

South Waikato District Council

*Amended*  
**Long Term Plan** 2021-31  
Te Mahere pae tawhiti rerekē



SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.

## Summary of the amended 2021-31 Long Term Plan (LTP)

South Waikato District Council are Amending their 2021-31 Long Term Plan (LTP) to include large capital works projects totalling \$58.161 million. These projects are sitting in the three waters space throughout our District's towns of Arapuni, Tīrau, Putāruru and Tokoroa. At the time of completing the 2021-31 LTP, the modelling for these projects was underway but incomplete, therefore could not be included in the 2021-31 LTP. Modelling has now been completed and projects are being added to the 2021-31 LTP using the Amendment and Special Consultative procedure provided by the Local Government Act 2022.

The sections below define the requirements for the LTP Amendment, the Special Consultative procedure and Audit requirements.

Sections: 93 (5), 93A, 93B, 93C, 93D, 93E, 93F, 93G, 94 9(1), (2), (3).

### Impact to rates and debt

Rates and rates increases are forecast to be greater as a result of investing in the additional projects. Rates increases remain within the financial strategy limit of 9% in any year, peaking at 8.6% in the 2024-25 year compared with 7.1% in the existing Long Term Plan. Additional rates of \$20.5 million is forecast to be collected across the 10 years of the Long Term Plan.

Investment in the additional projects will be funded through borrowings due to the long life of the infrastructure assets to be constructed. A total of \$53.6 million of extra borrowings will be required across the 10 years of the Long Term Plan. Debt is forecast to peak at \$126.2 million in the 2026-27 year.

### Table listing changes made between the original 2021-31 Long Term Plan and the draft Amended 2021-31 Long Term Plan

New Page number	Title	Description of change	Original LTP Pages
Cover	Cover Page	Cover page renamed to include Amendment wording	Cover
6-7	Mayors Message	Message from the Mayor updated to include Amendment comments	6-7
8	Overview	<b>Why a Long Term Plan Amendment</b> (New) page Since our Last LTP added in two paragraphs about the amendment	8
9	Since our Last LTP	<b>Added in paragraph two and three as new</b>	9
11	Our Profile	<b>Our Population</b> added paragraph to match CD wording	11
13	Our Districts issues	<b>Growth heading</b> (new) added in a paragraph	13
20	Our Journey	<b>Paragraph 4 – new wording</b>	20
21	Growth Impact on Infrastructure	<b>Growth Impact on Infrastructure (and planning)</b> wording replaced with Water, Wastewater and Stormwater paragraphs	21
27	Other Consultation issues	<b>What our communities told us consultation 2021-31 Long Term Plan Amendment- 2022.</b> To be updated as part of the consultation process., 2021-31 original consultation information retained in pages 28-29	27
41	What are we doing	<b>Growth heading</b> (new) added in a paragraph about growth, what we are doing	41
46	Changing Service Delivery	<b>Changing Service Delivery Heading</b> Infrastructure capacity planning in Tokoroa and Tirau- <i>deleted old sentence and replaced with new sentence</i> Significant wastewater plant upgrades – <i>added in words “are planned”</i> Stormwater maintenance service delivery – <i>Delete last sentence and add new sentence</i> In addition, sentence, - <i>delete word “and” between stormwater and to.</i>	46

47	<b>Financial overview</b>	Financial overview wording updated, Summary Financial Statements table updated	47
48	<b>Rates Increases and Trends</b>	Rates Increases and Trends wording updated Rates increases table updated Rates Levied \$m table updated	48
53	<b>Loans</b>	Loans wording updated; Loan/revenue ration table updated	53
55-59	<b>Infrastructure Strategy</b>	Page 57 Opex and Capex table – Updated Page 57 Infrastructure Service Annual cost Table – Updated Page 59 Forward Works wording- removed bullet point two.	55-59
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# Long Term Plan 2021-31

## Mahere pae tawhiti



## PART 1

# Introduction & Overview

- Message from the Mayor
- Overview

SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.

## Message from the Mayor | He kupu nā te Manukura

I am very proud to present our Long Term Plan 2021-31 Amendment. The full plan and the Amendment takes countless hours to prepare; as it should, it is our contract with the community for the coming ten years; and covers everything we do and all we're planning to deliver.

Supporting and encouraging district growth is a priority for Council and our community. We can't properly plan or prepare for growth without first understanding the capacity and capability of our current infrastructure. This is established by doing asset modelling. We had been working on this modelling for several years, in response to our growth trends. The modelling work has identified infrastructure improvement projects we needed to deliver to support business, industrial and residential growth in our district for our communities' current needs and for future growth.

With the addition of these projects, we can better prepare for our community, our towns and our district to grow and thrive. These three waters projects will be funded by debt. While the total project cost is \$58.161 million, we already have \$4.601 million in our budgets for some of this project work, therefore we will be debt funding \$53.560 million for the projects. This debt funding is targeted to urban areas that receive the services. The projects are spread across our water supply, wastewater and stormwater activities and throughout the district's towns – Arapuni, Tirau, Putāruru and Tokoroa.

Economic growth has grown in momentum in recent years. Our community is starting to flourish as we benefit from economic opportunities. We believe it was a good decision to invest at scale and at pace. Risking missing out on economic growth and employment opportunities for our people would mean stagnation and loss of development. This amended LTP will mean we can offer the necessary infrastructure to support population, business and economic growth.

Our district is in a period of growth, for both business and population. Supporting, promoting and facilitating this growth continues to be one of Council's key priorities. This is evident in much of what we have planned in

this LTP, from funding to future proofing our facilities to supporting industrial, business and population growth. And is a key driver to the current Amendment. We will continue to advocate to Central Government and other

investors for investment into our district and our focus on encouraging business expansion and start-ups will not let up.

Another of our focus areas is to build and maintain better quality relationships with the community. We believe that better relationships with key groups in the district will help grow our communities and strong partnerships will strengthen the successful delivery of projects.

The other major focus area is to improve our resilience both as a Council and as a community. Council is committed to delivering good infrastructure and services, ensuring we remain in a sound financial position and we are working hard to keep rates affordable. We want to sustain a healthy environment and community that has the ability to anticipate, resist, respond to and recover from significant change or events.

