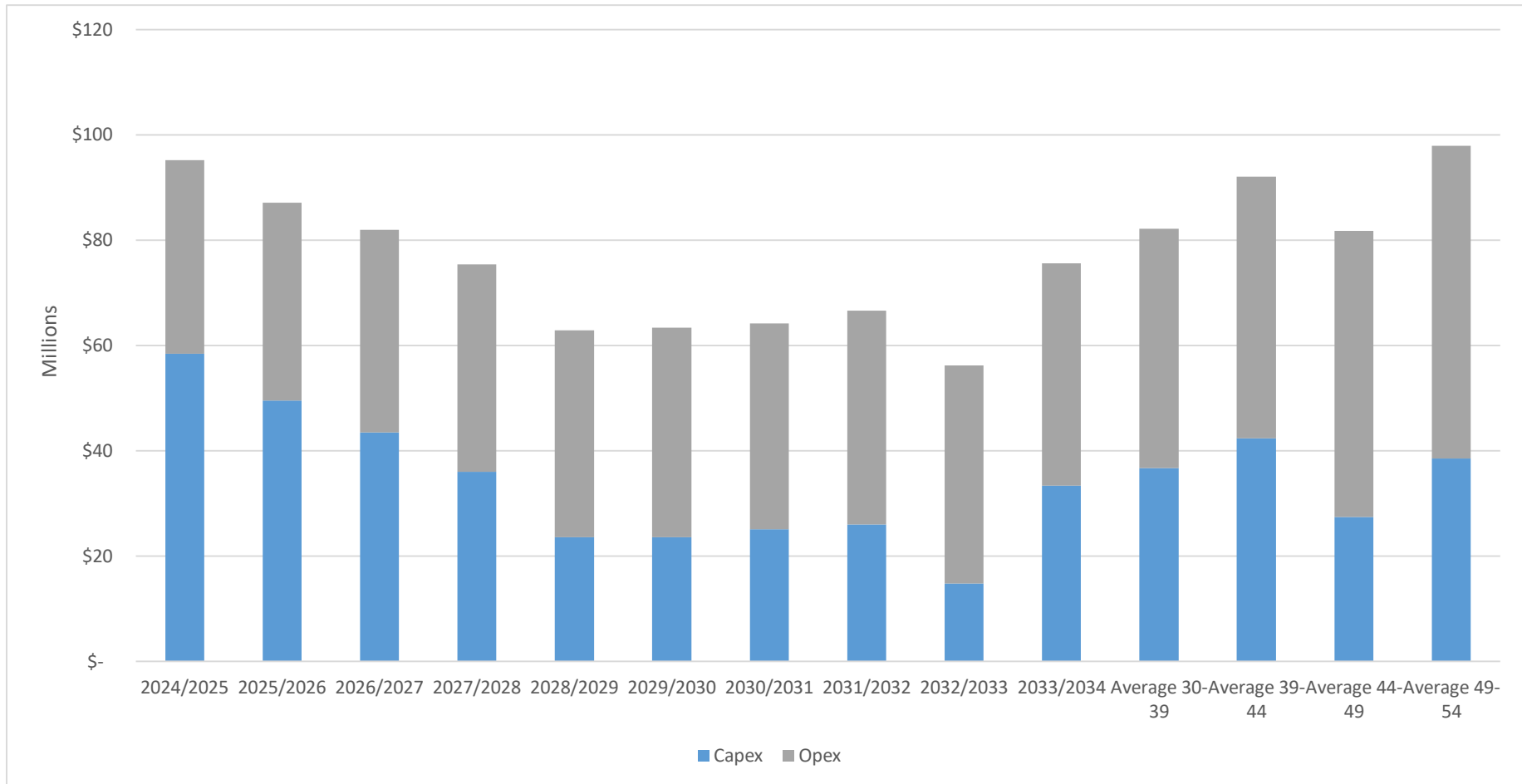
Expected total 30 year operating and capital expenditure (inflated)

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

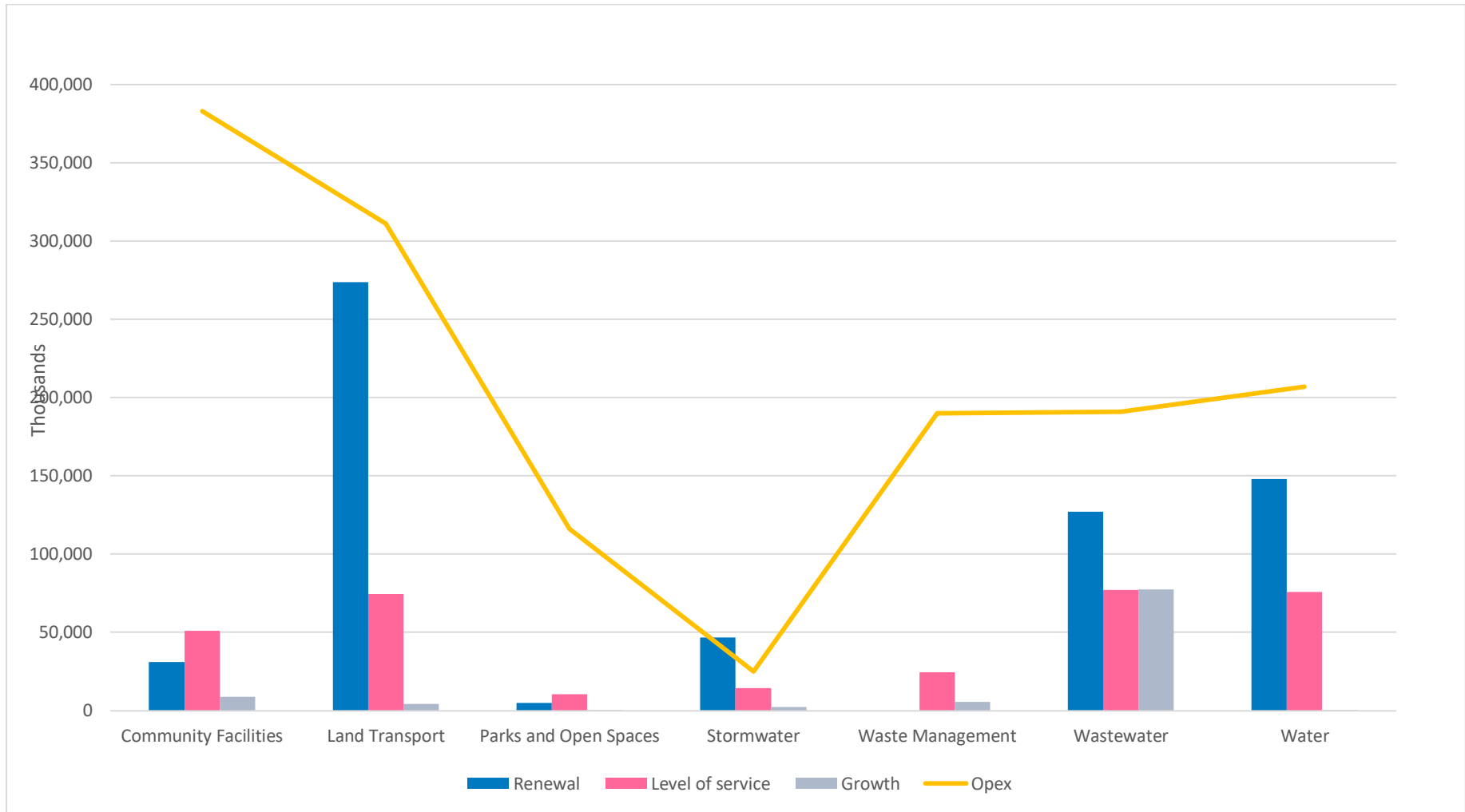


The breakdown by capital categories for each activity over the 30-year period 2024 to 2054 is summarised in the table and figure below. This shows that renewals are 66% of the total capital expenditure followed by levels of service.

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)





TAUIIRA RAUTAKINGA TŪROA

DRAFT LONG TERM PLAN

2024
2034



te kaunihera ā-rohe o
matamata-piako
district council

Ā MĀTOU MAHI
WHAT WE DO

WĀHANGA
SECTION

5

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Ā mātou mahi | What we do

Our services are organised into eight activity groups. Each activity group contains one or more activities. This section of the Long Term Plan provides information about each of Council's activities.

Community Facilities and Property Activities



Strategy and Engagement Activities



Consents and Licensing Activities



For each activity group, we detail:

- The activities that we deliver within each activity group and what the activity involves;
- How the activity group contributes to achieving Council's community outcomes;
- The strategic context and how Council are responding to our key drivers;
- Any significant effects that our activities may have on the social, economic, environmental, or cultural well-being of our community, and how Council will minimise these;
- Key projects that are planned for the activity over the next ten years and the budget for these;
- The level of service that our community can expect from each of the activities and the performance measures that we will use to measure our performance;
- The funding impact statement for each group of activities.

How do we measure our performance?

Each of our activities has performance measures that set targets for the levels of service to which Council will provide the activity.

We use a mix of mandatory and non-mandatory measures so that our community can assess our performance.

Mandatory performance measures

Mandatory performance measures are set by the Department of Internal Affairs and cover the activity groups of **Roading, Water, Wastewater and Stormwater**. Council is able to set performance targets to best suit local needs.

These mandatory measures provide consistency across councils and allow our community to compare performance to other councils across New Zealand.

Non-mandatory performance measures

We have applied non-mandatory measures to the activity groups of **Community Facilities and Property, Strategy and Engagement, Rubbish and Recycling and Consents and Licensing**.

Both the performance measures and targets are set by Council, and are reviewed every three years as part of the Long Term Plan.

Significant judgements used

We have made a number of judgements in selecting, measuring, aggregating and presenting our performance measure information within our Long Term Plan. We have detailed these below:

- Perception of measures that are important and of interest to the community, e.g. visitor/usage numbers, customer satisfaction and complaint response times.
- The extent to which the levels of service provided to the community are best captured by the performance measures used.
- We have aimed to provide a mix of both qualitative and quantitative measures so that the community can fairly assess our performance.
- Determination of the number of performance measures to monitor and report on and the level of aggregation (for example, whether to report on customer satisfaction for each library facility in

Te Aroha, Morrinsville and Matamata or one combined result across all three library facilities). We have considered the information needs of our communities, the costs and benefits, practical feasibility, and the requirement to provide performance information across the full breadth of services that the Council provides.

- The levels of service that our community expect us to provide.
- For the performance measures to inform progress towards delivering the Level of Service that we set out in the Long Term Plan.

Relevant judgements have been included within each performance measure as applicable.

Data sources

The key data sources used to report on our performance measures are:

- Council's internal Customer request management system;
- An annual Community Views survey of residents.

Customer request management system

Customer requests are received from members of the public through a number of different channels – phone call, email, Antenno (smartphone app) and in person at Council offices. Requests are logged and assigned to a member of the team who responds as appropriate. We use this system to report on data, such as the number of complaints.

Annual Community Views Survey

Council uses an external agency to conduct our Annual Community Views Survey. This survey gauges residents' perceptions of, and attitudes towards, various Council services and facilities.

Survey responses are collected on a monthly basis using a mixed method approach: computer aided telephone interviewing (CATI) and online interviewing of a randomised selection of residents.

The survey allows Council to measure changes in customer satisfaction across our service delivery over time. Questions are written so they are clearly understood by participants and neutral in tone; with response options designed so they are balanced, do not lead participants to respond in a certain way, and cover a variety of responses a participant may wish to provide. For example, if a respondent is dissatisfied with a particular service or activity, the reasons for this are recorded.

Results from these surveys are used to improve our processes and help to inform future service delivery and service level improvements.

How do we report on performance?

We report on our performance through our Annual Report. This details our performance against the targets we set, and demonstrates how effectively Council is delivering services to the community.

Ngā wāhi māna me ngā rawa ā-hapori (hui katoa) | Community facilities and property

Tirohanga Whānui | Overview

Below we give an overview of the services we deliver within the Community facilities and property group of activities, how these contribute to our wider goals for our community, and how we are addressing the key challenges we have identified through the delivery of these services. We then outline each activity within the group in more detail.

What we do

Community Facilities and Property is about providing parks, open spaces and built facilities for sport, recreation, social and cultural activities as well as buildings that enable us to provide a range of services to the community, including affordable housing for elderly people.

The activities responsible for this are: Cemeteries, Housing and Property, Libraries, Parks and Open Spaces, Pools and Spas, Public Toilets, and Community Venues.

Why we do these activities

Council is committed to providing open spaces and built facilities that promote healthy communities, enable social connections, look after our natural and cultural heritage, and provide economic opportunities.

We support and improve public health by providing places and facilities where people can engage in play, active recreation, and sports activities which provide physical and mental health benefits. Our public toilet network also promotes public health.

We provide open spaces (like parks) and built facilities (such as event centres and libraries) where people can gather to connect socially. We also provide affordable housing complexes for elderly people.

Our network of parks and reserves helps protect and enhance our natural environment.





We help preserve our cultural heritage by supporting museums as well as by managing historic sites, monuments, or buildings on parks and reserves.

Our parks and community facilities provide economic opportunities through tourism and events.

Our vision and community outcomes

Council has developed a vision of a district that is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.’ Further details of this strategic vision are set out in Section 1 of this plan. Community Facilities and Property contributes to this overall vision by providing places for people to participate in sport, recreation and cultural activities, play, relax, experience nature, socialise, or access information. The activity also beautifies our towns, protects sensitive environments, provides facilities for visitors, and supports economic growth.

Community facilities and property contributes to the following community outcomes:

Community facilities and property – Community outcomes				
	 A place with people at its heart	 A place to thrive	 A place that embraces our environment	 A place to belong and create
Cemeteries	✓			
Housing and Property	✓	✓		✓
Libraries	✓			✓
Parks and Open Spaces	✓	✓	✓	✓
Pools and Spas	✓	✓		✓
Public Toilets	✓	✓		
Community Venues	✓	✓		✓

Key drivers

The challenges

For Community facilities and property our key drivers are:



Our response

Growth and demand

Council has adopted a high growth assumption for our population. This would see our district's population increase to just over 48,000 by 2054.

We are planning for population growth, and growth in visitor numbers, by increasing the capacity and availability of facilities such as sport/event centres and public toilets. This includes additional capital and operational expenditure over the next 30 years.

The trend toward an ageing population is forecast to accelerate, with over 65's projected to comprise just over 30% of the district population by 2051. In contrast to this, the percentage of under 15's is projected to fall to just over 16% of the district population by 2051.

This trend may increase demand for elderly persons housing as well as a requirement for improved accessibility to Council buildings and facilities. This is also likely to increase demand for recreation facilities (especially for informal activities such as walking, cycling or swimming).

We will continue to monitor and review demographic changes and demand and adjust our provision of services accordingly, to meet the needs of our changing demographic.

Compliance

All of our facilities and assets need to be compliant with the current and future legislation. Accordingly, we will keep up with relevant legislation and respond to any changes as required. This includes undertaking earthquake-prone building and asbestos assessments and developing a response programme to deal with these issues.

A recent example of legislative change, concerns the protection of kauri trees from Kauri Dieback Disease. We are working with iwi and the Department of Conservation to improve some mountain biking trails in Te Aroha and potentially re-aligning some trails to protect kauri. We continue to monitor upcoming legislative change to that we can respond proactively.

Climate change and resilience

Our maintenance and renewal programme for our infrastructure assets ensures the resilience of our assets, protecting our community from asset failure in the event of natural disaster, and supporting the community recovery following such events.

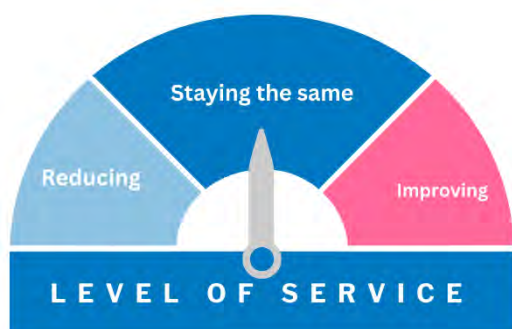
There is increasing public awareness and concern about environmental issues such as biodiversity loss and climate change. More community groups with an environmental focus have been started in our district in the past five years. We see opportunities to partner on environmental projects and benefit from regional and central government funding schemes.

Affordability

We will optimise our investment and apply sound asset management practices to our planning and we will smooth our costs where possible over time. We will monitor the condition, performance, capacity and use of our facilities. This will inform our renewal and maintenance programme to ensure we maximise the useful life of our assets for the community. We will take a lifecycle approach to our building assets. This includes developing business cases for significant new assets taking whole-of-asset-life costs into account.

Levels of service

We will maintain or improve levels of service



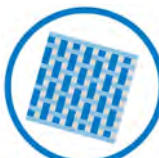









This means we will maintain our Community facilities and property infrastructure to the expected levels of service for which our community is willing to pay.

Council is not proposing any increase in its level of service, however the community may notice improvements to their experience due to current capital or renewal programmes e.g. replacement of toilets or playgrounds which may provide a better experience overall.

Significant effects

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

Community facilities and property – Significant effects		
Wellbeing	Potential negative effects	Response
 <p>social</p>	<p>The location and design of community facilities and property could result in anti-social behaviour (such as vandalism, graffiti and bullying).</p>	<p>CPTED (crime prevention through environmental design) studies will be undertaken on public toilets each year to identify improvements that can be made to reduce anti-social behaviour and increase safety. The development of new facilities will take CPTED principles into account.</p>
 <p>social</p>  <p>cultural</p>  <p>economic</p>  <p>environmental</p>	<p>Our community facilities and property may be under or over used due to their location, size and distribution.</p>	<p>We will periodically review our use and distribution of facilities through documents such as the Waikato Regional Active Spaces and Places Plan, our District Sports Facility Action Plan, and Parks and Open Spaces Strategy and similar, to ensure we have the right number, size, and location of facilities.</p> <p>Our Parks and Open Spaces Strategy 2021-51 guides the provision, development and management of our parks and open spaces network.</p> <p>Our District Sports Facility Action Plan 2018 identifies and helps</p>

Community facilities and property – Significant effects		
Wellbeing	Potential negative effects	Response
		prioritise built sport and recreation facilities like pools and stadiums.
 <p>social</p>  <p>cultural</p>  <p>environmental</p>	Health issues could be caused if public toilets are not adequately provided.	<p>We undertake a Sanitary Services Assessment every few years to assess asset condition, performance, and future demand. This process helps identify where we need to provide new toilets, and where upgrades to existing toilets are needed.</p> <p>We will ensure our staff are trained, and that we provide a timely response to complaints/customer requests.</p>
 <p>social</p>  <p>environmental</p>	The age and design of some housing units, corporate buildings and other facilities may lead to increased maintenance and energy costs.	<p>We will endeavour to lessen maintenance costs through renewals and proactive maintenance.</p> <p>We will participate in energy efficiency audits and implement energy saving methods where practicable.</p>

Funding

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

Assessment of public toilets and cemeteries

Under section 125 of the Local Government Act 2002 we are required, from time to time, to assess the provision of water and other sanitary services within the district to determine the adequacy of those services.

Public Toilets

A Sanitary Services Assessment has been completed for public toilets. This identified the need for additional toilets in some places and several upgrades/replacements of existing toilets that are aging and do not meet current accessibility expectations. Since the Assessment, we have provided more public toilets and completed upgrades. We have also budgeted for further public toilets and upgrades in this Long Term Plan.

Cemeteries

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

Our activities

Below we outline each of the activities within the Community facilities and property group, including planned projects, the levels of service you can expect from us and the performance measures and targets that we will use to track and communicate our performance.

Ngā urupā | Cemeteries

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

Key legislation, strategies, policies and plans

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

National
Local Government Act 2002
Health Act 1956
Burial and Cremation Act 1964
Reserves Act 1977
Resource Management Act 1991
Council strategies, policies and plans
Sanitary Services Assessment 2019
Cemeteries Policies and Procedures Manual 2010
Business Continuity for Cemeteries 2020 (Pandemic Plan)
Parks and Open Spaces Asset Management Plan 2024-54

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for cemeteries as general rates and fees and charges.

Our projects for the next 10 years

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

Cemeteries - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
356	Additional Ashes Walls	To provide additional ashes walls at our cemeteries where needed.	20%	80%	-	60	72	-	288
	Piako Cemetery	To develop the remaining portion of Piako Cemetery to provide additional burial capacity.	20%	80%	-	-	-	-	60
Total capital projects						60	72	-	348
Total capital projects including inflation						60	74	-	396

Levels of service

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

Cemeteries – Level of service (1)						
Cemeteries will be maintained to a high standard						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
C1	Percentage of people who have visited a Council cemetery in the last year who are satisfied/very satisfied with the cemeteries.	2021/22 (Actual) Achieved (85%) 2022/23 (Actual) Achieved (89%) 2023/24 (Target) 80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied

Cemeteries – Level of service (1)

What does this measure tell our community?

This measure indicates whether Council is maintaining cemeteries to a standard with which the community is satisfied.

Data source and judgements

The data source for this measure is our annual Community Views survey of residents.



Te whakahaere i te whare me ngā rawa

I Housing and property

We own and manage a variety of land and buildings. This activity manages 109 Elderly Persons Housing (EPH) units across the district, providing affordable and convenient accommodation options for elderly people living in the urban environment who wish to have a quiet, maintenance-free, and supportive living environment.

The activity is also responsible for corporate buildings used to deliver services to the community including Council offices, depots and an animal pound. We also have 20 community halls, mainly located in rural areas. While we own the halls, the individual halls are operated by local hall management committees.

We also lease a number of Council-owned properties to others. Leases often enable sports clubs to operate clubrooms at parks, or community groups to provide services to the community from a convenient location. We also lease some land to others to crop or graze, to keep it tidy until we need to develop it for use as parks, roads, utilities, etc.

Key legislation, strategies, policies and plans

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

National
Local Government Act 2002
Property Law Act 2007
Residential Tenancies Act 1986
Reserves Act 1977
Public Works Act 1981
Public Bodies Leasing Act 1969
Airport Authorities Act 1966
Building Act 2004
Regional
Waikato Regional Plan
Council strategies, policies and plans
Parks and Open Spaces Strategy 2021-51
General Policies Reserve Management Plan 2019
Active Reserves Management Plan 2009
Passive Reserves Management Plan 2009
Community Group Leases and Licences Policy 2023

National
Community Facilities and Building Asset Management Plan 2024-54

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for housing and property as general rates and fees and charges.

Our projects for the next 10 years

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

Housing and property - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
294	Building Renewals	Annual programme of building renewals.	-	-	100%	500	500	500	3,500
301	Bulk Fund	Contestable fund for minor, unforeseen capital or renewal projects.	-	100%	-	66	66	66	462
Total capital projects						566	566	566	3,962
Total capital projects including inflation						566	578	592	4,508

Levels of service

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

Housing and property – Level of service (1)						
We will provide housing that meets the needs and expectations of elderly persons housing tenants						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
H1	Percentage of tenants who are satisfied/very satisfied with the elderly persons housing	2021/22 (Actual) Achieved (91%) 2022/23 (Actual) Achieved (82%) 2023/24 (Target) 80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied
What does this measure tell our community? This measure indicates whether Council is providing elderly persons housing to a standard with which tenants are satisfied.						
Data source and judgements Residents' opinions of Elderly Persons Housing are gathered through an annual survey given to all residents by Council staff. Surveys are completed in paper copy to make them as accessible as possible for residents. This is a survey administered internally in comparison with the annual Community Views survey of residents that is administered by an external provider.						

Housing and property – Level of service (2)						
Elderly Persons Housing will be well utilised						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
H2	Percentage of elderly persons housing which is occupied.	2021/22 (Actual) Not achieved (93.04%) 2022/23 (Actual) Achieved (96.5%) 2023/24 (Target) 95% or more.	95% or more	95% or more	95% or more	95% or more

Housing and property – Level of service (2)

What does this measure tell our community?

This measure indicates whether Council is making good use of its housing stock for the benefit of elderly members of the community. Maintaining high occupancy rates of elderly persons housing ensures Council is providing affordable housing to vulnerable residents in our community.

Data source and judgements

Occupancy levels are assessed through ongoing internal monitoring and reporting.

We include all elderly housing units in this measure, including any units that are unable to be filled due to planned periods of refurbishments, repairs or upgrades.



Ngā wharepukapuka | Libraries

We have libraries located in Matamata, Morrinsville and Te Aroha, which stock over 50,000 items, plus a digital library. Our public libraries have been supplying our communities with library services for over 100 years.

Libraries today retain their traditional services to the community through providing material to support lifelong learning and recreation. Our libraries also provide community spaces serving all members of the public through the provision of literacy services, digital programmes and technology and spaces for people to gather.

Key legislation, strategies, policies and plans

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

National
Local Government Act 2002
Copyright Act 1994
Films, Videos and Publication Classification Act 1993
Privacy Act 2020
Public Libraries of New Zealand: a strategic framework 2020-25
National Library Strategic Directions to 2030
Digital Inclusion Alliance Aotearoa
New Zealand Libraries Partnership Programme (supporting Covid relief)
Regional
Waikato Local Authority Shared Services (Co-Lab)
Council strategies, policies and plans
Community Facilities and Building Asset Management Plan 2024-54

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for libraries as general rates and fees and charges.

Our projects for the next 10 years

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

Libraries - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
357	Te Aroha Library	The Te Aroha Library building is not suitable for future use and is earthquake prone. A new building is required, or the relocation/co-location of services.	-	-	100%	-	-	220	4,180
	Library book/resource renewals	Annual allocation to our District's library stock	-	-	100%	169	169	169	1,245
Total capital projects						169	169	389	5,425
Total capital projects including inflation						169	173	407	5,887

Levels of service

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

Libraries – Level of service (1)							
Our library services will be accessible to the community							
ID	Performance measure	Previous years	LTP 2024-34 Targets				
			2024/25	2025/26	2026/27	2027-34	
L1	The total number of visits made by persons/ individuals annually to the district's libraries or	2021/22 (Actual) Not achieved (189,898)	Increase of at least 5% of the	Increase of at least 5% of the 5	Increase of at least 5% of the 5	Increase of at least 5% of the	Increase of at least 5% of the

Libraries – Level of service (1)						
	virtually (library website, catalogue app, and social media accounts).	2022/23 (Actual) Achieved (238,142)	5 year average	year average	year average	5 year average
		2023/24 (Target) Within 5% of 5 year average.				
What does this measure tell our community? This measure tells the community how well-utilised libraries are and continue to be valuable community assets, supporting and uplifting the community's wellbeing.						
Data source and judgements Visitor numbers are assessed through door count records, and virtual visits compiled by Council staff.						

Libraries – Level of service (2)						
Our library services will meet community needs and expectations						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
L2	Percentage of users satisfied/very satisfied with library services.	2021/22 (Actual) Not achieved (85%)				
		2022/23 (Actual) Achieved (93%)	90% or more satisfied/very satisfied	90% or more satisfied/very satisfied	90% or more satisfied/very satisfied	90% or more satisfied/very satisfied
		2023/24 (Target) 90% very satisfied/satisfied				
What does this measure tell our community? This measure tells the community how satisfied with libraries residents are, and indicates if Council are providing library services to a standard that the community is satisfied with.						
Data source and judgements The data for this measure is our annual Community Views survey of residents.						

Ngā pāka me ngā wāhi wātea | Parks and open spaces

We provide a network of parks and open spaces to meet the recreation needs of our community and protect our natural, cultural, and historic heritage. Parks and open spaces play an important role in providing for the social, environmental, cultural, and economic wellbeing of communities. They provide places and spaces for people to play, relax, socialise, celebrate, contemplate, and experience nature.

We manage a range of parkland for different purposes. Parks provide places for play, active, recreation, sport, or outdoor events. Others protect our natural or cultural heritage. Some provide walking or cycling connections or protect us from flood events. Playgrounds and skate parks provide additional opportunities for play.

Our tracks and trails provide opportunities for walking, tramping, running, biking, and experiencing nature.

The Waharoa (Matamata) Aerodrome provides for recreational aviation and ancillary activities.

Street trees, gardens, and street furniture help beautify our towns and provide spaces for people to relax and socialise.

We work with several volunteer community groups involved in town beautification, nature conservation, or track maintenance activities. We also work closely with tangata whenua and agencies like the Department of Conservation.

Key legislation, strategies, policies and plans

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

National
Local Government Act 2002
Reserves Act 1977
Resource Management Act 1991
Biosecurity Act 1993
Te Mana o Te Taiao - Aotearoa New Zealand Biodiversity Strategy 2020
Biosecurity (National PA Pest Management Plan) Order 2022
Biosecurity Act 1993
Ngāti Hauā Claims Settlement Act 2014 and any future settlement legislation affecting any lands we currently manage
Regional
Waikato Regional Plan
Waikato Regional Pest Management Strategy
Waikato Regional Active Spaces Plan

Regional Sport Strategy
Council strategies, policies and plans
General Policies Reserves Management Plan 2019
Active Reserves Management Plan 2009
Passive Reserves Management Plan 2009
Firth Tower and Stanley Landing Historic Reserves Management Plan 1998
Te Aroha Domain Management Plan 2006
Matamata Aerodrome Management Plan 2010
Parks and Open Spaces Strategy 2021
District Sports Facilities Action Plan
Signage Strategy 2016
Tree Strategy 2010
Parks and Open Spaces Asset Management Plan 2024-54
Public Amenities Bylaw 2014
Freedom Camping Bylaw 2023

Our projects for the next 10 years

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

Parks and open spaces - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
296	Street Furniture Replacement	Routine street furniture replacement.	-	-	100%	48	48	48	336
297	Morrinsville Recreation Ground Development	Implementation of priority projects from the Morrinsville Recreation Ground Framework Plan.	-	100%	-	300	-	300	900
298	Tracks and Track Structures Renewals	Renewal of track surfaces and structures based on condition and	-	-	100%	20	20	20	140

Parks and open spaces - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
		compliance requirements.							
299	Playground Renewals	Renewal of existing play equipment based on condition, performance, and compliance requirements.	-	-	100%	54	54	54	378
358	Waharoa Rest Area Car Park Upgrade	To improve the surface of the parking area.	-	-	100%	-	400	-	-
359	Te Aroha Domain Re-development	To improve the appearance and maintenance of Te Aroha Domain by improving entrance gates, resurfacing aging paths, and improving drainage etc.	-	50%	50%	-	600	-	-
247	Destination Playgrounds	Council has allocated \$1.5M towards the Matamata Domain Destination Playground. This is a community-led project with the balance of the funding to be raised by the community.	-	100%	-	1,500	-	1,500	-
302	Parks and Tracks Bulk Fund	This is a contestable fund for minor, unforeseen capital or renewals projects.	-	100%	-	75	75	75	525

Parks and open spaces - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
Total capital projects						1,997	1,197	1,997	2,279
Total capital projects including inflation						1,997	1,223	2,089	2,593

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for parks and open spaces as general rates and fees and charges.

Levels of service

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

Parks and open spaces – Level of service (1)						
We will provide good quality sports field facilities to meet the needs and expectations of users						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
P1	Percentage of users satisfied/very satisfied with sports fields	2021/22 (Actual) Not achieved (74%) 2022/23 (Actual) Not achieved (77%) 2023/24 (Target) 80% or more of users satisfied/very satisfied.	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied
What does this measure tell our community? This measure assesses whether Council is maintaining sports fields to a standard with which the community are satisfied.						
Data source and judgements The data source for this measure is our annual Community Views survey of residents						

Parks and open spaces – Level of service (2)

We will provide good quality parks and reserves to meet the needs and expectations of users

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
P2	Percentage of users satisfied/very satisfied with parks and reserves.	<p>2021/22 (Actual) Not achieved (75%)</p> <p>2022/23 (Actual) Achieved (84%)</p> <p>2023/24 (Target) 80% or more of users satisfied/very satisfied.</p>	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied

What does this measure tell our community?

This measure assesses whether Council is maintaining parks and reserves to a standard that the community are satisfied.

Data source and judgements

The data source for this measure is our annual Community Views survey of residents.

Parks and open spaces – Level of service (3)

Our public playgrounds will be safe

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
P3	Playground safety will be assessed on a regular basis.	<p>2021/22 (Actual) Not achieved</p> <p>2022/23 (Actual) Partially Achieved¹</p> <p>2023/24 (Target) Inspections will be undertaken once every two weeks, and once every week during school holidays.</p> <p>An external playground audit will be undertaken annually to evaluate compliance with the relevant New Zealand Standard.</p>	Staff will undertake inspections once every two weeks, and once every week during school holidays	Staff will undertake inspections once every two weeks, and once every week during school holidays	Staff will undertake inspections once every two weeks, and once every week during school holidays	Staff will undertake inspections once every two weeks, and once every week during school holidays
P4	The assessment score from the annual external safety audit.	<p>2021/22 (Actual) New measure</p> <p>2022/23 (Actual) New measure</p> <p>2023/24 (Target) New measure</p>	90% or more	90% or more	90% or more	90% or more

What does this measure tell our community?

These measures indicate whether Council is maintaining playgrounds to an acceptable standard to ensure that they are fit for purpose and do not pose an unacceptable risk to users.

We currently have our playgrounds audited annually by an external play inspector. This provides an independent, qualified, opinion on the level of compliance with playground safety standards.

Data source and judgements

Playground inspections are carried out by Council staff with assessments being made against compliance with current New Zealand playground safety standard NZS 5828:2015. The results are compiled by Council staff. The annual audit of playgrounds is undertaken by an external provider.

¹ Note that this measure was partially achieved. External playground audits were undertaken as planned, whilst internal inspections did not always occur as frequently as intended. However, the external audit demonstrated a high level of compliance and maintenance.

Ngā puna me ngā puna waiariki | Pools and spas

Our pools in Matamata, Morrinsville and Te Aroha provide swimming opportunities for the local population, offering larger pools for lane swimming, spa pools to relax, aqua classes for low impact fitness, Active Health options for rehabilitation, Little Swimmer sessions to improve under 5 water confidence, as well as plenty of space for active play.

Te Aroha Mineral Spas are a popular tourist attraction for domestic and international tourists.

Key legislation, strategies, policies and plans

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

National
Local Government Act 2002
Reserves Act 1977
Building Act 2004
Regional
Waikato Regional Plan
Waikato Regional Active Spaces Plan
Waikato Regional Aquatics Strategy
Council strategies, policies and plans
Te Aroha Domain Management Plan 2006
Active Reserves Management Plan 2009
Community Facilities and Buildings Asset Management Plan 2024-54
Matamata-Piako District Sports Facilities and Development Plan

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for pools and spas as general rates and fees and charges.

Our projects for the next 10 years

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

Pools and spas - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
	Morrinsville Pool Development	Re-development of Morrinsville Pool complex.	20%	40%	40%	-	-	-	15,950
	Plant Renewals	Annual programme of plant renewals.	-	-	100%	150	150	150	1,050
375	Te Aroha Spa enhancement	Exploring options: developing on existing site / refurbishing / partnering with investor	-	100%	-	-	-	5,000	-
Total capital projects						150	150	5,150	17,000
Total capital projects including inflation						150	153	5,386	19,293

Levels of service

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

Pools and spas – Level of service (1)						
Our pool facilities will be fit for purpose and safe						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
PS1	The number of external safety and quality audits carried out at our SwimZone facilities.	<p>2021/22 (Actual) Not achieved</p> <p>2022/23 (Actual) Achieved</p> <p>2023/24 (Target) Four independent safety and quality audits will be carried out on Swim Zone Te Aroha, Swim Zone Matamata and Te Aroha Mineral Spas. Two independent safety and quality audits will be carried out on Swim Zone Morrinsville.</p>	Two independent audits will be conducted annually for SwimZone Te Aroha, SwimZone Matamata and one independent audit for SwimZone Morrinsville	Two independent audits will be conducted annually for SwimZone Te Aroha, SwimZone Matamata and one independent audit for SwimZone Morrinsville	Two independent audits will be conducted annually for SwimZone Te Aroha, SwimZone Matamata and one independent audit for SwimZone Morrinsville	Two independent audits will be conducted annually for SwimZone Te Aroha, SwimZone Matamata and one independent audit for SwimZone Morrinsville
<p>What does this measure tell our community? This measure indicates whether Council is maintaining safety standards at the pools, therefore ensuring that people's safety will not be put at risk while using the facilities.</p> <p>Data source and judgements The data for this measure comes from the reports provided by the external provider who audits the facilities. The Audits assess safety standards against NZS 5826:2010 (Pool Water Quality). This standard addresses the essential aspects of the operation and maintenance of pools with a focus on pool water quality criteria including methods of water treatment to ensure the risk to public health is minimised. NZS 5826 does not cover the maintenance of heating, mechanical, or electrical equipment used by pools.</p> <p>Internal audits are also conducted by the management team to ensure water quality and pool operations meet NZ standards.</p>						

Pools and spas – Level of service (2)

We will provide well maintained pool facilities in the district that meet community needs and expectations

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
PS2	Percentage of users satisfied/very satisfied with pool facilities.	<p>2021/22 (Actual) Not achieved (75%)</p> <p>2022/23 (Actual) Not achieved (69%)</p> <p>2023/24 (Target) 80% or more of customers satisfied/very satisfied.</p>	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied

What does this measure tell our community?

This measure indicates whether Council is maintaining the pools to a standard that meets the expectations of our community.

Data source and judgements

The source data for this measure is our annual Community Views survey of residents.

Pools and spas – Level of service (3)

We will promote and encourage our community to use our pool facilities

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
PS3	The number of customers using our pool facilities will be maintained.	<p>2021/22 (Actual) Not achieved (117,365)</p> <p>2022/23 (Actual) Achieved (155,072)</p> <p>2023/24 (Target) Visitor numbers will be within 5% of the 5 year average.</p>	Visitor numbers will be within 5% of the 5 year average	Visitor numbers will be within 5% of the 5 year average	Visitor numbers will be within 5% of the 5 year average	Visitor numbers will be within 5% of the 5 year average

What does this measure tell our community?

This measure indicates whether the community are utilising the pool facilities in our district.

Data source and judgements

This measure is assessed through internal records of pool attendance. Each visit is counted as one. Attendance figures do not differentiate between residents and out of district visitors.

Ngā whareiti tūmatanui | Public toilets

Our public toilets provide residents and visitors with access to safe, clean, and convenient toilet facilities. We currently provide 20 public toilet facilities across the district.

We are experiencing an increasing trend in visitor numbers which impacts on some of our high profile public toilet facilities. We also have a number of older toilets that require replacement or upgrades to meet modern standards and expectations.

Key legislation, strategies, policies and plans

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

National
Local Government Act 2002
Building Act 2004
Health Act 1956
Council strategies, policies and plans
Community Facilities and Buildings Asset Management Plan 2024-54
General Reserves Management Plan 2009
Sanitary Services Public Toilets and Cemeteries Assessment 2019

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for public toilets as general rates.

Our projects for the next 10 years

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

Public Toilets - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
300	Public Toilet Upgrades	To upgrade public toilet facilities based on need.	20%	80%	-	120	120	120	840
303	New toilets at Matamata Domain	Existing toilets to be demolished to make way for new destination playground. Modern accessible toilet facilities to be provided at a different location near the playground.	-	100%	-	230	-	-	-
304	New public toilet at Davies Park (Lockerbie Estate) Playground	New accessible toilet facility near the community playground.	100%	-	-	150	-	-	-
Total capital projects						500	120	120	840
Total capital projects including inflation						500	123	125	956

Levels of service

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

Public Toilets – Level of service (1)						
Our public toilets will be maintained to acceptable standards						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
PT1	The number of complaints received regarding dissatisfaction with the cleanliness of public toilets.	<p>2021/22 (Actual) Achieved (8 complaints)</p> <p>2022/23 (Actual) Achieved (19 complaints)</p> <p>2023/24 (Target) 20 or fewer complaints about cleanliness per year.</p>	≤20 complaints about cleanliness per year.	≤20 complaints about cleanliness per year.	≤20 complaints about cleanliness per year.	≤20 complaints about cleanliness per year.
<p>What does this measure tell our community? This measure indicates whether Council is maintaining our public toilet cleanliness to a level that is satisfactory to the community.</p> <p>Data source and judgements The data source for this measure is our Customer Request Management System.</p>						

Ngā wāhi māna | Community venues

Our community venues provide opportunities for many different activities and community gatherings, helping to build vibrant communities. Our community venues include event centres, museums, information centres, and community halls.

The Morrinsville Events Centre, Matamata’s Headon Hub and Silver Fern Farms Events Centre in Te Aroha provide indoor venues for sport and recreation as well as spaces for meetings, conferences and civic ceremonies. Te Whare Whakamaharatanga o te Hāpori o Matamata-Piako | Matamata-Piako Civic and Memorial Centre also provides meeting and conference facilities.

Council also owns several community halls around the district. These venues provide spaces for leisure, arts, cultural, and educational activities and are managed by committees of community members.

There are three information centres in the district. We own and operate the Te Aroha i-SITE and provide the building for the Matamata i-SITE, which is operated by the Matamata Chamber of Commerce. The Morrinsville i-SITE building is owned and operated by the Morrinsville Chamber of Commerce on land leased from Council.

We lease some buildings- to community groups to operate museums facilities in Te Aroha, Morrinsville and Matamata.

Key legislation, strategies, policies and plans

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

National
Local Government Act 2002
Reserves Act 1977
Building Act 2004
Heritage New Zealand Pouhere Taonga Act 2014
Resource Management Act 1991
Regional
Waikato Regional Active Spaces Plan
Regional Sports Strategy (“Moving Waikato 2025”)
Hamilton-Waikato Tourism Opportunities Plan
Council strategies, policies and plans
District Sports Facility & Development Plan 2018
General Policies Reserve Management Plan 2019
Active Reserves Management Plan 2009
Passive Reserves Management Plan 2009

National
Te Aroha Domain Management Plan 2006
Community Facilities and Buildings Asset Management Plan 2024-54

Our projects for the next 10 years

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

Community venues - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
240	Matamata Sports Stadium	Funding towards a community indoor sports stadium. This is a community-led project with the balance of the funding to be raised by the community.	20%	80%	-	3,000	-	-	-
Total capital projects						3,000	-	-	-
Total capital projects including inflation						3,000	-	-	-

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for community venues as general rates and fees and charges.

Levels of service

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

Community venues – Level of service (1)						
We will promote and encourage the community to use our community venues						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
CV1	The number of event centre bookings.	2021/22 (Actual) New measure 2022/23 (Actual) New measure 2023/24 (Target) New measure	The number of bookings maintained at 2022/23 levels (2,703).	Within 5% of 2022/23 bookings (2,703)	Within 5% of 2022/23 bookings (2,703)	Within 5% of 2022/23 bookings (2,703)
What does this measure tell our community? This measure tells our community how well utilised our community venues are.						
Data source and judgements This is measured by our SpacetoCo booking system. We have set a target to maintain bookings to within 5% of 2022/23 levels. SpacetoCo is a new booking system which allows efficient monitoring of the usage of our community venues.						



Te pānui o te pānga o te pūtea | Funding impact statement

Community facilities and property 1 July 2024 to 30 June 2034

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	11,983	13,009	13,794	14,159	14,867	15,470	16,040	16,606	17,172	18,547	18,682
Targeted rates	71	73	75	78	82	85	88	91	94	98	101
Subsidies and grants for operating purposes	4	33	33	34	35	36	36	37	38	39	39
Fees and charges	4,504	5,270	5,383	5,511	5,635	5,758	5,876	5,994	6,118	6,236	6,354
Internal charges and overheads recovered	260	302	304	323	379	447	523	602	677	755	835
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	16,822	18,687	19,589	20,105	20,998	21,796	22,563	23,330	24,099	25,675	26,011
Applications of operating funding											
Payments to staff and suppliers	10,965	12,566	13,011	13,112	13,405	13,698	13,980	14,261	14,554	14,836	15,117
Finance costs	232	467	540	743	1,056	1,231	1,460	1,799	2,128	2,249	2,189
Internal charges and overheads applied	2,585	3,127	3,204	3,289	3,400	3,503	3,619	3,754	3,874	3,988	4,101
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	13,782	16,160	16,755	17,144	17,861	18,432	19,059	19,814	20,556	21,073	21,407
Surplus (deficit) of operating funding (A-B)	3,040	2,527	2,834	2,961	3,137	3,364	3,504	3,516	3,543	4,602	4,604
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	56	55	56	58	59	60	61	63	64	65	66
Increase/(decrease) in debt	(810)	2,915	(511)	5,638	2,701	(514)	3,443	3,904	3,695	(2,812)	(3,054)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(754)	2,970	(455)	5,696	2,760	(454)	3,504	3,967	3,759	(2,747)	(2,988)
Applications of capital funding											
Capital expenditure:											
- To meet additional demand	-	774	39	25	41	267	1,147	1,167	1,194	28	46
- To improve the level of service	1,116	3,586	1,179	7,442	4,634	1,394	4,587	5,010	4,775	469	186
- To replace existing assets	1,170	1,082	1,105	1,132	1,163	1,189	1,213	1,243	1,269	1,293	1,318
Increase/(decrease) in reserves		55	56	58	59	60	61	63	64	65	66
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	2,286	5,497	2,379	8,657	5,897	2,910	7,008	7,483	7,302	1,855	1,616
Surplus (deficit) of capital of funding (C-D)	(3,040)	(2,527)	(2,834)	(2,961)	(3,137)	(3,364)	(3,504)	(3,516)	(3,543)	(4,602)	(4,604)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

Te rautaki me te whakawhitiwhititi kōrero | Strategy and engagement

Tirohanga Whānui | Overview

Below we give an overview of the services we deliver within the Strategy and engagement group of activities, how these contribute to our wider goals for our community, and how we are addressing the key challenges we have identified through the delivery of these services. We then outline each activity within the group in more detail.

What we do

Strategy and Engagement supports our community to get involved in the democratic process, and provides the strategic direction needed to ensure our community thrives and is prosperous. The activities responsible for this are Emergency Management, Communications and Events, Community Leadership, and Strategies and Plans.

Why we do these activities

These activities ensure our community are informed of Council activities and can be involved in open and transparent decision making. This helps us plan for the long term to ensure that our communities grow and develop in an integrated and sustainable way.





The Local Government Act 2002 also has a significant impact on these activities, as it sets a number of legislative requirements that we must meet.

Our vision and community outcomes

Council has developed a vision of a district that is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.’ Further details of this strategic vision are set out in Section 1 of this plan.

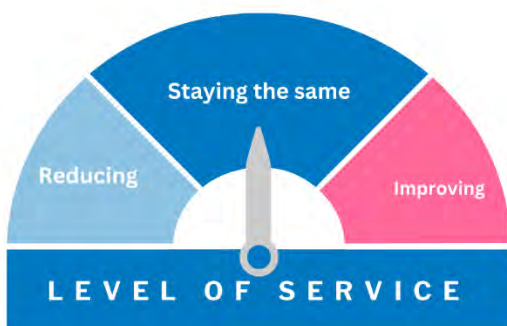
Strategy and engagement contributes to this overall vision by providing leadership, supporting and encouraging our community to get involved in the democratic process, and providing the strategic direction needed to ensure our community thrives and is prosperous.

Strategy and engagement contributes to the following community outcomes:

Strategy and engagement – Community outcomes				
	 A place with people at its heart	 A place to thrive	 A place that embraces our environment	 A place to belong and create
Emergency Management	✓	✓	✓	
Communications and Events	✓	✓		✓
Community Leadership	✓	✓		✓
Strategies and Plans	✓	✓	✓	✓

Levels of Service

We will maintain or improve levels of service



This means we will continue to provide the same levels of service to our community. This is to ensure that we continue to meet the expectations of our community, whilst complying with relevant legislation and standards to support Council’s community outcomes and to achieve community well-beings.

This could mean an improvement to levels of service in some areas.

Funding

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

Key drivers

The challenges

For Strategy and engagement our key drivers are:



Our response

Growth and demand

We are planning for population growth and demand by making sure we have sufficient staff and resources in place to manage demand and expectation. Planning for this anticipated growth in a sustainable and affordable way is important. Our District Plan is the regulatory tool that allows this to happen.

In planning our services, we've taken into account changes in population and demand for land for various activities – such as residential growth. Further commentary around key projects to support this growth can be found in our Infrastructure Strategy.

We are also planning for continual improvement to our online services and how we reach our community in response to an increasing use and availability of services online.

Compliance

One of the main drivers for these activities is the legislation that they work within - primarily the Civil Defence Emergency Management Act 2002, Local Government Official Information and Meetings Act 1987, Local Electoral Act 2001, Local Government Act 2002, Local Government (Rating) Act 2002 and the Resource Management Act 1991.

The legislative landscape that provides the framework for these activities has changed significantly since our last Long Term Plan. We have already seen key changes resulting from the resource management system reform (as well as a subsequent repeal of the Natural and Built Environment Act 2023 and Spatial Planning Act 2023), and discussion documents with regard to what the future might hold for Local Government. With a change in Central Government, continued reform is likely to occur and we will remain well informed and will ensure that our activities and work streams are agile to be able to respond efficiently.

We will continue to engage with central government and neighbouring councils to ensure that we can implement any changes effectively for our community.

Climate change and resilience

In 2023, Council held a series of workshops to consider its work plan in regards to climate change.

As an organisation, we are taking a whole of Council approach to climate change adaptation. We are committed to building a better understanding of our carbon footprint and how we, as a Council, can take steps to reduce this.

Our main focus for the first three years of this Long Term Plan is to gain a greater understanding of where we are currently at in terms of our footprint, planning for resilience, and to see where we can improve as an organisation in a cost effective as well as environmentally friendly way. Further information around our response is set out in Section Two of this Long Term Plan.

Our Emergency Management Activity supports our community's resilience to emergencies. As we continue to see the effects of climate change, we are experiencing greater frequency and severity of adverse events such as flooding and drought. We need to make sure we are in the best position we reasonably can be in case of an emergency. We work to educate our community on how they can take steps to be prepared. This helps to build resilience in our communities.


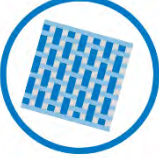


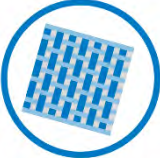




Affordability

The Strategy and engagement group of activities supports the need for affordability in a number of different ways. These include:

- Continuing to invest in digital enablement to achieve internal efficiencies and improve affordability;
- Administration of the grants process to support groups and individuals in our community;
- Supporting collaboration across councils, e.g. Future Proof; Planning to undertake service delivery reviews under section 17A of the Local Government Act 2002. The purpose of these is to review the cost-effectiveness of current arrangements for meeting the needs of communities for good quality infrastructure, local public services and performance of regulatory functions.

Significant effects

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

Strategy and engagement – Significant effects		
Wellbeing	Potential negative effects	Response
 <p>social</p>  <p>cultural</p>	<p>Our communication and opportunities for engagement may not reach the whole community, including iwi.</p>	<p>We will build and maintain Council-community relationships that can contribute to community wellbeing and strong strategies and plans. People will be informed about our activities and will have the opportunity to participate in decision making.</p> <p>We will engage with Te Manawhenua Forum mō Matamata-Piako and post-treaty settlement iwi entities to understand consultation needs to help improve social and cultural wellbeing.</p>
 <p>social</p>  <p>environmental</p>  <p>cultural</p>  <p>economic</p>	<p>If our planning documents are inadequate or fail to meet statutory requirements, there could be negative impacts on all aspects on wellbeing; social, economic, environmental and cultural.</p>	<p>Effective planning documents allow us to manage our environment, and provide for resilient, safe and growing communities.</p> <p>We will continue to review and monitor our plans to ensure they meet the needs of our community, enable sustainable growth, and contribute positively to all aspects of community wellbeing.</p>
 <p>environmental</p>  <p>social</p>  <p>economic</p>	<p>Community safety could be put at risk by poor emergency planning.</p>	<p>We are prepared for civil defence emergencies. We will continue to ensure processes are in place to respond to natural disasters and civil defence emergencies, through response planning, training exercises, and community education. This will have a positive impact on community social wellbeing with people feeling they are prepared to cope should a disaster happen.</p> <p>Planning for recovery will also have positive impacts on economic and environmental wellbeing.</p>

Our activities

Below we outline each of the activities within the Strategy and engagement group, including planned projects, the levels of service you can expect from us and the performance measures and targets that we will use to track and communicate our performance.

Te ārai mate whawhati tata | Emergency management

Civil Defence Emergency Management (CDEM) is the responsibility of regional, city and district councils who must plan and provide for CDEM within their districts. At a district level, we plan and prepare for emergency response and recovery. This involves working and coordinating with a wide range of stakeholder agencies who all have a role in supporting our communities.

We work with communities to help them prepare and enable them to be ready to deal with emergency events and to quickly bounce back from any impacts. We don't just prepare for the big event, like an earthquake or flooding, but we also need to be able to respond to and recover from smaller everyday things too. For example, if there is a water supply problem because of a pipe breakage, we need to manage that so that our communities' needs are met. So that we are ready to do this, we put a lot of effort into training our people and practicing through an annual exercise.

We reduce the potential for emergencies to occur and that can be by land use planning, e.g. making sure we don't build in flood prone areas, to having asset management plans for roads, water and waste water assets.

Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and district wide priorities and objectives.

In June 2023, central government introduced the Emergency Management Bill which may be enacted during the period of this Long Term Plan. The Bill seeks to replace the Civil Defence Emergency Management Act 2002 and aims to:

- Clarify roles and responsibilities across the emergency management sector;
- Recognise and enhance the role of Māori in emergency management;
- Provide outcomes for communities that are disproportionately affected by emergencies;
- Enhance the resilience and accountability of critical infrastructure;
- Modernise the legislative and regulatory framework.

The table below identifies the key legislation, strategies, policies and plans that link to, and provide direction for, the Emergency Management activity.

National
Civil Defence Emergency Management Act 2002
Resource Management Act 1991
Local Government Act 2002
National Civil Defence Emergency Management Plan 2015
Guide to the National Civil Defence Emergency Management Plan 2015
National Disaster Resilience Strategy
Fire and Emergency New Zealand Act 2017
Biosecurity Act 1993
Building Act 2004
Hazardous Substances and New Organisms Act 1996
Health Act 1956
Health and Safety at Work Act 2015
Maritime Transport Act 1994
Regional
Waikato CDEM Group Plan 2016-2021
Waikato CDEM Group Recovery Plan 2013
Waikato CDEM Group Evacuation Plan 2012
Council strategies, policies and plans
Matamata-Piako Local Recovery Plan

Our projects for the next 10 years

There are no major projects forecast for the next ten years for the Emergency Management Activity. Running emergency exercises, responding to events, undertaking CDEM training, and the regular review of our local and regional plans, are the core of this activity. This ensures robust systems are in place for coordinating emergency management.

Building community resilience, hazard identification and community engagement/education is a key focus for the future. We have also developed a Disaster Recovery Plan for our district and this will be implemented along with the other councils in the Waikato. It is widely acknowledged that the better a community is prepared and ready to look after itself, the more effective the recovery phase will be.

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for emergency management as general rates.

Levels of service

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

Emergency management – Level of service (1)						
We will be prepared to assist the community in the event of an emergency						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
E1	The evaluation of an annual exercise (or Emergency Operations Centre (EOC) activation within 6 months of a planned exercise) as a measure of effectiveness of training.	2021/22 (Actual) Baseline Assessment (48%) 2022/23 (Actual) Achieved (75.2%) 2023/24 (Target) Increasing trend	Increasing trend to the mid-range of “advancing” capability	Maintained within the mid-range of “advancing” capability	Maintained within the upper range of “advancing” capability	Maintained within the upper range of “advancing” capability
<p>What does this measure tell our community? This measure demonstrates the effectiveness of the training delivered to people who staff the emergency operations centre (EOC). This is the key facility from where emergencies are managed from. The results of the annual exercise serve as a feedback loop to continuously improve the CDEM training and in turn improve the response capability locally and as a Group.</p> <p>Data source and judgements Council participates in an annual exercise so staff have practice at activating an Emergency Management response so they are prepared for an emergency. This exercise is the mechanism by which the Waikato CDEM Group measures the effectiveness of the training delivered to its Group Members.</p> <p>Our annual exercise is evaluated independently by the Waikato CDEM Group. The following rating system is used:</p> <p><u>Advancing capability: 60 to 80%</u> Lower – range: 61 to 67% Mid – range: 68 to 73% Upper – range: 74 to 80%</p>						

Ngā pāpāhonga me ngā takahanga o te wā | Communications and events

Communications and Events is responsible for keeping the community informed and actively encouraging people to engage with Council. This involves developing plans and materials to engage with the community, supporting the delivery of core Council projects, working with local media, marketing Council's facilities, and engaging on social media.

This team is responsible for the delivery of Council's Digital Strategy. Our Digital Strategy aims to provide our staff and customers with the best digital services in local government – with a focus on making it quicker, easier, and more convenient for people to access our services.

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

Key legislation, strategies, policies and plans

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

National
Local Government Act 2002
Local Government Official Information and Meetings Act 1987
Unsolicited Electronic Messages Act 2007
Civil Defence Emergency Management Act 2002
Copyright Act 1994
Privacy Act 2020
Public Records Act 2005
New Zealand Government Web Standards
Regional
Local Authority Shared Services (Co-Lab) Initiatives
Council strategies, policies and plans
Significance and Engagement Policy
Digital Strategy
Ko te Kaupapahere Reo Māori Māori Language Policy

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for communications and events as general rates.

Our projects for the next 10 years

There are no capital or operational projects forecast for the next ten years for Communications and Events. Communications and Events will continue to provide support to Council and will progress the Digital Strategy to invest in digital solutions to improve the customer experience, make Council services more efficient, or make data more accessible.

Levels of service

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

Communications and events – Level of service (1)						
We will hold and/or support events – providing opportunities for people to connect, learn and reflect on our history						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
CE1	The number of events held and/or supported by Council annually.	2021/22 (Actual) Not achieved 2022/23 (Actual) Achieved 2023/24 (Target) We will hold one function annually to recognise volunteers, ANZAC Day commemorations and two functions to contribute to economic development.	At least six community events annually	At least six community events annually	At least six community events annually	At least six community events annually
What does this measure tell our community? This measure indicates whether Council is holding/supporting a range of events that contribute to the social, cultural and economic wellbeing of the community.						
Data source and judgements A record of Council events is kept by Events staff and reported on at the end of the year.						

Communications and events – Level of service (2)

We will continue to invest in our digital strategy to improve online services to our customers, achieve greater organisational efficiency, and improve access to data

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
CE2	The number of digital enablement projects delivered as identified in the Digital Strategy.	<p>2021/22 (Actual) Achieved</p> <p>2022/23 (Actual) Achieved</p> <p>2023/24 (Target) One new transaction or service per year.</p>	Minimum of three digital enablement projects delivered annually	Minimum of three digital enablement projects delivered annually	Minimum of three digital enablement projects delivered annually	Minimum of three digital enablement projects delivered annually

What does this measure tell our community?

This measure indicates whether Council is continuing to invest in its Digital Strategy to either operate more effectively as an organisation or improve community access to information/Council services.

Data source and judgements

This measure is assessed through our internal records. Council's Digital Strategy is reviewed every year with projects agreed for the upcoming year.

Te ārahitanga ā-hapori | Community leadership

Communities elect members to represent them and to make decisions on their behalf. Councillors provide leadership for the community as a whole and involve people in decision-making processes. The Community Leadership activity is responsible for facilitating community involvement in the democratic process. This involves providing leadership and stewardship for the community as a whole, and to facilitate involvement in decision-making processes.

Key legislation, strategies, policies and plans

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

National
Local Government Act 2002
Local Electoral Act 2001
Local Government Official Information and Meetings Act 1987
Local Authorities (Members' Interests) Act 1968
Regional
Regional Triennial Agreement
Council strategies, policies and plans
Significance and Engagement Policy
Code of Conduct for Elected Members
Governance Statement
Standing Orders

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for community leadership as general rates.

Our projects for the next 10 years

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

Community leadership - Projects						
Project ID # For first 3 years	Project Name	What is this project about?	Budget (\$000)			
			2024/25	2025/26	2026/27	2027-34
305	Triennial elections including Representation Reviews	To carry out the triennial local government elections where the community elect the Mayor and Councillors. A review of how the district is represented by elected members is undertaken every six years.	74	74	74	518
306	Te Manawhenua Forum mō Matamata-Piako	Te Manawhenua Forum mō Matamata-Piako is a standing committee of Council.	25	25	25	175
Total key operational projects			99	99	99	693
Total key operational projects including inflation			99	101	104	788

Levels of service

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

Community leadership – Level of service (1)						
Our Mayor and Councillors will demonstrate commitment to the democratic process						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
CL1	Attendance rate of Mayor and Councillors at ordinary Council meetings.	2021/22 (Actual) New measure 2022/23 (Actual) New measure 2023/24 (Target) New measure	≥90%	≥90%	≥90%	≥90%

Community leadership – Level of service (1)

What does this measure tell our community?

The attendance rate of the Mayor and Councillors at ordinary Council meetings serves as an indicator of the commitment and engagement in Elected Members fulfilling their responsibilities.

Data source and judgements

Ordinary council meetings are formal meetings of the elected council members and are publically advertised and required to be open to the public

This data is sourced through formal Council meeting minutes. The target is based on maintaining or exceeding recent attendance averages.

Community leadership – Level of service (2)

We will involve Tangata Whenua with Mana whenua status in the decision making process

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
CL2	Percentage of Te Manawhenua Forum mō Matamata-Piako Forum members who complete the survey are satisfied/very satisfied that Tangata Whenua with Mana Whenua status are recognised and have meaningful involvement in decision-making.	<p>2021/22 (Actual) Not achieved (7%)</p> <p>2022/23 (Actual) Not achieved (67%)</p> <p>2023/24 (Target) 75% or more satisfied/very satisfied</p>	75% or more satisfied/very satisfied	75% or more satisfied/very satisfied	75% or more satisfied/very satisfied	75% or more satisfied/very satisfied

What does this measure tell our community?

By involving Tangata Whenua with Mana Whenua status in the decision making process, we can ensure that we are making informed and representative decisions on behalf of the community.

Data source and judgements

The data for this measure is gathered from an anonymous survey of Forum members. There are 17 members on the Forum including the Māori Ward Councillor/Te Toa Horopū ā Matamata Piako, the Deputy Mayor and the Mayor.

The purpose of the Forum is to “facilitate mana whenua contribution to Council’s decision making and strengthen partnership and engagement between Council and iwi/hapu”. The Forum operates under a Heads of Agreement with Council.

Community leadership – Level of service (3)

We will provide timely responses to official information requests

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
CL3	Percentage of official information requests responded to within legislative timeframes.	<p>2021/22 (Actual) Not achieved (98.6%)</p> <p>2022/23 (Actual) Not achieved (92%)</p> <p>2023/24 (Target) 100% of official information requests responded to within legislative timeframes</p>	100% of official information requests responded to within legislative timeframes	100% of official information requests responded to within legislative timeframes	100% of official information requests responded to within legislative timeframes	100% of official information requests responded to within legislative timeframes

What does this measure tell our community?

Providing timely responses to official information requests (under the Local Government Official Information and Meetings Act 1987 (LGOIMA)) ensures our community receives any information they've requested in a timely manner.

Data source and judgements

This data is measured through our internal records kept by Council staff involved in responding to official information requests.

The LGOIMA allows people to request official information held by local government agencies, including Council. It contains rules for how such requests should be handled, and provides a right to complain to the Ombudsman in certain situations.

The legal timeframe requirements for responding to requests for official information are to:

- Make a decision and communicate it to the requester 'as soon as reasonably practicable' and no later than 20 working days after the request is received;
- Make available any official information it has decided to release without 'undue delay'.

Community leadership – Level of service (4)

We have a system in place to create a healthy, safe workplace and to drive continuous improvement so that our people thrive

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
CL4	Monthly reporting to Council to provide updates and information on safety and wellness matters to support Council's due diligence responsibilities.	<p>2021/22 (Actual) Achieved (12 reports)</p> <p>2022/23 (Actual) Achieved (12 reports)</p> <p>2023/24 (Target) 11 reports to Council per year.</p>	11 reports to Council per year	11 reports to Council per year	11 reports to Council per year	11 reports to Council per year

What does this measure tell our community?

Reporting progress on health and safety matters is key to ensuring Council is focused on safeguarding the health and safety of employees and the wider community.

Data source and judgements

Health and safety reports are created by the People, Safety and Wellness team and presented to Council. Monthly reports for December and January are combined into one due to the holiday period each year.

Council has a statutory duty under the Health and Safety at Work Act 2015 to identify, assess and put in place measures to address safety related risks within its operations and its places of work.

Ngā rautakinga me ngā mahere |

Strategies and plans

This activity is responsible for the development of key strategic documents that allow for Council to plan effectively for the future. The Long Term Plan and District Plan are two key documents that help us achieve integrated planning, not just between the activities that we undertake, but also at a regional and national level.

The District Plan forms part of a hierarchy of resource management documents that regulate the protection of our environment, and the way and means in which growth and development can occur.

The Strategies and Plans activity is also responsible for ensuring that our policies and bylaws are up to date in accordance with our statutory responsibilities – for example, our Gambling Venue Policy is reviewed every three years, and we are required to review our bylaws every five to ten years.

We also have a placemaking and engagement function within the Strategies and Plans activity and we work alongside volunteer groups to support community initiatives. This enabling function involves reaching out to communities and finding out what is important to them in terms of wellbeing and vibrancy in their towns and communities. The flagship project for this activity is “Pride of Place”.

Key legislation, strategies, policies and plans

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

National
Local Government Act 2002
Resource Management Act 1991/Natural and Built Environment Act 2023/Spatial Planning Act 2023
Hauraki Gulf Marine Park Act 2000
National Environmental Standards
National Policy Statements
Te Tiriti o Waitangi/Treaty of Waitangi settlements
Shop Trading Hours Act 1990
Sale and Supply of Alcohol Act 2012
Gambling Act 2003
Psychoactive Substances Act 2013
Environmental Reporting Act 2015
Reserves Act 1977
Historic Places Act 1993
Regional
Local Authority Shared Services (Co-Lab) Initiatives

Waikato Regional Policy Statement
Waikato Regional Plan
Waikato Regional Spatial Planning work
Waikato Regional Economic Strategy
Member of Future Proof
Council strategies, policies and plans
District Plan
Long Term Plan, Annual Plan, and Annual Report
Bylaws
Various strategies, policies and plans

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for strategies and plans as general rates.

Our projects for the next 10 years

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

Strategies and plans - Projects						
Project ID # For first 3 years	Project Name	What is this project about?	Budget (\$000)			
			2024/25	2025/26	2026/27	2027-34
308	Long Term Plan	This is our ten-year strategic plan which is reviewed every three years.	45	45	45	315
309	Annual Plan	Our annual budgeting plan, which is completed in the years between a Long Term Plan.	10	10	10	70
310	Annual Report	Our Annual Report lets the community know how we have performed compared to budgets and performance targets.	7	7	7	49
311	Policies and Bylaws	We need to undertake a review of a range of policies and bylaws during the life of this plan.	23	23	23	161

Strategies and plans - Projects						
Project ID # For first 3 years	Project Name	What is this project about?	Budget (\$000)			
			2024/25	2025/26	2026/27	2027-34
		We also need to produce a pre-election report prior to each of the triennial elections				
379	Climate change river map implementation	The climate change river map sets out a range of activities to plan and prepare for climate resilience.*	50*	50*	50*	-
312	Regional Collaboration	We have set aside funding to work on regional collaboration projects with other councils.	75	75	75	525
313	Discretionary Funding	Council funds a range of organisations within the district – from grants to specific community groups to contestable funds.	651	651	651	4,557
314	District Plan Review	Council has committed to a rolling review of the District Plan and will process plan changes in accordance with the Resource Management Act 1991.	200	200	200	1,400
315	Regional RMA Policy	This fund allows resources to engage with the Waikato Regional Council over changes to the Regional Plan and implementation of the Policy Statement.	50	50	50	350
316	Hauraki Gulf Forum	This fund covers Council's contribution towards the operation of the Hauraki Gulf Forum.	12	12	12	84
317	Iwi Settlement Legislation	Settlement legislation requires resourcing and collaboration to achieve intended outcomes.	50	50	50	350

Strategies and plans - Projects						
Project ID # For first 3 years	Project Name	What is this project about?	Budget (\$000)			
			2024/25	2025/26	2026/27	2027-34
318	Implementation and review of Place Plans	Place Plans are co-designed with the community to include actions that aim to achieve a sense of pride in where we live. This is achieved by using temporary placemaking activities and initiatives.	251*	251*	138*	-
Total key operational projects			1,424	1,424	1,311	7,865
Total key operational projects including inflation			1,424	1,448	1,365	8,942
*Funded from reserves						

Levels of service

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

Strategies and plans – Level of service (1)						
Our community will have the opportunity to participate in Council consultation processes						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
S1	Percentage of the community satisfied that they have been provided with an opportunity to be involved in consultation processes.	2021/22 (Actual) Not achieved (37%) 2022/23 (Actual) Not achieved (42%) 2023/24 (Target)	48% or more satisfied/very satisfied	49% or more satisfied/very satisfied	50% or more satisfied/very satisfied	51% or more satisfied/very satisfied

		52% (maintain benchmark)				
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What does this measure tell our community?

This measure indicates how effectively Council achieves the purpose of Local Government to “enable democratic local decision-making and action by, and on behalf of, communities”. The information and advice we provide will ensure that people are able to participate and feel well informed when we are preparing plans and strategies.

Data source and judgements

The data source for this measure is the annual Community Views survey of residents.

Genuine engagement needs to be undertaken in a manner that is consistent with the significance of the issue, proposal or decision, and is transparent and clearly communicated. Under the Local Government Act 2002, councils are required to develop a policy on significance and engagement. The intent of this is to give greater clarity and certainty to the community about how and when it can expect to be engaged.

Strategies and plans – Level of service (2)

We will provide an annual update on progress on land use and development, and the protection of natural and physical resources of the district

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
S2	State of the Environment monitoring reports will be updated on Council's website each year.	2021/22 (Actual) Not achieved 2022/23 (Actual) Achieved 2023/24 (Target) By 20 November each year.	By 20 November each year	By 20 November each year	By 20 November each year	By 20 November each year

What does this measure tell our community?

Monitoring and reporting on the state of our environment allows us to identify if we are achieving our objectives to protect the environment and highlights any issues that need to be addressed during District Plan reviews.

Data source and judgements

The data source for this measure is the record on the Matamata-Piako District Council website of when the page was updated with the relevant report.

Section 35 of the Resource Management Act 1991 specifies the duty to gather information, monitor and keep records. In particular Section 35(2)(a) requires every local authority to monitor “the state of the whole or any part of the environment of its region or district to the extent that is appropriate to enable the local authority to effectively carry out its functions under this Act...”

Strategies and Plans – Level of service (3)

We are preparing for the impacts of climate change on our services and the community

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
S3	The number of priorities of the climate change rivermap that have been progressed*.	<p>2021/22 (Actual) New measure</p> <p>2022/23 (Actual) New measure</p> <p>2023/24 (Target) New measure</p>	4 out of 5 priorities have been progressed	4 out of 5 priorities have been progressed	4 out of 5 priorities have been progressed	4 out of 5 priorities have been progressed

What does this measure tell our community?

This measure provides re-assurance to the community that Council is taking action and progressing priorities identified in its climate change rivermap.

Data source and judgements

This measure is assessed through internal records measuring our achievement of key priorities. The priorities are each of the 5 workstreams in year one of the climate change rivermap, namely: Growing Knowledge, Stormwater, Water Conservation, Wastewater, and Resource Recovery.

*Progressed means work on the priority has begun and at least one report per priority has been presented to a Council workshop, meeting or committee.

Te pānui o te pānga o te pūtea | Funding impact statement

Strategy and engagement 1 July 2024 to 30 June 2034

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	6,806	7,292	7,623	7,711	8,538	8,943	9,092	9,248	9,418	9,578	9,747
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	195	199	204	208	213	217	222	226	231	235
Fees and charges	432	421	431	459	502	538	575	605	626	649	665
Internal charges and overheads recovered	567	745	727	740	770	799	831	855	870	884	894
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	7,805	8,653	8,980	9,114	10,018	10,493	10,715	10,930	11,140	11,342	11,541
Applications of operating funding											
Payments to staff and suppliers	5,333	6,704	6,946	6,908	6,941	7,092	7,238	7,384	7,536	7,681	7,827
Finance costs	151	314	303	307	319	329	341	349	352	353	354
Internal charges and overheads applied	2,038	2,540	2,634	2,706	2,778	2,840	2,902	2,958	3,009	3,058	3,107
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	7,522	9,558	9,883	9,921	10,038	10,261	10,481	10,691	10,897	11,092	11,288
Surplus (deficit) of operating funding (A-B)	283	(905)	(903)	(807)	(20)	232	234	239	243	250	253
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	966	2,227	1,601	1,587	1,606	1,340	1,410	1,521	1,146	1,698	1,211
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	966	2,227	1,601	1,587	1,606	1,340	1,410	1,521	1,146	1,698	1,211
Applications of capital funding											
Capital expenditure:											
- To meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- To improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- To replace existing assets	1,249	2,268	1,673	1,660	1,430	1,407	1,469	1,578	1,204	1,760	1,275
Increase/(decrease) in reserves		(946)	(975)	(880)	156	165	175	182	185	188	189
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,249	1,322	698	780	1,586	1,572	1,644	1,760	1,389	1,948	1,464
Surplus (deficit) of capital funding (C-D)	(283)	905	903	807	20	(232)	(234)	(239)	(243)	(250)	(253)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

Ngā rori | Roding

Tirohanga Whānui | Overview

Below we give an overview of the Roding group of activity, how it contributes to our wider goals for our community, and how we are addressing the key challenges we have identified through the delivery of this activity. We then outline the key projects, the levels of service you can expect from us and the performance measures and targets that we will use to track and communicate our performance.

What we do

Our transport network consists of 967km of sealed roads, and 55km of unsealed roads. It also includes 377 bridges, street lights, road markings, signs and road drainage assets.

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).

Why we do these activities





Roads provide for a wide variety of users with diverse needs, including private and commercial car drivers and passengers, freight operators, 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.

Our vision and community outcomes

Council has developed a vision of a district that is vibrant, passionate, progressive, where opportunity abounds. 'The heart of our community is our people, and the people are the heart of our community.' Further details of this strategic vision are set out in Section 1 of this plan. In maximising use of Council's road network, this activity contributes to the overall vision by providing connections that enable our community to:

- Travel safely to/from their destinations
- Transport goods and services as a means of supporting economic growth
- Access services they require e.g. medical, social, recreational etc.





Roading contributes to the following community outcomes:

Roothing – Community outcomes				
	 <p>A place with people at its heart</p>	 <p>A place to thrive</p>	 <p>A place that embraces our environment</p>	 <p>A place to belong and create</p>
Roothing	✓	✓	✓	✓

Key drivers

The challenges

For Roothing our key drivers are:

 <p>CLIMATE CHANGE AND RESILIENCE</p>	 <p>GROWTH AND DEMAND</p>
 <p>COMPLIANCE</p>	 <p>AFFORDABILITY</p>

Our response

Growth and demand

Over the last five years, our district has experienced faster growth than predicted. Council has experienced this through a significant increase in residential subdivisions and land use applications as well as through increased building consents for new houses. This growth, alongside a rapidly

growing population, places pressure on our existing roading network and requires new roads and safety improvements to existing roads.

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

Since the adoption of the 2021-31 Long Term Plan, Council has joined a sub-regional group of councils, iwi and central government partners – called Future Proof. Future Proof considers the future development of the entire sub-region. Partner organisations work together and consider important issues affecting them over the next 30 years, so that growth can be managed in a coordinated way.

Our aim is to ensure that the roading network is fit for purpose, investment is focussed where it is most needed, and that it meets the needs of a wide range of users. Our work programme is about ensuring the roading network is safe for all road users, both now and in the future.

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 projects through new subdivisions.

Initiatives to address growth and demand include:

- Road Improvement Projects
- Monitoring High productivity motor vehicles (HPMV) routes
- Provision of E-Vehicle Charging Stations
- Provision and construction of Shared Paths
- Customer Satisfaction Surveys

Compliance

We have National, Regional and Local drivers that need to be aligned and prioritised to ensure our investment is appropriate. We will comply with national standards - this means we will keep up to date with legislation changes and respond accordingly.

Climate change and resilience

Council is focussed on ensuring that our land transport network remains fit for purpose, and investment is focused where and when it is most needed.

The main climate change impacts for Matamata-Piako are likely to continue to be severe weather events like storms and droughts. This can have significant impact on our roading infrastructure - roads can be closed, and communities cut off. Severe weather events can also affect road conditions and require increased repairs and maintenance.

Sustainable funding and carefully planned investments are necessary to counter these severe weather event threats, ensuring that the road network continues to function to its fullest possible extent.

A resilient network is achieved through:

- Identification of critical bridges and culverts and development of renewal management strategies;
- Increased frequency of inspection/maintenance of road drainage systems;
- Identification of vulnerable road corridors to water erosion, slips, and undermining.

Affordability

Like much of New Zealand, our district's large-scale infrastructure was constructed in the 1950s and 1960s and is ageing. Therefore, our future challenge is providing asset maintenance and renewals that achieve adequate service levels; while balancing community affordability with community expectations.

These affordability demands, alongside an ageing population, and recent high inflation, and interest rates, limits the ability and willingness of our community to pay for infrastructure assets and services.