Resilience is certainly never more important than right now, with the world, New Zealand and the South Waikato rising to the continued challenges of COVID-19. Without doubt, the biggest impact in recent times has been the COVID-19 pandemic - lockdowns, bubbles and alert levels became everyday words. The impact of COVID-19 on our businesses and our community was huge. As a community we did what we always do - we stepped up, we teamed up, we stood together.

Together with community groups Council has stepped into a COVID-19 recovery space and continues to look for avenues to support our people and businesses to not only recover from the impacts of COVID-19, but grow and develop. Our particular emphasis is on employment and housing. And

We have some significant large projects to deliver over the duration of this LTP. Many of these projects will future proof our district and community during this period of growth. These include:

- Continued improvement and a focus on waste minimisation with the rollout of wheelie bins for the kerbside collection and investigations into better resource recovery.
- Wastewater improvements to ensure we protect our waterways for future generations.
- Stormwater upgrades to improve our resilience to flooding; and plan for the future challenges of climate change.
- Facility upgrades including a bigger and better Putaruru skatepark, Tirau Domain enhancements, new and refurbished pools and libraries in Tokoroa, reserve enhancements and facility improvements.
- Growth planning across our district; coupled with significant infrastructure upgrades to ensure our systems can cope with a growing population and additional development to enhance the social and recreational wellbeing of our growing communities.

Amidst these key projects, we have the whole realm of business as usual that we deliver to you every day in many ways from roads, water, reserves, parks, planning, assets, infrastructure, libraries, pools and much more. We deliver it all.

During the early years of this LTP, we will see significant changes in local government. The pressures on local government are very high, the requirements we need to deliver may become unaffordable for current and future ratepayers. There are a few things that will be changing the face of local government as we know it. These included possibly losing our three waters management to a larger entity, an overhaul of the resource management act to improve environmental and economic outcomes; and ultimately revisiting the purpose of local government.

Our organisation is set to change in coming years, more so than it has in the past two to three decades. Our Council is taking on the challenge of this change and we will do everything we can to ensure that the change doesn't mean a loss of local voice or service for our communities.

Council understands community concern around rate increases. We believe this plan balances affordability with the need to address growth, legislative and play here. requirements and what our community has told us they want. We believe the Amended LTP 2021-31 secures our place today so that we can shape tomorrow and together deliver a strong future for the South Waikato and all who live, work and play here.



Gary Petley  
Mayor



Susan Law  
Chief Executive

# Overview | Te tirohanga whānui

## W/why a Long Term Plan Amendment?

The (LTP) is Council's Long Term Plan. The current LTP looks out ten years from 2021 to 2031. It is a contract with the community about what Council is going to do over the period to make the South Waikato a great place to live, work and play.

Council needs to do an LTP Amendment because of a proposed change to enhance our capital works programme. When we adopted the LTP 2021-31, we hadn't completed the necessary modelling for the projects and so couldn't include the projects in the current LTP. The modelling work informs our 30 year Infrastructure Strategy and our Asset Management Plans, which in turn inform an LTP Amendment to enhance our capital works programme, and allows Council to properly plan or prepare for future growth

These three waters projects will be funded by debt. While the total project cost is \$58.161 million, we already have \$4.6 million in our budgets for some of this project work, therefore we will be debt funding \$53.560 million for the projects. This debt funding is targeted to urban areas that receive the services. The projects are spread across our water supply, wastewater and stormwater activities and are throughout the district in Tīrau, Putāruru and Tokoroa.

Council has endorsed the start of workstreams to rezone additional land for development and to move forward we are legally required to undergo an LTP Amendment and consult with our communities.

*In respect of the Amendment the The Local Government Act 2002 Section 93(5) states: A local authority must use the special consultative procedure in making any amendment to a long-term plan. And 93A Use of special consultative procedure in relation to long-term plan.*

The full amended LTP, supporting documents (including Asset Management Plans, 30-year Infrastructure Strategy and financial implications; along with the Consultation Document have been audited by Deloitte and the Office of the Auditor General.

*The Local government Act 2002 requires an LTP Amendment to be audited under Section 94 (2) In the case of an amended long-term plan, the report under subsection (1) must contain a report by the Auditor-General*

We don't want to delay this enhanced capital programme until the next complete LTP review due to be adopted in June 2024 looking out ten years from 2024 to 2034 for two reasons.

1. The longer we delay, the more costly it will be as construction prices are only going one way currently and for the foreseeable future. It is works that will need to happen anyway at some point in the future. Council believes it is best to bite the bullet now and get the enhanced programme started.
2. We are already turning investment opportunities away. We need to move on this infrastructure programme as soon as we can to take advantage of the current and future opportunities.

The proposed Three Waters Reform at the time of writing still has some uncertainty on the timeline and outcome.

In reading the Long Term Plan Amendment, readers should note the assumptions outlined on pages 190-199 of this document.



## Since our last LTP...

Three years ago, Council and the community chose to rise to the challenges of growth by funding infrastructure upgrades and re-zoning land to cater for residential and business development in Putāruru. Similar growth planning was underway in Tīrau and Tokoroa too.

In this LTP Amendment, Council and the community continue to rise to the opportunities of growth. Ensuring that we are in the best position to attract and facilitate investment to foster district growth hinges on having appropriate infrastructure to support land development.

In order to secure today and shape tomorrow, our focus is on growing our economy, creating jobs for our people, fostering new business initiatives and connections. And we need the infrastructure to keep pace with our growing economy

*Since our last LTP, we achieved a lot.*

We focused on economic development with the Space to Grow brand, improved district advocacy at central government level and strengthened relationships with partners and stakeholders.

We refurbished the Tokoroa CBD to attract passing traffic and create a vibrant and functional community space.

We introduced an Engagement Team to improve how we kōrero with our community.

Together we made big decisions around solid waste; closed the Tokoroa landfill, constructed a transfer station, improved recycling facilities, transported waste out of the District to large processing facilities; and we will be moving to wheelie bins for urban rubbish and recycling.

Following iwi and community consultation we will spend \$30 million over 30 years on wastewater treatment plant upgrades and wetland developments across the District to improve environmental outcomes.

The current Three Waters Reform work kicked off and Council will receive \$3.88 million to investigate and implement what this will look like going forward.

We introduced new playgrounds in Tīrau and Tokoroa, the Tokoroa skatepark and basketball court, Tīrau skatepark and activity areas, the Tīrau Walkway and Domain and new facilities in our rural reserves.