Targeted investments are therefore required to maintain levels of service in the longer term. In the short term, Council will carefully prioritise the work programme to ensure overall community affordability, to meet compliance, and to maintain existing assets while accepting some risks to existing levels of service and informing our community of this approach.

We will optimise our investment by continuing to apply cost-effective asset management practices to - smoothing costs over time. We will work closely with the New Zealand Transport Agency Waka Kotahi to develop our roading programme and ensure we maintain 51% funding subsidy for eligible work projects.

Projects that are ineligible for the New Zealand Transport Agency Waka Kotahi funding are subject to business case requirements and then potentially community consultation, to determine whether the community are willing to pay for that service.

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for Roothing as The New Zealand Transport Agency/Waka Kotahi subsidy, interest from external investments, and general rates.

Levels of Service

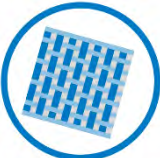



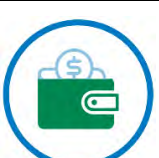

We will maintain our levels of service and take some risks

Affordability is a key focus for this Long Term Plan. Accordingly, we are making changes to how we manage our roading budget. We are proposing to spread our road pavement renewal programme out over a longer time period to minimise the cost increases that are required. As a result of this, the community may see the effects of this over time in the quality of the road surface, however we would aim to prioritise renewals to keep our roads to the same standard.

Overall, we expect that our level of service across the Roothing service will remain the same – we are aiming to keep the roads to the current standard, whilst accepting a level of risk of more wear and tear on our roads over time.

Significant effects

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

Roding – Significant effects		
Wellbeing	Potential negative effects	Response
 cultural  social	Roding development can impact on culturally significant and productive land.	<p>We will track and record all the consultation procedures and results for each affected iwi for all projects outside the existing road reserve.</p> <p>We will comply with the requirements of the Resource Management Act 1991.</p>
 social	Road and environmental factors can contribute to crashes (particularly those that involve loss of control) and cause people to be killed or injured on roads each year.	<p>We will undertake crash reduction studies and route security projects and maximise funding for safety works to help reduce road accidents in our district.</p> <p>We will implement our Speed Management Plan.</p>
 social  economic	Economically, the cost of desired infrastructure improvements may exceed the community's ability to pay.	We will consult with the community on all costs and options for Levels of Service through the Long Term Plan process.
 social	The particular needs of pedestrians and cyclists can conflict with other forms of traffic.	Providing safe routes for pedestrians and cyclists.

Key legislation, strategies, policies and plans

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

National
Local Government Act 1974
Resource Management Act 1991
Land Transport Management Act 2003
Local Government Act 2002
Traffic Regulations Act 1976 and Land Transport (Road User) Rules
Government Policy Statement on Road Transport Funding
One Network Road Classification System
Regional
Regional Land Transport Plan
Regional Walking and Cycling Strategy
Regional Road Safety Strategy
Regional Public Transport Plan
Waikato Regional Policy Statement
Waikato Regional Plan
Council strategies, policies and plans
Draft Walking and Cycling Strategy
Matamata-Piako Signage Strategy
Town Strategies
District Plan growth areas and population projections

Ngā kaupapa matua me ngā mahi whakaratonga | Key projects and levels of service

Our projects for the next 10 years

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

Roading - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
319	Subsidised - Pavement Renewal	Renewal programme for sealed road pavements.	-	-	100%	2,750	2,750	2,750	19,250
320	Subsidised - Reseals	Renewal programme for reseals, or simply known as the sealing program.	-	-	100%	2,950	2,950	2,950	20,650
321	Subsidised - footpaths	District-wide roading renewal programme for footpaths.	-	-	100%	189	189	189	1,323
322	Subsidised - traffic services	Renewal programme for the replacement of damaged streetlight poles, new edge marker posts, signs and renewals.	-	-	100%	434	434	434	3,038
323	Subsidised - unsealed road metalling	Renewal programme for unsealed road metalling under the maintenance contract.	-	-	100%	55	55	55	385

Roading - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
324	Subsidised - drainage renewals	Renewal programme for replacing or upgrading drainage (i.e. culverts) as needed.	-	-	100%	306	250	380	2,170
325	Subsidised – structures renewals	Renewal programme for the replacement of any structures components such as bridge railings etc.	-	-	100%	90	90	90	630
326	Waka Kotahi /NZTA Funded Low Cost Low Risk - Local improvements - Street lighting-Capital	Allowance for some additional streetlights due to growth or to meet lighting standards.	-	100%	-	130	130	130	910
327	Waka Kotahi/NZTA Funded- Low Cost Low Risk Projects - Road to Zero	We have identified and prioritised safety improvements based on accident data.	-	100%	-	435	650	650	4,550
328	Waka Kotahi/NZTA Funded- Low Cost Low Risk Projects - Speed Management	This funding is to improve signage and also reduce speeds as per our Speed Management Plan.	-	100%	-	495	495	495	3,465
329	Waka Kotahi/NZTA Funded- Low Cost Low Risk Projects - New footpath	Development of new on road cycle lanes or widening footpaths to allow for cycling on the footpath.	-	100%	-	150	150	150	1,050

Roading - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
	/shared pathway								
330	Waka Kotahi/NZTA Funded- Low Cost Low Risk Projects - Passenger transport improvements	Funding to upgrade our bus stops with signage, and investing in seating or bus shelters to make them more user friendly.	-	100%	-	40	40	40	280
	Everad Avenue Intersection Upgrade	To make improvements to the intersection as development occurs, the traffic volumes increase, and new roads are funded.	50%	50%	-	-	-	-	283
	Hampton Terrace Upgrade	To improve pavement capacity to allow for additional traffic due to the zoned residential land.	50%	50%	-	-	-	-	209
331	Station to Peria Road Link	To provide additional road and carriageway width as development progresses in this area.	60%	40%	-	120	120	120	120
	Banks/ Burwood Intersection Upgrade, Matamata	Upgrade to intersection as traffic numbers increase due to growth.	75%	25%	-	-	-	-	138
332	Tower Road Pedestrian, Matamata	Improvements are required to improve	100%	-	-	50	-	-	-

Roading - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
		pedestrian access to new development off Bridie Avenue.							
360	Avenue Road North Upgrade, Morrinsville	To support additional traffic, pedestrians and cyclists as a key route in Morrinsville.	70%	30%	-	-	150	-	-
361	Tower Road Parking Bays, Matamata	Additional parking on Tower Road by widening the road carriageway where possible.	100%	-	-	-	360	-	-
	Smith Street Upgrade, Matamata	For pavement increase/ strengthening to cater for additional traffic.	40%	60%	-	-	-	-	286
333	Hinuera to Station Road Link (Eldonwood South - Collector Road Widening), Matamata	By contributing to a wider road, the road will be safe and efficient to carry the future traffic as part of the wider development in this area.	100%	-	-	110	110	110	-
362	Station Road 1 Upgrade, Matamata	Additional parking on Station Road by widening the road carriageway where possible and strengthening the pavement.	80%	20%	-	-	-	803	-
	Station Road 2 Upgrade, Matamata	Additional parking on Station Road by	80%	20%	-	-	-	-	720

Roading - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
		widening the road carriageway where possible and strengthening the pavement.							
363	Morrinsville-Tahuna/ Hangawera/ Taukoro Roundabout, Morrinsville	As part of the Lockerbie Plan Change, the roundabout was identified as a requirement to ensure the intersection is safe to cater for additional traffic.	100%	-	-	-	-	100	1,000
364	Hangawera Road to Snell, Morrinsville	To widen and provide connection between Avenue Road North and Sunridge Park Road.	60%	40%	-	-	-	120	240
Total capital projects						8,304	8,923	9,566	60,697
Total capital projects including inflation						8,304	9,115	10,004	68,928

Levels of service

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

Rooding – Level of service (1)						
We will provide a rooding network that is safe for all users						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
R1	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number*	<p>2021/22 (Actual) Achieved (decrease of five serious or fatal crashes from the previous year)</p> <p>2022/23 (Actual) Not achieved (increase of three serious or fatal crashes from the previous year)</p> <p>2023/24 (Target) Reduction in fatalities and serious injury crashes year on year.</p>	Reduction in fatalities and serious injury crashes year on year	Reduction in fatalities and serious injury crashes year on year	Reduction in fatalities and serious injury crashes year on year	Reduction in fatalities and serious injury crashes year on year
<p>*This is a mandatory performance measure for all councils of New Zealand.</p> <p>What does this measure tell our community? This measure is intended to answer the question ‘How safe are the local roads in the Matamata Piako District?’</p> <p>The measure recognises the public’s interest in the safety of roads. It is intended to provide information for the community on trends in road safety in our district. It gives the community information about:</p> <ul style="list-style-type: none"> • Whether the rooding network is generally safe for all users. • Whether the safety of the rooding network is improving over time. <p>Data source and judgements The data for this measure is extracted from CAS – the Crash Analysis System. The CAS is New Zealand’s primary tool for capturing information on where, when and how, road crashes occur.</p>						

Roading – Level of service (2)

We will provide a roading network that is maintained and developed to provide smoothness and comfort

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
R2	The average quality of ride on a sealed local road network, measured by smooth travel exposure.*	<p>2021/22 (Actual) Not achieved (96%)</p> <p>2022/23 (Actual) Not achieved (96%)</p> <p>2023/24 (Target) 97% or more.</p>	95% or more	95% or more	95% or more	95% or more
R3	The percentage of the sealed local road network that is resurfaced.*	<p>2021/22 (Actual) Achieved (8.8%)</p> <p>2022/23 (Actual) Not achieved (5.1%)</p> <p>2023/24 (Target) 6.7% or more</p>	6.7% or more	6.7% or more	6.7% or more	6.7% or more

*These are mandatory performance measures for all councils in New Zealand.

What does this measure tell our community?

These measures are intended to answer the question: 'What is the overall condition of sealed roads in the local road network?'

The measure acts as a check on whether Council is maintaining the level of service to road users. The condition of roads can impact both on the safety and comfort of road users, as well as on vehicle operating and maintenance costs.

Data source and judgements

The data for this measure is extracted from RAMM (Road assessment and maintenance management). Smooth Travel Exposure is a customer outcome measure indicating 'ride quality'. It is an indication of the percentage of vehicle kilometres travelled on a road network with roughness below a defined roughness

Roading – Level of service (2)

threshold. The threshold varies depending on the traffic volume band and urban/rural environment of the road.

The measure relating to the percentage of the sealed local road network that is resurfaced is measured through our internal records.

These measures only apply to Council owned sealed roads in the district; not to unsealed roads or private roads.

Roading – Level of service (3)

The surface condition of our footpaths will be maintained to an acceptable level of service

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
R4	The percentage of footpaths within our district that fall within the level of service or service standard for the condition of footpaths that is set out in our relevant documents (such as our annual plan, activity management plan, asset management plan, annual works program or Long Term Plan).*	2021/22 (Actual) Achieved (95.5%) 2022/23 (Actual) Not measured 2023/24 (Target) 95% or more within the acceptable level of service.	95% or more within the acceptable level of service**	95% or more within the acceptable level of service**	95% or more within the acceptable level of service**	95% or more within the acceptable level of service**

*This is a mandatory performance measure for all councils in New Zealand.

What does this measure tell our community?

This measure is intended to answer the question ‘Are the footpaths that form part of the local road network being maintained adequately?’ It is intended to demonstrate Council’s level of service related to the surface condition of the footpaths in the network.

Data source and judgements

**This is measured by an assessment of our footpaths undertaken every three years by an external party. Footpaths are given a grade from 1 (excellent condition) to 5 (very poor condition). Ratings 1 to 3 (excellent to fair) are considered to fall within the acceptable level of service.

Roading – Level of service (4)

We will provide a reliable roading network and will respond to customer service requests in a timely manner

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
R5	The percentage of customer service requests relating to roads and footpaths to that we respond to within the time frame specified in our Long Term Plan.*	<p>2021/22 (Actual) Achieved (100% of urgent requests). Not achieved (82.12% of non-urgent requests).</p> <p>2022/23 (Actual) Achieved (100% of urgent requests). Not achieved (74% of non-urgent requests).</p> <p>2023/24 (Target) 90% of urgent requests responded to within one working day. 90% of non-urgent requests responded to within five working days</p>	90% of urgent requests responded to within one working day 80% of non-urgent requests responded to within five working days	90% of urgent requests responded to within one working day 80% of non-urgent requests responded to within five working days	90% of urgent requests responded to within one working day 80% of non-urgent requests responded to within five working days	90% of urgent requests responded to within one working day 80% of non-urgent requests responded to within five working days

*This is a mandatory performance measure for all councils in New Zealand.

What does this measure tell our community?

This measure is intended to answer the question “Does Council provide a timely response if there is a problem with the roading network?’ The measure acknowledges the importance of Council’s responsiveness to, and focus on, its customers.

Data source and judgements

The data source for this measure is our Customer Request Management System. An urgent roading request is when the Council owned road (both lanes) is completely impassable. A non-urgent request is anything else related to a Council owned roading corridor, including abandoned vehicles, dumped rubbish on road reserve, dead animals on road, or blocked drains along the road. This includes berms, kerb and channel and

Roading – Level of service (4)

streetlights. In general, requests count toward the measure if they impact on safety. These definitions have been set by the Department of Internal Affairs.

Roading – Level of service (5)

Our local roading network will meet community needs and expectations

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
R6	Percentage of customers satisfied/very satisfied with the maintenance of Council's roading network.	2021/22 (Actual) New measure 2022/23 (Actual) New measure 2023/24 (Target) New measure	60% or more satisfied/very satisfied	60% or more satisfied/very satisfied	60% or more satisfied/very satisfied	60% or more satisfied/very satisfied

What does this measure tell our community?

This measure indicates whether the community are satisfied with Council's roading network.

Data source and judgements

The data source for this measure is our annual Community Views survey of residents. Council's roading network does not include State Highways; these are managed by New Zealand Transport Agency Waka Kotahi.

Te pānui o te pānga o te pūtea | Funding impact statement

Roading 1 July 2024 to 30 June 2034

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	9,259	10,142	10,553	10,990	11,245	11,540	11,810	12,092	12,345	12,565	12,787
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	3,051	3,202	3,301	3,309	3,423	3,497	3,569	3,640	3,716	3,786	3,859
Fees and charges	291	328	314	324	336	347	363	374	382	384	387
Internal charges and overheads recovered	267	288	278	283	296	308	322	332	338	342	349
Local authorities fuel tax, fines, infringement fees and other receipts	255	220	225	230	235	240	245	250	255	260	265
Total operating funding (A)	13,123	14,180	14,671	15,136	15,535	15,932	16,309	16,688	17,036	17,337	17,647
Applications of operating funding											
Payments to staff and suppliers	7,081	7,827	7,996	8,186	8,369	8,552	8,728	8,904	9,087	9,262	9,438
Finance costs	462	381	391	445	536	595	640	692	711	711	708
Internal charges and overheads applied	1,200	1,414	1,438	1,473	1,522	1,569	1,616	1,660	1,692	1,718	1,744
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	8,743	9,622	9,825	10,104	10,427	10,716	10,984	11,256	11,490	11,691	11,890
Surplus (deficit) of operating funding (A-B)	4,380	4,558	4,846	5,032	5,108	5,216	5,325	5,432	5,546	5,646	5,757
Sources of capital funding											
Subsidies and grants for capital expenditure	3,283	3,455	3,500	3,653	3,696	3,777	3,855	3,932	4,013	4,091	4,168
Development and financial contributions	448	181	186	188	192	196	201	204	207	213	217
Increase/(decrease) in debt	970	110	583	1,132	1,514	(51)	613	455	(196)	(195)	(203)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	4,701	3,746	4,269	4,973	5,402	3,922	4,669	4,591	4,024	4,109	4,182
Applications of capital funding											
Capital expenditure:											
- To meet additional demand	-	260	690	1,071	1,476	109	673	323	33	33	34
- To improve the level of service	2,226	1,270	1,562	1,772	1,787	1,623	1,763	1,990	1,668	1,701	1,732
- To replace existing assets	6,855	6,774	6,863	7,162	7,247	7,406	7,558	7,710	7,869	8,021	8,173
Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	9,081	8,304	9,115	10,005	10,510	9,138	9,994	10,023	9,570	9,755	9,939
Surplus (deficit) of capital funding (C-D)	(4,380)	(4,558)	(4,846)	(5,032)	(5,108)	(5,216)	(5,325)	(5,432)	(5,546)	(5,646)	(5,757)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

Te para me te whakahōu | Rubbish and recycling

Tirohanga Whānui | Overview

Below we give an overview of the Rubbish and Recycling group of activity, how it contributes to our wider goals for our community, and how we are addressing the key challenges we have identified through the delivery of this activity. We then outline the key projects, the levels of service you can expect from us and the performance measures and targets that we will use to track and communicate our performance.

What we do

Our Rubbish and Recycling activity (which is sometimes referred to as our Solid Waste activity) currently provides kerbside rubbish and recycling collection services to approximately 10,000 households across the district, as well as operating three transfer stations located at Matamata, Morrinsville and Waihou. We provide waste minimisation and sustainability education to schools across the district. We also have three closed landfills at Matamata, Morrinsville and Te Aroha that we monitor under the terms of their resource consents to ensure they do not endanger the environment or public health.

Why we do these activities

Our day to day lives generate a lot of waste that must be managed for the health of our community and our environment. As part of the Matamata-Piako District Council Waste Minimisation Management Plan 2021-2027, we have committed to reduce the total amount of general waste sent to landfill from our district.





Reducing waste to landfill is also part of the new requirements being introduced by the Ministry for the Environment with ambitious targets, and a mandated requirement to provide a food scraps collection to all urban areas of over 1,000 people no later than 2027. In September 2023, Council transitioned to a new kerbside collection service that incorporated this new service.

Our vision and community outcomes

Council has developed a vision of a district that is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.’ Further details of this strategic vision are set out in Section 1 of this plan.

The Rubbish and Recycling activity works towards achieving this overall vision by providing kerbside collection and refuse disposal facilities. This activity ensures the safe disposal of rubbish and recycling, supports environmentally friendly practices and technologies, and protects public health.

Rubbish and Recycling contributes to the following community outcomes:

Rubbish and recycling – Community outcomes				
	 <p>A place with people at its heart</p>	 <p>A place to thrive</p>	 <p>A place that embraces our environment</p>	 <p>A place to belong and create</p>
Rubbish and Recycling	✓		✓	✓

Key drivers

The challenges

For Rubbish and Recycling our key drivers are:



Our response

Growth and demand

Council currently manages 5,000 tonnes of waste per year. We expect there will be more waste to manage in the future, driven in particular by an increasing population and the construction and demolition waste associated with accommodating the expanding population. This points to the need for local facilities that can successfully divert this waste from landfill to beneficial use.

In response to the need to minimise/reduce our waste we are continuing to introduce more waste management initiatives. For example, we are now sending e-waste for recycling and are currently developing a textile recovery scheme with local op shops. With the introduction of a new food scraps service, this should help to reduce the overall waste to landfill as well.

Compliance

Council has legislative obligations to reduce and divert its waste. Council is also required to implement a standardised kerbside collection and this has been undertaken through a new kerbside collection contract. This commenced in September 2023.

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

Climate change and resilience

There are various National plans and strategies that are driving our response to efficient waste management and minimisation. Some of the key drivers include:

- The Emissions Reduction Plan (ERP), Climate Change Commission
 - The ERP sets out actions that New Zealand plans to take to contribute towards the goals set out in the Climate Change Response Act 2002 (long-term target of net zero greenhouse gases by 2050). The focus for waste under the ERP is on reducing organic waste to landfill, with reduction targets and possible bans on organic waste to landfill signalled. There is also a focus on improving methane capture from landfill.
- Te rautaki para, the New Zealand Waste Strategy
 - By 2050, Aotearoa New Zealand is a low-emissions, low-waste society, built upon a circular economy. The strategy sets a target of a 10% reduction in waste generation by 2030 and a 30% reduction in waste to landfill by 2030. Local councils will continue to have a role in this through the provision of services and infrastructure, although the strategy proposes that this be done in more coordinated and cohesive fashion.
- The Action and Investment Plan
 - This plan will focus on what is needed to deliver on the Waste Strategy. The plan will detail the immediate priorities for the next five years, including a mix of regulatory, financial, infrastructure, systems and behaviour change actions needed to address those priorities.

Some people in the community are becoming more aware of the impact our activities have on the environment and are seeking alternatives to landfill such as re-use, repair, home composting, or engagement in the sharing economy (e.g. rideshare, bicycle sharing, tool sharing etc.). These are activities and initiatives that Council could support through the solid waste activity, such as providing spaces and funding provided through the waste levy.

There is a need for greater resilience. Recent flooding and Covid 19 has demonstrated how systems and services can be disrupted. Climate change is expected to lead to more extreme weather events. This will potentially mean more frequent and higher levels of disaster waste, and the need for facilities and services to have resilience.

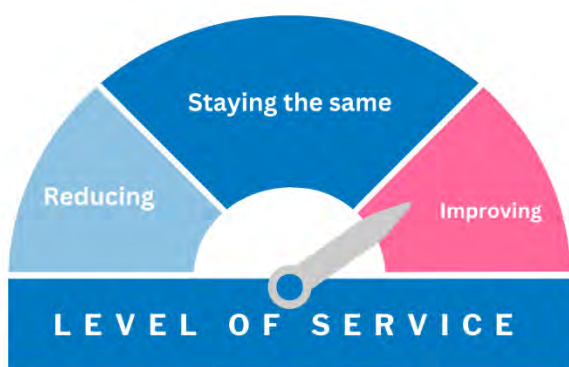
Affordability

We are experiencing a period of high inflation. Increasing costs will flow onto the costs of waste management activities. This will not only influence how much it costs for Council to deliver its services, but could influence behaviour, with people and businesses incentivised to avoid waste management costs through increased recycling and recovery of material, but also through illegal dumping, and increased contamination of recycling and recovered material. It could also change the nature of the material that becomes waste if consumers choose cheaper, lower quality items that have a shorter lifespan and limited repairability.

A waste disposal levy was imposed on waste sent to landfill from 1 July 2009. The landfill levy rose to \$50 per tonne for Class 1 landfills as of 1 July 2023, and is due to reach \$60 from 1 July 2024. A levy of \$20 also now applies to Class 2 landfills (rising to \$30 from 1 July 2024), and from 1 July 2023 a levy of \$10 per tonne applies to Class 3 and 4 landfills. This means it is getting more and more expensive to dispose of our waste.

Levels of Service

We will maintain or improve levels of service



We will achieve an increased level of service through embedding our kerbside collection service which includes a food scraps bin. This will help us to:

- Meet national targets of diverting food scraps from landfill;
- Meet the organic waste to landfill goals (30% decrease target);
- Reduce biogenic methane emissions;
- Use organic matter more efficiently;
- Contribute to implementing a circular economy.

We also plan to upgrade our Refuse Transfer Station sites to cater for more separation of waste streams, and we will build a Resource Recovery Centre.

We will look for opportunities to assist our ratepayers to dispose of different waste streams in a more environmentally friendly way and reduce waste to landfill, thereby reducing costs and environmental effects.

Kerbside Collection Service

In September 2023, Council introduced a new kerbside collection service. This followed consultation undertaken as part of Council's 2021-31 Long Term Plan. The main features of this service are:

- Refuse collections are now rates funded – no longer user pays;
- Recycling is funded through a targeted rate;
- Collection days have changed to avoid most public holidays, and the disruption that this causes to collection schedules;
- We no longer service schools, flats or households inside the CBD areas, and the service is not available in business and industrial areas. On balance it was decided that these businesses have different needs to residential homes and could procure their own service that would suit their needs at a lower cost than what Council could provide. The larger trucks are also not suitable for many inner city streets.
- The collection area has been expanded to include new development areas and the areas called rural/urban. Private roads are also now serviced.

This service is expected to result in improved recycling and recovery performance. A key benchmark is central government's kerbside performance targets. These require the following levels of diversion from all kerbside services in a district, including private services:

- 30 per cent by 2026
- 40 per cent by 2028
- 50 per cent by 2030.

At present, Matamata Piako recycles between 50-60% of all kerbside material. The new services continue the previous kerbside recycling levels of service, but introduce new food scraps collections. Assuming total quantities of kerbside material remain the same and that the food scraps collections achieve an average of 80kg per household of diversion per year, this would see the continued achievement of the targets.

Assessment of Waste Management and Minimisation Plan

In accordance with section 44 of the Waste Minimisation Act 2008, Council is required to develop and adopt a Waste Management and Minimisation Plan (WMMP). The purpose of a WMMP is to set out the goals and actions we have put in place to minimise the amount of waste going to landfill in our district.





The Local Government Act 2002 requires us to identify and explain any significant variations between our Asset Management Plan for Rubbish and Recycling, and our WMMP adopted under section 43 of the Waste Minimisation Act 2008. Our WMMP was reviewed during 2020 and consulted on alongside our last Long Term Plan. We have completed an assessment of the Solid Waste Asset Management Plan 2023 and the 2021 WMMP and determined that there are no significant variations. We have used the WMMP as the basis of our planning for this activity.

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for rubbish and recycling as a single targeted rate (for refuse and recycling) and general rate (for Refuse Transfer Stations).

Significant effects

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

Wellbeing	Potential negative effects	Response
 environmental  social	People dumping rubbish illegally due to increased cost of using waste facilities.	<ul style="list-style-type: none"> • Competitive prices; • Provision of free drop off for recycling; • Competitively tendered contracts; • Efficient management of facilities and services.
 environmental  social	Increase in solid waste disposed to landfill due to lack of community participation in waste minimisation.	<ul style="list-style-type: none"> • Community education; • Increasing waste disposal costs. • Provision of free drop off for recycling.

Key legislation, strategies, policies and plans

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

National
Local Government Act 2002
Health Act 1956
Resource Management Act 1991
Waste Minimisation Act 2008 (under review)
Climate Change Response Act 2020
Litter Act 1979 (under review)
Civil Defence Emergency Management Act (CDEM) 2002
Health and Safety at Work Act 2015
Regional
Waikato Regional Plan
Waikato Regional Policy Statement
Waikato Plan
Council strategies, policies and plans
Matamata District Council Waste Management and Minimisation Plan 2021-2027
Matamata District Council Solid Waste Bylaw

Ngā kaupapa matua me ngā mahi whakaratonga | Key projects and levels of service

Our projects for the next 10 years

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

Rubbish and recycling - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
334	Minor upgrades of existing transfer station sites	Minor upgrades to our transfer stations to meet demand.	-	50%	50%	500	1,500	-	-
365	New Resource Recovery Centre	A Resource Recovery Centre will focus on sustainability and will help us to meet our target to reduce waste.	20%	80%	-	-	-	500	5,000
Total capital projects						500	1,500	500	5,000
Total capital projects including inflation						500	1,532	523	5,405

Levels of service

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

Rubbish and recycling – Level of service (1)						
Our kerbside rubbish and recycling collection services will meet community needs and expectations						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
RR1	Percentage of users satisfied/very satisfied with kerbside rubbish and recycling collection services.	2021/22 (Actual) Baseline (80%) 2022/23 (Actual) Not achieved (64%) 2023/24 (Target) Maintain baseline.	65% or more satisfied/very satisfied	65% or more satisfied/very satisfied	65% or more satisfied/very satisfied	65% or more satisfied/very satisfied
What does this measure tell our community? This measure indicates whether Council is providing a kerbside rubbish and recycling collection service to a standard that meets the expectations of the community.						
Data source and judgements The data source for this measure is our annual Community Views survey of residents.						

Rubbish and recycling – Level of service (2)						
Our transfer stations will allow for the reuse and recovery of materials and will meet community needs and expectations						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
RR2	Percentage of residents satisfied/very satisfied with transfer stations.	2021/22 (Actual) Baseline (71%) 2022/23 (Actual)	70% or more satisfied/very satisfied	70% or more satisfied/very satisfied	70% or more satisfied/very satisfied	70% or more satisfied/very satisfied

Rubbish and recycling – Level of service (2)

		Not achieved (70%)				
		2023/24 (Target) Maintain baseline.				

What does this measure tell our community?

This measure indicates whether Council is providing transfer stations to a standard that meets the expectations of the community.

Data source and judgements

The data source for this measure is our annual Community Views survey of residents.

Rubbish and recycling – Level of service (3)

We will facilitate waste minimisation practices and promote the reduction of waste disposal to landfill

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
RR3	Proportion of household waste placed at the kerbside which is diverted (recycled or composted).	2021/22 (Actual) Not achieved (39.27%) 2022/23 (Actual) Achieved 56.6%) 2023/24 (Target) 45% or more.	45% or more	50% or more	50% or more	50% or more

What does this measure tell our community?

This measure indicates whether Council initiatives aimed at reducing the amount of kerbside waste sent to landfill are effective.

Data source and judgements

This data comes from internal monitoring by Council staff. It is measured through our records of monthly weighbridge quantities of kerbside and transfer station recyclables. This includes Council tonnage, and does not include the diversion figures achieved by commercial operators.

Rubbish and recycling – Level of service (4)

We will monitor our closed landfills and protect the environment

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
RR4	Compliance with our resource consents for closed landfills, (measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents).	2021/22 (Actual) New measure 2022/23 (Actual) New measure 2023/24 (Target) New measure	Zero (0)	Zero (0)	Zero (0)	Zero (0)

What does this measure tell our community?

This measure indicates whether Council is complying with its obligations under resource consents for closed landfills.

Data source and judgements

The Waikato Regional Council grant resource consents and have oversight of compliance in relation to the consents. Council monitors compliance of the district’s closed landfills with their respective resource conditions, including monitoring the amount and quality of leachate to nearby surface water bodies.

The data comes from internal recording of any abatement notices, infringement notices, enforcement orders and convictions received, and this is recorded in our information management system.

Te pānui o te pānga o te pūtea | Funding impact statement

Rubbish and recycling 1 July 2024 to 30 June 2034

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,602	1,759	1,818	1,906	1,986	2,095	2,252	2,291	2,327	2,362	2,394
Targeted rates	2,527	2,336	2,413	2,531	2,636	2,781	2,990	3,041	3,090	3,136	3,179
Subsidies and grants for operating purposes	460	260	266	272	278	284	290	296	302	308	314
Fees and charges	1,232	963	984	1,007	1,030	1,052	1,074	1,095	1,118	1,140	1,161
Internal charges and overheads recovered	1	1	1	1	1	1	1	1	1	1	2
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	5,822	5,319	5,482	5,717	5,931	6,213	6,607	6,724	6,838	6,947	7,050
Applications of operating funding											
Payments to staff and suppliers	5,362	4,776	4,879	4,995	5,106	5,218	5,325	5,432	5,544	5,651	5,759
Finance costs	82	88	134	180	266	410	482	476	463	448	431
Internal charges and overheads applied	305	370	381	391	405	429	463	473	481	489	497
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	5,749	5,234	5,394	5,566	5,777	6,057	6,270	6,381	6,488	6,588	6,687
Surplus (deficit) of operating funding (A-B)	73	85	88	151	154	156	337	343	350	359	363
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	427	414	1,442	370	2,517	2,574	(339)	(345)	(352)	(361)	(365)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	427	414	1,442	370	2,517	2,574	(339)	(345)	(352)	(361)	(365)
Applications of capital funding											
Capital expenditure:											
- To meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- To improve the level of service	500	500	1,532	523	2,673	2,732	-	-	-	-	-
- To replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves		(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	500	499	1,530	521	2,671	2,730	(2)	(2)	(2)	(2)	(2)
Surplus (deficit) of capital funding (C-D)	(73)	(85)	(88)	(151)	(154)	(156)	(337)	(343)	(350)	(359)	(363)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

Te waimarangai | Stormwater

Tirohanga Whānui | Overview

Below we give an overview of the Stormwater group of activity, how it contributes to our wider goals for our community, and how we are addressing the key challenges we have identified through the delivery of this activity. We then outline the key projects, the levels of service you can expect from us and the performance measures and targets that we will use to track and communicate our performance.

What we do

We have Stormwater discharge consents to collect and dispose Stormwater from urban areas of Matamata, Morrinsville, Te Aroha and Waharoa. Stormwater from these urban areas are collected and treated appropriately to comply with discharge consents before discharging into surface water bodies or ground.

We ensure Stormwater discharge from new developments is complying with our resource consent conditions.

We work collaboratively with Waikato Regional Council and our roading team as they also own, manage and maintain parts of the drainage system. Some drains of the urban Stormwater network are situated in private properties. Maintenance of these drains are the responsibility of the property owners. We liaise with the property owners on matters related to these drains. Maintaining all of our assets involves undertaking scheduled and unscheduled maintenance and repair work. We have renewal strategies to allow for the progressive replacement of assets as they are required.

Why we do these activities





We ensure Stormwater systems are managed safely and efficiently to drain surface water to minimise flooding in our communities and Stormwater discharged from urban areas does not pollute the receiving environment. We work with property owners to achieve best outcomes. The main purpose is to ensure that we are looking after our environment in a sustainable but also affordable manner for the short and long term and minimise the hazards from Stormwater on public and private properties.

Our vision and community outcomes

Council has developed a vision of a district that is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.’ Further details of this strategic vision are set out in Section 1 of this plan.

The Stormwater activity works towards achieving this overall vision by providing stormwater drainage for our urban centres, which protects people and properties from flooding and supports the health and wellbeing of our communities, minimising negative environmental impacts due to urban Stormwater discharges and making our towns desirable places to live.

Stormwater contributes to the following community outcomes:

Community outcomes – Stormwater				
	 <p>A place with people at its heart</p>	 <p>A place to thrive</p>	 <p>A place that embraces our environment</p>	 <p>A place to belong and create</p>
Stormwater	✓	✓	✓	✓

Key drivers

The challenges

For Stormwater our key drivers are:



Our response

Growth and demand

We will plan for sustainable growth and manage demand.

Impact on Stormwater systems due to growth will be managed by tight development controls. Developers are required to meet Council standards which require new developments to design the Stormwater systems to manage additional Stormwater resulting from the developments by way of providing Stormwater retention/detention facilities or ground disposal via soakage systems or a combination of these two methods.

As a result of the projected population increase and intensified land use, we will need to ensure that the stormwater system can meet the increased demand, particularly within existing and proposed growth areas. Our existing stormwater systems were designed to earlier standards and to upgrade the systems to current standards is uneconomical in most cases.

While surface flooding is not considered ideal by many people accepting some level of ponding is a cost effective way to handle stormwater for short periods of time during severe storms. Similarly, due to the limited capacity of our existing stormwater network, soakage is the preferred method of disposal, as this is more affordable and manageable. New developments will be required to manage their stormwater on-site through soakage or other means.

Compliance

We will comply with national standards. This means we will keep up to date with legislation changes and respond accordingly. We will continue to meet our consent conditions for stormwater discharge, one of which expires in 2024. We have included funding in our budget to implement some of the additional work required for this consent.

Treaty of Waitangi settlement processes is likely to result in greater involvement of iwi in the management of our water resources (including our consents to discharge to waterways). Please refer to Section 1 for more information on iwi involvement in Council decision making.

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

The Waikato Regional Council intend to prepare Plan Changes involving the Waihou-Piako catchments over the coming years. Council will need to be involved in the decision making for this Plan Change and this could involve changes to our current consents to require additional treatment of stormwater and wastewater.

Climate change and resilience

Key risks and projects proposed to increase resilience are:

Flooding due to weather event beyond practical capacity

Hydraulic Modelling and Catchment Management Studies – We have commenced the development of hydraulic models for our urban Stormwater catchments. These models will be used to assess system capacities, find solutions for flooding issues and develop flood hazard maps. The models also will be used to assess the effects of future climate changes on our Stormwater systems which will enable us to understand the risks and potential solutions/mitigation measures.

Flooding due to inadequate maintenance of stormwater system

The existing Stormwater system capacity can be compromised due to silt, debris, blockages and vegetation. Therefore, Stormwater system will not achieve its designed performance targets, if adequate maintenance are not carried out. At present, we have a scheduled maintenance plan to address this issue. With the future climate changes, the rainfall patterns can be changed and more severe rainfall events are likely to occur. We will be reviewing our maintenance plans as necessary to ensure adequate and proper maintenance plan is in place to suit the changing environment. Sustainable Management of the Stormwater System.

The Local Government Act 2002 requires local authorities to take a sustainable development approach while conducting its business. Council's existing and future approach to sustainable management and development for stormwater includes the following:

- The provision of drainage to help protect buildings from flooding, managing low lying areas, and keeping our roads passable during storms. This contributes to the social and economic wellbeing of the district;
- The efficient use of energy, contributing to economic and environmental wellbeing;
- Maintaining a high level of resource consent compliance, contributing to environmental wellbeing;
- Efficient operation of stormwater systems through fit for purpose asset management plans that provide for the depreciation of assets.

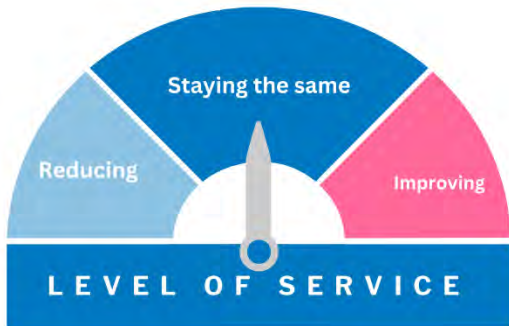
Affordability

We will optimise our investment and apply asset management practices to our planning and we will smooth our costs where possible over time. We give high priority to achieve regulatory compliance requirements.

We monitor the conditions and performance of our stormwater and programme maintenance and replacement to meet the required level of service, in the most cost effective manner, for present and future customers. We undertake thorough asset management planning to assess priorities for maintenance and renewals, analysing trends and demand to ensure investment is timely and appropriate to maximise the benefit from our assets. Stormwater modelling and studies will help us to gain more robust knowledge to prioritise work to address high risk issues and include capital and maintenance projects in our Stormwater activity management plan.

Levels of Service

We will maintain or improve levels of service



This means we will maintain our Stormwater infrastructure to the expected levels of service for which our community is willing to pay, and to comply with required standards.

This could mean an improvement to levels of service in some areas.

Water and Sanitary Services Assessment

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

Significant effects

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

Stormwater – Significant effects		
Wellbeing	Potential negative effects	Response
<p>environmental social economic</p>	<p>Poor management of the stormwater system will lead to flooding, which can affect life and property.</p>	<ul style="list-style-type: none"> Continually monitor the effects of every flood and assess the practicalities of mitigating it efficiently and effectively. Have emergency plans in place to respond to flooding. CMPs of stormwater catchments to better manage Stormwater issues. Developing hydraulic models to assess system capacity issues and develop solutions.
<p>cultural environmental</p>	<p>Discharge of contaminated stormwater into waterways and lakes without treatment can pollute our environment.</p>	<ul style="list-style-type: none"> Working to achieve full compliance with Waikato Regional Council consent conditions. Reviewing and implementation of new environmental monitoring programme. Ensure new developments meet the requirements of RITZ and Council’s development guidelines.

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for stormwater as general rates and targeted rates.

Key legislation, strategies, policies and plans

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

National
Local Government Act 1974
Local Government Act 2002
Health Act 1956
Resource Management Act 1991
Health and Safety at Work Act 2015
Utilities Access Act 2010
Water Services Entities Act 2022
Water Services Act 2021
Heritage New Zealand Pouhere Taonga Act 2014
National Policy Statement for Freshwater Management 2020
National Policy Statement for Urban Development
Te Tiriti o Waitangi/Treaty of Waitangi
Regional
Waikato Regional Plan
Waikato Regional Policy Statement
Council strategies, policies and plans
District Plan and Development Manual
Stormwater Bylaw 2009
Trade Waste Bylaw 2020

Ngā kaupapa matua me ngā mahi whakaratonga | Key projects and levels of service

Our projects for the next 10 years

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

Stormwater – Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
366	District-wide stormwater treatment upgrades	These upgrades are related to our resource consent and require improved discharge quality.	-	100%	-	-	300	-	600
372	District-wide treatment upgrades and renewals	To renew existing stormwater assets.	-	100%	-	-	-	100	200
377	District-wide Stormwater Reticulation Renewals	To renew existing stormwater reticulation assets.	-	-	100%	-	500	-	1,000
335	Morrinsville CBD stormwater upgrades	To protect businesses in the CBD from larger storm events.	-	100%	-	1,500	-	-	-
367	Matamata stormwater modelling and planning	To understand system capacity and constraints and identify solutions.	50%	50%	-	-	250	-	-

Stormwater – Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
336	Te Aroha stormwater modelling and planning	To understand system capacity and constraints and identify solutions.	50%	50%	-	150	-	-	-
Total capital projects						1,650	1,050	100	1,800
Total capital projects including inflation						1,650	1,073	105	2,033

Levels of service

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

Stormwater – Level of service (1)						
We will have an effective stormwater system that provides an appropriate level of protection to minimise harm						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
SW1	The number of flooding events* that occur in our district. For each flooding event, the number of habitable floors** affected (expressed per 1,000 properties connected to our stormwater system)***	2021/22 (Actual) Achieved (Zero (0) flooding events affecting Zero (0) habitable Floors) 2022/23 (Actual) Achieved (Zero (0) flooding events affecting Zero (0) habitable Floors)	Zero (0) flooding events; Zero (0) habitable floors affected	Zero (0) flooding events; Zero (0) habitable floors affected	Zero (0) flooding events; Zero (0) habitable floors affected	Zero (0) flooding events; Zero (0) habitable floors affected

Stormwater – Level of service (1)

		2023/24 (Target) 0 flooding events 0 habitable floors affected				
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*A flooding event is defined as an overflow of stormwater from Council's stormwater system that enters a habitable floor.

**A habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.

***These are mandatory performance measures for all councils of New Zealand.

What does this measure tell our community?

The measure gives the community information on how effective Council's stormwater system is in providing an appropriate level of protection, and how well it is being managed; in other words, whether it has been designed to an adequate standard and is being operated in a way that minimises harm to the community. This measure is an indication of whether Council's stormwater system is adequate and is it being maintained sufficiently to ensure it remains adequate.

Stormwater system reliability and the frequency and scale of flooding events are of interest to communities as these events can have a direct effect on private property and wider community amenities.

Data source and judgements

The data source for this measure is our Customer Request Management System. The result is expressed per 1,000 properties connected to Council's stormwater system. In 2022/23 there were a total of 10,103 connections to the stormwater system. This measure relies on requests/complaints from the public being a reliable indication of the number of flooding events that take place in the district.

A flooding event is defined as an overflow of stormwater from Council's stormwater system that enters a habitable floor. A habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages. This definition is set by the Department of Internal Affairs.

Stormwater – Level of service (2)

We will protect the environment from stormwater contaminate discharging into waterways

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
SW2	Compliance with our resource consents for discharge from our stormwater system, (measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents).**	2021/22 (Actual) Achieved (Zero (0)) 2022/23 (Actual) Achieved (Zero (0)) 2023/24 (Target) Zero.	Zero (0)	Zero (0)	Zero (0)	Zero (0)

**These are mandatory performance measures for all councils of New Zealand.

What does this measure tell our community?

This measure is intended to answer the question “Is the stormwater system being managed in a way that does not unduly impact on the environment?” The measure indicates the extent to which Council is meeting resource consent requirements to prevent harm to the environment. This means how well Council is managing the environmental impacts of its stormwater system.

Enforcement actions provide an impartial method of determining the severity and extent of Council breaches of resource consent conditions for stormwater operations/discharges.

Data source and judgements

An accredited external laboratory performs Council’s stormwater sample testing. Samples are taken manually as required per the consent conditions (i.e. monthly, twice a year etc.). If there are any outliers, tests are repeated to ensure the result is correct. Results are generally received within 6 days of testing, unless a result requires investigation, then Council is notified within 24 hours.

Council has comprehensive stormwater discharge consents with specific conditions attached. We have four comprehensive discharge consents for the District – Te Aroha, Morrinsville, Matamata and Waharoa. Each resource consent is supported by a Resource Consent Certificate. This consent expires in 2024 and Council is applying for a new comprehensive discharge content. There is some uncertainty about the conditions of the new consent.

Stormwater – Level of service (3)

We will have reliable stormwater systems and will respond to requests for service from our residents in a timely manner

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
SW3	The median response time to attend a flooding event*, measured from the time that we receive notification to the time that service personnel reach the site.**	2021/22 (Actual) (Achieved (N/A - no flooding events)) 2022/23 (Actual) (Achieved (N/A - no flooding events)) 2023/24 (Target) ≤ 4 hours.	Median: 4 hours or less	Median: 4 hours or less	Median: 4 hours or less	Median: 4 hours or less

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

**These are mandatory performance measures for all councils of New Zealand.

What does this measure tell our community?

This measure is intended to answer the question: "Does Council provide a timely response if there is a problem?" The measure shows how quickly Council attends to problems with its stormwater system. It measures responses to situations where water from a stormwater system gets into buildings. A measure of responsiveness to stormwater incursions into buildings has been chosen because these situations potentially have the most impact on buildings and the welfare of the inhabitants of those buildings.

Data source and judgements

The data source for this measure is our Customer Request Management System. Response time is measured from the time we receive notification to the time service personnel reach the site. This definition is set by the Department of Internal Affairs.

Stormwater – Level of service (4)

We will have reliable stormwater systems that are maintained effectively to minimise public complaints

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
SW4	The number of complaints received about the performance of our stormwater system, (expressed per 1,000 properties connected to our stormwater system).**	<p>2021/22 (Actual) Achieved (3.12 complaints per 1,000 connections per year (30 in total))</p> <p>2022/23 (Actual) Not achieved (7.5 Per 1,000 connections (75 total))</p> <p>2023/24 (Target) ≤4 complaints per 1,000 connections per year (32 in total)</p>	≤7 complaints per 1,000 connections per year	≤7 complaints per 1,000 connections per year	≤7 complaints per 1,000 connections per year	≤7 complaints per 1,000 connections per year

**These are mandatory performance measures for all councils of New Zealand.

What does this measure tell our community?

This measure gives the community information on how effective is Council's management of stormwater system in providing an appropriate level of service; in other words, whether Stormwater system is maintained, operated and upgraded to achieve required level of service and protection.

Data source and judgements

The data source for this measure is our Customer Request Management System. The result is expressed per 1,000 properties connected to Council's stormwater system. In 2022/23 there were a total of 10,103 connections to the stormwater system.

At times, there is more than one complaint for the same event. In this circumstance, each complaint is counted separately for reporting purposes. This definition is set by the Department of Internal Affairs.

Te pānui o te pānga o te pūtea | Funding impact statement

Stormwater 1 July 2024 to 30 June 2034

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	188	148	161	168	170	175	181	182	187	193	195
Targeted rates	1,157	906	991	1,033	1,045	1,075	1,111	1,120	1,151	1,188	1,196
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	171	179	173	176	184	191	200	206	210	213	215
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	1,516	1,233	1,325	1,377	1,399	1,441	1,492	1,508	1,548	1,594	1,606
Applications of operating funding											
Payments to staff and suppliers	394	636	650	665	680	695	710	724	739	753	767
Finance costs	1	38	88	103	94	107	119	107	118	128	112
Internal charges and overheads applied	216	271	282	289	297	305	316	322	329	338	343
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	611	945	1,020	1,057	1,071	1,107	1,145	1,153	1,186	1,219	1,222
Surplus (deficit) of operating funding (A-B)	905	288	305	320	328	334	347	355	362	375	384
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	27	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(142)	(31)	(34)	(36)	(37)	(37)	(37)	(39)	(40)	(40)	(41)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(115)	(31)	(34)	(36)	(37)	(37)	(37)	(39)	(40)	(40)	(41)
Applications of capital funding											
Capital expenditure:											
- To meet additional demand	-	75	128	-	-	-	-	-	-	-	-
- To improve the level of service	500	1,575	434	-	-	328	-	-	348	-	-
- To replace existing assets	290	-	511	105	-	546	112	-	580	118	-
Increase/(decrease) in reserves		(1,393)	(802)	179	291	(577)	198	316	(606)	217	343
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	790	257	271	284	291	297	310	316	322	335	343
Surplus (deficit) of capital funding (C-D)	(905)	(288)	(305)	(320)	(328)	(334)	(347)	(355)	(362)	(375)	(384)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

Te waipara | Wastewater

Tirohanga Whānui | Overview

Below we give an overview of the Wastewater group of activity, how it contributes to our wider goals for our community, and how we are addressing the key challenges we have identified through the delivery of this activity. We then outline the key projects, the levels of service you can expect from us and the performance measures and targets that we will use to track and communicate our performance.

What we do

We supply wastewater services to the urban areas of Matamata, Morrinsville, Te Aroha, Waihou, Tahuna, Rukumoana, Raungaiti and Waharoa by collecting the wastewater from these communities and treating it through five treatment plants.

The treatment plants are situated in Matamata (which also treats wastewater from Waharoa and Raungaiti), Morrinsville (which also treats wastewater from Rukumoana), Te Aroha, Tahuna and Waihou. The Morrinsville treatment plant also treats and disposes of rural septic tank waste.

Approximately 50% of the wastewater treated in Morrinsville is from local industry. Industrial and commercial wastewater is regulated through tradewaste agreements and our Tradewaste Bylaw 2011. Under our tradewaste agreements, companies pay for the cost of processing their waste.

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

Why we do these activities

The Wastewater service ensures that wastewater (sewerage and the “grey” water that goes down your drains) is collected, treated and disposed of appropriately. The treatment is particularly important, as after wastewater is treated it is discharged into waterways or to land.





We aim to ensure Wastewater is well managed for the wellbeing of our community and our environment.

Our vision and community outcomes

Council has developed a vision of a district that is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.’ Further details of this strategic vision are set out in Section 1 of this plan.

The Wastewater activity contributes to this overall vision by providing wastewater treatment and discharge services to support healthy communities and the environment.

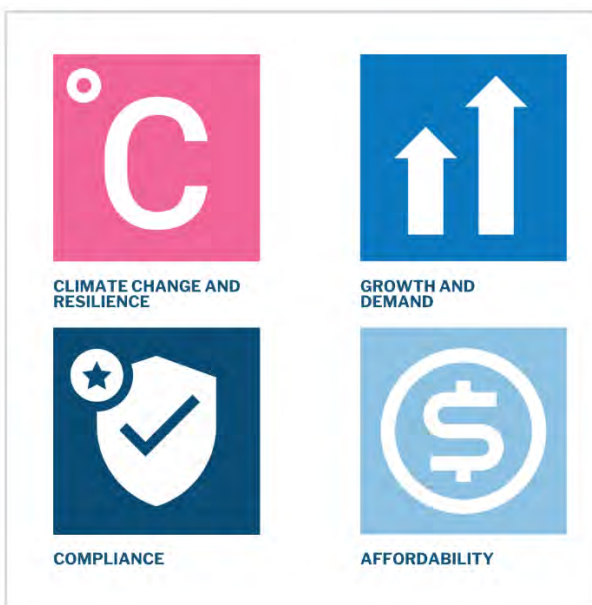
Wastewater contributes to the following community outcomes:

Wastewater – Community outcomes				
	 <p>A place with people at its heart</p>	 <p>A place to thrive</p>	 <p>A place that embraces our environment</p>	 <p>A place to belong and create</p>
Wastewater	✓	✓	✓	

Key drivers

The challenge

For Wastewater our key drivers are:



Our response

Growth and demand

We have seen unprecedented growth in Matamata and Morrinsville in recent years which is the driver for a number of growth related projects. Historically, the district's growth has been relatively low however recent growth increases has prompted a lot of growth related work.

Council prioritises spending accordingly, for example the Matamata Wastewater Treatment Plant upgrade has been brought forward due to growth.

Compliance

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

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

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

Climate change and resilience

The Local Government Act 2002 requires councils to provide for the resilience of infrastructure assets. Council is focussed on being able to provide essential services following a high consequence event such as a natural disaster. Resilience of critical assets is particularly important for continuation of service delivery to our community.

We have emergency response plans in place for the major treatment plants and plans are being prepared for the smaller plants. The requirements for these plans are under the Hazardous Substances and New Organisms Act 1996 which sets the requirement trigger points on the basis of the chemicals stored and used. Emergency Response Plans are still being developed for the smaller treatment plants. We are consistently testing and refining these plans, and intend to augment our planning by putting in place emergency response plans to manage the effects of significant infrastructure failure.

Changing weather patterns/climate change and impact on our assets has been identified as a key challenge. Council works to ensure that all resources are used wisely and managed for a balance of environmental, social, cultural and economic wellbeing. Our existing and future approach to sustainable management and development for wastewater includes:

- Providing systems to safely dispose of wastewater;
- Helping protect the environment by maintaining a high level of compliance resource consent conditions;
- Efficient management of the wastewater systems to ensure they provide value for money;
- Developing strategies to manage climate change and improving the resilience of our assets.

Affordability

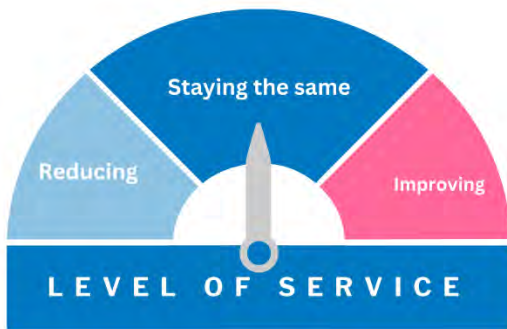
We will optimise our investment and apply asset management practices to our planning and we will smooth our costs where possible over time.

We monitor the conditions and performance of our assets (such as wastewater mains) and programme maintenance and replacement to meet the required level of service, in the most cost effective manner, for present and future customers. We undertake thorough asset management planning to assess priorities for maintenance and renewals, analysing trends and demand to ensure investment is timely and appropriate to maximise the benefit from our assets.

We will monitor demand for industrial services, and engage with major industries to seek partnership and investment if and when additional industry services are required.

Levels of service

We will maintain or improve levels of service



This means we will maintain our Wastewater infrastructure to the expected levels of service for which our community is willing to pay and to comply with required standards.

This could mean an improvement to levels of service in some areas.

Water and Sanitary Services Assessment

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

Significant effects

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

Wastewater – Significant effects		
Wellbeing	Potential negative effects	Response
	<p>Poor management of our Wastewater systems could pollute the environment or cause health risks.</p>	<ul style="list-style-type: none"> We will meet current and new consent conditions for all wastewater treatment plant discharges; We will complete upgrades of treatment plants to ensure compliance with resource consents.

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for wastewater as general rates, fees and charges, and targeted rates.

Key legislation, strategies, policies and plans

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

National
National Policy Statement for Freshwater Management 2020
Te Tiriti o Waitangi/Treaty of Waitangi
Local Government Act 2002
Health Act 1956
Resource Management Act 1991
Health and Safety at Work Act 2015
Worksafe New Zealand Act 2013
Taumata Arowai – the Water Services Regulator Bill
Heritage New Zealand Pouhere Taonga Act 2014
Regional
Waikato Regional Plan
Waikato Regional Policy Statement
Council strategies, policies and plans
Wastewater Bylaw 2009
Trade Waste Bylaw 2020

Ngā kaupapa matua me ngā mahi whakaratonga | Key projects and levels of service

Our projects for the next 10 years

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

Wastewater - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
337	District-wide Infiltration & Inflow Reduction	To improve wastewater treatment capacity and reduce overflows.		100%		200	200	500	3,500
338	Wastewater Plant Renewals	This is the renewal programme for the waste water plant component.			100%	3,381	3,381	3,381	7,515
339	Wastewater Retic Renewals	This is the renewal programme for the waste water retic component.			100%	2,369	2,369	2,369	6,884
244	Matamata Waste Water Treatment Plant Upgrade	Plant upgrade for the Matamata Waste Water Treatment Plant.	30%	70%	-	26,500	20,000	-	-
368	Tower Road Pump Station and Rising Main	Upgrades to meet growth demands.	80%	20%	-	-	1,600	1,600	-

Wastewater - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
369	Morrinsville Waste Water Treatment Plant Resource Consent Upgrades	Resource consent renewal upgrade works	80%	20%	-	-	-	7,000	16,000
370	Te Aroha Waste Water Treatment Plant Resource Consent upgrades	Resource consent renewal upgrade works.	-	100%	-	-	-	3,000	-
	Tahuna Waste Water Treatment Plant Resource Consent	Resource Consent Renewal Upgrade Works.	-	-	100%	-	-	-	2,000
340	Te Aroha Waste Water Pipe Size Increases	Te Aroha waste water pipe size increases associated with new subdivisions.	100%	-	-	12	12	12	84
Total capital projects						32,462	27,562	17,862	35,983
Total capital projects including inflation						32,462	28,155	18,680	41,631

Levels of service

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

Wastewater – Level of service (1)						
We will have an effective wastewater system that provides an appropriate level of protection						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
WW1	The number of dry weather sewage overflows from our wastewater system, (expressed per 1,000 connections per year to our wastewater system)*	<p>2021/22 (Actual) Achieved (0.85 complaints per 1,000 connections per year (8 in total).</p> <p>2022/23 (Actual) Achieved (0.1 complaints per 1,000 connections per year (1 in total).</p> <p>2023/24 (Target) 1 complaint per 1,000 connections per year (8 total).</p>	1 complaint per 1,000 connections per year	1 complaint per 1,000 connections per year	1 complaint per 1,000 connections per year	1 complaint per 1,000 connections per year
<p>*These are mandatory performance measures for all councils in New Zealand.</p> <p>What does this measure tell our community? This measure is intended to answer the question: “Is the sewerage system adequate and is it being maintained sufficiently to ensure it remains adequate?” This measure provides information on the effectiveness of the system in providing an appropriate level of service and of how well it is being managed. That is, whether the system has been designed to an adequate standard and is being operated in a way that minimises harm to the community.</p> <p>Data source and judgements The data source for this measure is our Customer Request Management System. The result is expressed per 1,000 properties connected to Council’s wastewater system. In 2022/23 there were a total of 9,613 connections to the wastewater system.</p> <p>Performance is measured under normal operating conditions. The measure covers overflows of treatment plants, pump stations, and other parts of the network. Dry weather sewerage overflows are defined as sewage that escapes Council’s sewerage system and enters the environment during periods of dry weather. Dry weather is defined as when less than 1mm of rain has fallen in a 24 hour period. These definitions are set by the Department of Internal Affairs.</p> <p>Dry weather overflows are a fundamental failure of a sewerage system. Overflows caused by wet weather are not included in the measure because they are regulated through District Plans and resource consents issued under the Resource Management Act 1991.</p>						

Wastewater – Level of service (2)

We will protect the environment by ensuring our wastewater is properly treated before being discharged to our environment

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
WW2	Compliance with our resource consents for discharge from our wastewater (measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents)*	<p>2021/22 (Actual) Achieved (Zero).</p> <p>2022/23 (Actual) Achieved (Zero)</p> <p>2023/24 (Target) Zero.</p>	Zero (0)	Zero (0)	Zero (0)	Zero (0)

*These are mandatory performance measures for all councils of New Zealand.

What does this measure tell our community?

This measure is intended to answer the question: “Is the sewerage system being managed in a way that does not unduly impact on the environment?”

This measure indicates how well Council is managing the environmental impacts of its sewerage system.

Data source and judgements

Resource consents have been allocated to all wastewater plants with specific conditions allocated for each plant. Altogether there are 18 consents, all given by the Regional Council.

An accredited external laboratory perform most of Council’s wastewater sample testing. Results are generally received within 6 days of testing, unless a result requires investigation, then Council is notified within 24 hours. Samples are taken manually as required per the consent conditions (i.e. every hour, daily, or weekly). If there are any outliers, tests are repeated to ensure the result is correct.

Council must report on compliance with each consent to Regional Council on an annual basis. In doing this, Council must provide evidence that each consent has been complied with. Regional Council will then review Council’s evidence and determine whether based on this evidence, Council have either passed with compliance or partial compliance. This is then reported back to Council. This report is used to determine the performance result for this measure.

Wastewater – Level of service (3)

We will have reliable wastewater systems and will respond to requests for service from our residents in a timely manner

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
WW3	<p>Where we attend to sewage overflows resulting from a blockage or other fault in our wastewater system, we will measure the following median response times:</p> <p>Attendance time: from the time that we receive notification to the time that service personnel reach the site*</p>	<p>2021/22 (Actual) Achieved (45 minutes)</p> <p>2022/23 (Actual) Achieved (.48 hours)</p> <p>2023/24 (Target) Median: 4 hours</p>	Median: 4 hours or less	Median: 4 hours or less	Median: 4 hours or less	Median: 4 hours or less
WW4	<p>Resolution time: from the time that we receive notification to the time that service personnel confirm resolution of the blockage or other fault*</p>	<p>2021/22 (Actual) Achieved (1.8 hours)</p> <p>2022/23 (Actual)</p> <p>2023/24 (Target) Median: 24 hours</p>	Median: 24 hours or less	Median: 24 hours or less	Median: 24 hours or less	Median: 24 hours or less

*These are mandatory performance measures for all councils of New Zealand.

What does this measure tell our community?

Wastewater – Level of service (3)

This measure is intended to answer the question: “Does Council provide timely response and resolution if there is a problem with the wastewater system?” This measure shows how quickly Council attends to problems and the problem is resolved.

These measures are helpful to gauge whether Council is listening to its customers and providing solutions.

Data source and judgements

The data source for this measure is our Customer Request Management System.

This measure includes all overflows; both those that occur during dry weather, and those that occur during wet weather. An overflow means sewage that escapes Council’s sewerage system and enters the environment. This includes blockages and chokes. This definition is set by the Department of Internal Affairs.

If reinstatement of the site or a more long term fix is required this is not included in the resolution time calculation, and is scheduled separately. This judgement is determined by Council.

Wastewater – Level of service (4)

We will have reliable wastewater systems that are maintained effectively to minimise public complaints

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
WW5	<p>The total number of complaints received by Council about any of the following (expressed per 1,000 connections per year).*</p> <ul style="list-style-type: none"> Sewage odour Wastewater system faults Wastewater system blockages Council’s response to issues with our wastewater system. 	<p>2021/22 (Actual) Achieved (4 complaints per 1,000 connections (36 total)).</p> <p>2022/23 (Actual) Achieved (3.8 complaints per 1,000 connections (38 total)).</p> <p>2023/24 (Target) 16 complaints per 1,000 connections (128 total).</p>	<p>≤16 complaints (across all categories) per 1,000 connections per year</p>	<p>≤16 complaints (across all categories) per 1,000 connections per year</p>	<p>≤16 complaints (across all categories) per 1,000 connections per year</p>	<p>≤16 complaints (across all categories) per 1,000 connections per year</p>

Wastewater – Level of service (4)

*These are mandatory performance measures for all councils of New Zealand.

What does this measure tell our community?

This measure is intended to answer the question “Are customers satisfied with the wastewater service provided – with both the operation of the service itself and the way in which complaints about the service are dealt with?”

The measure provides information on issues with a sewerage system and on how satisfied customers are with the way in which Council responds to requests to fix problems.

Customer satisfaction is a key measure of the quality of a service. Council needs to know whether customers are satisfied with the adequacy and reliability of the service they pay for.

Data source and judgements

The data source for this measure is our Customer Request Management System. The result is expressed per 1,000 properties connected to Council’s wastewater system. In 2022/23 there were a total of 10,103 connections to the wastewater system.

Wastewater – Level of service (5)

Our wastewater network will meet community needs and expectations

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
WW6	Percentage of users satisfied/very satisfied with Council’s wastewater system	2021/22 (Actual) New measure 2022/23 (Actual) New measure 2023/24 (Target) New measure	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied

What does this measure tell our community?

This measure indicates whether the community are satisfied with Council’s wastewater system.

Data source and judgements

The data source for this measure is our annual Community Views survey of residents.

Te pānui o te pānga o te pūtea | Funding impact statement

Wastewater 1 July 2024 to 30 June 2034

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	6,636	8,681	10,014	11,872	12,929	13,229	13,395	13,613	13,549	13,416	13,894
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	682	1,078	1,311	1,343	1,373	1,403	1,432	1,460	1,490	1,519	1,548
Internal charges and overheads recovered	575	620	598	608	636	662	692	714	726	736	744
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	7,893	10,379	11,923	13,823	14,938	15,294	15,519	15,787	15,765	15,671	16,186
Applications of operating funding											
Payments to staff and suppliers	4,161	5,761	5,885	6,025	6,160	5,966	4,528	4,619	4,714	4,805	4,896
Finance costs	466	1,202	2,432	3,364	3,826	3,912	3,812	3,617	3,324	2,970	3,196
Internal charges and overheads applied	573	701	733	761	796	814	831	847	861	875	906
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	5,200	7,664	9,050	10,150	10,782	10,692	9,171	9,083	8,899	8,650	8,998
Surplus (deficit) of operating funding (A-B)	2,693	2,715	2,873	3,673	4,156	4,602	6,348	6,704	6,866	7,021	7,188
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	776	1,406	1,435	1,463	1,492	1,522	1,553	1,584	1,616	1,648	1,681
Increase/(decrease) in debt	9,154	28,724	24,289	13,307	809	(2,274)	(6,550)	(4,280)	(7,630)	(6,175)	12,082
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	9,930	30,130	25,724	14,770	2,301	(752)	(4,997)	(2,696)	(6,014)	(4,527)	13,763
Applications of capital funding											
Capital expenditure:											
- To meet additional demand	-	8,012	7,449	7,208	13	13	13	14	14	14	15,449
- To improve the level of service	8,916	18,700	14,832	5,459	534	546	558	568	580	592	4,461
- To replace existing assets	3,707	5,750	5,874	6,014	6,148	3,529	1,018	3,664	496	2,126	1,279
Increase/(decrease) in reserves		383	442	(238)	(238)	(238)	(238)	(238)	(238)	(238)	(238)
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	12,623	32,845	28,597	18,443	6,457	3,850	1,351	4,008	852	2,494	20,951
Surplus (deficit) of capital funding (C-D)	(2,693)	(2,715)	(2,873)	(3,673)	(4,156)	(4,602)	(6,348)	(6,704)	(6,866)	(7,021)	(7,188)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

Te wai | Water

Tirohanga Whānui | Overview

Below we give an overview of the Water group of activity, how it contributes to our wider goals for our community, and how we are addressing the key challenges we have identified through the delivery of this activity. We then outline the key projects, the levels of service you can expect from us and the performance measures and targets that we will use to track and communicate our performance.

What we do

We own and operate six water supply schemes in the district - in Matamata (including Waharoa and Raungaiti), Morrinsville, Te Aroha (including Te Aroha West) and three small schemes in Te Poi, Tahuna, and Hinuera. Each area has one or more treatment plants, and the district has a total of 410 km of pipes (excluding service lines).

We provide water 24 hours a day, seven days a week, which means operating and maintaining equipment, machinery and backup facilities, and training staff to respond rapidly in the event of a problem.

We have corrective and preventative maintenance programmes in place to ensure our systems remain in good condition. We also monitor the lifecycles of our assets (such as water mains) and renew them when necessary.

Why we do these activities





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

Our vision and community outcomes

Council has developed a vision of a district that is vibrant, passionate, progressive, where opportunity abounds. 'The heart of our community is our people, and the people are the heart of our community.' Further details of this strategic vision are set out in Section 1 of this plan.

The Water activity contributes to this overall vision by providing clean, safe, and reliable water supply to our community to support healthy communities.

Water contributes to the following community outcomes:

Community outcomes – Water				
	 <p>A place with people at its heart</p>	 <p>A place to thrive</p>	 <p>A place that embraces our environment</p>	 <p>A place to belong and create</p>
Water	✓	✓	✓	✓

Key drivers

The challenges

For Water our key drivers are:



Our response

Growth and demand

As a result of the projected population increase, there is a need to ensure that the water system can meet the increased demand, particularly within existing growth areas. Currently, our treatment plants can provide for this growth, however an additional water source in Matamata is required and an increase in storage capacity (reservoirs) for Matamata and Waharoa. The increased storage will also help to overcome water pressure problems during summer demand and improve operational performance.

Compliance

We will keep up to date with legislation changes and respond accordingly. We will comply with our resource consents, and have included budgets to implement improvements to our treatment facilities to ensure compliance with national standards.

Legislation currently drives this activity in four main ways:

- Improving the quality of the water;
- Reducing the risk of contamination;
- Ensuring the efficient use of the water;
- Controlling the allocation of the water.

Climate change and resilience

Risk assessment and risk management is extremely important for Water, as clean water is essential during emergencies (such as earthquakes). We have prepared a “Business Continuity Plan – Water” to ensure the supply of potable water during and after events such as droughts, prolonged power outages, volcanic activity, pandemics and other emergencies.

Sustainability is about ensuring that all resources are wisely used and managed to achieve environmental, social, cultural and economic wellbeing. Our existing and future approach to sustainable management and development for water includes:

- Providing systems to supply safe potable water;
- Helping protect the environment by maintaining a high level of compliance with resource consent conditions;
- Efficient management of the water systems to ensure they provide value for money;
- Developing strategies to manage climate change and resilience of our assets.

Affordability

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

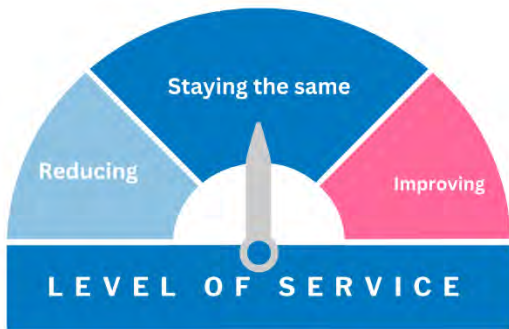
We monitor the conditions and performance of our assets (such as water mains) to manage them in the most cost effective manner, for present and future customers.

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for water as general rates and targeted rates.

Levels of service

We will maintain or improve levels of service



This means we will maintain our Water infrastructure to the expected levels of service for which our community is willing to pay and to comply with required standards.

This could mean an improvement to levels of service in some areas.

Water and Sanitary Services Assessment

Council completed a full review of its Assessment of Water Services in 2017. There are no significant

variations between this assessment and this LTP.

Significant effects

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

Water – Significant effects		
Wellbeing	Potential negative effects	Response
<p>environmental social cultural economic</p>	Poor management of our water treatment plants could impact the health of our communities.	<ul style="list-style-type: none"> Maintain and renew our water take consents; Complete upgrades to our plant infrastructure to ensure compliance with drinking water standards is achieved.
<p>environmental social cultural economic</p>	Poor management of, and competition for, water could impact on the way we all use water.	<ul style="list-style-type: none"> The allocation of water is becoming an issue with competing needs for a finite resource; The amount of water we ‘take’ to treat is controlled through resource consents.

Key legislation, strategies, policies and plans

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

National
National Policy Statement for Freshwater Management 2020
Te Tiriti o Waitangi/Treaty of Waitangi
Local Government Act 2002
Health Act 1956
Resource Management Act 1991
Health and Safety at Work Act 2015
Fire & Emergency New Zealand Act 2017
Worksafe New Zealand Act 2013
Utilities Access Act 2010
Taumata Arowai – the Water Services Regulator Act 2021
Heritage New Zealand Pouhere Taonga Act 2014
Regional
Waikato Regional Plan
Waikato Regional Policy Statement
Regional Infrastructure Technical Specifications (RITS)
Council strategies, policies and plans
District Plan and Development Manual
Water Bylaw 2008

Ngā kaupapa matua me ngā mahi whakaratonga | Key projects and levels of service

Our projects for the next 10 years

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

Water - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
341	Consumer water meter installation	To firstly focus on some key water meters in Te Aroha, then universal water metering across the district.	20%	80%	-	600	-	-	6,872
342	HSNO Upgrades	Upgrades associated with compliance with the Hazardous Substances and New Organisms Act 1996.	-	100%	-	280	200	-	-
343	Implement water loss strategy	Upgrades and efforts to implement water loss strategy in the form of additional meters.	-	100%	-	200	200	200	200
344	Raw Water Intake Resource Consent Compliance	To comply with resource consent conditions regarding intakes.	-	100%	-	250	250	-	-
345	Water Plant Renewals	Renewal programme for	-	-	100%	1,232	1,232	1,232	13,788

Water - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
		the water plant components.							
346	Water Retic Renewals	This is the renewal programme for the water retic components.	-	-	100%	3,527	3,527	3,527	6,001
347	Hinuera Water Treatment Plant	Drinking Water Quality Assurance Rules (DWQAR) Compliance Upgrades.	-	100%	-	100	1,000	-	-
371	Matamata South Water Treatment Plant	Caustic Tank Hazardous Substances and New Organisms Act 1996 Upgrade.	-	100%	-	-	-	50	-
	Resource Consent Renewals - Matamata Water Treatment Plant	Resource Consent Renewal – Water Take and Use.	-	-	100%	-	-	-	500
348	Matamata Tills Road – Sludge Upgrade	Upgrade to Matamata Tills Road Water Treatment Plant.	-	100%	-	50	450	-	-
	Matamata Tills Road – UV Upgrade	Drinking Water Quality Assurance Rules (DWQAR) Compliance Upgrades.	-	100%	-	-	-	-	750
349	Morrinsville North - Water Retic Upgrade	Retic to service Lockerbie growth area.	50%	25%	25%	400	-	-	-
371	Morrinsville Scotts Road Water Treatment Plant	Drinking Water Quality Assurance Rules (DWQAR)	-	100%	-	-	250	-	250

Water - Projects									
Project ID # For first 3 years	Project Name	What is this project about?	What drives this project? (%)			Budget (\$000)			
			Growth	Level of service increase	Renewal	2024/25	2025/26	2026/27	2027-34
	Compliance Upgrades	Compliance Upgrades.							
	Morrinsville Scotts Road Water Treatment Plant Resource Consent Renewal	Resource Consent Renewal – Groundwater take and use.	-	-	100%	-	-	-	300
350	Raungaiti Reservoir and Pumps	Resource consent renewal -Water take.	-	100%	-	20	-	-	-
351	Tahuna Water Treatment Plant Resource Consent	Tahuna Water Treatment Plant resource consent renewal and upgrade works.	-	-	100%	100	-	500	-
352	Tahuna Water Treatment Plant New Bore Drilling	New bore to provide additional capacity.	-	-	100%	250	-	-	-
353	Te Aroha Water Treatment Plant Intake Consent and Upgrade	Preparing for water take resource consent renewal in 2026.	-	50%	50%	1,000	-	-	-
355	Te Poi Water Treatment Plant Resource Consent Renewal	Resource Consent Suite Renewal – Water Take	-	-	100%	200	-	-	-
	Te Aroha Water Treatment Plant Resource Consents Renewals	Resource Consent Suite renewal	-	100%	-	1,000	250	-	-
Total capital projects						9,209	7,359	5,509	28,661
Total capital projects including inflation						9,209	7,517	5,761	31,883

Levels of service

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

Water – Level of service (1)						
We will provide safe and reliable water for household and business use (serviced properties)						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
W1	<p>The extent to which Council's drinking water supply complies with:</p> <ul style="list-style-type: none"> Part 4 of the drinking-water standards (bacteria compliance criteria), and; Part 5 of the drinking-water standards (protozoal compliance criteria).* 	<p>2021/22 (Actual) Not achieved (not compliant)</p> <p>2022/23 (Actual) Not achieved (not compliant)</p> <p>2023/24 (Target) Compliant.</p>	Compliant based on applicable standard**	Compliant based on applicable standard**	Compliant based on applicable standard**	Compliant based on applicable standard**
<p>*These are mandatory performance measures for all councils in New Zealand. **The target refers to the drinking water standards applicable at the time of the reporting period.</p> <p>What does this measure tell our community? This measure is intended to answer the question: "Is our water safe to drink?"</p> <p>Data source and judgements There have been recent changes to the regulation of Water at the national level, which mean the standards we report on have changed. From 1 July 2022 through to 31 December 2022, Council were required to comply with the Drinking Water Standard NZ 2018, and from 1 January 2023 it has been a requirement that Council record, monitor and when necessary report on their compliance against Water – Service Performance Reporting 2022/23 Taumata Arowai's Drinking Water Quality and Assurance Rules (DWQAR), Aesthetic Values, and the new Drinking Water Standards.</p>						

Water – Level of service (2)

We will ensure that our water assets are well maintained and managed and that the assets are maintained and replaced when required

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
W2	The percentage of real water loss from Council's networked reticulation system (using minimum night flow analysis) criteria.*	2021/22 (Actual) Not achieved (27.9%) 2022/23 (Actual) Not achieved (41.4%) 2023/24 (Target) 25% or less	25% or less	25% or less	25% or less	25% or less

*These are mandatory performance measures for all councils in New Zealand.

What does this measure tell our community?

This measure provides information on the state and operation of Council's water reticulation network infrastructure.

Data source and judgements

This is calculated from an automated reporting template provided by the water entity Taumata Arowai.