The biggest impact over the past three years was the COVID-19 pandemic - lockdowns, bubbles and alert levels became everyday words. The impact of COVID-19 on our businesses and our community was huge.

As a community we did what we always do: we stepped up, we teamed up, and we stood together. The impact of the pandemic will be felt for many years to come. Council has a recovery plan that is outlined in this document.



# Long Term Plan 2021-31

## Mahere pae tawhiti



### PART 2

## Our District

- Our profile
- Our District's issues
- Our leadership
- Māori capacity to contribute to decision-making process



SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.

# Our profile | Tā mātou āhua

## Our Population

Until about five or so years ago, our district was in population decline. When this happens, councils are legally obligated to plan for a declining population, cut back on spending and prepare for a smaller rating base. An assumption in our 2015 -2025 LTP specifically centered around decline. Between the 2015 LTP and the 2018 LTP, things started to change and there was a steady upswing in both business and population growth. Drivers such as improved state highway networks with several bypasses and property price increases, started to make living in and setting up businesses in the South Waikato, more attractive. So in the 2018 LTP, we had to change our planning assumptions to cater for this growth

Our District is home to three wards - Tīrau, Putāruru and Tokoroa. These wards are made up of the following towns and suburbs.

Tīrau: Tīrau, Okoroire, Piarere and Tapapa

Putāruru: Putāruru rural and Putāruru, Arapuni, Lichfield, Ngatira and Pinedale

Tokoroa: Kinleith (rural Tokoroa area), Parاونui, Parkdale, Matarawa, Stanley Park, Strathmore, Tokoroa Central and Moananui

Our District is home to 25,400 people and it is predicted that more people will choose our District to become their new home with more young families making Tīrau, Arapuni and Tokoroa their home, where Putāruru has mainly attracted those 55 years and older.

In 2031 our overall population is predicted to increase to where 27,000 people will call our District their home.

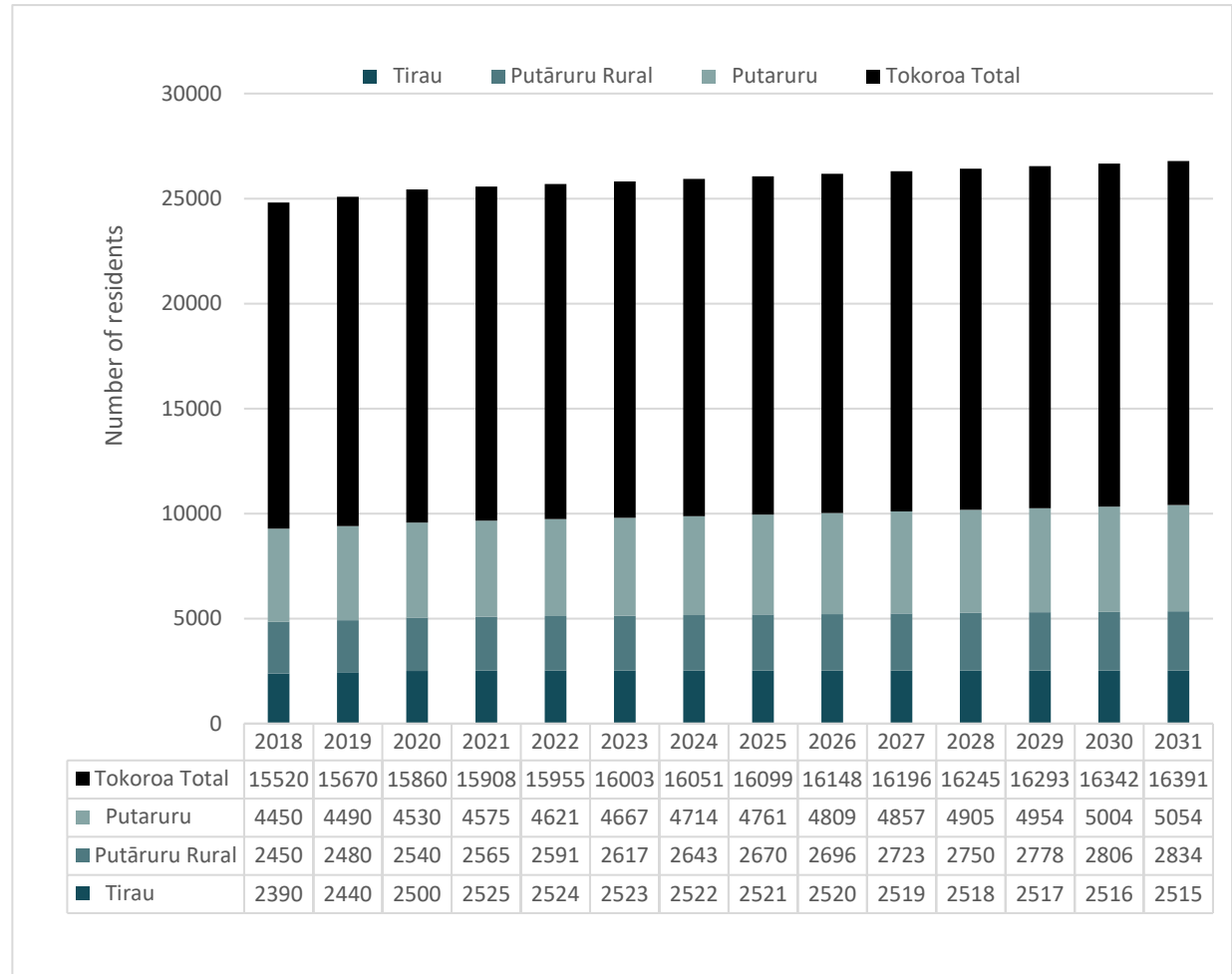
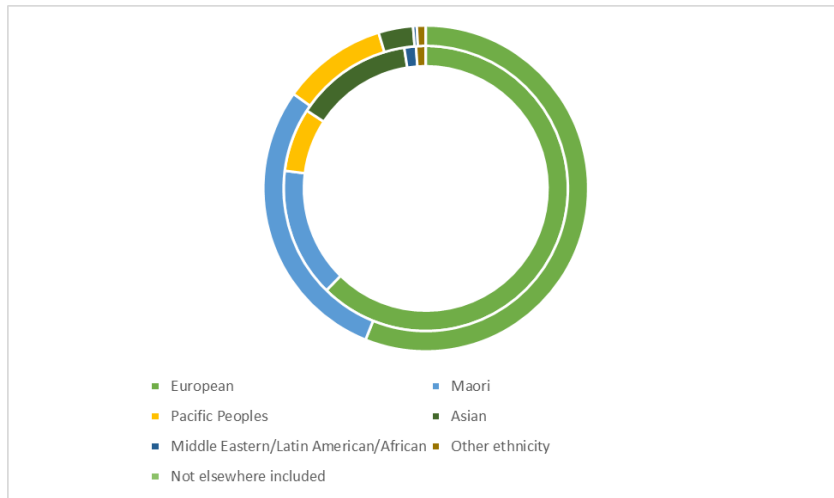


Figure 1. Number of residents per year for each ward. Source: Stats NZ May 2020.