Water – Level of service (3)

We will provide reliable water systems that our community can count on and will respond to requests for service from our residents in a timely manner

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
W3	<p>Where we attend a call-out in response to a fault or unplanned interruption to our networked reticulation system, we will measure the following median response times:</p> <p>Attendance for urgent call- outs: from the time that we receive notification to the time that service personnel reach the site*</p>	<p>2021/22 (Actual) Achieved (0.66 hours (40 Minutes))</p> <p>2022/23 (Actual) Achieved (.67 hours)</p> <p>2023/24 (Target) Median: 4 hours or less</p>	Median: 4 hours or less	Median: 4 hours or less	Median: 4 hours or less	Median: 4 hours or less
W4	<p>Resolution of urgent call-outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption.</p>	<p>2021/22 (Actual) Achieved (2 hours and 53 minutes (173 minutes))</p> <p>2022/23 (Actual) Achieved (2.77 hours)</p> <p>2023/24 (Target) Median: 24 hours or less.</p>	Median: 24 hours or less	Median: 24 hours or less	Median: 24 hours or less	Median: 24 hours or less
W5	<p>Where we attend a call-out in response to a fault or unplanned interruption to our networked reticulation system, we will measure the following median response times:</p> <p>Attendance for non-urgent call-</p>	<p>2021/22 (Actual) Achieved (2.4 working days)</p> <p>2022/23 (Actual) Achieved (1.13 days)</p> <p>2023/24 (Target)</p>	Median: 3 working days or less	Median: 3 working days or less	Median: 3 working days or less	Median: 3 working days or less

Water – Level of service (3)

	outs: from the time that we receive notification to the time that service personnel reach the site*	Median: 3 working days or less.				
W6	Resolution of non-urgent call- outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption*	2021/22 (Actual) Achieved (3.25 working days) 2022/23 (Actual) Achieved (1.71 days) 2023/24 (Target) Median: 5 working days or less.	Median: 5 working days or less.	Median: 5 working days or less.	Median: 5 working days or less.	Median: 5 working days or less.

*These are mandatory performance measures for all councils in New Zealand.

What does this measure tell our community?

This measure is intended to answer the question: “Does Council provide a timely response if there is a problem with the water supply?” It shows how quickly Council has attended to urgent problems with a water supply and subsequently resolved the problem.

An appropriate response to an urgent water supply outage is important because households and businesses require water to function, and without water a building can quickly become insanitary.

Data source and judgements

The data source for these measures is our Customer Request Management System. An urgent call out is when there is a complete loss of supply of drinking water. A non-urgent call out is any other issues related to the drinking water supply.

Attendance time is calculated from the time we receive notification to the time that service personnel reach the site. These definitions are set by the Department of Internal Affairs.

Resolution time is calculated from the time we receive notification to the time that service personal confirm resolution of the fault or interruption. If reinstatement of the site or a more long-term fix is required this is not included in the resolution time calculation, and is scheduled separately. This definition is set by Council.

Water – Level of service (4)

We will have reliable water systems that are maintained effectively to minimise public complaints

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
W7	<p>The total number of complaints received by Council about any of the following: (expressed per 1,000 connections per year)*</p> <ul style="list-style-type: none"> • Drinking water clarity; • Drinking water taste; • Drinking water odour; • Drinking water pressure or flow; • Continuity of supply; • Council's response to any of these issues. 	<p>2021/22 (Actual) Achieved (3.09 complaints per 1,000 connections across all categories (total of 34 complaints)</p> <p>2022/23 (Actual) Achieved (5.9 complaints per 1,000 connections across all categories (total of 59 complaints)</p> <p>2023/24 (Target) 9 complaints per 1,000 connections across all categories (total of 72 complaints based on 8,000 connections).</p>	≤9 complaints (across all categories) per 1,000 connections per year	≤9 complaints (across all categories) per 1,000 connections per year	≤9 complaints (across all categories) per 1,000 connections per year	≤9 complaints (across all categories) per 1,000 connections per year across

*These are mandatory performance measures for all councils in New Zealand.

What does this measure tell our community?

We report on the number of complaints about our water service. Council needs to know whether customers are satisfied with the adequacy and reliability of the service they pay for. The measure highlights any problems requiring attention, such as the need for upgraded or new infrastructure.

Data source and judgements

The data source for this measure is our Customer Request Management System. The result is expressed per 1,000 properties connected to Council's water supply. In 2022/23 there were a total of 10,374 connections to Council's water supply.

Water – Level of service (5)

Our water assets are managed adequately for the future

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
W8	The average consumption of drinking water per day per resident within the district*	2021/22 (Actual) Achieved (428 litres per urban resident per day) 2022/23 (Actual) Achieved (482.8 litres) 2023/24 (Target) 500 litres per urban resident per day	500 litres per urban resident per day	500 litres per urban resident per day	500 litres per urban resident per day	480 litres per urban resident per day

*This is a mandatory performance measure for all councils in New Zealand.

What does this measure tell our community?

This measure is intended to answer the question: “Is the water supply system being managed in a way that ensures demand does not outstrip the available capacity?”

Data source and judgements

The data source for this measure is an automated reporting template provided by the water entity Taumata Arowai.

Water – Level of service (6)

Our water systems will meet community needs and expectations

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
W9	Percentage of users satisfied/very satisfied with Council’s water supply	2021/22 (Actual) New measure 2022/23 (Actual) New measure 2023/24 (Target) New measure	70% or more satisfied/very satisfied	70% or more satisfied/very satisfied	70% or more satisfied/very satisfied	70% or more satisfied/very satisfied

What does this measure tell our community?

This measure indicates whether the community are satisfied with the water supply provided by Council.

Data source and judgements

The data source for this measure is our annual Community Views survey of residents.

Te pānui o te pānga o te pūtea | Funding impact statement

Water 1 July 2024 to 30 June 2034

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	8,513	10,882	11,343	11,895	12,445	13,417	14,064	14,450	14,741	14,906	14,876
Subsidies and grants for operating purposes	800	-	-	-	-	-	-	-	-	-	-
Fees and charges	2	11	11	11	11	12	12	12	12	13	13
Internal charges and overheads recovered	67	73	70	71	74	78	81	84	85	86	87
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	9,382	10,966	11,424	11,977	12,530	13,507	14,157	14,546	14,838	15,005	14,976
Applications of operating funding											
Payments to staff and suppliers	4,517	5,208	5,320	5,447	5,568	5,690	5,807	5,924	6,046	6,163	6,280
Finance costs	693	1,140	1,325	1,476	1,747	1,942	1,997	1,994	2,030	1,944	1,680
Internal charges and overheads applied	996	1,167	1,172	1,200	1,250	1,305	1,347	1,381	1,408	1,441	1,460
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	6,206	7,515	7,817	8,123	8,565	8,937	9,151	9,299	9,484	9,548	9,420
Surplus (deficit) of operating funding (A-B)	3,176	3,451	3,607	3,854	3,965	4,570	5,006	5,247	5,354	5,457	5,556
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	451	149	152	155	158	161	165	168	171	175	178
Increase/(decrease) in debt	4,540	5,609	3,758	1,753	6,312	(647)	(104)	(1,855)	1,797	(5,067)	(4,883)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	4,991	5,758	3,910	1,908	6,470	(486)	61	(1,687)	1,968	(4,892)	(4,705)
Applications of capital funding											
Capital expenditure:											
- To meet additional demand	-	2,200	-	-	642	830	-	-	-	-	-
- To improve the level of service	5,465	700	2,401	785	4,705	2,526	-	-	-	-	-
- To replace existing assets	2,702	6,309	5,116	4,977	5,088	728	5,067	3,560	7,322	565	851
Increase/(decrease) in reserves											
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	8,167	9,209	7,517	5,762	10,435	4,084	5,067	3,560	7,322	565	851
Surplus (deficit) of capital funding (C-D)	(3,176)	(3,451)	(3,607)	(3,854)	(3,965)	(4,570)	(5,006)	(5,247)	(5,354)	(5,457)	(5,556)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

Ngā whakaaetanga me ngā raihana | Consents and licensing

Tirohanga Whānui | Overview

Below we give an overview of the services we deliver within the Consents and licensing group of activities, how these contribute to our wider goals for our community, and how we are addressing the key challenges we have identified through the delivery of these services. We then outline each activity within the group in more detail.

What we do

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

Why we do these activities





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

Our vision and community outcomes

Council has developed a vision of a district that is vibrant, passionate, progressive, where opportunity abounds. 'The heart of our community is our people, and the people are the heart of our community.' Further details of this strategic vision are set out in Section 1 of this plan.

Consents and Licensing contributes to this overall vision by supporting community wellbeing through the provision of regulatory services ensuring that we have a safe and healthy environment for us to live, work and play.

Consents and licensing contributes to the following community outcomes:

Community outcomes – Consents and licensing				
	 A place with people at its heart	 A place to thrive	 A place that embraces our environment	 A place to belong and create
Animal control	✓			✓
Building consents and monitoring	✓	✓		
Licensing and enforcement	✓	✓	✓	
Resource consents and monitoring	✓	✓	✓	✓

Key drivers

The challenges

For Consents and licensing our key drivers are:

 CLIMATE CHANGE AND RESILIENCE	 GROWTH AND DEMAND
 COMPLIANCE	 AFFORDABILITY

Our response

Growth and demand

Our population and number of dwellings are predicted to increase at a steady pace, which will have an impact on these activities. This may increase the number of health and alcohol licences, and resource and building consents we process. It may also result in the continued increase in the number of dogs in our district. Accordingly, we are planning for population growth by making sure we have sufficient staff and resources in place to cope with an associated increase in demand for our services.

The accelerating trend of an ageing population, decreasing number of people in each household, and increase in diversity of the population, also needs to be provided for in our approach to these activities to ensure we are continuing to meet the needs of our community.

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

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

We are also seeing societal changes/expectations affect our work, i.e. communities may be less connected than they have been in the past, resulting in Council becoming involved in issues that otherwise would traditionally have been resolved at a lower level between individuals.

Social media also has an impact on these activities. We are needing to be more agile and responsive to be able to respond effectively to the concerns/comments/issues that are reported to us through these channels 24/7.

Compliance

The legislative framework that we work within, is a key driver for this activity group and the functions across this activity group primarily ensure compliance with legislative requirements.

Some of the key pieces of legislation that underpins this activity group has undergone and continues to undergo, significant change. With this comes uncertainty and can result in additional requirements and cost pressures. Council is currently working through the effects of many of these changes, and subsequent repeals of legislation. A recent review of the resource management framework has been completed with two pieces of legislation for resource management reform were put into place: the Natural and Built Environmental Act and the Spatial Planning Act. However, in December 2023, legislation was passed to repeal these two Acts meaning that almost all of our resource management functions continue to be covered by the Resource Management Act 1991.

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

Climate change and resilience

This activity group carries out regulatory functions and a number of the relevant Acts of legislation contain requirements in relation to climate change. Climate considerations are incorporated into many of the decision-making processes that are carried out within this activity group; for example:

- Legislation such as the Building Act 2004 along with the Building Code, set out how buildings need to comply with environmental regulations.
- Climate change must be considered through making and changing District Plan provisions and processing resource consents.

Affordability

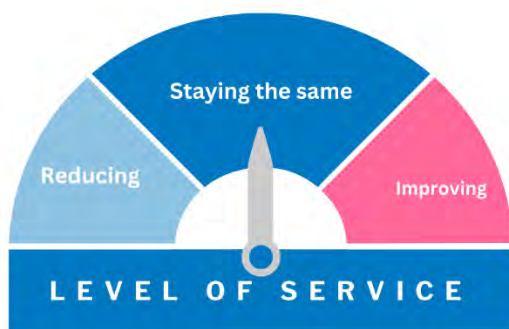
A key challenge for this group of activities is to continue to provide services to our community in accordance with legislation, whilst maintaining the same level of service at an affordable cost.

Applicable fees and charges are set and reviewed annually to reflect actual costs to deliver the service. Where possible, rebate systems are in place to promote responsible behaviour, for example the Responsible Owner Rebate that is available to dog owners.

There are several legislative updates in the pipeline which may create additional requirements and costs that are not budgeted for.

Levels of service

We will maintain or improve levels of service







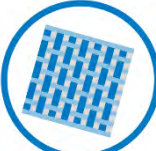
We will continue to provide the same level of service to our community. This is to ensure that we continue to meet the expectations of our community, whilst complying with relevant legislation and standards to support health and safety and the overall wellbeing of our communities.

Funding

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

Significant effects

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

Consents and licensing – Significant effects		
Wellbeing	Potential negative effects	Response
 <p>social</p>  <p>environmental</p>	<p>Poor quality and untimely response to investigations of complaints could result in a rise in antisocial behaviour, risks to health and safety, and negative effects on community wellness as well as impacts on the environment.</p>	<ul style="list-style-type: none"> • Good regulatory frameworks improve, promote and protect public health and the environment and reduce antisocial behaviour within the district; • We provide a 24/7 service for our most time-sensitive issues (animal and noise complaints); • We undertake patrols of the district for animal control; • We undertake staff training to ensure legislative requirements are understood; • We work with stakeholders, such as the New Zealand Police to ensure alcohol licence holders comply with their obligations, thus reducing social impacts.
 <p>environmental</p>  <p>economic</p>	<p>Poor consenting decisions and inspection procedures can delay and add costs to development, put users at risk, and harm the environment.</p> <p>Delays in processing may affect economic progress.</p>	<ul style="list-style-type: none"> • Effective monitoring of the district and timely responses to complaints keep our community safe and help to protect the environment; • We work with other councils to collaborate on best practice and to achieve consistency in our processes; • Accreditation as a 'Building Control Authority' as well as a 'Food Agency' ensures our processes are robust, leading to improved services; • Auditing and peer review of our processes and decisions ensure we are making good decisions.
 <p>cultural</p>	<p>Failure to involve iwi and the community in the decision making process.</p>	<p>Consulting with iwi through agreed processes increases the opportunities for them to be involved in decision-making.</p>

Our activities

Below we outline each of the activities within the Consents and Licensing group, including planned projects, the levels of service you can expect from us and the performance measures and targets that we will use to track and communicate our performance.

Te whakahaere kararehe | Animal control

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

We have two Animal Control Officers, a part-time Pound Attendant and a part-time administration support, whose job is to make sure people control their animals, are meeting laws and regulations, and don't create problems for others.

We have contracted out our after-hours service, ensuring a 24 hour, 7 day a week service. We also have one dog pound and stockyard that services the whole district.

Key legislation, strategies, policies and plans

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

National
Dog Control Act 1996
Impounding Act 1955
Local Government Act 2002
Council strategies, policies and plans
Dog Control Policy
Dog Control Bylaw
Public Safety Bylaw

Our projects for the next 10 years

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

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for animal control as general rates and fees and charges.

Levels of service

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

Animal control – Level of service (1)						
Any disturbances caused by animals will be investigated quickly and efficiently						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
A1	Complaints will be investigated within set timeframes*	2021/22 (Actual) Achieved (97.43%) 2022/23 (Actual) Achieved (98.69%) 2023/24 (Target) 95% within adopted timeframes.*	95% within adopted timeframes*	95% within adopted timeframes*	95% within adopted timeframes*	95% within adopted timeframes*
<p>What does this measure tell our community? One of the main responsibilities of the Animal Control Activity is following up on complaints made about animals; from wandering stock to barking or attacking dogs.</p> <p>Data source and judgements Monitoring and reporting is managed by Council staff who produce monthly reports. The Customer Request Management System is used to track complaint time and Council's response time.</p> <p>We aim to investigate the complaint and let the complainant know what action (if any) we have taken or intend to take within adopted timeframes. Some complaints can be resolved quickly, whilst others can take time to work through with animal owners and this may involve court action.</p> <p>Timeframes are detailed in this Long Term Plan. For clarity:</p> <ul style="list-style-type: none"> • Aggressive means a dog rushed a person/vehicle or displayed threatening behaviour. • Current incident means the incident is happening now and the dog is an immediate danger to the public. • Reported incident means an incident is reported that happened sometime in the past, but is not a current threat to the public. 						

Animal control – Level of service (2)

We will carry out property visits to ensure dog owners are responsible

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
A2	Number of property visits per year.	2021/22 (Actual) Not achieved (565) 2022/23 (Actual) Achieved (803) 2023/24 (Target) At least 600 property visits per year.	At least 600 property visits per year	At least 600 property visits per year	At least 600 property visits per year	At least 600 property visits per year

What does this measure tell our community?

Property visits let us check that dogs are appropriately housed and secured on their property. Both of these help to reduce the number of problems caused by animals in our community.

Data source and judgements

Monitoring and reporting is managed by Council staff who produce monthly reports. The Customer Request Management System is used to track property visits.

Animal control – Level of service (3)

We will carry out regular street patrols to keep the streets free from stray animals

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
A3	Number of street patrols undertaken in each of the three main towns.	2021/22 (Actual) Achieved (Matamata 30; Morrinsville 25; Te Aroha 18) 2022/23 (Actual) Achieved (Matamata 35; Morrinsville 26; Te Aroha 23)	At least an average of 15 per month per town	At least an average of 15 per month per town	At least an average of 15 per month per town	At least an average of 15 per month per town

Animal control – Level of service (3)						
		2023/24 (Target) At least an average of 10 per month per town.				
<p>What does this measure tell our community? Street patrols allow our staff to check if there are wandering animals that could pose a risk to our community and take appropriate action to mitigate this if required.</p> <p>Data source and judgements Monitoring and reporting is managed by Council staff who produce monthly reports. The Customer Request Management System is used to track street patrols.</p>						

*Animal control response times

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

Ngā whakaaetanga ā-whare me te mātai | Building consents and monitoring

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

Our primary function is to ensure that building work in our district complies with the Building Act 2004. To do this, we process building consents and inspect building work at critical phases of the project. We also carry out audits to make sure that commercial building owners comply with their Building Warrants of Fitness requirements, check swimming pool compliance, and investigate complaints about illegal building work, taking enforcement action where necessary.

Key legislation, strategies, policies and plans

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

National
Local Government Act 2002
Building Act 2004 and Building Code
Building (Earthquake-prone Buildings) Amendment Act 2016
Building Amendment Act 2019
Regional
Regional collaboration with Hauraki, Ōtorohanga, Waikato, Waipa, Thames-Coromandel and Waitomo District Councils and Hamilton City Council
Council strategies, policies and plans
Dangerous, Affected and Insanitary Buildings Policy 2019

Our projects for the next 10 years

There are no major projects forecast for the next ten years for the building consents and monitoring activity, primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce the Building Act 2004.

As part of the improvement to the online services we offer, we plan to increase information available online for the building consent process.

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for building consents and monitoring as general rates and fees and charges.

Levels of service

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

Building consents and monitoring – Level of service (1)						
Building consents will be administered quickly and efficiently						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
B1	Building consent processing timeframes.	<p>2021/22 (Actual) Not achieved (88%)</p> <p>2022/23 (Actual) Not achieved (91%)</p> <p>2023/24 (Target) 100% of Building Consents will be processed within statutory timeframes.</p>	100% of building consents will be processed within statutory timeframes	100% of building consents will be processed within statutory timeframes	100% of building consents will be processed within statutory timeframes	100% of building consents will be processed within statutory timeframes
<p>What does this measure tell our community? By processing building consents on time, we contribute to the timely completion of building projects.</p> <p>Currently the statutory timeframes for processing building consents are:</p> <ul style="list-style-type: none"> • 10 working days for building consents with a national multiple use approval (a type of consent where the building design has been approved for repeat use). • 20 working days for all other building consents. <p>Data source and judgements Council staff monitor and report monthly on building consents.</p> <p>Building consents have been processed through the AlphaOne system since July 2020. Amendments to consents received before July 2020 are processed through our Content Management system.</p>						

Building consents and monitoring – Level of service (2)

Code compliance certificates will be administered quickly and efficiently

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
B2	Code compliance certificate issue timeframes.	<p>2021/22 (Actual) New measure.</p> <p>2022/23 (Actual) New measure.</p> <p>2023/24 (Target) New measure.</p>	100% of code compliance certificates will be issued within statutory timeframes	100% of code compliance certificates will be issued within statutory timeframes	100% of code compliance certificates will be issued within statutory timeframes	100% of code compliance certificates will be issued within statutory timeframes

What does this measure tell our community?

The completion of the building consent process has wide-reaching implications for both the construction industry and the community as a whole, therefore, Council reports on the issuing of code compliance certificates to support transparency of performance and to provide certainty for applicants.

Data source and judgements

Council staff monitor and report monthly on building consents (this includes the issuing of code compliance certificates). Building consents have been processed through the AlphaOne system since July 2020.

A building owner must apply to Council for a Code Compliance Certificate after all building work to be carried out under a building consent granted to that owner is completed. Once the application is accepted, Council has 20 working days to decide whether to issue a Code Compliance Certificate.

We will respond to complaints of alleged illegal/unauthorised activity

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
B3	Complaint response time.	<p>2021/22 (Actual) Not achieved (69%)</p> <p>2022/23 (Actual) Not achieved (88%)</p> <p>2023/24 (Target) 100% of complaints to be responded to within 10 working days.</p>	95% of complaints to be responded to within 10 working days	95% of complaints to be responded to within 10 working days	95% of complaints to be responded to within 10 working days	95% of complaints to be responded to within 10 working days

What does this measure tell our community?

One of our main roles is to regulate compliance with building code standards. We sometimes receive complaints from the community about illegal or dangerous building work or swimming pools. We will investigate the complaint to determine if building work is illegal or dangerous and let the complainant know what action we are taking.

Fulfilling our enforcement role under the Building Act 2004 in a timely manner will help to reduce the incidence of illegal and dangerous building work in the district.

Issues regarding illegal building work can be complicated, and it can take time to reach a resolution with the building owners.

Data source and judgements

The source data for this measure is our Customer Request Management system.

Te raihanatanga me te ūruhitanga |

Licensing and enforcement

Among other things, the Licensing and Enforcement Activity is responsible for processing health, food and alcohol licences. In respect to alcohol licences, this involves inspecting/auditing the licensed premises to ensure they meet the required standards, and interviewing potential managers to make sure they are suitable, have the right qualifications and are aware of their responsibilities under the Sale and Supply of Alcohol Act 2012. In regards to health/food, this activity is responsible for inspecting/auditing all food premises, hairdressers, camping grounds and funeral directors within the district.

This activity is also responsible for noise control in our community. We provide a 24 hour, 7 day a week service responding to excessive or unreasonable noise. After hours noise control complaints are handled by our external contractors who also manage after hours security for Council buildings.

Licensing and enforcement also monitors and responds to complaints about breaches of our bylaws, and we have responsibilities under several other Acts such as the Gambling Act 2003, Psychoactive Substances Act 2013, Prostitution Reform Act 2003 and the Hazardous Substances and New Organisms Act 1996.

Key legislation, strategies, policies and plans

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

National
Resource Management Act 1991
Sale and Supply of Alcohol Act 2012
Health Act 1956 and associated regulations
Food Act 2014
Local Government Act 2002
Gambling Act 2003
Psychoactive Substances Act 2013
Prostitution Reform Act 2003
Hazardous Substances and New Organisms Act 1996
Freedom Camping Act 2011
Self-contained Motor Vehicles Legislation Act 2023
Regional
Shared Service Agreements and Forum
Council strategies, policies and plans
Dangerous, Affected and Insanitary Buildings Policy 2019
Local Alcohol Policy
Consolidated Bylaw

Gambling Venue Policy
Legal Highs Policy
Freedom Camping Bylaw
TAB Board Venue Policy

Our projects for the next 10 years

There are no major projects forecast for the next ten years for the licensing and enforcement activity primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce various pieces of legislation and policies.

As part of the improvement to Council's online services we offer, we plan to increase the information about licenses available online, and enable licensees to submit and track their application and make payments online.

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for licensing and enforcement as general rates and licence processing fees.

Levels of service

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

Licensing and enforcement – Level of service (1)						
We will inspect or audit all food premises, hairdressers, funeral directors and camping grounds in the district to ensure they are running in accordance with the Health Act and/or health regulations						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
LE1	Food premises, hairdressers, funeral directors and camping grounds will be inspected or audited in accordance with legislation.	2021/22 (Actual) Achieved (100%) 2022/23 (Actual) Achieved (100%) 2023/24 (Target) 100% inspected or audited.	100% inspected or audited	100% inspected or audited	100% inspected or audited	100% inspected or audited

Licensing and enforcement – Level of service (1)

What does this measure tell our community?

Inspecting/auditing food premises, hairdressers, funeral directors and camping grounds gives residents confidence that they can safely use these facilities. If a premise doesn't meet the required standards, the owners are given an opportunity to fix any problems and it is re-inspected/audited.

Data source and judgements

This data is extracted from our corporate system.

Licensing and enforcement – Level of service (2)

We will ensure that all premises in the district with alcohol licences are operating responsibly

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
LE2	<p>On, Off and Club* alcohol licenced premises will be inspected annually to ensure they comply with alcohol licensing standards.</p> <p>*Club alcohol licenced premises excludes those Clubs that have been assessed as a 'very low' risk rating by Council.</p>	<p>2021/22 (Actual) Achieved (100%)</p> <p>2022/23 (Actual) Achieved (100%)</p> <p>2023/24 (Target) 100% inspected annually.</p>	100% inspected annually	100% inspected annually	100% inspected annually	100% inspected annually

What does this measure tell our community?

Licensed premises that do not comply with alcohol licensing standards can contribute to illegal activities and antisocial behaviour. This measure indicates whether Council is fulfilling its obligations to protect the community from alcohol harm.

If a premises does not comply with the conditions of its licence, the owners will be given an opportunity to rectify any problems. Ongoing non-compliance may result in an inspector making an application to the Alcohol Regulatory and Licensing Authority (ARLA) for the suspension or cancellation of the premises' alcohol licence.

Data source and judgements

This data is extracted from our corporate system.

Licensing and enforcement – Level of service (3)

We will act on all noise complaints we receive

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
LE3	Percentage of after-hours (between 5pm and 8am, weekends and public holidays) noise complaints responded to within two hours.	<p>2021/22 (Actual) Not achieved (99.72%)</p> <p>2022/23 (Actual) Not achieved (99%)</p> <p>2023/24 (Target) 100% responded to within two hours.</p>	100% responded to within two hours	100% responded to within two hours	100% responded to within two hours	100% responded to within two hours

What does this measure tell our community?

This measure indicates whether Council is effectively responding to noise complaints resulting in less disturbance to the community. By acting on noise complaints, we will be preventing antisocial behaviour that can negatively impact people's health and wellbeing.

Noise complaints are investigated and complainants are advised of the action we have taken. Some complaints are easy to resolve, such as stereos, others can take some time to resolve, such as ongoing business noise.

Data source and judgements

This information is provided to Council in a paper form from our noise control contractors and then entered into our system.

After hours responses to noise complaints are made by our security contractors. These calls are usually about loud stereos and parties.

During working hours (8am-5pm) staff respond to complaints. Complaints during the day usually relate to general household noise or ongoing noise associated with business operations.

Ngā whakaaetanga ā-rawa me te mātai

I Resource consents and monitoring

This activity helps look after our natural and physical resources for future generations. Resource consents and monitoring is responsible for administering the District Plan, advising customers on District Plan and Resource Management Act 1991 requirements, processing applications for land use and subdivision consents, monitoring compliance with land use and subdivision consent conditions, investigating breaches of the District Plan, and taking enforcement action where necessary.

Key legislation, strategies, policies and plans

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

National
Resource Management Act 1991
Local Government Act 2002
National Policy Statements
National Environmental Standards
Hauraki Gulf Marine Park Act 2000c
Te Tiriti o Waitangi/Treaty of Waitangi
Regional
Waikato Regional Policy Statement
Waikato Regional Plan Regional Collaboration
Council strategies, policies and plans
District Plan
Development Manual

Our projects for the next 10 years

There are no major projects forecast for the next ten years for the resource consents and monitoring activity primarily because we provide a service to the community. The core function of this department is to administer, implement, educate and enforce various pieces of legislation and policies.

As part of the improvement of the online services we offer, we plan to increase the amount of information available and enable resource consent applications and payments to be made online. Regionally, we are focusing on collaboration where this can be achieved.

Funding source

As detailed in our Revenue and Financing Policy (see Section 7), Council has set the funding source for resource consents and monitoring as general rates and fees and charges.

Levels of service

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

Resource consents and monitoring – Level of service (1)						
Resource consents will be administered quickly and efficiently						
ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
RC1	Percentage of resource consents processed within statutory timelines.	2021/22 (Actual) Not achieved (97%) 2022/23 (Actual) Not achieved (69%) 2023/24 (Target) 100%	100%	100%	100%	100%
<p>What does this measure tell our community? This measure indicates whether Council is successfully fulfilling its role in processing resource consents. Resource consents need to be completed within statutory timeframes to ensure development projects are able to be completed seamlessly.</p> <p>In accordance with section 115 of the Resource Management Act 1991, notice of a decision on an application for a resource consent must be given:</p> <ul style="list-style-type: none"> a) If a hearing is held, within 15 working days after the end of the hearing; b) If the application was not notified and a hearing not held within 20 working days after the date the application was first lodged with Council. c) If the application was notified and a hearing not held, within 20 working days after the closing date for submissions on the application. <p>Data source and judgements This data is extracted from our corporate system.</p> <p>The 2009 amendment to the Resource Management Act 1991 requires us to refund a portion of the costs on any resource consents that are not processed within the statutory timeframe.</p>						

Licensing and enforcement – Level of service (2)

We will monitor land use consent compliance

ID	Performance measure	Previous years	LTP 2024-34 Targets			
			2024/25	2025/26	2026/27	2027-34
RC2	Percentage of land use consents monitored within four months of being granted.	2021/22 (Actual) Achieved (100%) 2022/23 (Actual) Achieved (100%) 2023/24 (Target) 100%	100%	100%	100%	100%

What does this measure tell our community?

The community can rely on us to monitor compliance of resource consents to ensure the consent conditions are met to mitigate any adverse effects. This measure indicates whether Council is monitoring recently issued consents appropriately and ensuring applicants understand their requirements.

Data source and judgements

This data is extracted from our corporate system.

We undertake an initial visit to see if or how works are progressing, and to remind the applicant of all the conditions of consent and ensure compliance with these. Should non-compliance be identified at this time, we work with the applicant to rectify the issues. If this cannot be achieved, we will take enforcement action under the Resource Management Act 1991.

Te pānui o te pānga o te pūtea | Funding impact statement

Consents and licensing 1 July 2024 to 30 June 2034

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,387	3,934	4,118	4,224	4,325	4,419	4,510	4,597	4,683	4,765	4,847
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	3,783	4,088	4,177	4,276	4,371	4,467	4,559	4,650	4,746	4,837	4,930
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	34	39	39	40	41	42	43	44	45	46	46
Total operating funding (A)	6,204	8,061	8,334	8,540	8,737	8,928	9,112	9,291	9,474	9,648	9,823
Applications of operating funding											
Payments to staff and suppliers	4,545	5,603	5,774	5,912	6,044	6,176	6,303	6,430	6,562	6,689	6,816
Finance costs	-	65	63	64	66	68	71	72	73	73	73
Internal charges and overheads applied	1,699	2,126	2,215	2,276	2,333	2,383	2,431	2,476	2,519	2,561	2,602
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	6,244	7,794	8,052	8,252	8,443	8,627	8,805	8,978	9,154	9,323	9,491
Surplus (deficit) of operating funding (A-B)	(40)	267	282	288	294	301	307	313	320	325	332
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	40	(267)	(282)	(288)	(294)	(301)	(307)	(313)	(320)	(325)	(332)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	40	(267)	(282)	(288)	(294)	(301)	(307)	(313)	(320)	(325)	(332)
Applications of capital funding											
Capital expenditure:											
- To meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- To improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- To replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves											
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding (C-D)	40	(267)	(282)	(288)	(294)	(301)	(307)	(313)	(320)	(325)	(332)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-



Stephanie C.
General Mentor

TAUIIRA RAUTAKINGA TŪROA

DRAFT LONG TERM PLAN

2024
2034



te kaunihera ā-rohe o
matamata-piako
district council

TE PŪTEA FINANCIALS

WĀHANGA
SECTION

6

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Ngā pānui a-pūtea | Financial statements

Forecast statement of comprehensive revenue and expense

A FORECAST FOR THE 10 YEARS ENDING 30 JUNE 2034

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/32	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Revenue											
Rates	51,129	59,162	62,903	66,567	70,267	73,229	75,531	77,329	78,756	80,755	81,897
Subsidies and grants	7,597	7,145	7,299	7,472	7,640	7,807	7,967	8,127	8,295	8,455	8,615
Fees and charges	10,886	11,769	12,182	12,474	12,752	13,031	13,300	13,566	13,846	14,113	14,382
Development and financial contributions	1,758	1,791	1,827	1,864	1,901	1,939	1,978	2,018	2,058	2,099	2,141
Interest revenue	458	580	579	609	661	706	754	792	815	841	858
Other revenue	500	459	468	479	490	501	511	522	532	543	553
Total revenue	72,328	80,906	85,258	89,465	93,711	97,213	100,041	102,354	104,302	106,806	108,446
Expenses											
Personnel costs	23,851	27,808	28,991	29,478	30,069	30,726	31,358	31,989	32,647	33,278	33,910
Depreciation and amortisation	22,608	21,834	22,764	25,006	26,254	27,465	28,771	29,354	29,971	31,634	32,238
Finance costs	2,089	3,823	5,444	6,895	8,156	8,839	9,164	9,338	9,397	9,046	8,886
Other expenses	26,631	30,843	31,358	31,894	32,553	32,938	32,053	32,699	33,371	34,018	34,662
Total expenses	75,179	84,308	88,557	93,273	97,032	99,968	101,346	103,380	105,386	107,976	109,696
Surplus/(deficit)	(2,851)	(3,402)	(3,299)	(3,808)	(3,321)	(2,755)	(1,305)	(1,026)	(1,084)	(1,170)	(1,250)
Other comprehensive revenue and expense											
Financial assets at fair value through other comprehensive revenue and expense	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment revaluations	24,127	21,801	16,962	26,359	20,469	20,527	30,083	19,498	20,397	32,262	18,159
Total other comprehensive revenue and expense	24,127	21,801	16,962	26,359	20,469	20,527	30,083	19,498	20,397	32,262	18,159
Total comprehensive revenue and expense	21,276	18,399	13,663	22,551	17,148	17,772	28,778	18,472	19,313	31,092	16,909

Forecast statement of changes in equity

A FORECAST FOR THE 10 YEARS ENDING 30 JUNE 2034

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/32	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Balance at 1 July	932,368	977,212	995,611	1,009,274	1,031,825	1,048,973	1,066,745	1,095,523	1,113,995	1,133,308	1,164,400
Total comprehensive revenue and expense for the year	21,276	18,399	13,663	22,551	17,148	17,772	28,778	18,472	19,313	31,092	16,909
Balance at 30 June	953,644	995,611	1,009,274	1,031,825	1,048,973	1,066,745	1,095,523	1,113,995	1,133,308	1,164,400	1,181,309

Forecast statement of financial position

A FORECAST AS AT 30 JUNE FOR THE 10 YEARS TO 2034

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/32	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Assets											
Current assets											
Cash and cash equivalents	341	341	341	341	341	341	341	341	341	341	341
Receivables	2,946	7,002	7,166	7,353	7,532	7,711	7,882	8,055	8,237	8,407	8,563
Prepayments	400	700	700	700	700	700	700	700	700	700	700
Inventory	896	900	919	941	962	983	1,004	1,024	1,045	1,065	1,085
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Other financial assets:											
- Term deposits	5,470	11,980	12,375	12,866	13,397	13,912	14,192	14,369	14,544	14,792	14,934
- Investments in CCOs and other similar entities	-	273	311	265	200	-	-	-	-	-	-
- Investments in other entities	-	-	-	-	-	-	-	-	-	-	-
Total current assets	10,053	21,196	21,813	22,467	23,132	23,647	24,119	24,489	24,867	25,305	25,624
Non-current assets											
Derivative financial instruments	1,000	-	-	-	-	-	-	-	-	-	-
Other financial assets:											
- Investments in CCOs and other similar entities	33,597	37,389	37,389	37,389	37,389	37,389	37,389	37,389	37,389	37,389	37,389
- Investments in other entities	122	111	111	111	111	111	111	111	111	111	111
Property, plant and equipment	980,874	1,045,921	1,091,745	1,138,665	1,170,673	1,189,234	1,215,918	1,233,131	1,251,047	1,268,627	1,289,659
Intangible assets	422	613	580	556	559	450	481	466	561	566	501
Total non-current assets	1,016,015	1,084,034	1,129,825	1,176,721	1,208,732	1,227,184	1,253,899	1,271,097	1,289,108	1,306,693	1,327,660
Total assets	1,026,068	1,105,230	1,151,638	1,199,188	1,231,864	1,250,831	1,278,018	1,295,586	1,313,975	1,331,998	1,353,284
Liabilities											
Current liabilities											
Payables and deferred revenue	10,272	10,875	11,657	12,501	13,329	14,009	14,656	15,204	15,788	16,419	16,950
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Borrowings	7,000	13,500	11,500	8,000	-	-	-	-	-	-	-
Employee entitlements	2,273	2,613	2,669	2,733	2,794	2,855	2,914	2,972	3,033	3,092	3,151
Provisions	41	56	80	38	37	37	36	60	33	32	31
Total current liabilities	19,586	27,044	34,406	23,272	16,160	16,901	17,606	18,236	18,854	19,543	20,132

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/32	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Non-current liabilities											
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Borrowings	52,119	81,949	107,371	143,506	166,153	166,614	164,326	162,826	161,293	147,546	151,346
Employee entitlements	325	362	370	379	387	396	404	412	420	428	436
Provisions	394	264	216	205	191	175	159	117	100	81	60
Total non-current liabilities	52,838	82,575	107,957	144,090	166,731	167,185	164,889	163,355	161,813	148,055	151,842
Total liabilities	72,424	109,619	142,363	167,362	182,891	184,086	182,495	181,591	180,667	167,598	171,974
Net assets (assets minus liabilities)	953,644	995,611	1,009,274	1,031,825	1,048,973	1,066,745	1,095,523	1,113,995	1,133,308	1,164,400	1,181,309
Equity											
Accumulated funds	459,637	468,805	465,952	462,152	457,670	454,594	452,145	449,826	448,348	445,919	443,262
Other reserves	494,007	526,806	543,322	569,673	591,303	612,151	643,378	664,169	684,960	718,481	738,047
Total equity	953,644	995,611	1,009,274	1,031,825	1,048,973	1,066,745	1,095,523	1,113,995	1,133,308	1,164,400	1,181,309

Forecast statement of cash flows

A FORECAST FOR THE 10 YEARS ENDING 30 JUNE 2034

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/32	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Cash flows from operating activities											
Receipts from rates revenue	50,578	59,162	62,903	66,567	70,267	73,229	75,531	77,329	78,756	80,755	81,897
Subsidies and grants received	7,509	7,145	7,299	7,472	7,640	7,807	7,967	8,127	8,295	8,455	8,615
Fees and charges received	10,845	11,769	12,182	12,474	12,752	13,031	13,300	13,566	13,846	14,113	14,382
Development and financial contributions received	1,758	1,791	1,827	1,864	1,901	1,939	1,978	2,018	2,058	2,099	2,141
Interest received	458	580	579	609	661	706	754	792	815	841	858
Receipts from other revenue	482	459	468	479	490	501	511	522	532	543	553
Payments to suppliers	(26,353)	(34,511)	(31,358)	(31,894)	(32,553)	(32,938)	(32,053)	(32,699)	(33,371)	(34,018)	(34,662)
Payments to employees	(23,683)	(27,808)	(28,991)	(29,478)	(30,069)	(30,726)	(31,358)	(31,989)	(32,647)	(33,278)	(33,910)
Interest paid	(2,028)	(3,823)	(5,444)	(6,895)	(8,156)	(8,839)	(9,164)	(9,338)	(9,397)	(9,046)	(8,886)
GST (net)	-	-	-	-	-	-	-	-	-	-	-
Net cash flows from operating activities	19,566	14,764	19,465	21,198	22,933	24,710	27,466	28,328	28,887	30,464	30,988
Cash flows from investing activities											
Proceeds from the sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale/maturity of investments	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of own your own properties	-	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment	(34,613)	(59,731)	(51,242)	(45,164)	(37,368)	(25,044)	(24,998)	(26,683)	(27,103)	(16,528)	(34,681)
Purchase of intangible assets	(83)	(103)	(146)	(170)	(214)	(128)	(181)	(145)	(250)	(192)	(124)
Purchase of investments	-	(898)	-	-	-	-	-	-	-	-	-
Net cash flows from investing activities	(34,696)	(60,732)	(51,388)	(45,334)	(37,582)	(25,172)	(25,179)	(26,828)	(27,353)	(16,720)	(34,805)
Cash flows from financing activities											
Proceeds from borrowings	21,119	53,402	45,423	44,136	22,649	462	-	-	-	-	3,817
Repayment of borrowings	(7,000)	(12,000)	(13,500)	(20,000)	(8,000)	-	(2,287)	(1,500)	(1,534)	(13,744)	-
Net cash flows from financing activities	14,119	41,402	31,923	24,136	14,649	462	(2,287)	(1,500)	(1,534)	(13,744)	3,817
Net increase/(decrease) in cash and cash equivalents	(1,011)	(4,566)	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at the beginning of the year	1,352	4,907	341	341	341	341	341	341	341	341	341
Cash and cash equivalents at the end of the year	341	341	341	341	341	341	341	341	341	341	341

Ngā whakamārama o ngā kaupapahere ā-pūtea | Statement of accounting policies

Reporting entity

Matamata-Piako District Council (the Council) is a local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. Council has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The financial information contained within these documents is prospective financial information in terms of Financial Reporting Standard 42 Prospective Financial Statements (PBE). The purpose for which this has been prepared is to enable the public to participate in decision making processes as to the services to be provided by the Council over the next ten financial years, and to provide a broad accountability mechanism of the Council to the community. The financial information in the LTP may not be appropriate for purposes other than those described.

The forecast financial statements of the Council are for the ten years ended 30 June 2034. The draft forecast financial statements were authorised for issue as part of the LTP by Council on [date TBC]. Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Basis of preparation

The forecast financial statements have been prepared on the going concern basis and the accounting policies have been applied consistently to all periods presented in these forecast financial statements.

Implementation of new and amended standards

Since the 2021-2031 Long Term Plan, Council has adopted the following accounting standards for the year ending 30 June 2023 and applied them in this 2024-2034 Long Term Plan:

- PBE IPSAS 41 Financial Instruments – the main changes being minor disclosures for Receivables and Other financial assets.
- PBE FRS 48 Service Performance Reporting – the main changes being additional information being disclosed on the judgements used in selecting and measuring the service performance information.

Otherwise all standards, interpretations and amendments approved but not yet effective in the current year are either not applicable to the Council or are not expected to have a material impact on the financial statements of the Council and, therefore, have not been disclosed.

Statement of compliance

The forecast financial statements have been prepared in accordance with the requirements of the LGA, and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). These forecast financial statements have been prepared in accordance with and comply with PBE Standards.

Presentation currency and rounding

The forecast financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Opening balances

The forecast financial statements have been prepared based on expected opening balances for the year ended 30 June 2024. Estimates have been restated accordingly if required.

A cautionary note

The information in the forecast financial statements is uncertain and the preparation requires the exercising of judgement. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted or we may subsequently take actions that differ from the proposed courses of action on which the forecast financial statements are based. The information contained within these forecast financial statements may not be suitable for use in another capacity.

Revenue

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below.

Rates revenue

The following policies for rates have been applied:

- General Rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised as it is invoiced.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Waka Kotahi NZ Transport Agency roading subsidies

The Council receives funding assistance from the Waka Kotahi NZ Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Fees and Charges

Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of license fees, upon renewal of the license.

Private works

The revenue from private works is recognised as revenue by reference to the stage of completion of the work at balance date.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised when received or invoiced.

Infringement fees and fines

Infringement fees and fines related to animal control are recognised when the payment of the fee or fine is received.

Lease and rental revenue

Lease and rental revenue arising on property owned by us is accounted for on a straight line basis over the lease term.

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer. An exception to this is land under roads which is valued using the average land values for the urban and rural areas of the whole district as at 1 July 2001. For long-lived assets that must be used for a specific use (for example, land that must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Found assets

Found asset revenue recognises the value of assets that we own, or where we have full control and management of the asset (and that asset is not recorded as such by any other entity), and these assets have not been previously accounted for. These assets are recognised at their fair value from the time that they are identified.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method. Dividends are recognised when the right to receive the payment has been established.

Personnel costs

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Defined contribution superannuation scheme

Employer contributions to Kiwisaver, the Government Superannuation Fund, are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Finance costs

Finance/borrowing costs are recognised as an expense in the financial year in which they are incurred.

Other expenses

Grant expenditure

The Council's grants awarded have no substantive conditions attached. Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council have no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL). The Council applies the simplified ECL model of recognising lifetime ECL for short-term receivables. In measuring ECLs, receivables have been grouped into rates and metered water rates receivables, and other general receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are 'written-off':

- When remitted in accordance with the Council's rates remission policy; and
- In accordance with the write off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002 (LG(R)A 2002).

Other general receivables are written off when there is no reasonable expectation of recovery.

Inventory

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first. Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Any write down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost. Costs directly attributable to the developed land are capitalised to inventory with the exception of infrastructural asset costs, which are capitalised to property, plant and equipment.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

Derivative financial instruments

Council uses derivative financial instruments to manage exposure to interest rate risk arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date with the resulting gain or loss recognised in the surplus or deficit. Council's derivative financial instruments are not

designated as hedging instruments for accounting purposes. Accordingly, derivative financial instruments are reported as financial instruments at fair value through surplus or deficit.

The fair value of the derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise derivatives are classified as non-current.

Other financial assets

PBE Standards classify financial assets into three categories: financial assets mandatorily measured at fair value through surplus or deficit, amortised cost and financial assets at fair value through other comprehensive revenue. The classification depends on the Council's management model for the financial asset and the contractual cash flow characteristics of the financial asset. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are measured at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Short term investments

Short term investments are initially measured at the amount invested. Interest is subsequently accrued and added to the investment and loan balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Equity investments

Equity investments are irrevocably designated at fair value through other comprehensive revenue and expense at initial recognition. After initial recognition, the shares are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to general funds.

Property, plant and equipment

Property, plant and equipment consist of:

Operational assets

These include land, buildings, plant and machinery, furniture and equipment, computer equipment, and library collections.

Restricted assets

Restricted assets are mainly parks, reserves and cycleways owned by the Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets

Infrastructure assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function. For example, wastewater reticulation includes reticulation piping and wastewater pump stations.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluations

Land and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

Buildings (operational and restricted) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land and the library collection), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The library collection is depreciated on a diminishing value basis.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows

	Useful life	Depreciation rate
Operational assets		
Buildings	2 to 100 years	1% - 50%
Restricted assets (buildings)	2 to 100 years	1% - 50%
Restricted assets (cycleways)	2 to 50 years	2% - 50%
Restricted assets (walkways)	2 to 50 years	2% - 50%
Plant and machinery	2 to 15 years	6% - 50%
Furniture and equipment	2 to 20 years	5% - 50%
Computer equipment	3 to 10 years	10% - 33%
Server hard drives	1 year	100%
Library collection	2 to 9 years	11% - 50%
Infrastructural assets		
Roading network		
Street lighting	10 to 25 years	4% - 10%
Formation carriageway	100 years	1%
Pavement surfacing	5 to 50 years	2% - 20%
Pavement structure	60 to 90 years	1% - 2%
Footpaths	5 to 50 years	2% - 20%
Drainage	60 to 80 years	1% - 2%
Bridges	60 to 90 years	1% - 2%
All other	1 to 70 years	1% - 100%
Utility assets		
Buildings	2 to 100 years	1% - 50%
Wastewater mains	50 to 100 years	1% - 2%
Wastewater other	80 to 100 years	1% - 2%
Wastewater pump station equipment	1 to 120 years	1% - 100%
Wastewater service lines	50 to 100 years	1% - 2%
Water mains	40 to 88 years	1% - 3%
Water valves	35 to 80 years	1% - 3%
Water hydrants	80 years	1%
Water nodes	80 years	1%
Water pump station equipment	3 to 100 years	1% - 33%
Water service lines	40 to 88 years	1% - 3%
Stormwater mains	51 to 100 years	1% - 2%
Stormwater manholes	100 years	1%
Stormwater pumps	15 years	7%
Stormwater service lines	60 to 100 years	1% - 2%
Swale drains	Indefinite	0%

The residual value and useful life of an asset is reviewed and adjusted if applicable, at each balance date.

Impairment of non-financial assets

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount.

For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash generating assets is the present value of expected future cash flows.

Intangible assets

Computer software

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with staff training and maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit. Computer software is estimated to have a useful life of 1 to 15 years and is amortised at a rate of 6.67% to 100%.

Impairment

Refer to the policy for impairment of property, plant and equipment. The same approach applies to the impairment of intangible assets.

Payables and deferred revenue

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and recognised in accrued expenses. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Employee entitlements

Short term employee entitlements

Employee benefits that are expected to be settled wholly within twelve months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

Long term employee entitlements

Employee benefits that are expected to be settled wholly within twelve months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- The present value of the estimated future cash flows

Presentation of employee entitlements

Sick leave, annual leave, long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as current liabilities. All other employee entitlements are classified as non-current liabilities.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- There is a present obligation (either legal or constructive) as a result of a past event
- It is probable that an outflow of future economic benefits will be required to settle the obligation
- A reliable estimate can be made of the amount of the obligation

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds
- Other reserves - other reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Other reserves include:

Council created reserves - reserves established by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at Council's discretion.

Restricted reserves - those reserves subject to specific conditions accepted as binding by Council and which may not be revised without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain conditions are met.

Asset revaluation reserves - represent unrealised gains on assets owned by Council. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to retained earnings.

Fair value through other comprehensive revenue and expense reserve – this reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Goods and service tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ\$ (the functional currency) using the spot exchange rate at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Cost allocation

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area. The allocation of indirect costs to the activities of Council has also been benchmarked against neighbouring local authorities for moderation.

Critical accounting estimates and assumptions

In preparing these forecast financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the period of the LTP are as follows.

Infrastructural and building assets

Roading, water, wastewater and stormwater infrastructural assets and buildings are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
Estimating the replacement cost of the asset. The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location. If recent contract cost information is considered out of date for infrastructural assets, it is indexed using Statistics New Zealand's capital Goods Price Index (based on a forecasted June quarter index) for civil constructions or the Waka Kotahi Index for road and bridge construction to convert them to current dollar value at the valuation date.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over the useful life estimates.

Provisions for landfill aftercare and Tui Mine site monitoring

The cash outflows for landfill post closure costs and Mine site monitoring costs are expected to occur over the next 12 to 30 years. The long-term nature of these liabilities means that there are inherent uncertainties in estimating costs that will be incurred. The provisions have been estimated taking into account existing technology and known changes to legal requirements.

The following significant assumptions have been made in calculating the provision:

- Obligations for the post closure work are for 30 years after landfill closure
- Costs have been estimated based on best information and technology known at this point.
- Discount rates have been used to discount the estimated future cash overflows determined using New Zealand Government bond yield information and extrapolated beyond the available market data.

Critical judgments in applying accounting policies

Management has exercised the following critical judgments in applying accounting policies:

Classification of property

We own a number of properties held to provide housing to elderly persons. The receipt of rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of our social housing policy. The properties are therefore accounted for as property, plant and equipment.

Waikato Regional Airport Limited

The fair value for the investment in WRAL has been determined based on Council's proportion of ownership of the WRAL's net assets (15.625%). Net assets is considered to provide an appropriate estimate of the WRAL's fair value, this is because WRAL's fair value derives mainly from the underlying fair value of its assets net of liabilities.

Ētahi atu whākinga ā-ture | Other legislative disclosures

Balancing the budget

Under the Local Government Act 2002, local authorities are required to set balanced budgets, where operating revenue is equal to expenditure. Council may operate an unbalanced budget only where this can be shown to be financially prudent. We're proposing to have an 'unbalanced budget' in all 10 years of this plan. This means that the revenue received each year will be less than the expenses for that year.

We resolved that this decision is financially prudent and that we will be able to manage operating and capital expenditure and our debt. We will have to closely monitor and review our risks throughout the period.

We are not planning to take steps to achieve a balanced budget during this 10-year period. With each LTP cycle we will re-assess our financial position. We foresee that an unbalanced budget will likely continue past the 10-year period due to similar reasons as stated below for this cycle.

There are three reasons for this:

- To manage the level of rates increases **over the next 10 years** by keeping them affordable and avoiding significant fluctuations. Our capital programme is heavily dominated by infrastructure projects. This is influenced by regulation, particularly around three-waters, Government funding for roading and maintaining critical assets. Non-infrastructure activities are where we have more discretion and this is where we are planning the biggest trade-off with our improvement programme to keep rates as low as possible. We are limiting our discretionary projects to those that have already been committed to. This means that we cannot progress as many improvements as we would like.
- **We are planning to remove wastewater biosolids (sludge) from Morrinsville and Te Aroha over a 5-year period at a cost of \$8.5 million, but to fund this work over a 15 year period.** We need to address the sludge that has accumulated over decades at our wastewater treatment plants. While the work is expected to take 5 years, it will give us increased capacity in our ponds for a very long time, so in this case we think it is prudent to borrow the money up-front to get the job done, and spread the cost out over a longer 15-year period to smooth the impact for ratepayers. This will mean for the first 5 years we will spend around \$1.7 million per year, but only \$660,000 will be funded from rates, with the balanced being borrowed, and repaid over 15 years. The alternative would be to increase rates for each of the first five years of the plan by \$1.04 million.
- **We are proposing to not fund the total asset depreciation expense each year.** The projected annual deficit from non-funded depreciation for various activities is as follows:

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Community facilities	(132)	(135)	(137)	(138)	(139)	(142)	(143)	(145)	(146)	(147)
Roading	(3,007)	(2,911)	(2,855)	(3,020)	(3,126)	(3,198)	(3,279)	(3,359)	(3,424)	(3,489)
Stormwater	(770)	(811)	(852)	(873)	(892)	(928)	(949)	(968)	(1,007)	(1,028)
Total	(3,909)	(3,857)	(3,844)	(4,031)	(4,157)	(4,268)	(4,371)	(4,472)	(4,577)	(4,664)

Annual depreciation, which is reflected as an expense in each year, provides a guide on the amount of money that should be collected each year to fund the replacement of assets at the end of their life. Asset replacements are funded directly from rates. Asset lives are based on estimates and in general there is a low level of uncertainty. However, there is greater uncertainty related to the asset lives of stormwater assets. We don't believe it is necessary to collect the total depreciation expense each year for assets as outlined below:

Community facilities

Rural halls operate on the basis that funding is provided from the local communities through Targeted Rates or hall hire revenue. The halls were built by these communities from locally raised funds. We are comfortable allowing those communities to decide if the halls are to be maintained and/ or replaced in the future. For this reason, we have decided that we will not fund depreciation for halls. In addition, there are a number of situations where community groups have built, moved buildings on to our land or constructed stock underpasses under our local roads. We are comfortable with the situation but we have decided we will not fund the depreciation on the assets and will leave the users of these facilities to determine how major upgrades or replacement may be funded in future. We also own buildings that are considered to be redundant/non-essential to the delivery of agreed levels of service.

Roading

Council considers that it is prudent to not fully fund depreciation of Roothing assets during the term of this LTP for the following reasons:

- The inflationary cost increases seen in the replacement cost of Roothing assets have been significant over the past two years, and there is potential that these costs may settle as the economic factors that caused them also settle, in which case it would not be prudent to collect this funding in advance from current ratepayers.
- Council assumes that the level of renewal funding from Waka Kotahi will not increase significantly in the future, in which case Council would need to reduce the renewal programme accordingly.
- Affordability for the community is a key concern at a time when costs of living have also increased significantly.
- Rather than fully funding the non-subsidised share of depreciation, Council believes at this time it is prudent to fund only to the level of renewal work council reasonably expects to achieve each year, leaving around one quarter of the depreciation un-funded each year.

Stormwater

Council considers that it is prudent to not fully fund depreciation of Stormwater assets during the term of this LTP for the following reasons:

- Over the 10 years of this LTP, the total projected capital and renewal spend for Stormwater is \$4.6 million, but over the same time, depreciation is projected to be \$12.1 million.
- Over a 30-year period, the spend is projected at \$14.4 million compared to depreciation of \$46 million.
- We have opening depreciation reserves for stormwater of \$2.2 million.
- Council considers that it would not be prudent to collect this scale of excess funding for the future replacement of assets significantly in advance of when it is required.
- Council has budgeted to fund depreciation at a level that will maintain a projected positive cashflow for this activity over the term of this LTP.

Except for the wastewater sludge removal projects, there is not expected to be any impact on our borrowing as a result of the unbalanced budget beyond this 10 year period. The proposed budget is based on a number of assumptions, with the risk of uncertainty and impact of which in some cases is high. A full understanding of these assumptions and risks is presented in this Long Term Plan.

These deficits are partially offset by areas where our revenue is greater than our operating expense, for example, where we expect to have:

- Assets that are vested to us from developers through the subdivision process, and external revenue received for capital projects.
- Interest earned on reserve funds that we allocate to these reserves to be used for a specified purpose in the future.
- Used part of the Power New Zealand investment as a source of internal borrowing to activities. Some of the loans will be repaid during the 10-year period. As the loans are internal loans, the repayments are treated as reserve transfers.
- Development contributions which fund capital expenditure are shown in the statement of comprehensive revenue and expense but the capital expenditure is not.
- Activities that are expected to be self-funding. Council considers that elderly person housing and owner-occupier housing should be ring-fenced operations. In other words, the cost of the activities should be funded from income from those activities. Any surplus or deficit is held against the activities and recovered or used in future years for capital and renewal expenditure. We can reduce costs or increase charges to ensure the balance does not become unmanageable. For example, we review the financial position and rental/charges with elderly persons housing tenants and owner-occupier owners annually.

The projected annual surplus for the housing activity is as follows:

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/32	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Annual surplus for self-funding housing	442	425	412	403	392	366	348	331	297	253

Other considerations

We must give consideration to four areas when choosing not to set a balanced budget:

Levels of service

We believe that desired levels of service will be maintained over the 10 years.

Funding

We believe that the projected funding for these services is appropriate and prudent.

Intergenerational equity

Council believes that intergenerational equity is achieved by ensuring that:

- The current generation does not fund replacement of assets significantly in advance of when their replacement will occur, and that are not considered essential to the desired levels of service.
- That the groups using these assets will fund upgrades or replacement if and when they may consider it is necessary.

Consistency with revenue and financing policies

Our approach is consistent with the Revenue and Financing Policy

Forecast depreciation and amortisation expense by group of activity

	Annual Plan 2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/32 (\$000)	2033/34 (\$000)
Directly attributable depreciation and amortisation expense by group of activity											
Community facilities	3,263	1,925	2,228	2,364	2,658	2,775	2,935	2,958	2,996	4,086	4,141
Roading	11,116	10,901	11,137	11,413	11,694	11,990	12,244	12,507	12,778	13,025	13,272
Rubbish and recycling	35	48	48	110	112	113	293	298	303	311	316
Stormwater	874	1,026	1,082	1,136	1,164	1,189	1,238	1,265	1,291	1,342	1,370
Wastewater	3,053	3,346	3,426	4,906	5,411	5,552	5,752	5,891	6,035	6,176	6,317
Water	3,105	3,399	3,572	3,777	3,885	4,487	4,922	5,021	5,124	5,223	5,322
Strategy and engagement	1	2	2	2	2	2	2	2	2	2	2
Consents and licensing	11	12	8	9	9	9	9	9	9	10	10
Depreciation and amortisation not directly related to groups of activities	1,150	1,175	1,261	1,291	1,320	1,348	1,376	1,404	1,433	1,460	1,488
Total depreciation and amortisation expense	22,608	21,834	22,764	25,008	26,255	27,465	28,771	29,355	29,971	31,635	32,238

Forecast targeted rates from metered water supply

	Annual Plan 2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/32 (\$000)	2033/34 (\$000)
Targeted rates from metered water supply	3,337	4,333	4,427	4,532	4,633	4,735	4,832	4,929	5,031	5,128	5,225

Reserve funds

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by us. Restricted reserves are those reserves subject to conditions accepted as binding by us which may not be revised by us without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain conditions are met.

Council created reserves are established by Council decision. We may alter them without reference to any third party or the Court. Transfers to and from these reserves are at our discretion. Asset revaluation reserves represent unrealised gains on assets owned by us. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to retained earnings. Details of specific reserve funds held by us are as follows:

	Purpose	Activities related to	Forecast balance 1 July 2024	Transfers in	Funds will come from	Transfers out	Funds will be applied to	Forecast balance 30 June 2034
			(\$000)	(\$000)		(\$000)		(\$000)
Council created reserves								
Community purposes reserve	Funds received and set aside for use on community facilities or for community purposes eg grants.	All Council activities	3,779	-	No additional funding anticipated for this Long Term Plan	(3,624)	Digital enablement projects and climate change initiatives	155
Power New Zealand reserve fund	Funds received and set aside on behalf of the community from the dissolution of the local power board co-operative for internal borrowing or external investment, with returns used to subsidise rates.	All Council activities	22,606	25,639	Internal interest and external interest from the invested portion of the fund	(22,718)	-	25,527
Wastewater capital contribution reserve	Capital contribution funds received from industry and set aside to offset future depreciation.	Wastewater	2,374	1,360	Annual targeted rates charged to Fonterra and Greenleas Morrinsville (ending 2025/26)	(2,380)	Subsidy of rates	1,354
Stormwater funding reserve	Surplus funds (mainly depreciation) set aside for application to future capital needs.	Stormwater	2,403	12,103	Depreciation funding	(4,860)	Replacement of assets	9,646
Te Aroha wastewater de-sludging	Funds set aside for the desludging of the Te Aroha wastewater ponds.	Wastewater	59	-	No additional funding anticipated for this Long Term Plan	(59)	De-sludging expenses	-
Town Centre revitalisation reserve	Funds set aside for the district Town Centre revitalisation (POP) project	Community facilities	639	-	No additional funding anticipated for this Long Term Plan	(639)	Funding resources to deliver the POP project outcomes	-
Total Council created reserves			31,860	39,102		(34,280)		36,682
Restricted reserves								

	Purpose	Activities related to	Forecast balance 1 July 2024	Transfers in	Funds will come from	Transfers out	Funds will be applied to	Forecast balance 30 June 2034
			(\$000)	(\$000)		(\$000)		(\$000)
Endowment land sales reserve	Funds set aside in respect of the sale of endowment land in Te Aroha. The proceeds must be used for the improvement of services and public amenities for the benefit of the inhabitants of Te Aroha.	Community facilities	313	-	No additional funding anticipated for this Long Term Plan	-		313
Reserves development	Funds set aside from reserves contributions to be used for parks and reserves.	Development of parks and reserves	845	607	Financial contributions	-		1,452
Bequests and trust funds	Funds set aside to be used for the nominated purpose of the bequest or trust fund.	Nominated purposes	26	-	No additional funding anticipated for this Long Term Plan	-		26
Waste minimisation	Funds set aside for the purpose of initiatives encouraging the minimisation of waste	Nominated purposes	640	2,870	Government funding of waste minimisation	(2,884)	Apply to waste minimisation programme	626
Youth Ambassadors	Funds set aside for initiatives that empower the youth of our district	Nominated purposes	9	100	General rates	(100)	Youth initiatives	9
Civil Defence fund	Funds set aside for the purpose of Civil Defence activities	Nominated purposes	65	-	No additional funding anticipated for this Long Term Plan	-		65
Total restricted reserves			1,898	3,577		(2,984)		2,491
Asset revaluation reserves	Surpluses from the revaluation of property plant and equipment	All Council activities	438,400	226,517	Asset revaluations	-		664,917
Fair value through other comprehensive revenue and expense reserve	Net change in fair value of financial assets	All Council activities	33,957	-	Financial asset revaluations	-		33,957
Total reserve funds			506,115	269,196		(37,264)		738,047

Reconciliation between the funding impact statement and statement of comprehensive revenue and expense

The funding impact statement is prepared in compliance with the requirements of clause 15, part 1, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive revenue and expense, the funding impact statement is not compliant with generally accepted accounting standards (GAAP). The funding impact statement is intended to show in a transparent manner, how all sources of funding received by us are applied. It does not include “non-cash” that is classified as income on the statement of comprehensive revenue and expense (as required by GAAP) such as assets that are vested to us through the subdivision process, or unrealised gains on assets. The statement of comprehensive revenue and expense also requires “non-cash” expenses such as depreciation, amortisation, and unrealised losses of assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation below identifies the differences between these two statements.

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/32	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Funding sources as shown in the overall Council funding impact statement											
Total operating funding	66,659	75,270	79,577	83,587	87,746	91,118	93,824	96,010	97,831	100,202	101,714
Total capital funding	19,160	44,947	36,175	28,980	20,725	5,806	3,964	4,999	4,171	(7,085)	10,725
Less capital movement											
Increase/(decrease) in debt	(14,119)	(39,701)	(30,846)	(23,463)	(15,128)	(90)	1,871	952	1,900	13,277	(4,415)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Add non-funded income											
Vested assets	206	200	204	209	214	219	223	228	232	237	241
Other gains	-	-	-	-	-	-	-	-	-	-	-
Income from support activities	422	190	148	152	154	160	159	165	168	175	181
Total funding sources	72,328	80,906	85,258	89,465	93,711	97,213	100,041	102,354	104,302	106,806	108,446
Total income as shown in the statement of comprehensive revenue and expense	72,328	80,906	85,258	89,465	93,711	97,213	100,041	102,354	104,302	106,806	108,446
Application of funding as shown in the overall Council funding impact statement											
Total applications of operating funding	52,149	62,284	65,645	68,115	70,624	72,343	72,416	73,861	75,247	76,167	77,277
Total applications of capital funding	34,696	57,933	50,107	44,452	37,847	24,581	25,372	27,148	26,755	16,950	35,162

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/32	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Less capital movements											
Capital expenditure	(34,696)	(59,835)	(51,388)	(45,335)	(37,581)	(25,173)	(25,178)	(26,827)	(27,352)	(16,720)	(34,804)
Increase/(decrease) in reserves	-	1,902	1,281	883	(266)	592	(194)	(321)	597	(230)	(358)
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Add non-funded expenditure											
Depreciation & amortisation	22,608	21,834	22,764	25,006	26,254	27,465	28,771	29,354	29,971	31,634	32,238
Other losses	-	-	-	-	-	-	-	-	-	-	-
Expenses from support activities	422	190	148	152	154	160	159	165	168	175	181
Total funding application	75,179	84,308	88,557	93,273	97,032	99,968	101,346	103,380	105,386	107,976	109,696
Total expenditure as shown in the statement of comprehensive revenue and expense	75,179	84,308	88,557	93,273	97,032	99,968	101,346	103,380	105,386	107,976	109,696

Funding impact statement

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 TO 30 JUNE 2034 FOR WHOLE OF COUNCIL

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/32	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	32,225	36,284	38,067	39,158	41,375	42,642	43,885	45,016	46,132	48,010	48,652
Targeted rates	18,904	22,878	24,836	27,409	28,893	30,587	31,648	32,315	32,625	32,744	33,246
Subsidies and grants for operating purposes	4,315	3,690	3,799	3,819	3,944	4,030	4,112	4,195	4,282	4,364	4,447
Fees and charges	10,764	11,559	12,014	12,301	12,580	12,854	13,119	13,382	13,660	13,916	14,179
Interest and dividends from investments	162	600	597	630	678	723	772	808	832	862	879
Local authorities fuel tax, fines, infringement fees and other receipts	289	259	264	270	276	282	288	294	300	306	311
Total operating funding (A)	66,659	75,270	79,577	83,587	87,746	91,118	93,824	96,010	97,831	100,202	101,714
Applications of operating funding											
Payments to staff and suppliers	50,062	58,589	60,369	61,433	62,714	63,749	63,494	64,755	66,048	67,291	68,534
Finance costs	2,087	3,695	5,276	6,682	7,910	8,594	8,922	9,106	9,199	8,876	8,743
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	52,149	62,284	65,645	68,115	70,624	72,343	72,416	73,861	75,247	76,167	77,277
Surplus/(deficit) of operating funding (A-B)	14,510	12,986	13,932	15,472	17,122	18,775	21,408	22,149	22,584	24,035	24,437
Sources of capital funding											
Subsidies and grants for capital expenditure	3,283	3,455	3,500	3,653	3,696	3,777	3,855	3,932	4,013	4,091	4,168
Development and financial contributions	1,758	1,791	1,829	1,864	1,901	1,939	1,980	2,019	2,058	2,101	2,142
Increase/(decrease) in debt	15,145	39,701	30,846	23,463	15,128	90	(1,871)	(952)	(1,900)	(13,277)	4,415
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	20,186	44,947	36,175	28,980	20,725	5,806	3,964	4,999	4,171	(7,085)	10,725

	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/32	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	11,321	8,306	8,304	2,172	1,219	1,833	1,504	1,241	75	15,529
- to improve the level of service	18,723	26,331	21,940	15,981	14,333	9,149	6,908	7,568	7,371	2,762	6,379
- to replace existing assets	15,973	22,183	21,142	21,050	21,076	14,805	16,437	17,755	18,740	13,883	12,896
Increase/(decrease) in reserves	-	(1,902)	(1,281)	(883)	266	(592)	194	321	(597)	230	358
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital (D)	34,696	57,933	50,107	44,452	37,847	24,581	25,372	27,148	26,755	16,950	35,162
Surplus/(deficit) of capital of funding (C-D)	(14,510)	(12,986)	(13,932)	(15,472)	(17,122)	(18,775)	(21,408)	(22,149)	(22,584)	(24,035)	(24,437)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

Calculation of rates

For 1 July 2024 to 30 June 2034

These rates shown are inclusive of GST unless otherwise stated.

		General rates		Targeted rates	
Source		General Rate	Uniform annual general charge	Stormwater	Rubbish and Recycling – Kerbside collection
Category		All rateable land in the Matamata-Piako District	All rateable land in the Matamata-Piako District	Rating units within serviced areas	Rating units within serviced areas
Forecast revenue 2024/25 (excluding GST) (\$'000)		23,323	12,960	906	2,336
How the rate will be calculated		Per dollar of capital value	Uniform charge per rating unit	Uniform charge per rating unit within the townships of Matamata, Morrinsville, Te Aroha and Waharoa	Uniform charge per separately used or inhabited part of a rating unit to which the service is available
Annual Plan 2023/24	\$	0.00130724	773.90	132.26	286.63
2024/25		0.00138166	954.08	100.94	263.35
2025/26		0.00142216	1007.28	109.26	269.40
2026/27		0.00142241	1058.28	112.79	279.70
2027/28		0.00148038	1116.69	112.93	288.49
2028/29		0.00150544	1145.92	115.02	301.32
2029/30		0.00153882	1161.51	117.74	320.75
2030/31		0.00156259	1179.94	117.45	323.04
2031/32		0.00159176	1189.52	119.55	324.89
2032/33		0.00165352	1209.23	122.18	326.50
2033/34		0.00165773	1214.74	121.79	327.72

Targeted rates									
Source	Wastewater (sewage disposal)								
Category	Connected single residential house	Connected non-single residential, and non-residential properties						Serviceable properties within 30 metres of Council's Wastewater reticulation network	
Forecast revenue 2024/25 (excluding GST) (\$'000)	7,993								
How the rate will be calculated	Uniform charge per connected rating unit	Uniform charge per rating unit for the first pan on all connected properties, and:	Additional uniform charge per pan (excluding the first pan) for properties with up to 4 pans	Or additional uniform charge per pan (excluding the first pan) for properties with up to 10 pans	Or additional uniform charge per pan (excluding the first pan) for properties with up to 15 pans	Or additional uniform charge per pan (excluding the first pan) for properties with up to 20 pans	Or additional uniform charge per pan (excluding the first pan) for properties with more than 20 pans	Uniform charge per rating unit to which the service is available (but not connected)	
Annual Plan 2023/24	616.20	616.20	616.20	523.77	492.96	462.15	431.34	308.10	
2024/25	793.22	793.22	793.22	674.24	634.58	594.91	555.25	396.61	
2025/26	862.70	862.70	862.70	733.29	690.16	647.02	603.89	431.35	
2026/27	1089.47	1089.47	1089.47	926.05	871.58	817.10	762.63	544.73	
2027/28	1177.00	1177.00	1177.00	1000.45	941.60	882.75	823.90	588.50	
2028/29	\$ 1194.74	1194.74	1194.74	1015.53	955.79	896.06	836.32	597.37	
2029/30	1200.01	1200.01	1200.01	1020.01	960.01	900.01	840.01	600.01	
2030/31	1209.77	1209.77	1209.77	1028.30	967.82	907.33	846.84	604.88	
2031/32	1194.37	1194.37	1194.37	1015.22	955.50	895.78	836.06	597.19	
2032/33	1173.18	1173.18	1173.18	997.20	938.54	879.88	821.23	586.59	
2033/34	1205.14	1205.14	1205.14	1024.37	964.11	903.85	843.60	602.57	

Targeted rates									
Source	Industry contributions to the Morrinsville wastewater treatment plant upgrade		Water supply		Water supply (metered) *				
Category	18 Allen Street, Morrinsville	38 Pickett Place Morrinsville	Connected properties	Serviceable properties within 100 metres of Council's water reticulation network	Metered supply (general)**	Metered supply raw water Pohomihi (Te Aroha West) water Line	Metered supply Braeside Aquaria 1981	Matamata farm properties***	
Forecast revenue 2024/25 (excluding GST) (\$'000)	688		6,571		4,333				
How the rate will be calculated	Uniform charge per specified rating unit		Uniform charge per separately used or inhabited part of a rating unit to which the service is connected and provided	Uniform charge per separately used or inhabited part of a rating unit to which the service is available (but not connected)	Charge per cubic metre of water consumed (as measured by meter) over and above the first 63 cubic metres of water consumed per quarter or the first 21 cubic metres consumed per month	Charge per cubic metre of water consumed (as measured by meter) over and above the first 63 cubic metres of water consumed per quarter or the first 21 cubic metres consumed per month in the Pohomihi (Te Aroha West) supply area	Charge per cubic metre of water consumed (as measured by meter) over and above the first 63 cubic metres of water consumed per quarter or the first 21 cubic metres consumed per month for Braeside Aquaria	Charge per cubic metre of water consumed (as measured by meter) over and above the first 63 cubic metres of water consumed per quarter or the first 21 cubic metres consumed per month for Matamata farm properties that contain the Matamata trunk main from Tills Road	
Annual Plan 2023/24	594,332.90	188,611.25	516.20	258.10	2.18	1.59	1.17	2.18	
2024/25	600,789.35	190,660.20	644.39	322.20	2.72	1.98	1.46	2.72	
2025/26	600,789.35	190,660.20	671.80	335.90	2.78	2.03	1.49	2.78	
2026/27	-	-	708.12	354.06	2.85	2.08	1.53	2.85	
2027/28	-	-	743.75	371.88	2.91	2.12	1.56	2.91	
2028/29	-	-	818.47	409.23	2.97	2.17	1.60	2.97	
2029/30	-	-	861.65	430.82	3.03	2.21	1.63	3.03	
2030/31	-	-	879.85	439.93	3.10	2.26	1.66	3.10	
2031/32	-	-	888.49	444.24	3.16	2.30	1.70	3.16	
2032/33	-	-	885.80	442.90	3.22	2.35	1.73	3.22	
2033/34	-	-	865.65	432.83	3.28	2.39	1.76	3.28	

* Targeted Rates for a metered water supply are charged in addition to a uniform charge per separately used or inhabited part of a rating unit to which the service is connected and provided.

**Excluding the other categories of metered supplies listed (being Pohomihi, Braeside Aquaria and Matamata farm properties).