## Ethnicity

Our District has a diverse ethnic community, and this is an important part of our District's identity. Currently over a third (35%) of our community members recognise themselves to be of Māori descent and around 13 percent recognise themselves as being from Pacific descent.



**Figure 2. Ethnic diversity in the South Waikato District (outer) and Aotearoa New Zealand (inner) obtained from Stats NZ May 2020.**

We are expecting to see a natural decrease in the European population while our young Māori and Pacifica whānau numbers will increase. It is predicted that our District will also have an increase in Asian families who will join us and grow their established families.

## Age

As previously mentioned our population is increasing and is aligned with national figures.

Our community members aged 65 years and older will continue to increase. However, unlike the rest of Aotearoa New Zealand, the South Waikato has a lot of children and will also continue to grow.

The age of our community will change over the coming decade. The average age of our District is 37.9 years and the average age of Māori in our District is 24.6 years.

Our District will see an increase of Māori (2018 – 8,270; 2033 – 9,630) and Pacifica peoples (2018 – 3,220; 2033 – 3,730).

Both groups will continue to be significantly younger than the average age of the District's population (2018 - 37.9, 2028 - 40.9). In 2038 our District will have a high proportion of Māori and Pacifica people (62%) of who will have a median age of 21 years with predominately male between the age of 15 and 39 years (c. 3,000), compared to their female counterparts (2,340).



*The Festival of Cultures is popular with locals and visitors alike*

## Our District's issues | Ngā kaupapa ō tā mātou takiwā

To shape our District in a way that will enable us to have a strong future with improved well-being for our community, we need to look at the issues and barriers that are constraining our growth. We know that our communities can come together and support each other well. We are now focusing on mitigating constraining factors to improve the well-being of our communities and this means addressing some of the main challenges that our District faces.

### Growth

Supporting and encouraging district growth is a priority for Council and our community. We can't properly plan or prepare for growth without first understanding the capacity and capability of our current infrastructure. This is established by doing asset modelling. We have been working on this modelling for several years, in response to our growth trends.

Recent housing and business assessments undertaken for Tīrau and Tokoroa have been endorsed by Council, to start workstreams to rezone additional land for development. We have identified the need to invest at scale and at pace, or there is a risk we will miss out on economic growth and employment opportunities for our people.

Economic growth has grown in momentum in recent years and our community is starting to flourish as we benefit from economic opportunities, but we are currently constrained in what we can offer businesses because we don't have the supporting infrastructure. Enabling infrastructure is required to open up land for development

### Increased population growth

Council was aware from the Long Term Plan 2018-28 that more people were moving to our District, following nearly 20 years of population decline, which alongside a higher birth rate resulted in a 1% per annum increase in population since 2015. This was reinforced through the 2018 census. Council, through its 30 year asset management strategy (Infrastructure Strategy in Part Three), needs to ensure that there is enough infrastructure

and resources available to be able to provide a level of service to all residents, both now and in the future as well as the needs of business and industry.

### Deprivation

Growth has brought with it challenges and opportunities but our community is rated as the fifth most deprived district in Aotearoa New Zealand.<sup>1</sup> The following seven indicators are used to measure deprivation: employment, income, crime, housing, health, education and access. For our District particularly, we have high ranks of deprivation for employment, income, and education (Q5, out of five levels). By contrast crime, housing, health and access to services deprivation has moderate levels of deprivation (Q3).

Understanding and measuring these challenges lets Council know the issues that we need to focus on in partnership with local stakeholders such as iwi, the Ministry for Social Development, District Health Board, Waikato Regional Council, Ministry for Education and the New Zealand Police, to improve the well-being for our communities.

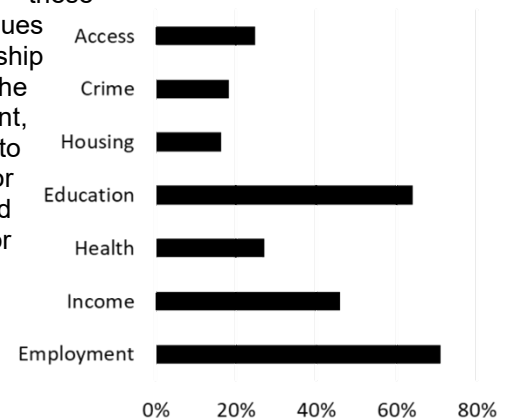


Figure 3. South Waikato percentage of total population living in area that are Q5 on specific deprivation domains obtained from Stats NZ May 2020.

<sup>1</sup> Source: McMillan, R. & Exeter, D. (2018). Socioeconomic Deprivation in the Waikato Region. Unising the Index of Multiple Deprivation (Auckland University).

Council actively advocates with central government for increased investment into the District alongside the South Waikato Investment Fund Trust (SWIFT). The recent announcement of a \$10.8m investment from the Provincial Development Unit to support the building of a purpose built \$14m trade training centre in Tokoroa provides evidence that government wishes to partner with Council to improve the well-being of our community and reduce relative levels of deprivation.

## High unemployment

Our residents can find it a challenge to gain secure employment within our District with an unemployment rate of 6.9% compared to 4.3% unemployment rate of New Zealand (2019). This has been a negative impact of COVID-19 in the short term. It has been recognised that there are two key contributing factors; knowledge levels and skills and experience.