***A 50% discount will be applied to this rate if the invoice is paid by the due date.

Targeted rates							
Source		Community Facilities and Property - Targeted rural hall rates will apply to all land within the hall rating area as listed					
Category		Tauhei	Hoe-O-Tainui	Springdale	Kiwitahi	Patetonga	Wardville
Forecast revenue 2024/25 (excluding GST) (\$000)		9.97	3.46	2.77	4.51	0.30	3.95
How the rate will be calculated		Per dollar of land value					
Annual Plan 2023/24	\$	0.00012074	0.00002682	0.00001481	0.00001951	0.00003134	0.00002905
2024/25		0.00012761	0.00002835	0.00001565	0.00002062	0.00003312	0.00003070
2025/26		0.00013036	0.00002896	0.00001599	0.00002106	0.00003384	0.00003136
2026/27		0.00013346	0.00002965	0.00001637	0.00002157	0.00003464	0.00003211
2027/28		0.00013645	0.00003031	0.00001674	0.00002205	0.00003542	0.00003283
2028/29		0.00013944	0.00003097	0.00001710	0.00002253	0.00003619	0.00003355
2029/30		0.00014230	0.00003161	0.00001745	0.00002299	0.00003694	0.00003424
2030/31		0.00014516	0.00003224	0.00001780	0.00002346	0.00003768	0.00003492
2031/32		0.00014815	0.00003291	0.00001817	0.00002394	0.00003845	0.00003564
2032/33		0.00015101	0.00003354	0.00001852	0.00002440	0.00003920	0.00003633
2033/34		0.00015387	0.00003418	0.00001887	0.00002486	0.00003994	0.00003702

Targeted rates								
Source	Community Facilities and Property - Targeted rural hall rates will apply to all land within the hall rating area as listed							
Category	Tahuna	Mangateparu	Kereone	Tatuanui	Walton	Okauia	Hinuera	Piarere
Forecast revenue 2024/25 (excluding GST) (\$'000)	5.04	5.55	3.85	4.41	5.46	3.32	5.38	2.20
How the rate will be calculated	Uniform charge per rating unit					Per dollar of capital value		
Annual Plan 2023/24	42.02	38.28	42.71	63.60	30.87	0.00001704	0.00001401	0.00001781
2024/25	44.41	40.46	45.14	67.22	32.63	0.00001801	0.00001481	0.00001882
2025/26	45.37	41.33	46.11	68.67	33.33	0.00001840	0.00001513	0.00001923
2026/27	46.45	42.31	47.21	70.30	34.12	0.00001884	0.00001549	0.00001969
2027/28	47.49	43.26	48.27	71.87	34.89	0.00001926	0.00001583	0.00002013
2028/29	\$ 48.53	44.21	49.32	73.45	35.65	0.00001968	0.00001618	0.00002057
2029/30	49.52	45.11	50.33	74.95	36.38	0.00002008	0.00001651	0.00002099
2030/31	50.52	46.02	51.35	76.46	37.11	0.00002049	0.00001684	0.00002141
2031/32	51.56	46.97	52.40	78.04	37.88	0.00002091	0.00001719	0.00002185
2032/33	52.55	47.88	53.42	79.54	38.61	0.00002131	0.00001752	0.00002227
2033/34	53.55	48.79	54.43	81.05	39.34	0.00002172	0.00001785	0.00002270

Targeted rates					
Source		Community Facilities and Property - Targeted rural hall rates will apply to all land within the hall rating area as listed			
Category		Mangaiti	Waihou	Elstow	Manawaru
Forecast revenue 2024/25 (excluding GST) (\$000)		0.70	5.31	2.66	4.56
How the rate will be calculated		Uniform charge per separately used or inhabited part of a rating unit			
Annual Plan 2023/24	\$	13.02	28.81	22.23	33.88
2024/25		13.76	30.45	23.50	35.81
2025/26		14.06	31.10	24.00	36.58
2026/27		14.39	31.85	24.57	37.45
2027/28		14.71	32.56	25.12	38.29
2028/29		15.04	33.27	25.67	39.13
2029/30		15.34	33.95	26.20	39.93
2030/31		15.65	34.64	26.73	40.73
2031/32		15.98	35.35	27.28	41.57
2032/33		16.28	36.03	27.80	42.37
2033/34		16.59	36.72	28.33	43.18

GST

The calculation of rates is shown inclusive of GST at the current rate of 15%. Any future changes in the rate of GST would need to be applied to these rates as appropriate.

Revenue and Financing Policy

The rationale for the selection of various funding sources is set out in our Revenue and Financing Policy.

Separately used or inhabited part of rating unit

A separately used or inhabited part of a rating unit is any part of a rating unit that is or is able to be separately used or inhabited by the ratepayer, or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

Targeted rates - serviced areas

Detailed maps showing the serviced areas for our targeted rates can be found on our website <https://www.mpd.govt.nz/plans/long-term-plan>. These include stormwater serviced areas, kerbside collection serviced areas, and Hall rating areas.

Lump sum contributions

The Council does not invite lump sum contributions for any targeted rates.



Examples of the impact of rates for 2024/25

Our District has a mix of rural and urban properties, and the rates outlined in this Funding Impact Statement affect each property differently because of the differing services that are provided or available to each. Any changes made to the General Rate have a greater impact on higher valued properties as they are calculated as a percentage of the capital value of the property. Changes in the uniform annual general charge affect properties equally as everyone pays the same amount. Changes to Targeted Rates mainly affect urban properties where the services are available.

Examples of how a range of properties are impacted by the proposed rates for 2024/25 are outlined below. Note that this is an average district-wide example intended to be indicative only. There will be minor variances for various wards or rating areas due to differing rural hall rates applied. The indicative rates below include GST.

	Rates 2023/24	Proposed rates 2024/25	Increase from previous year	
			\$	%
Urban home worth \$500,000 (connected to all services)	\$2,979	\$3,447	\$468	16%
Urban home worth \$750,000 (connected to all services)	\$3,306	\$3,792	\$487	15%
Urban home worth \$1,000,000 (connected to all services)	\$3,632	\$4,138	\$505	14%
Rural lifestyle property worth \$700,000 (services not available)	\$1,689	\$1,921	\$232	14%
Rural lifestyle property worth \$1,250,000 (services not available)	\$2,408	\$2,681	\$273	11%
Commercial/Industrial property worth \$550,000 (with additional two pans and connected to all services – no kerbside collection)	\$3,990	\$4,839	\$849	21%
Commercial property worth \$2,000,000 (with additional two pans and connected to all services – no kerbside collection)	\$5,885	\$6,842	\$957	16%
Rural property worth \$2,000,000 (services not available)	\$3,388	\$3,717	\$329	10%
Rural property worth \$5,000,000 (services not available)	\$7,310	\$7,862	\$552	8%

Te pānui whākinga o te Rautakinga Tūroa | Long Term Plan disclosure statement

Long term plan disclosure statement for period commencing 1 July 2024¹

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings. We are required to include this statement in our LTP in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

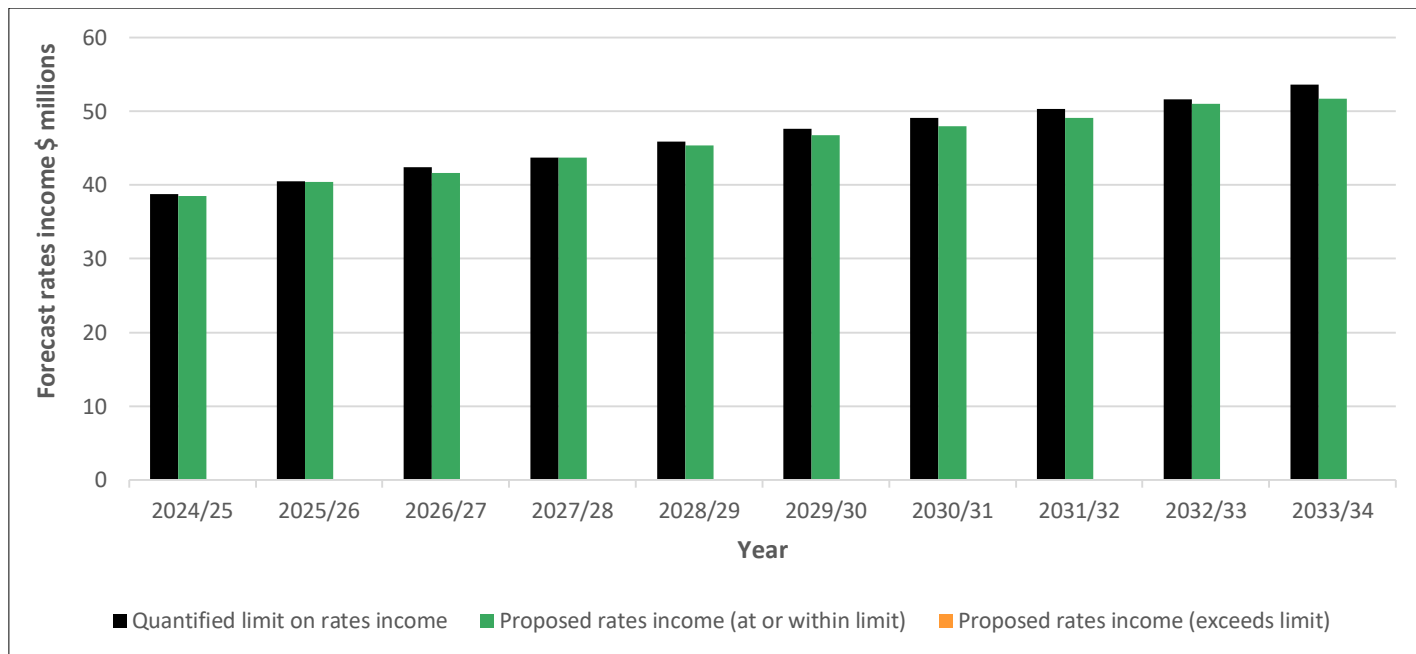
The Council meets the rates affordability benchmark if:

- Its planned rates income equals or is less than each quantified limit on rates; and
- Its planned rates increases equal or are less than each quantified limit on rates increases.

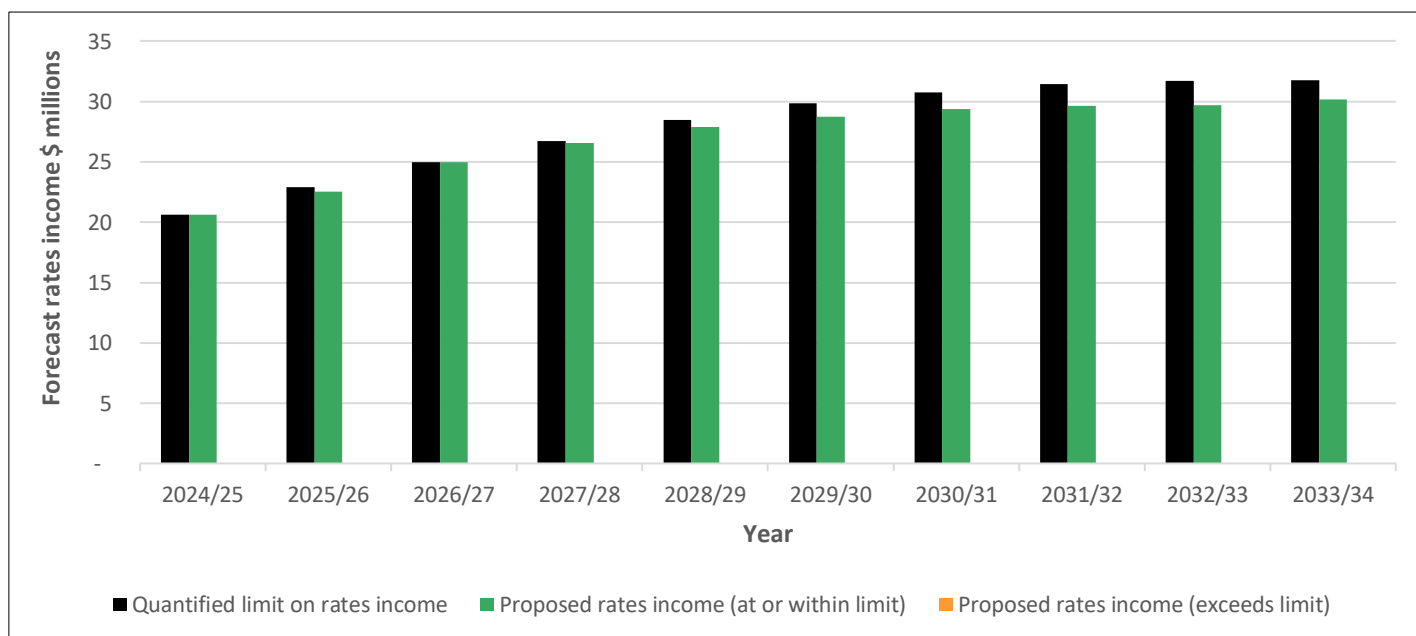
Rates (income) affordability

The following graphs compare the Council's planned rates with quantified limits on rates contained in the financial strategy included in this LTP. The quantified limits are:

Rates income for **three water activities** (including metered water) will not increase by more than 25% in year one, 11% in years two and three, and thereafter will not increase by more than 7%.



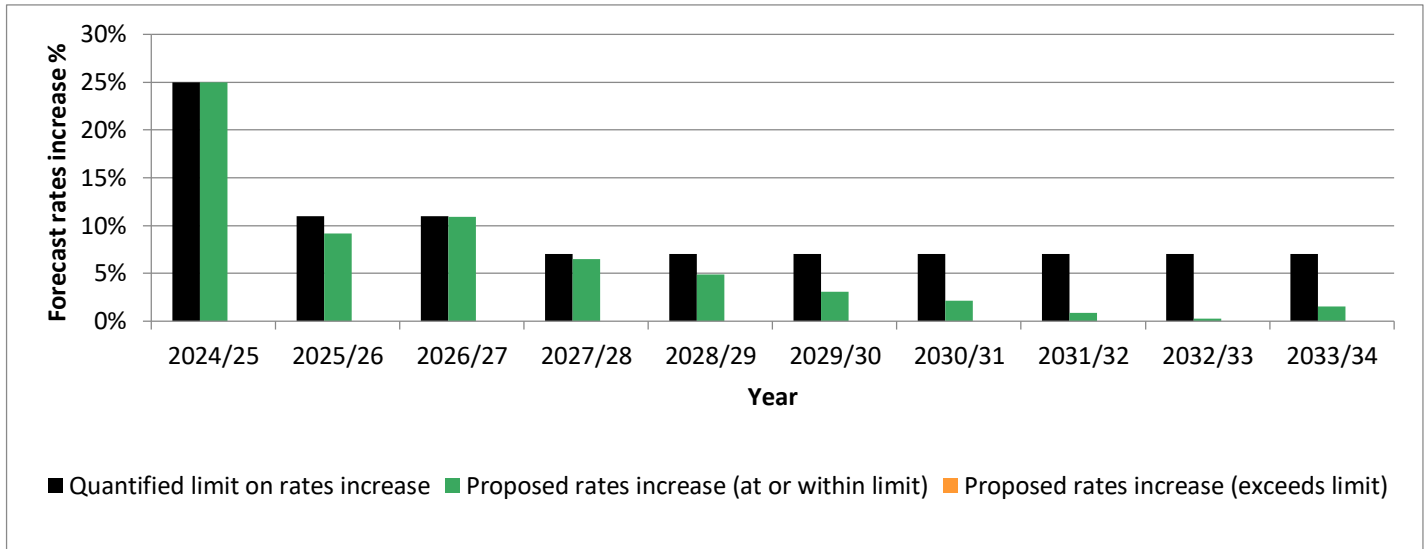
Rates income for **other rate funded activities** will not increase by more than 12% in year one, and thereafter will not increase by more than 5%.



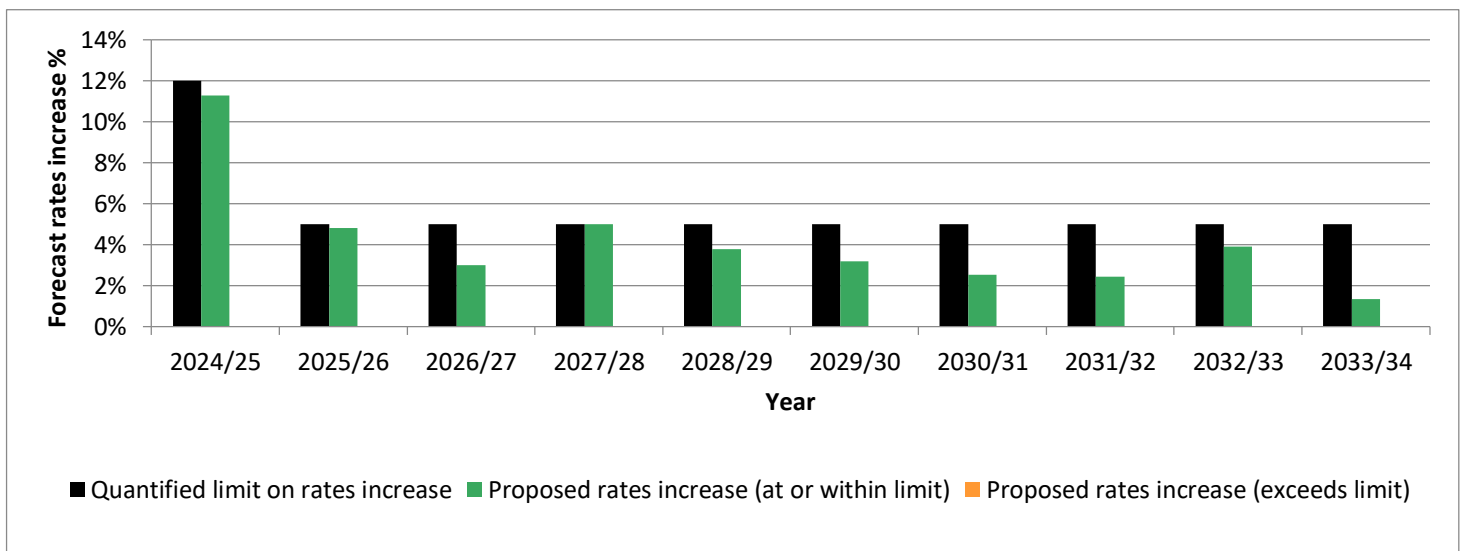
Rates (increases) affordability

The following graphs compares the council's planned rates increases with quantified limits on rates increases contained in the financial strategy included in this LTP. The quantified limits are:

Rates increases for **three water activities** (including metered water) will not be more than 25% in year one, 11% in years two and three, and thereafter will not be more than 7%.

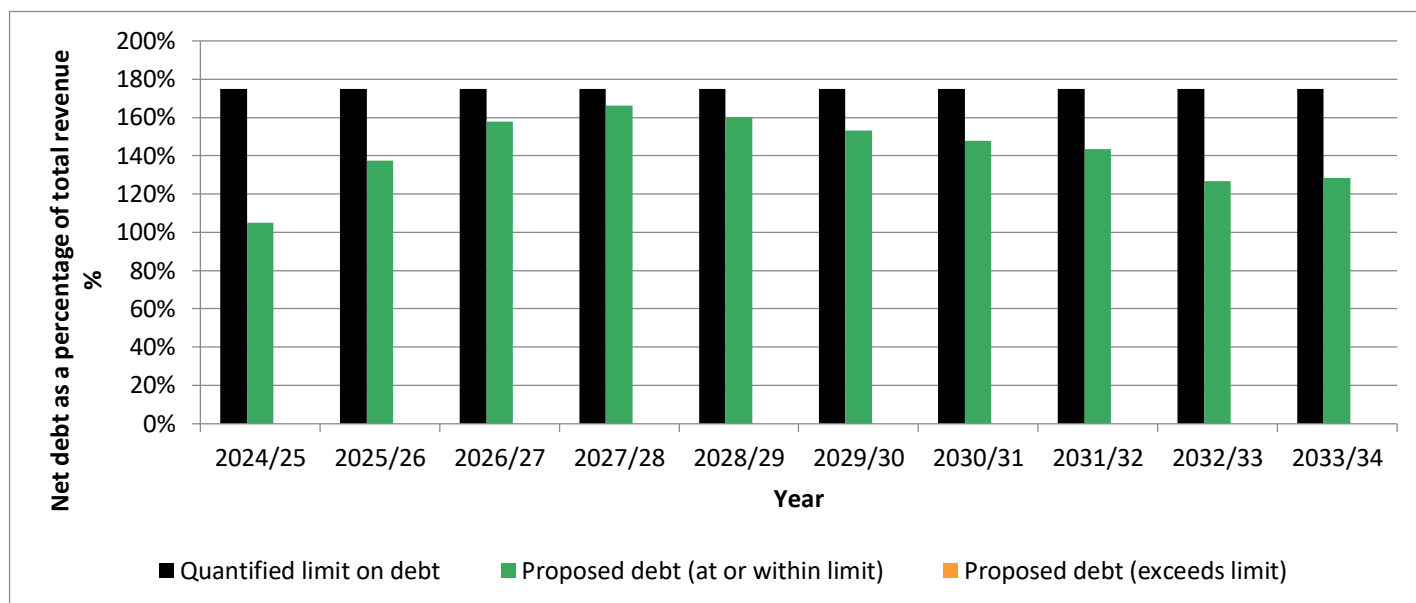


Rates increases for **other rate funded activities** will not be more than 12% in year one, and thereafter will not be more than 5%.



Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this LTP. The quantified limit is: Net external debt¹ as a percentage of total revenue² will not exceed 175%.



Comment – Council projects a significant increase in borrowing over the first three years of the LTP mainly in relation to capital investment in three water assets.

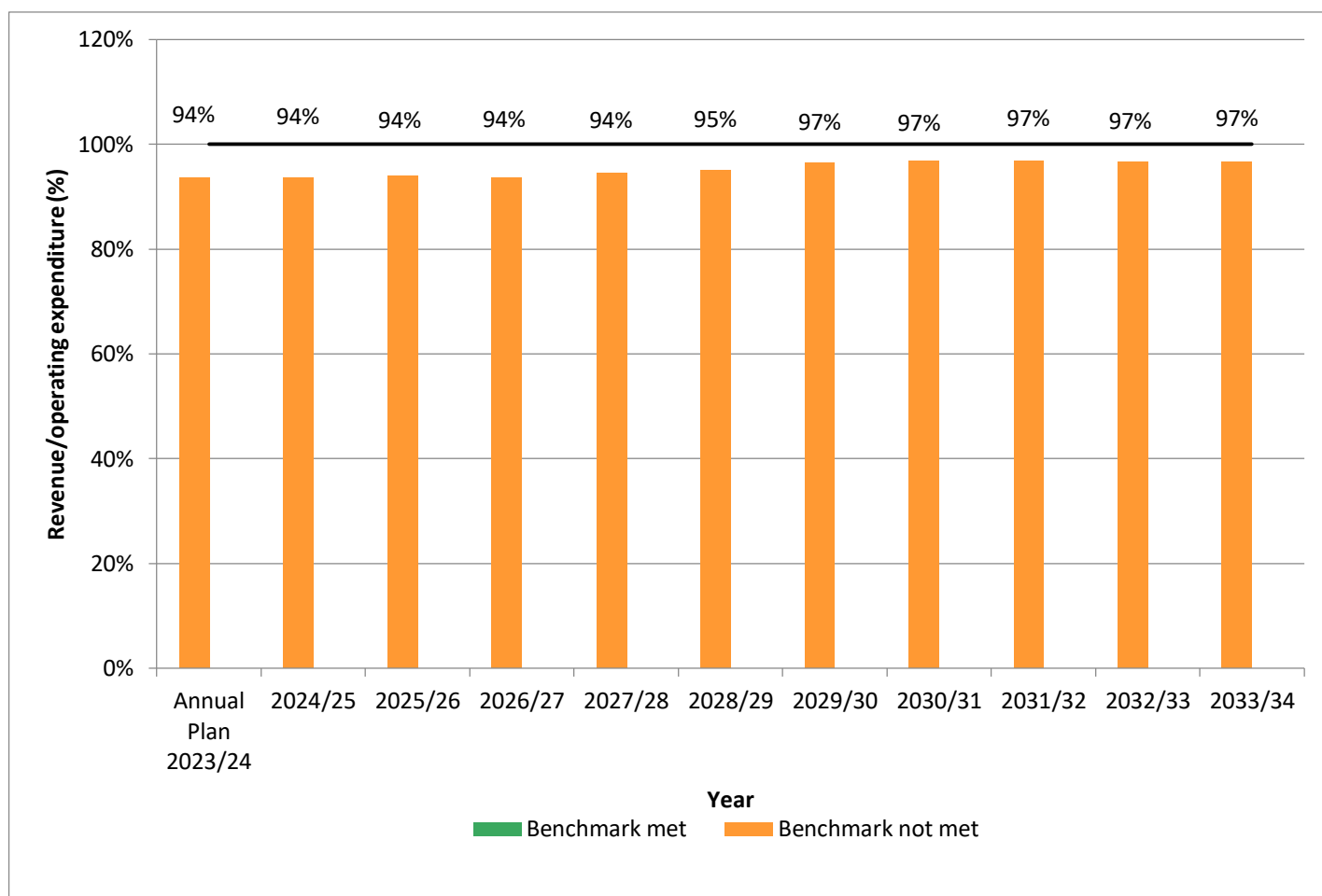
¹ Net external debt is defined as external debt less liquid financial assets and investments. Liquid financial assets and investments are defined as cash, bank deposits and any fixed interest and equity investments that are held for other than strategic purposes.

² Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue. Revenue excludes non-government developer contributions and vested assets (including found assets and the revaluation of derivatives and assets).

Balanced budget benchmark

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

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

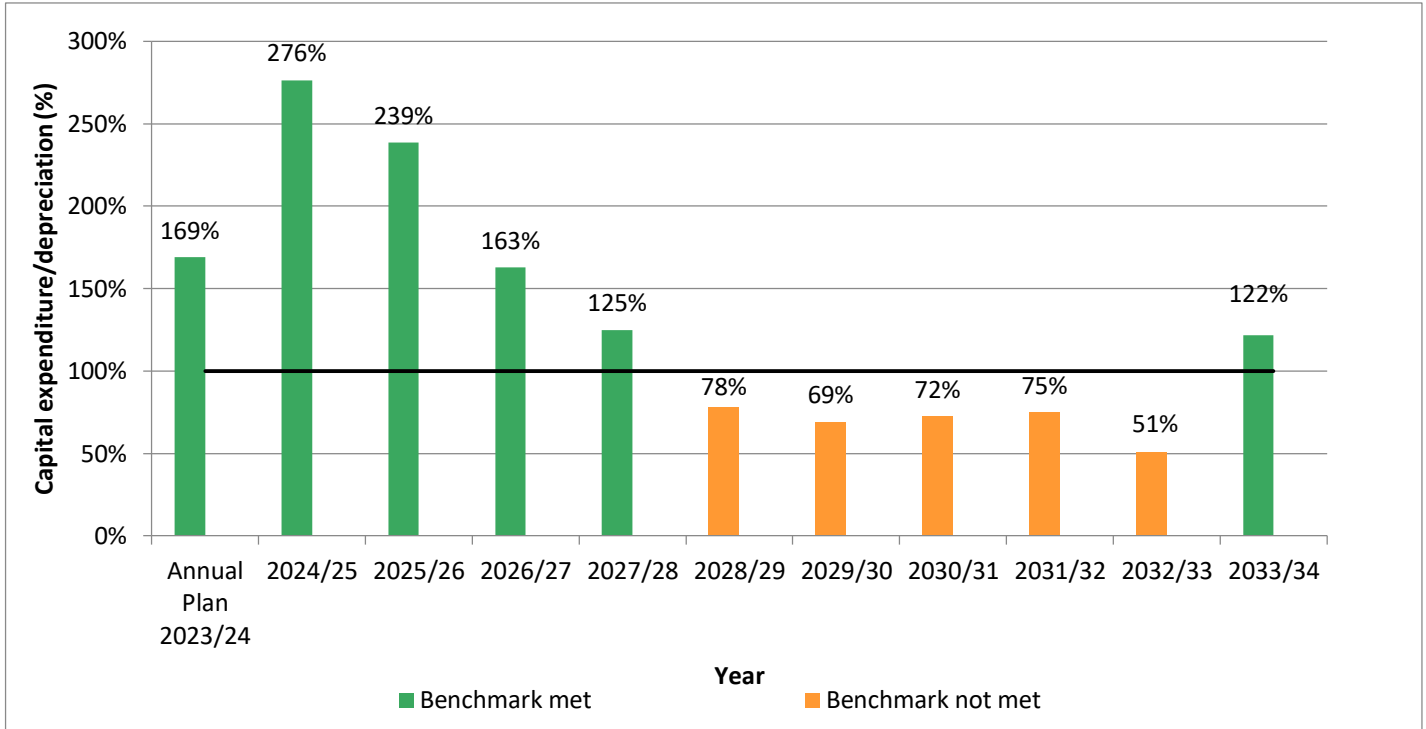


Comment - We're proposing to have an 'unbalanced budget' in all 10 years of this plan. This means that the revenue received each year will be less than the expenses for that year. Council resolved that this decision is financially prudent and that we will be able to manage operating and capital expenditure and our debt. The main reason for the unbalanced budget is that we will not fully fund depreciation on some assets including Roothing, Stormwater, and some community buildings and assets. And we are planning to remove wastewater biosolids (sludge) from Morrinsville and Te Aroha wastewater treatment plant ponds over a 5-year period at a cost of \$8.5 million, but to fund this work over a 15 year period.

Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

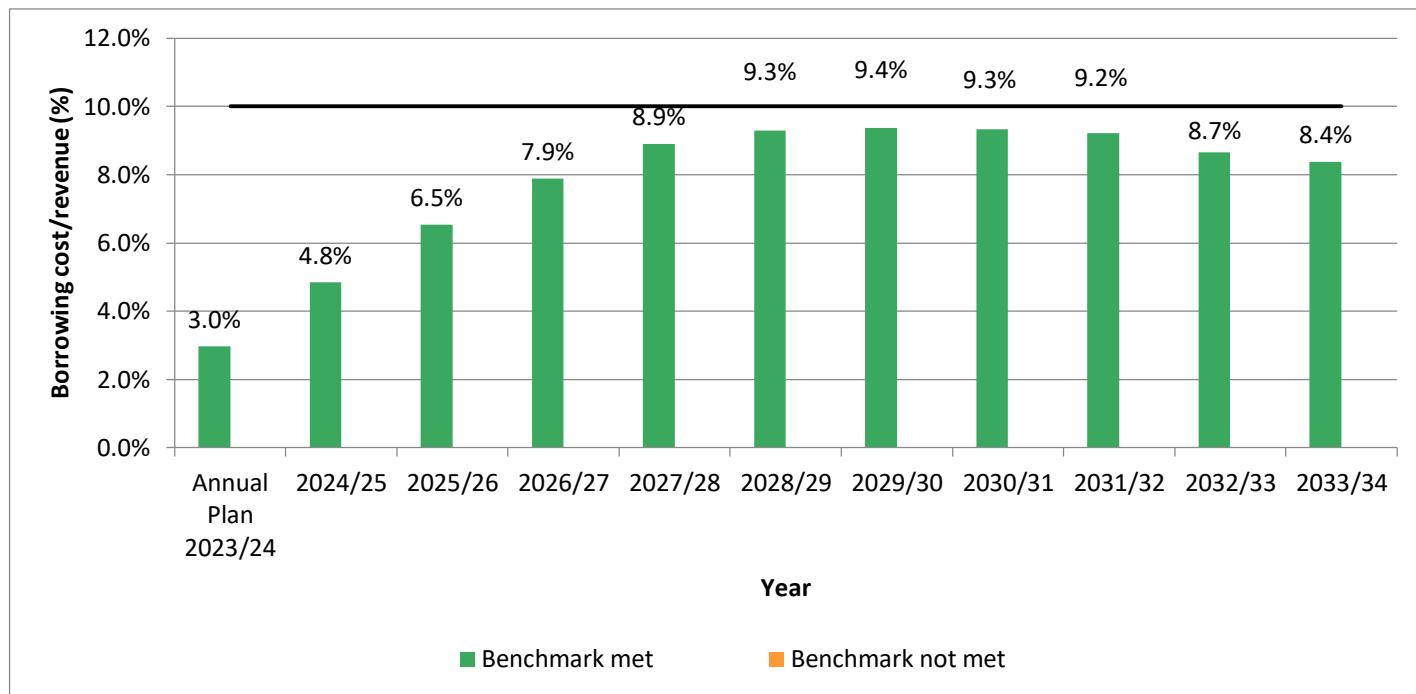
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Comment - While the graph highlights that we will not meet the essential services benchmark for five of the 10 years of this plan, this is only due to the planned timing of our capital and renewal work to be undertaken. On an overall basis, we are planning to spend \$276 million in capital on our network services over the next 10 years, (\$152m of this is renewals) and collect \$190 million in depreciation, \$38m in Government roading subsidies and \$19m in Development Contributions over the same time (\$247m total).

Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment). Because Statistics New Zealand projects the council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.





TAUIIRA RAUTAKINGA TŪROA

DRAFT LONG TERM PLAN

2024

2034



te kaunihera ā-rohe o
matamata-piako
district council

NGĀ KAUPAPAHERE POLICIES

7

WĀHANGA
SECTION

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Te whiwhinga pūtea me tōnā kaupapahere | Revenue and financing policy

The Revenue and Financing Policy describes how Council will fund operating expenses and capital expenditure from the funding sources specified in section 103 of the Local Government Act 2002.

Policy considerations

We will select funding sources for each activity after having regard to the following:

1. The community outcomes to which the activity primarily contributes, and
2. The distribution of benefits between the whole community, separate communities, and individuals, and
3. The period over which benefits are expected to occur, and
4. The extent to which the actions or inactions of particular individuals or groups contribute to the need to undertake the activity (referred to the exacerbator issues), and
5. The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities and
6. The impact that selected funding mechanisms have on the current and future community wellbeing.

Our approach

The following is a summary of how we have approached these considerations.

1. The community outcomes to which the activity primarily contributes

The primary community outcomes for each activity are included in the activity tables further on in this policy.

2. The distribution of benefits between the whole community, separate communities, and individuals

We have taken the following general approaches to relate benefits to funding sources:

- Activities that are available to every person in the District are funded across the whole community (e.g. roading or parks and reserves);
- Services that we make available to specific areas are funded across those areas, on a district wide basis. This applies to services for water, wastewater, stormwater and rubbish and recycling. The targeted rates are uniform across the district, irrespective of location;
- Rural halls are funded from the local hall communities;
- Fees and charges are used as the funding source for individual or group benefits where either:
 - A direct relationship can be efficiently established between the provisions of a service and the charge (e.g. admission to a swimming pool), or
 - The benefits derived are beyond the level generally available to the general community (e.g. the exclusive use of sports facilities), or
 - The individual or group causes us to incur additional costs beyond the level that would be required for the general community.

We have expressed the allocation of benefits in the first part of the consideration process in the following terms:

- High: generally, above 75%
- Medium: 40 – 75%
- Low: below 40%

See also the 'other policy considerations' section for further detail.

3. The period over which benefits are expected to occur

During the development of this plan we received feedback from the community on the types and levels of services expected from us. The overall conclusion is that the community expects the current services to continue to be available now and in the future.

This is reflected in this plan, as are the following principles:

- Current and future generations will benefit from each activity.
- We will implement appropriate accounting and funding policies to ensure intergenerational equity (so one generation does not benefit at the expense of another).

- We may encounter extraordinary situations that involve addressing legacy issues (e.g. environmental issues from old landfill sites). In cases like this we may not be able to impose the cost of addressing the issues on the people who caused the problem. We will consider funding options to minimise the impact of these issues on current and future generations. This might involve the use of retained earnings or proceeds from the sale of assets.

4. The extent to which the actions or inaction of particular individuals or groups contribute to the need to undertake the activity (exacerbator issues)

We encounter situations where the actions or inactions of individuals or groups cause us to utilise additional resources.

These can be generally categorised as follows:

- Non complying behaviour, for example, graffiti, illegal waste disposal, wandering dogs, non-compliance with consent conditions.
- High cost activities - e.g. sports field maintenance (as opposed to open space maintenance).

We will consider:

- The impact that these situations have on the overall activity.
- The level of additional cost incurred.
- The potential to realistically recover the additional costs.
- The effect on the activity outcomes.

We may then apply funding mechanisms that recover all or part of the additional costs incurred (e.g. fines).

5. The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

We have a desire for a simple rating structure that can be easily understood by the community.

We believe that transparency and accountability can be enhanced where the community can make a direct link between the services received and the charges we impose. User charges and targeted rates are examples where we believe this connection can be made.

Targeted rates are preferred where:

- Services are made available to some properties or communities and not others (e.g. water supply is provided to urban properties and only some rural properties).
- Local communities have a strong sense of identity and accountability for an activity (e.g. rural halls, where the local communities fund and operate the halls).
- Activities that are intended to benefit a specific area (e.g. rural halls).

We can create numerous targeted rates to separately represent the full range of our activities, however this would compromise our desire for a simple rating system. After allowing for the various targeted rates and user charges, the remaining Council activities are mainly funded from general rates.

Our view is that rates are a form of tax and the quantum an individual pays does not necessarily reflect the level of benefit received. The use of additional targeted rates may inflate individual expectations about the level of benefit that should be received. This does not promote accountability.

We promote transparency by disclosing the amount funded from general rates for all activities with rates assessments. This has a low administration cost and is considered to achieve the same outcome as the use of numerous targeted rates.

6. The impact that selected funding mechanisms have on the current and future community wellbeing

We have considered the overall revenue allocation needs on the current and future social, economic, environmental, and cultural well-being of the community. We have selected funding mechanisms after having regard to the outcomes sought for each activity and the following considerations:

- **The primary outcomes** sought for each activity and the potential impact the funding sources have on the activity outcome. This allows us to reflect on the current and future wellbeing of the community
- **Sustainability** - will the selected funding mechanisms affect the sustainability of the activity? For example, setting a high level for user charges may reduce patronage, at the expense of community wellbeing?
- **Achievable funding levels** - are the targeted levels achievable? We have identified targeted levels for user charges that may not be achievable in the short to medium term. In these cases a target range will be set
- **Te Ture Whenua Maori Act 1993 Principles** - the principles set out in the Preamble to Te Ture Whenua Māori Act 1993 include recognition that land is a taonga tuku iho of special significance to Māori, and for facilitation of the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū. We will consider if there are ways that our funding decisions can further promote these principles. Further support for these principles is provided through Council's Policy on Remission and Postponement of Rates for Māori Freehold Land, and Council's Development Contributions Policy.

Other policy considerations

Funding 'public good'

The selection of funding sources is influenced by the categorisation of the benefits arising from activities, into public and private good. Activities that have significant public good are considered to have the following two characteristics:

- **Non rivalry**- an individual utilising an activity does not affect the opportunity of other individuals to utilise the same activity. Street lighting is an example of an activity that is non rival. The fact that one person may benefit from street lighting, does not affect other people from enjoying the

same benefit. As opposed to water, where consumption by an individual reduces the amount of water available for other individuals.

- **Non excludable** - the extent to which it is possible to exclude people from enjoying an activity. An activity with public good characteristics is one where it is difficult to exclude people from enjoying or utilising. For example, a public footpath would be non-excludable. It is not practical to exclude people from making use of a footpath. People can be excluded from utilising a public swimming pool, by imposing entry fees.

Activities that have significant public good characteristics are typically funded from general rates.

There are two types of general rates:

- General rates based on rateable property values
- The Uniform Annual General Charge (UAGC)

Both rates are applied to fund the same costs, but are calculated differently. The General rate is based on the capital value of rateable properties, so the amount of General rate charged varies between properties, with higher value properties paying a greater share. The UAGC is a tool to mitigate the impact on higher value properties, by charging each rateable property a fixed share of the costs. That way everyone pays at least a minimum proportion of the costs regardless of their property value.

The amount of UAGC along with other targeted rates that are set based on a fixed charge is subject to a statutory maximum (we refer to as the UAGC cap). No more than 30% of total rates can be set on a fixed basis (excluding charges relating to Water and Wastewater). Setting the UAGC cap at the highest end of the statutory maximum of 30% benefits higher value properties more, as a higher proportion of the funding is being split equally across all ratepayers.

Our District has a very wide range of property types and values due to the diverse land use and industry in Matamata-Piako. To ensure that everyone pays a reasonable minimum share of the general rate funded services, our preference is that the UAGC cap is set at a range of between 75-100% of the maximum allowed (so between 22.5% and 30%). The percentage applied within this range will be reviewed each year after consideration of the following factors:

- The effect of the triennial district-wide property valuations
- The impact that a higher UAGC may have on those with low/fixed incomes and relatively low property values
- The impact that a lower UAGC may have on the relative share of rates levied on higher value properties
- Fairness and equity and the consequences of the distribution of rates on our community well-beings.

Funding 'private good'

Activities with strong private good characteristics are typically neither non rival or non-excludable. We hold the view that a rating system is primarily a taxation system and not a system inherently based on a principle of user pays. We will utilise targeted rates to represent user charges and

recover private benefits. Targeted rates may also be utilised to recognise 'community specific' benefits.

Differential general rates

We consider that public goods are available to be enjoyed equally by the whole community. General rates should therefore be levied on the same basis across the district. For this reason, we do not consider that there are any compelling arguments to utilise differential rating for general rates. The use of targeted rates and user charges provides an appropriate way to differentiate for our services.

Valuation system

The capital value rating system has been in place in this district since 1990. We acknowledge that this system is not an accurate representation of 'ability to pay', however, we do not consider that the alternatives (land or annual value) offer any advantages over capital value. Our community is familiar with the current system and there are no compelling reasons to change at this time.

Operating expenditure

Operating expenditure is the money spent on the ongoing day to day activities and services of the Council. This includes the annualised cost of replacing our assets (depreciation), interest charges on borrowing, and the cost of Council overheads. Our operating expenditure will be funded each year in line with our adopted Long Term Plan and/or Annual Plan.

The available funding sources for operating expenditure are:

- Grants, subsidies, and other income
- Investment income
- Fees and charges
- Proceeds from asset sales
- Reserve funds (where a certain project (usually one-off) meets the criteria and objectives of a specified reserve fund)
- Rates (general or targeted)

Borrowing will not ordinarily be budgeted to fund operating expenditure unless it is otherwise resolved by Council. Council may resolve to fund operating expenditure from borrowing in instances where the expenditure provides benefits beyond the financial year of the expense (e.g. where operational work to remove sludge from the wastewater ponds provides additional capacity in the pond for many years). Council may also use borrowing or unallocated surpluses to fund any activity deficits or to cover unexpected events (e.g. expenses or loss of revenue due to natural disasters, pandemics etc.).

Grants, subsidies and other funding sources may become available for different activities from time to time. Where this source of funding is available and known at the time the budgets are set, it will be used to offset funding required from rates as set out below.

The following tables summarise our considerations for each activity in line with section 101 (3)(a) of the Local Government Act 2002.

Funding considerations by group of activity



Community Facilities and Property

Housing, rural halls, corporate / general

Funding considerations	Community Facilities and Property – Housing and property		
	Housing	Rural Halls	Corporate/General
Community Outcomes	<p>He wāhi kaingākau ki te manawa A place with people at its heart</p> <p>He wāhi puawaitanga A place to thrive</p>	<p>He wāhi kaingākau ki te manawa A place with people at its heart</p> <p>He wāhi whakapapa, he wāhi hangahanga A place to belong and create</p>	<p>He wāhi puawaitanga A place to thrive</p>
Distribution of benefits	<p>Individuals: high (private occupancy)</p>	<p>Community within rural hall areas: high</p> <p>Individuals and area groups private hire: high</p>	<p>Community at large: 90% (access and availability)</p> <p>Private individuals: 10% individual or group utilisation</p>
Period in which benefits occur	Current and future	Current and future	Current and future
Exacerbator issues	None	None	Minor issues relating to extraordinary demands from specific users
Transparency and accountability	Direct user charges reinforce accountability and transparency in the management of the activity	Separate funding sources link to community management of assets	Not affected by selected funding source
Overall impact on social, economic environmental and cultural wellbeing of the District	<p>User charges to be set to recover costs.</p> <p>Economies of scale achieved to ensure costs are competitive and therefore charges below market levels are achieved</p>	<p>Selected funding sources assist with the achievement of the desired outcomes.</p> <p>The local communities within the major rating areas are the major users of the halls.</p> <p>The percentage recovery from fees and charges is a realistic amount. The local hall rates account for the difference</p>	<p>Selected funding sources assist with the achievements of the desired outcomes</p>
Funding sources	<p><u>User charges:</u> 100%</p>	<p><u>Targeted hall rates</u> on varying bases for each of the rating areas: 80%.</p> <p><u>Fees and charges</u> on varying bases for each of the rating areas</p>	<p><u>General rates:</u> 80-90%</p> <p><u>Fees and charges:</u> 10-20%</p>

Cemeteries, libraries, parks and open space, pool and spas, public toilets, community venues

Funding considerations	Community Facilities and Property					
	Cemeteries	Libraries	Parks and Open Spaces	Pools and Spas	Public Toilets	Community Venues
Community Outcomes	He wāhi whakapapa, he wāhi hangahanga A place to belong and create	He wāhi whakapapa, he wāhi hangahanga A place to belong and create	He wāhi e poipoi ai tō tātou taiao A place that embraces our environment He wāhi whakapapa, he wāhi hangahanga A place to belong and create	He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi whakapapa, he wāhi hangahanga A place to belong and create
Distribution of benefits	Total community benefit: Medium (access and availability) Individuals: Medium (burials and plot utilisation)	Community at large: medium (access and availability) Private individuals - high (personal use of library resources)	Community at large: high (access and availability)	Community at large: medium Private individuals: high	Community at large: high	Community at large: medium Private individuals: high
Period in which benefits occur	Current and future	Current and future	Current and future	Current and future	Current and future	Current and future
Exacerbator issues	None	Some users result in the need for additional cost (e.g. lost or damaged books)	Some users result in the need for higher costs (e.g. sports fields) than would otherwise be necessary	Some users result in lost opportunities for revenue and impose higher administration costs	None	Some users result in lost opportunities for revenue and impose higher administration cost
Transparency and accountability	Fees and charges for burials. Use of general rate does not affect accountability	Fees and charges reinforce accountability to individual customers for library resources.	Fees and charges reinforce accountability to individuals and groups	Not affected by selected funding source	Not affected by selected funding sources	Not affected by selected funding source

Funding considerations	Community Facilities and Property					
	Cemeteries	Libraries	Parks and Open Spaces	Pools and Spas	Public Toilets	Community Venues
		The charges also promote the need for Council to demonstrate 'value' to Library customers				
Overall impact on social, economic environmental and cultural wellbeing of the District	Selected funding sources assist with the achievement of the desired outcomes	<p>Research shows that fees and fines significantly impact the ongoing utilisation of libraries and community spaces and are counter-productive to the outcomes Council is seeking to achieve.</p> <p>Recoveries from user fees will focus on additional services provided or costs incurred.</p>	<p>Setting the level of individual or group recovery too high will be counter-productive to the outcomes Council is seeking to achieve.</p> <p>Council has assessed a realistic and achievable target for user fees.</p> <p>Council will recover additional costs where possible</p>	<p>Setting the level of individual or group recovery too high will be counter-productive to the outcomes Council is seeking to achieve.</p> <p>Council has assessed a realistic and achievable target for user fees.</p> <p>A higher level would be preferred and in individual facilities, this may be achievable without compromising utilisation</p>	100% public funding to ensure achievement of desired outcomes is sustainable	Setting the level of individual or group recovery too high will be counter-productive to the outcomes Council is seeking to achieve. Council has assessed a realistic and achievable target for user fees. A higher level would be preferred and in individual facilities, this may be achievable without compromising utilisation
Funding source	<u>General rates:</u> 30-60% <u>Fees and charges:</u> 40-70%	<u>General rates:</u> 90-100% <u>Fees and charges:</u> 0-10%	<u>General rates:</u> 90-100% <u>Fees and charges:</u> 0-10%	<u>General rates:</u> 50-70% <u>Fees and charges:</u> 30-50%	<u>General rates:</u> 100%	<u>General rates:</u> 60-80% <u>Fees and charges:</u> 20-40%

Roading and Rubbish and Recycling

Funding considerations	Infrastructure		
	Roothing	Rubbish and Recycling	
		Waste Management Facilities (Transfer Stations/Resource Recovery Centres)	Kerbside Collection Services
Community outcomes	<p>He wāhi puawaitanga A place to thrive.</p> <p>He wāhi e poipoi ai tō tātou taiao A place that embraces our environment</p>	<p>He wāhi e poipoi ai tō tātou taiao A place that embraces our environment</p> <p>He wāhi puawaitanga A place to thrive</p>	
Distribution of benefits	<p>Community at large: medium</p> <p>Private individuals: high</p>	<p>Community at large: medium (access, availability, healthy environment)</p> <p>Individuals: high</p>	Individuals: high
Period in which benefits occur	Current and future	Current and future	Current and future
Exacerbator issues	Heavy traffic and some commercial activities can negatively impact on network maintenance	<p>Individuals generate waste and through their actions or inaction can significantly impact the waste volume.</p> <p>Some activities generate hazardous wastes or large volumes of waste</p>	Individuals generate waste and through their actions or inaction can significantly impact the waste volume
Transparency and accountability	<p>Council has limited ability to directly recover the private benefits other than through rates.</p> <p>Government subsidy contributes a significant portion of the total funding</p>	User charges for the use of waste management facilities is transparent and promotes accountability on waste generators	Targeted rate for properties to which Council is prepared to provide collection, promotes transparency and accountability linking a service provided to a specific Council rate
Overall impact on social, economic environmental and cultural wellbeing of the District	Selected funding sources assist with the achievement of the desired outcomes	<p>Selected funding sources assist with the achievement of the desired outcomes.</p> <p>Council's ability to use general rate funding acknowledges the wider community benefits generates from the activity</p>	Selected funding sources assist with the achievement of the desired outcomes.

Funding considerations	Infrastructure		
	Roading	Rubbish and Recycling	
		Waste Management Facilities (Transfer Stations/Resource Recovery Centres)	Kerbside Collection Services
Funding sources	<p><u>Subsidy:</u> as determined by Government agency.</p> <p>Council has resolved to allocate interest earned from external investments to fund the Roading activity to reduce the rates requirement. Council will determine the budgeted interest allocation on an annual basis.</p> <p><u>General rates:</u> balance of funding</p>	<p><u>General rates</u> 55%-75%</p> <p><u>Fees and charges:</u> 25%-45% - Transfer station fees.</p>	<p><u>Targeted rate:</u> 90-100% on a uniform basis for serviced properties</p> <p><u>Fees and charges:</u> 0%-10%</p>



Water, Stormwater and Wastewater

Funding considerations	Infrastructure		
	Stormwater	Wastewater	Water
Community outcomes	<p>He wāhi e poipoi ai tō tātou taiao A place that embraces our environment</p> <p>He wāhi puawaitanga A place to thrive</p>	<p>He wāhi e poipoi ai tō tātou taiao A place that embraces our environment</p> <p>He wāhi puawaitanga A place to thrive</p>	<p>He wāhi e poipoi ai tō tātou taiao A place that embraces our environment</p> <p>He wāhi puawaitanga A place to thrive</p>
Distribution of benefits	<p>Community at large: low (approximately 14% of the networks service public areas - roads, parks etc.)</p> <p>Township and property owners: high</p>	<p>Community at large: medium</p> <p>Individuals: high</p>	<p>Community at large: low-medium</p> <p>Private individuals: high</p>
Period in which benefits occur	Current and future	Current and future	Current and future
Exacerbator issues	Some issues where particular activities result in pollutants entering stormwater reticulation	<p>Properties connected to the sewer generate the waste.</p> <p>Rating legislation prevents residential properties being charged for more than one pan.</p> <p>Properties with more than one pan and with a higher intake of water are assumed to have a higher impact on the network.</p> <p>Some industries and businesses create high loading on the network</p>	<p>Activities that generate extraordinary levels of water utilisation</p> <p>Properties that are serviced by the reticulation, but not connected</p>
Transparency and accountability	Targeted rate for properties within urban areas serviced by stormwater promote transparency and accountability, linking a service provided to a specific Council rate	<p>Targeted rates for properties within urban areas serviced by waste water reticulation promote transparency and accountability, linking a service provided to a specific Council rate.</p> <p>Charging on a pan basis and modifying this by way of remission, further promotes accountability.</p> <p>Trade waste agreements address high impact activities</p>	Targeted rate for properties within urban areas serviced by public water reticulation and water meter charging promote transparency and accountability, linking a service provided to a specific Council rate

Funding considerations	Infrastructure		
	Stormwater	Wastewater	Water
Overall impact on social, economic environmental and cultural wellbeing of the District	Selected funding sources assist with the achievement of the desired outcomes	Selected funding sources assist with the achievement of the desired outcomes. Council's ability to use general rate funding acknowledges the wider community benefits the activity generates	Selected funding sources assist with the achievement of the desired outcomes. Council's ability to use general rate funding acknowledges the wider community benefits the activity generates
Funding sources	<p><u>General rates:</u> 10-16%</p> <p><u>Targeted rate</u> on a uniform basis for serviced urban areas: 84-90%</p>	<p><u>Fees and charges</u> through trade waste agreements</p> <p>The balance of funding after fees and charges will come from either:</p> <p><u>General rates:</u> 0-6%, or;</p> <p><u>Targeted rate</u> on a per pan basis (using a scale of charges) for serviced urban areas: 94-100%</p> <p>Factors – properties connected Properties able to connect but not connected, Council will determine the actual percentages within the allowable range on an annual basis</p>	<p><u>Targeted rates</u> from metered water (including residential and from industry).</p> <p>The balance of funding after metered water will come from either:</p> <p><u>General rates:</u> 0-6%, or;</p> <p><u>Targeted rates</u> on a uniform basis for serviced urban areas: 94-100%</p> <p>Factors - properties connected Properties able to be connected but not connected, Council will determine the actual percentages within the allowable range on an annual basis</p>

Strategy and engagement

Funding considerations	Strategy and Engagement			
	Emergency Management	Communications and Events	Community Leadership	Strategies and Plans
Community outcomes	He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi whakapapa, he wāhi hangahanga A place to belong and create He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi whakapapa, he wāhi hangahanga A place to belong and create He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive
Distribution of benefits	Community at large: high	Total community benefit: high	Total community benefit: high	Total community benefit: high
Period in which benefits occur	Current and future	Current and future	Current and future	Current and future
Exacerbator issues	Actions of some individuals can give rise to emergency response (e.g. rural fires). Council will attempt to recover these costs from the individual land owner	None	None	None
Transparency and accountability	Not affected by selected funding sources	Not affected by selected funding sources Other accountability processes in place	Not affected by selected funding sources Other accountability processes in place	Not affected by selected funding sources
Overall impact on social, economic environmental and cultural wellbeing of the District	Selected funding sources assist with the achievement of the desired outcomes	100% public funding to ensure achievement of desired outcomes is sustainable	Selected funding sources assist with the achievement of the desired outcomes	100% public funding to ensure achievement of desired outcomes is sustainable
Funding sources	<u>General rates:</u> 100% <u>Exacerbator charges</u> where possible	<u>General rates:</u> 100%	<u>General rates:</u> 100%	<u>General rates:</u> 100%

Consents and Licensing

Funding considerations	Consents and Licensing					
	Animal Control	Building Consents and Monitoring	Licencing and enforcement			Resource Consents and Monitoring
			Health	Alcohol	Noise Control	
Community Outcomes	He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi kaingākau ki te manawa A place with people at its heart He wāhi puawaitanga A place to thrive	He wāhi kaingākau ki te manawa A place with people at its heart.	He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi kaingākau ki te manawa A place with people at its heart He wāhi puawaitanga A place to thrive
Distribution of benefits	Community at large: medium (public safety) Individuals: medium	Community at large: medium (managed/ appropriate development) Individuals: medium	Community at large: high Private individuals: medium	Community at large: high	Community at large: high	Community at large: medium (managed/ appropriate development) Individuals: medium (resource consents)
Period in which benefits occur	Current and future	Current and future	Current and future	Current and future	Current and future	Current and future
Exacerbator issues	The need for this activity arises from the expectation that animal ownership will not negatively impact on public safety. Animal owners and in particular, irresponsible owners, create the need for this activity.	Building activity drives the need for this activity. Non-compliance with conditions by some individuals result in the need for extraordinary monitoring and enforcement.	Non-compliance with conditions by some individuals result in the need for extraordinary monitoring and enforcement.	Non-compliance with conditions by some individuals result in the need for extraordinary monitoring and enforcement.	Non-compliance with conditions by some individuals result in the need for extraordinary monitoring and enforcement.	The District Plan captures the community's collective view on the types of development it desires as of right. People who propose development outside these parameters impose additional costs on Council.

Funding considerations	Consents and Licensing					
	Animal Control	Building Consents and Monitoring	Licencing and enforcement			Resource Consents and Monitoring
			Health	Alcohol	Noise Control	
						Non-compliance with some individuals result in the need for extraordinary monitoring and enforcement.
Transparency and accountability	Fees and charges promote owner accountability and transparency on Council's part.	Building fees promote transparency and accountability on Council to individual customers.	Not affected by selected funding sources.	Not affected by selected funding sources.	Not affected by selected funding sources.	Planning fees promote transparency and accountability on Council to individual customers.
Overall impact on social, economic environmental and cultural wellbeing of the District	<p>Council is satisfied that imposing the majority of the costs of the activity on animal owners promotes public safety. It is in the interests of the owners to reduce their ownership costs by being responsible.</p> <p>People who are irresponsible will pay a higher level again.</p> <p>The general rates funding</p>	<p>Council can demonstrate a strong linkage between the level of fees charged and the services received.</p> <p>Council is satisfied that the level of funding is consistent with the desired outcome to achieve managed and appropriate development for the community.</p>	Fees and charges for the activity are set largely by statute. The general rates funding must fund the balance.	Selected funding source assists with the achievement of desired outcomes.	Selected funding source assists with the achievement of desired outcomes.	<p>Council can demonstrate a strong linkage between the level of fees charged and the services received.</p> <p>Council is satisfied that the level of funding is consistent with the desired outcome to achieve managed and appropriate development for the community.</p>

Funding considerations	Consents and Licensing					
	Animal Control	Building Consents and Monitoring	Licencing and enforcement			Resource Consents and Monitoring
			Health	Alcohol	Noise Control	
	is set at a level that Council believes that the community is willing to pay to have a safe environment.					
Funding sources	<p>General rates: 0-20%</p> <p><u>Fees and charges</u> (including fines): 80-100%</p>	<p><u>General rates:</u> 10-50%</p> <p><u>Fees and charges:</u> 50-90%</p>	<p>Licence processing: 100% <u>user pays</u></p> <p>Enquires/complaints/enforcement: 100% funded by <u>rates</u></p>	<p>Licence processing fees set by legislation</p> <p>Enquiries/complaints/enforcement: 100 % funded by <u>rates</u></p>	<p><u>General rates:</u> 100%</p>	<p>Planning Resource Consent Processing and monitoring: 100% <u>user pays</u></p> <p>Enquiries/complaints/enforcement: 100 % funded by <u>rates</u></p>



Capital expenditure

There are three types of capital expenditure:

Level of Service	Capital expenditure that increases the level of service provided to existing users
Growth	Capital expenditure required to provide additional capacity in the network to accommodate future users
Renewals	Capital expenditure that either replaces or continues the life of an existing asset

Capital expenditure will be funded in a manner that as far as is practicable and prudent, takes account of:

- The expected lives of assets
- The impacts on operating costs of our activities

The available funding sources for capital expenditure are:

- Borrowing (either internal or external)
- Development and financial contributions (including interest costs as per the policy). When development contributions are used, the distribution of benefits and rationale regarding funding sources is discussed within the Development Contributions Policy. Private contributions as may be agreed from time to time with individuals/ organisations. This will apply where we have entered into a partnership or arrangement to undertake capital development
- Lump sum contributions in accordance with the Local Government (Rating) Act 2002
- Targeted rates in accordance with the Local Government (Rating) Act 2002
- Subsidies (where applicable)
- Retained earnings (special funds and depreciation reserves)
- The proceeds of the sale of assets (as applicable)
- Specific revenue streams we determine (as applicable)

Considerations

The following considerations will apply in selecting the appropriate funding source:

We wish to allocate the cost of capital expenditure over the period that benefits are generated from the expenditure. Borrowing or accumulated depreciation reserves will be the normal source of funding for capital expenditure.

The annual loan costs will be met from the underlying funding sources for each significant activity. Council may determine that loans should be repaid sooner where this is considered prudent and ensures adequate borrowing headroom is maintained. The considerations that apply for operating expenditure will by default, apply to capital funding, (for example a targeted rate for an activity will meet the annual loan repayments).

The primary factors giving rise to the need for capital expenditure will influence our choice of funding mechanism. For example:

- Capital expenditure required as a result of growth, should be funded from Development Contributions
- The needs of a specific community may result in funding being raised from that community (e.g. Lump Sum Contributions)
- Special funds created for specific activities will be used for those activities

The costs and benefits of different funding sources will be assessed within the context of our Long Term Plan. We can then assess the potential impact of the selected funding source against the community outcomes. We may resolve to utilise a funding source that is not included in this policy.

Capital funding sources

	Community Facilities and Property	Consents and Licensing	Roading	Rubbish and Recycling	Storm water	Waste water	Water	Strategy and Engagement
Borrowing	✓		✓	✓	✓	✓	✓	
Financial contributions	✓							
Development contributions			✓		✓	✓	✓	
General and special reserves	✓		✓	✓	✓	✓	✓	✓
Lump sum contributions						✓	✓	
Grants and subsidies	✓		✓	✓	✓	✓	✓	✓
Targeted rates*					✓	✓	✓	

* Targeted rates are charged to industries that have entered into a partnership agreement with Council to recover their agreed share of the cost of capital upgrades to our systems.

Kaupapahere nui me te whakawhitiwhiti - rāpopotonga | Significance and engagement policy - summary

The Local Government Act 2002 requires all councils to adopt a Significance and Engagement Policy to enable the community to understand when and how they can expect Council to engage with them about issues, proposals, assets, decisions and activities.

Our Significance and Engagement Policy was first adopted in 2014, and we have reviewed it regularly since then, most recently in 2023. The Policy helps us determine what the important issues are to the community, and how we will involve the community in making those decisions.

The purpose of the Significance and Engagement Policy is to:

- Enable Council and the community to identify the degree of significance of particular issues;
- Provide clarity about how and when the community can expect to be engaged in the decision making process; and
- Inform Council from the beginning of the decision making process about the level and type of engagement required.

In general, the more significant an issue, the greater the need for community engagement - however each issue will be dealt with on a case by case basis when determining the level and type of engagement required.

We have recently updated the criteria that we use when determining the significance of issues, proposals, assets, decisions and activities – shifting to a spectrum of significance, from low, medium to high. These criteria are intended to promote consistent significance assessments and recognise issues and decisions can have different levels of significance rather than being significant or not (a binary approach). This is depicted below.



When can the community expect to be involved?		
LOW	MEDIUM	HIGH
Once a decision has been made, or when action from the community is required.	When there is a draft to provide feedback on, however this may involve pre-consultation with particular interest groups contributing to the draft.	Specific community interest groups would generally be involved from the very beginning and throughout the whole process through to completion.

Degree of significance		
LOW	MEDIUM	HIGH
Key considerations	Key considerations	Key considerations
Affects a small sub group/s	Affects a large sub group/s	Affects a wide range of people
Likely to have little public interest	Likely to have moderate public interest	Likely to have high public interest
Low consequences for the present and future community	Moderate consequences for the present and future community	Large consequences for the present and future community
The issue, proposal, decision, or matter is unlikely to be of cultural significance to Māori and their relationship to culture, traditions, land, water and taonga	The issue, proposal, decision, or matter is likely to be of moderate cultural significance to Māori and their relationship to culture, traditions, land, water and taonga	The issue, proposal, decision, or matter is likely to be of high cultural significance to Māori and their relationship to culture, traditions, land, water and taonga
The issue, proposal, decision, or matter is strongly aligned with iwi aspirations and/or iwi have expressed support for the matter	The issue, proposal, decision, or matter is moderately aligned with iwi aspirations and/or there is no clear understanding/consensus	The issue, proposal, decision, or matter is not aligned with iwi aspirations and/or iwi have expressed opposition to the matter
Minimal financial impact (can be funded within existing budgets and/or no or minimal impact on rates/debt levels)	Moderate financial impact (not funded within existing budgets and/or moderate impact on rates/debt levels)	Significant financial impact (not funded within existing budgets and/or significant impact on rates/debt levels)
Decision is easily reversed	Decision is moderately difficult to reverse	Decision is highly difficult to reverse

Degree of significance		
LOW	MEDIUM	HIGH
Decision is likely to have a minimal flow on effect for future plans or budgets	Decision is likely to have a minor flow on effect for future plans or budgets	Decision is likely to have a significant flow on effect for future plans or budgets
Decision is unlikely to affect the level of service of a Significant Activity	Decision is likely to moderately affect the level of service of a Significant Activity	Decision is likely to significantly affect the level of service of a Significant Activity
The decision is considered to strongly support the District adapt to climate change and/or may result in a positive impact on the environmental wellbeing of communities	The decision is considered to moderately support the District adapt to climate change and/or considered to have a negligible impact on the environmental well-being of communities	The decision is not considered to support the District adapt to climate change and/or may result in a negative impact on the environmental well-being of communities
Views of the community are already known	Views of the community are already known however may have changed since views were initially sought	Views of the community are not known
There are no significant changes to what has already been agreed with the community through previous engagement	There are minor changes to what has already been agreed with the community through previous engagement	There are significant changes to what has already been agreed with the community through previous engagement

The Policy also provides examples as to how our communities can expect to be engaged depending on the degree of significance, for example from sharing information with our community, to attending open days and markets, to establishing Citizen's Assemblies.

Schedule 4 of the Significance and Engagement Policy lists our strategic assets. These include parks and open spaces (such as Firth Tower Reserve and Te Aroha Domain), Sport and Recreation Parks (such as Morrinsville Recreation Ground) and our community facilities and buildings (such as our libraries, offices, events centres and Swim Zone facilities).

Also included are our elderly persons housing, key infrastructure assets as a whole (including our roading network and water assets) and the shares we own in Waikato Regional Airport Limited.

Council's full Significance and Engagement Policy can be found on our website www.mpdc.govt.nz. A copy can be requested at our offices and libraries.



TAUHIRA RAUTAKIINGA TŪROA

DRAFT LONG TERM PLAN

2024

2034



te kaunihera ā-rohe o
matamata-piako
district council

NGĀ RŌPŪ A TE
KAUNIHERA

**COUNCIL CONTROLLED
ORGANISATIONS**

WĀHANGA
SECTION

8

NGĀ HUA - WĀHANGA 8 | CONTENTS - SECTION 8

Ngā rōpū a te kaunihera | Council controlled organisations

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Tirohanga whānui | Overview

Council controlled organisations (CCOs) are described in the Local Government Act 2002 as any organisation in which one or more councils control 50% or more of the voting rights or appoint one or more of the directors. The Local Government Act 2002 requires us to include in the Long Term Plan information on certain council controlled organisations in which we are a shareholder.

This includes information on:

- Our policies and objectives that relate to the ownership and control of the organisation
- The nature and scope of the activities to be provided by the council controlled organisation
- The key performance targets and other measures by which performance may be judged

We do not have any significant policies or objectives about ownership and control of council controlled organisations. Appointment of a director to a council controlled organisation, who represents the Matamata-Piako District Council, aligns with our policy on appointment of directors.

Waikato regional airport limited (WRAL)

Waikato Regional Airport Limited replaced the Airport Authority in 1989, which previously ran Hamilton Airport. We consider the airport to be a significant infrastructural asset for the region and important for economic growth and development. The Local Government Act 2002 defines shareholding in an airport as a strategic asset.

Ownership

WRAL is jointly owned by five local authorities: Hamilton City, Waikato District, Waipa District, Ōtorohanga District and Matamata-Piako District Councils. Matamata-Piako District Council's shareholding is 15.625%.

Nature and scope of activities

WRAL incorporates Hamilton Airport, Titanium Park Limited, Hamilton & Waikato Tourism Limited, and Waikato Regional Airport Hotel Limited.

The key objectives of WRAL group are to:

Operate an efficient and compliant airport

- Operate a first class, safe and compliant regional airport by providing for essential projects, together with any compliance expenditure warranted.

Enhance the traveller experience

- Maximise traveller satisfaction and airport experience through continued investment in passenger facilities and technologies that also assist to drive sustainable outcomes.

Maintain a viable aeronautical business

- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- Identify and activate new development opportunities within the general aviation sector.
- Position and protect the airport as an efficient, cost effective international port.
- Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.

Maximise revenue diversification through non-aeronautical business opportunities

- Promote and secure tenants for the airline engineering base and flight training academy facilities to secure new aeronautical operators and enhance a vibrant general aviation community.

- Support Pyper Vision to deliver trials of the fog dispersal technology to improve airline efficiency and customer experience, whilst also enhancing value of WRAL's investment in this venture.
- Complete construction of airport infrastructure to support private aeronautical property development.

People

- Implement an organisation-wide strategy that takes a holistic view of employee wellbeing, recognising wellbeing as a measure of our organisation's success.
- Provide training and development to personnel to ensure individually and collectively, our personnel remain leaders of best practice in their respective fields.
- Retain a high performing team to build resilience, capability and responsiveness to growth and change opportunities.

Sustainability

- Achieve Level Three certification under the global Airport Carbon Accreditation Program.
- Maintain the Jet Park Hotel's Qualmark Silver Enviro rating.
- Continue to develop and implement a long-term sustainability plan aligned to advancing levels under the global Airport Carbon Accreditation Program.

Develop and optimise the land holdings of the Group to generate a long-term income from a diversified property portfolio

- Titanium Park Limited will continue marketing for sale, development and optimised investment, all available non-aeronautically strategic land in a planned and co-ordinated approach.
- Support the development of land within the bounds of a sound, strategic approach to long-term planning as defined in the 2022 updated aeronautical master plan.
- Upon notification of the private plan change outcome, complete a detailed master plan for the first stage of Northern Precinct for at least 10ha of land and its enabling infrastructure.

Operate the airport hotel to return to (or exceed) its investment business case growth targets and customer satisfaction targets following the disruptions to its growth strategy from the pandemic

- Improvement of hotel brand awareness through increased marketing activity.
- Establishment of Propeller Restaurant as a local destination restaurant.
- Complete renovations of guest recreation facilities to improve customer satisfaction.

Assist in the development and marketing of the Hamilton and Waikato region as a visitor destination to domestic and international visitors

- Implement activities within the Destination Management Plan to assist with the restart and reimagining of the tourism sector in a regenerative/sustainable manner.
- Assist with major event bids and then work with major event promoters to ensure the event is leveraged to activate visitors to the region.
- Maintain and strengthen support for regional tourism through partnerships with local government, the tourism industry and the wider regional community.

Key performance targets

Financial Performance Measure	Actual (\$000)		Target (\$000)		
	2021/22	2022/23	2023/24	2025/26	2026/27
Net surplus/(deficit) before tax <i>no less than</i>	2,123	10,763	1,000	3,000	12,500
Earnings before tax, interest, depreciation & amortisation (EBITDA) excl Land Sales of at least	5,996	5,674	6,000	6,500	7,000
Earnings before tax, interest, depreciation & amortisation (EBITDA) incl Land Sales of at least	6,383	15,764	7,500	9,500	18,000
Percentage of non-landing charges to total revenue of at least	82%	70%	60%	60%	60%
Land Sales of at least	2,020	14,723	3,000	4,500	40,000
Interest coverage ratio of at least	13.2	9.7	3.0x	4.0x	4.0x
Net operating cash flow excl Land sales of at least	4,471	2,656	6,000	7,000	15,000
Net debt a maximum of	16,774	20,149	-	-	-
Shareholder funds to total assets of at least	85%	86%	-	-	-
Total debt excluding design-build acquisitions (maximum)	New measure	New measure	35,000	35,000	35,000

Non-Financial Performance Measure	Actual	Target
	2022/23	2023/24 – 2025/26
Zero WorkSafe notifiable accidents/injuries	Achieved	Zero WorkSafe notifiable accidents/injuries
Independently review and audit the health and safety system each year.	Achieved	Operate a workplace that fosters employee wellbeing and improving organisational culture, as measured by the Employee Engagement Survey.
To achieve airport certification standards required by the Civil Aviation Authority (CAA) as evidenced by CAA audit reports.	Achieved	To maintain the Airport Certification Standards as required by the Civil Aviation Authority.
Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).	Achieved	Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).
Facilitate noise management meetings every 4 months in accordance with the noise management plan.	N/A	Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
Facilitate health & safety meetings every 2 months with representatives from each company department.	N/A	Identify and activate new development opportunities within the general aviation sector.
		Position and protect the airport as an efficient, cost effective international port.
		Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.
		Complete construction of airport infrastructure to support property development and optimisation.
		Develop a MOU with local iwi organisations that provides for a collaborative relationship to future developments that will embrace Te Ao Maori principles and celebrating the rich cultural history of our rohe.
		Reduce Group electricity purchases by at least 20% on 2023 levels (measured in kWh used) upon commissioning of the first stage of the solar farm development.
		Achieve Level 3 (Optimisation) accreditation to the Airport Council International's Airport Carbon Accreditation programme.
		Reduce landfill waste through reduced usage of non-recyclable single-use materials and improved sustainable material usage in construction.

Waikato local authority shared services limited (WLASS) - trading as Co- Lab

Co-Lab was established in 2005 to promote shared services between local authorities across the Waikato region. By encouraging and enabling the councils to work together, Co-Lab aims to reduce costs, achieve effectiveness and efficiency gains, reduce duplication of effort, eliminate waste through repetition, promote and contribute to the development of best practice, and help to improve customers' experiences.

Council became a shareholder following public consultation during the 2005/06 Annual Plan.

Ownership

Co-Lab is a council controlled organisation solely owned by the 12 Waikato local authorities – Waikato Region, Hamilton City, Hauraki District, Matamata-Piako District, Ōtorohanga District, Rotorua District, South Waikato District, Thames-Coromandel District, Waikato District, Waipa District, Waitomo District and Rotorua Lakes District.

Matamata-Piako's shareholding is 8.33%.

Nature and scope of activities

Much of the work of Co-Lab is undertaken by Working Parties or Advisory Groups made up of staff from the shareholding councils with expertise and interest in particular areas. Co-Lab provides a legal entity representing all of the shareholding councils, and can enter into contracts and agreements with external suppliers.

Member councils pay a small annual levy, depending on their size, towards the operational expenses of Co-Lab. Services obtained by members are funded on a user pays basis, whereby each council pays for and receives the financial benefit of its share of any particular service. The decisions about potential projects or services are made by the Directors, who make up the Co-Lab Board.

Co-Lab's ultimate goal is councils maximising the value they provide to their communities by helping them identify and realise shared opportunities.

Key performance targets

Priority	Performance Measure (Target)	Actual	Target
		2022/23	2023/24
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives.	Business cases will include measurable benefits linked to one or more of the outcomes sought. (Projected savings to councils of \$300k).	Not achieved	Projected savings/increased revenue to councils of at least \$300k.
	Opportunity assessments are supported by councils (evidenced by Board minutes). (75% of councils).	Unable to currently measure	75% of councils.
Develop opportunities and deliver projects within agreed budgets and timelines.	Opportunities/projects are developed/delivered within agreed timelines. (80%)	Not achieved	80%
	Opportunities/projects are developed/delivered within approved budget. (90%)	Not achieved	90%
	Overall, Company Management/Support functions will be undertaken within budget, unless additional expenditure has board pre-approval.	Not achieved	
Ensure projects realise their expected benefits	Measurable benefits are actively monitored and reported against. (Six-monthly).	Achieved	Six-monthly
	Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised). <ul style="list-style-type: none"> (For \$200k+ Projects (based on cost of opportunity development and ongoing investment) within 15 months). 	Achieved Achieved	<ul style="list-style-type: none"> For \$200k+ Projects (based on cost of opportunity development and ongoing investment assessment within 15 months). 90% of projected quantifiable benefits are realised.

Priority	Performance Measure (Target)	Actual	Target
		2022/23	2023/24
	<ul style="list-style-type: none"> 90% of projected quantifiable benefits are realised. 		
Ensure existing services are meeting the needs of councils	<p>The services we provide are considered by councils who use that Service to meet or exceed their expectations (evidenced by an annual survey).</p> <p>(80% of councils).</p>	Not achieved	80% of councils.
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice.	<p>Across these groups, ideas for future consideration and/or initiatives are identified each year.</p> <p>(Four per annum).</p>	Achieved	Four per annum.

Hauraki Rail Trail Charitable Trust

Ownership

The Hauraki Rail Trail Charitable Trust (Trust) is the Governance entity for the cycleway known as the Hauraki Rail Trail (HRT). Currently the Trust is responsible for developing, managing and promoting the HRT, which is part of the New Zealand wide network of cycleways branded as Nga Haerenga.

The Hauraki, Matamata-Piako and Thames-Coromandel District Councils are settlors to the Trust Deed and the Trust fits the legal definition of a Council Controlled Organisation as defined in the Local Government Act 2002 because the councils indirectly control 50% of the votes at the Trust meetings.

In accordance with the Trust Deed there must be between three and six Trustees on the Board of the Trust. Each council can appoint three trustees. Iwi in the three districts can also appoint three trustees to the Trust.

Nature and scope of activities

The Trust's purpose is generally to operate and facilitate the use and enjoyment of the Hauraki Rail Trail. The defined purposes of the Trust include the specific objectives of expanding the Hauraki Rail Trail where possible and maintaining the Hauraki Rail Trail to appropriate standards.

The Hauraki Rail Trail Charitable Trust was created by Hauraki, Thames-Coromandel and Matamata-Piako District Councils.

The Trust falls within the definition of a council controlled organisation, however on 8 November 2017 we exempted the Trust from the associated reporting requirements under the Local Government Act 2002. The exemption must be reviewed every three years and was last reviewed on 27 September 2023. The next review process is due in 2026.

Key objectives

Priority area	Key objectives for 2024/25
Financial	The future financial sustainability of the Trust, in conjunction with Settlor Councils.
Health and Safety	Completion of the upgrade and implementation of our Health and Safety policies/procedures to meet statutory requirements.
Asset management	Remediation of storm damages.
	Transition of Paeroa to Kaiua and Te Aroha-Matamata extensions into the Trust's management.
	Progress on linking to Auckland, via Hunua, and via Waikato.
	Continue to raise funds to upgrade trail surface north of Te Aroha.

The Trust Annual Report outlines the deliverables against the agreed key objectives.



TAUIIRA RAUTAKINGA TŪROA

DRAFT LONG TERM PLAN

2024
2034



te kaunihera ā-rohe o
matamata-piako
district council

TE AROTAKENGA AUDIT OPINION

WĀHANGA
SECTION

9

The consultation document has been audited and the audit opinion attached to that document.

After consultation and Council deliberations, the final version of the Long Term Plan will be audited and the audit opinion inserted here.