Many of the employment opportunities requiring high levels of skill, qualifications or experience are often filled by non-residents, who commute to work in the District. Many of the roles that are either insecure, contract positions as well as those at the lower end of the remuneration scale, are filled by locals. This has been referred to as the “value gap”, which is the income variance between the average value of employed positions in the District, i.e what is paid (c.\$55,000 per annum) compared to the average annual income of residents of the District (c.\$25,000 per annum).<sup>2</sup>

Council alongside other local stakeholders is focussed on increasing the skills, experience and educational attainment of our community. Alongside this, Council wish to encourage an innovation and entrepreneurial ecosystem within the District to support start-up businesses and entrepreneurs to develop and grow businesses whilst continuing to live in the District. As part of our economic development strategy we are encouraging the development and supply of a wider range of housing solutions to provide attractive options for those in highly paid employment locally to make their home in the District.

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<sup>2</sup> Source: Census 2018 (Statistic New Zealand ) & Infometrics New Zealand

<sup>3</sup> Source: David Scott 2018 *Post-school labour-market outcomes of school-based NCEA*, Ministry of Education.

Council alongside SWIFT supports the growth of existing enterprises and thus the growth of local employment opportunities and actively markets and promotes the District to investors, regionally, nationally and internationally.

## Sub optimal educational achievement

The National Certificate of Educational Achievement Level 2 (NCEA Level 2) is the second stage of upper-secondary education and serves as a foundation for further study and/or employment. NCEA Level 2, as with all levels of NCEA, encompasses a wide range of learning. Students can attain credits through internal and external assessment, and they can accumulate these credits both within and across years.

The attainment of an upper secondary school qualification is linked to labour force status and incomes. Every year around 60,000 young people nationally leave school and face choices about what to do next. Not being in employment, further education or training (NEET) affects 18.6% of school leavers in the District.

The recent research done by Scott (2018)<sup>3</sup> found that NCEA level 2 leavers are slightly more likely to go directly into work than their Level 3 peers, who are slightly more likely to enrol in a tertiary institution. The group with NCEA 2 has more accumulated earnings in the 7 years since leaving school than the UE group. While there is not much difference between earnings for NCEA level 2 and level 3 groups, those with NCEA level 1 school achievement have earned 15% less than NCEA level 2 peers, and those with no achievement are earning 51% less. (Scott, 2018).

In 2019, 79% of school leavers in New Zealand achieved NCEA Level 2 or above, in the South Waikato this stood at 67.6% putting the District in the lower quintile (bottom 20%) of Territorial Authority and Auckland Local Boards.<sup>4</sup>

<sup>4</sup> Source: Ministry of Education, August 2020

## Low connectivity

An important part of a person's and community's well-being is determined by how connected they are to others and their ability to access essential services such as GPs, supermarkets, service stations, schools and early childhood centres. Transport, roading and internet access are contributing factors to shaping a well-connected community.

Some areas of our District do not have good internet connectivity, rural and remote areas specifically, and so are disadvantaged to gaining access to many services that are now delivered online. Others do not have access to online services and the internet either through this being unaffordable, a lack of devices (computers/tablets/smartphones) or computer skills. This was visible during COVID-19 as information and extra resources were provided to ensure community members received the information they required, both online and offline. In an age where the use of the internet will continue to increase, it is important for Council to reduce digital disadvantage through widening access for our community to online services and information.

Another aspect of connectivity is residents' ability to safely reach the services they require. We have many residents that have mobility issues and a low level of vehicle ownerships and licenses in our District, and these issues need to be worked on in collaboration with internet and transport providers, health and social service providers and funders.

## Housing quantity and quality

The South Waikato has a mix of private owner occupier and rentals, lifestyle, dairy properties and social housing. A substantial part of the housing stock was developed in the 1950's and is nearing the end of its life and will require investment in renovations or replacement.

District house prices have increased by 129% from May 2010 to May 2020. Similarly, house rentals have increased by 105% over the same period.<sup>5</sup> These increases are significantly larger than the growth in average earnings over the same period. This has placed significant pressure on affordability for our community and squeezed disposable income which is used for food,

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<sup>5</sup> Source: QV New Zealand, September 2020

clothing, transportation and entertainment, especially for those sections of the community on the lowest incomes.

Council is working closely with Kāinga Ora; the Ministry of Housing and Urban Development (HUD); private developers; iwi and Community Housing Providers (CHP) to facilitate and encourage a range of housing solutions and increased supply to moderate both the rates of price increase and rent increases and to ensure there is enough new capacity to meet demand across the entire housing spectrum.

The District is facing a significant requirement for increased social housing, having the highest waiting lists within the Waikato, which have increased from 22 people in 2018 to 94 in November 2020.<sup>6</sup>

Our District has, by far, the lowest level of social housing per capita in the Waikato Region. This is particularly concerning given the high levels of deprivation in our District.

Council is working with local and national stakeholders to facilitate the development of progressive housing solutions within the District. These models can support our community to achieve a form of home ownership through a part buy/part rent model and/or develop new culturally sensitive models of community housing.

Another issue that our District faces is the quality of homes as many of the houses were built during the 1960s and 70s and require maintenance for homes to be considered healthy for its occupants. Throughout our District, 25% of homes have dampness issues, 24% live in overcrowded households and 16% of homes lack one or more amenities. Living in an unhealthy home leads to individuals living with health issues.

<sup>6</sup> Source: Ministry of Social Development, November 2020

## Our leadership | Tā mātou hautūtanga

Elected Member Contact Details	
Mayor	Contact email
<b>Gary Petley</b>	<a href="mailto:gary.petley@southwaikato.govt.nz">gary.petley@southwaikato.govt.nz</a>
<b>Councillors</b>	
<b>Sandra Wallace</b>	<a href="mailto:sandra.wallace@southwaikato.govt.nz">sandra.wallace@southwaikato.govt.nz</a>
<b>Marie Farrell</b>	<a href="mailto:marie.farrell@southwaikato.govt.nz">marie.farrell@southwaikato.govt.nz</a>
<b>Hans Nelis</b>	<a href="mailto:hans.nelis@southwaikato.govt.nz">hans.nelis@southwaikato.govt.nz</a>
<b>Maria Te Kanawa</b>	<a href="mailto:maria.tekanawa@southwaikato.govt.nz">maria.tekanawa@southwaikato.govt.nz</a>
<b>Hamish Daine</b>	<a href="mailto:hamish.daine@southwaikato.govt.nz">hamish.daine@southwaikato.govt.nz</a>
<b>Thomas Lee</b>	<a href="mailto:thomas.lee@southwaikato.govt.nz">thomas.lee@southwaikato.govt.nz</a>
<b>Bill Machen</b>	<a href="mailto:bill.machen@southwaikato.govt.nz">bill.machen@southwaikato.govt.nz</a>
<b>Rebekah Garner</b>	<a href="mailto:rebekah.garner@southwaikato.govt.nz">rebekah.garner@southwaikato.govt.nz</a>
<b>Josiah Teokotai</b>	<a href="mailto:josiah.teokotai2@southwaikato.govt.nz">josiah.teokotai2@southwaikato.govt.nz</a>
<b>Kerry Purdy</b>	<a href="mailto:kerry.purdy@southwaikato.govt.nz">kerry.purdy@southwaikato.govt.nz</a>



## Tirau Community Board | Te poari ō te hapori i Tirau

Tirau is the northernmost ward of our District and is the town that greets travellers from Northland, Auckland, Hamilton and other towns in between who are using State Highway One to get to their destination.

As part of the local government elections, residents in Tirau can elect who they want to represent them, and advocate what they want in their town and ward. The Tirau Community Board meet every month at an open forum meeting to hear what Tirau want secured for their town to be shaped in a way that they believe will provide a strong future for their growing communities.

Tirau Community Board	
<b>Kevin Slater</b>	<a href="mailto:kevin.slater@southwaikato.govt.nz">kevin.slater@southwaikato.govt.nz</a>
<b>Gaby Bond</b>	<a href="mailto:Gaby.bond@southwaikato.govt.nz">Gaby.bond@southwaikato.govt.nz</a>
<b>Graham Singers</b>	<a href="mailto:Graham.singers@southwaikato.govt.nz">Graham.singers@southwaikato.govt.nz</a>
<b>Jessica Wanden</b>	<a href="mailto:Jessica.wanden@southwaikato.govt.nz">Jessica.wanden@southwaikato.govt.nz</a>

## Māori capacity to contribute to decision-making process | Te āheitanga ō ngā Māori ki te uta atu ki te whakatau kaupapa

Council values the relationships it has with Raukawa, Māori and other iwi that have an interest in the activities that Council carries out. Council works with Raukawa and iwi groups, guided by Acts, Memorandums of Understanding and Joint Management Agreements.

We collaborate with iwi groups on items of interest that requires iwi input through the Resource Management Act 1991 and other legislation. The exciting work has been in the sharing of stories to develop art pieces and the inclusion of the stories of Raukawa and the story of Māori who have journeyed away from their tūrangawaewae (ancestral homelands) to establish a home on the lands within our District.

After discussions with Raukawa representatives, Council decided that there was good representation of its community members including those who are of Māori descent. Although Raukawa has no official representative on the Council, the engagement through the partnership documents and the processes in place provide the opportunity for iwi and Māori views to be heard.



# Long Term Plan 2021-31

## Mahere pae tawhiti



### PART 3

## Shaping our plan

- Our journey
- Our Council's challenges
- What our communities told us
- Our strategic direction
- Our community outcomes
- Our key strategies



SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.

## Our journey | Tā mātou haerenga

### Kia whakatōmuri te haere whakamua

Our District has overcome big changes since finding out in 2015 that our population was not declining and that the District had experienced a resurgence and unexpected growth in population. Council recognised that business needed to change and with the induction of a new Chief Executive at the end of 2018, Council had a review to ensure that we were able to secure and deliver the appropriate level of service to our communities. This meant a focus on building meaningful relationships, ensuring our District and communities were in a good position to accommodate growth and be adaptable for the changes that would be impacting our District.

The unexpected population growth led Council to Putāruru where most of the growth was occurring. Council engaged with the Putāruru communities and co-developed the Putāruru Concept Plan. Our District decided to secure funding through the implementation of the Development and Financial Contributions Policy and shape the locations of development through a change in the District Plan. Both these actions were finalised just before COVID-19 lockdown in 2020 through the LTP Amendment process.

The COVID-19 lockdown provided the opportunity for Council to build relationships with service providers throughout our District, our Region and at a national level, and together we worked to secure funds for capital projects.

We are now continuing our journey with this LTP Amendment to ensure that we are in the best position to attract and facilitate investment by having appropriate infrastructure to support land development.

We continue to shape the future of our District with our Treaty partners, our community groups and stakeholders who will assist to secure resources that will help fulfil our vision and community outcomes.

### We wanted to know more

With so many different things impacting on our community, we knew that it was important to gather as much information as possible, so we increased resourcing to be able to get out and talk with our community groups.

Council met with groups such as senior citizens, tertiary groups, police and youth social service providers. We also reviewed service requests, and submissions made through previous consultations, as well as reviewing what topics were raised in public forums at Council meetings. This gave more insights into the lived experiences of members and whānau in our communities.

COVID-19 lockdown also presented the opportunity for us to get to know our communities more and how we can work to provide a safer community for our vulnerable groups. COVID-19 further highlighted the issues our District has with rising unemployment, low internet connectivity in some of our areas, housing issues (both quality and quantity), and community safety and cohesiveness. More about these issues are presented in the section of “Our District’s issues”.

Staff also developed an Environmental Scan that captured some regional and national changes that will be having an impact on the District and rate-payers. Of particular interest is the Three Waters Reform, climate change legislation, building regulations and solid waste and waste minimisation. These and other legislative changes will have an impact for our District. Further details on these are outlined under “Our Council’s challenges”. All this information has fed into the development of the town’s concept plans, and there are summaries in Part Three, under “what our communities told us”.

The engagement that has occurred has informed Councillors in their decision making process and the development of Council’s strategic direction.

## Our Council's Challenges | Ngā wero ō tā mātou Kaunihera

Council has an ever-increasing range of responsibilities to deal with. It has an expanding list of new projects and initiatives to support the economic, cultural, social and environmental well-being of our communities.

There is pressure on costs well outside normal inflationary trends because of specific cost increases from technology, a need for improved compliance with environmental standards, legislative change and a lack of contractors available to deliver the work and growth.

### Growth Impact on Infrastructure (and planning)

Approximately 500 new housing and some business lots have been newly zoned during a recent District Plan change in Putāruru. 100 additional residential lots have been catered for in terms of infrastructure planning. These 100 lots would come from subdivision of currently zoned residential land. The creation of this additional land required Council to do detailed investigation into whether there was Council infrastructure (roading, water, wastewater, stormwater, parks and reserves) to support this extra development. The outcome was that \$29.4m will be required over the next 30 years to make the Council provided infrastructure available to cope with this development. This will be largely collected through Development Contributions paid by developers and recovered in the cost of the sale price of the section.

### Water Supply

With water we are increasing the capacity of water reticulation to meet firefighting standards within the townships of Tokoroa and Tīrau and increasing the capacity of the water reticulation to meet growth requirements in these townships. Allowance for growth within Putāruru was included in the 2021- 31 LTP.

We are also improving remote monitoring and reporting systems to ensure that the water treatment systems operate effectively and efficiently, thereby ensuring the water supply to residents is safe and meets the New Zealand drinking water standards.

### Wastewater

With wastewater we are increasing the capacity of wastewater system to meet expected growth within the townships of Tokoroa and Tīrau. Allowance for growth in Putāruru was included in the 2021-31 LTP. We are also improving remote monitoring and reporting system to ensure that the treatment of wastewater is effective and efficient, thereby ensuring the treated wastewater is discharged safely and in compliance with resource consent conditions.

### Stormwater

We are increasing the capacity of the stormwater systems in Tokoroa, Putāruru and Tīrau townships, to improve the protection of property and dwellings from stormwater events. Improving the capacity of the stormwater systems will reduce the frequency and severity of flooding. The increased capacity will also account for the climate changes effects which are expected to increase the intensity and frequency of severe rainfall events.



## Three Waters Reform | Ngā wai whakahoutanga e toru

### Background

Over the past three years central and local government have been considering solutions to challenges faced in regard to the ownership, management and funding of drinking water, wastewater and stormwater. A joint approach to developing a solution is being worked on. This is likely to lead to significant reforms in the three waters activities currently delivered by local government.

The regulation and delivery of three water services has seen the development of new drinking water regulator, Taumata Arowai, to oversee and enforce a new drinking water regulatory framework, with an additional oversight role for wastewater and stormwater networks.

While addressing the regulatory issues, both central and local government acknowledge that there are broader challenges facing the delivery of water services and infrastructure, and the communities that fund and rely on these services. There has been regulatory failure, underinvestment in three waters infrastructure in parts of the country, and persistent affordability challenges. Additional investment is required to increase public confidence in the safety of drinking water and to improve freshwater outcomes.

The reform process and stimulus funding, proposed by Government, is designed to support economic recovery post COVID-19 and to address persistent systemic issues facing the three waters sector. This will be implemented through a combination of stimulating investment to assist economic recovery through job creation, sustaining investment in water infrastructure renewals and maintenance and reforming current water service delivery into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term.

It is planned that the new water service delivery entities are:

- of significant scale (most likely multi -regional) to enable benefits from aggregation to be achieved over the medium to long-term;

- asset owning entities, with balance sheet separation to support improved access to capital, alternative funding instruments and improved balance sheet strength; and
- structured as statutory entities with appropriate and relevant commercial disciplines and competency-based boards.

They will deliver drinking water and wastewater services as a priority, with the ability to extend to stormwater service provision. It is unclear at this stage whether this will occur. The new entities will be publicly owned, with a preference for collective council ownership and will have mechanisms for enabling communities to provide input in relation to the new entities.

There will also be an ongoing programme of engagement with local government, iwi and Māori, the wider three water services sector and communities of interest.

Council has pulled together a collection of high level and detailed data, including financial statements and positions, upcoming capital and operational budgets, customer service information, compliance status and projections, relevant resource consent information, population, number of connections and human resources information.

### Government Policy and Funding

The Government made policy decisions relating to the reforms in May 2021, to enable legislation to be prepared for introduction in late 2021. This will include decisions on what the new water services entities will look like and the number and boundaries of these entities.

Central Government has provided \$761m to local government to support some of the immediate work that is required in the three waters activities. Approximately \$50m will be used to set up the water regulator. South Waikato District Council, by signing a Memorandum of Understanding with the Government, has opted into the first round of engagement with government to be able to receive its share of this \$761m, being \$3.88m. This funding has been included in the LTP budget with expenditure starting in 2020/21.

Local authorities will be asked to decide to participate in the new service delivery system in late 2021. Local government and central government will engage with communities on the important decision of whether to be part of a new multi-regional entity or whether to continue delivering these services ourselves. For councils that participate in the reforms, any transfer of responsibilities and assets is likely to occur from 2023/24. Potential Impacts on Council and the Community

Impacts on our Council are significant and varied. A very high-level view of these is detailed below:

- One of these larger entities, possibly a larger area than the current Waikato region, is likely to own and control water, wastewater and possibly stormwater activities.
- The three waters account for 32% of Council's operating costs and 18% of its assets so this could impact the size and scale of Council operations, because these activities will share the cost of shared overheads and Council services.

For a comprehensive view of the financials associated with these three entities please see Part Six.

- Significant assets and some liabilities will pass to the new entity reducing the scale of Council's activities and balance sheet.
- A local voice – how small local communities will have a say in the upgrade in their water and wastewater assets, when dealing with a large entity.

It is not clear how private providers of water (eg. private schemes, commercial and marae based providers) will be impacted by these reforms, but regulation of these schemes is highly likely.

### **New face of local government**

With the proposed changes in the structure of local government that are likely to occur following the implementation of the Three Waters Reforms, central and local government have been considering the involvement of local government in other sectors that had traditionally been sole domain of central government activities. This process has only just begun so it is very unclear what implications this will have for local government.



## Solid Waste Management and Waste Minimisation

Every six years Council has to update its Waste Minimisation Plan which considers the most effective way to manage the collection, processing and disposal of solid waste and recycling in our District. This was done three years ago and Council has been implementing these changes since then.

### Kerbside collection using wheelie bins for both recycling and rubbish

The move for recycling from small individual crates to a 240litre wheelie bin and crates only for glass will be a challenge from 1 July 2021 and will require a significant amount of community education.

- Closure of the Tokoroa landfill.
- Opening of Tokoroa Transfer Station.
- Waste minimisation education.
- Climate change planning.

From an economic development perspective, the effects of climate change will provide challenges and opportunities for the primary sector which accounts for the largest part of our economy within the District as well as secondary industries which support with goods and services. Increasing temperatures may result in significant droughts impacting dairy yields and the increased fire risk threat to the Pinus radiata plantations within the District. Increased demand for water from the Waikato River will require increased efficiencies in how agriculture, industry and domestic users utilise this resource. These factors shape our approach to planning for growth. We must consider what type of growth has the lowest impact on the natural environment and our scarce resources and can yield the greatest return through GDP and employment.

Council are targeting new enterprises that are predominately 'dry' industries, with a focus on timber processing and waste reprocessing, to establish operations within the District to optimise the value we derive from our primary produce. We encourage technology-based start-ups and existing companies that are focused on innovation in the fibre, dairy, engineering, logistics and warehousing sectors. For example, by minimising methane

emissions from dairy herds through mineral feed supplements and by developing Pinus radiata seedlings which are more drought resilient.

When planning for future residential development, we use the latest modelling to forecast potential flood prone areas amongst many factors that shape how and where we plan for future housing growth. Council encourages the increased density of our existing settlements and the redevelopment of unused 'brownfield' industrial land, thus optimising use of existing waters and power infrastructure and minimising the need for new 'greenfield' developments outside of existing urban boundaries. This however may still be necessary to accommodate growth.

From an infrastructure perspective, significant planning goes into supporting the changing needs:

- Stormwater designs now include allowance for 50 years of climate change and consider recent data for storm events;
- Storm water storage in reticulation (at pump-stations) allows for more intense rainfall events;
- Storm water designs include low impact designs with storm water ponds to improve treatment of storm water and better able to accommodate more intense rainfall events;
- Continued conversion to LED street lighting to reduce energy usage;
- Use of variable speed drive pumps to reduce power usage;
- Use of telemetry control to improve power use (option to use off peak power) and reduce need for staff to travel to remote pump station to monitor (remote monitoring); and
- Storm water hazard modelling and mapping to discourage houses being built in potentially flood prone areas links into district planning.



## Waka Kotahi funding change

On 31 May 2021 Waka Kotahi officially advised Council to reduce their three year subsidised work maintenance programme from \$22,640,000 to \$20,000,000. This is for the period 2021/22 to 2023/24. The changes made that influence levels of service include the removal of new footpath extensions, maintaining our current level of service for roadside vegetation control, and a reduction of our pavement rehabilitation programme by approximately one third. This essentially is an approach to “maintain what we have” with the lowest level of risk to the network.

Reducing our pavement rehabilitation programme will be the highest risk item where staff will have to adopt a holding strategy on sites that have been deferred. This might include a “sacrificial” surfacing treatment in an attempt to slow down the rate of failure until Council is able to undertake the necessary road strengthening work. Council has received many service requests around the standard of vegetation control so an additional allowance was made to lift this level of service. This has now been removed, following Waka Kotahi’s request to reduce our programme, but is considered to be a low risk item as it will only effect the aesthetics of the road corridor in the rural area. Vegetation control that effects road safety will be undertaken.

While the Waka Kotahi share has been removed, Council’s rates funded share has been retained in the event funding becomes available at a later date from Waka Kotahi and as a safeguard against costs increasing once we re-tender the maintenance contract in June 2022. There is therefore a nil impact on rates.

## **Legislative Changes to the Resource Management Act 1991**

Resource Management Act (RMA) reform will have a significant impact on our community and potentially the way Council delivers its planning services.

The Government has advised it is committed to reforming the resource management system in the current parliamentary term. Minister Parker has publicly advised the reform will be based on the comprehensive review of the resource management system carried out by the independent Resource Management Review Panel, led by Hon Tony Randerson, QC.

The Panel recommended the RMA is replaced by several new laws. These are:

- Natural and Built Environments Act (NBA)
- Strategic Planning Act (SPA)
- Managed Retreat and Climate Change Adaptation Act (CAA).

### **New Natural and Built Environments Act**

The NBA's proposed purpose is to enhance the quality of the built and natural environment, for the well-being of current and future generations, within environmental limits.

The Panel proposed a system of outcomes, limits and targets set through a national planning framework (one plan for each region prepared by local government and mana whenua). These plans would be consistent with regional spatial strategies (under the Strategic Planning Act) and direct which activities do and do not require consent.

### **New Strategic Planning Act**

This proposed Act provides for the development of long-term regional spatial strategies that integrate land-use planning, environmental regulation, infrastructure provision and climate change response.

The Act would integrate various legislative functions under the proposed Natural and Built Environments Act, the Local Government Act 2002, the Land Transport Management Act 2003 and the Climate Change Response Act 2002. It would mandate the use of spatial planning, requiring central government, local government and mana whenua to work together to develop long-term regional spatial strategies (30 years minimum).

### **New Managed Retreat and Climate Change Adaptation Act**

This Act would focus on the necessary steps to address the effects of climate change and natural hazards. It would deal with the many complex legal and technical issues (eg. liability and compensation) around managed retreat.

### **Next steps**

The Government wants to be in a position to introduce the two bills for their first reading in Parliament, and to enact them by the end of 2022. In a parallel process, progress should be made on the Managed Retreat and Climate Change Adaptation Bill.

### **Implications**

There is a risk that smaller rural communities like South Waikato will be low on the list of priorities for spatial planning and access to resources in favour of larger urban areas with higher growth and a stronger profile.

There is also a risk that there will be less community input in planning matters as spatial planning will be regionally led, with appeal rights greatly reduced. Council has not budgeted specifically to respond to these changes at this time

# What our communities told us | Ngā korero mai I te hapori

## What our communities told us during the consultation process for the 2021-31 Long term plan amendment.

Consultation on the draft 2021-31 Long Term Plan Amendment was required under *the Local Government Act 2022 – Section 83 – A Special Consultative Procedure*.

The consultation period ran from the 19 October 2022 and closed at 5 pm on 18 November 2022. This included two public drop-in sessions held in Putaruru - 27 October 2022 and Tokoroa - 25 October 2022. The consultation period also included the provision of a consultation document, a media promotion campaign, social media posts, print and website activities. An online platform was provided for submissions with Facebook available for private messages and hardcopies of documents could be mailed or delivered to Council offices, Libraries or the Dog in Tirau. Submissions could also be emailed to our info email address.

Over the period of the consultation our community told us through a variety of written submissions and attendance at drop in sessions that there was a need for increased housing options, and the size of residential sections available for infill housing could be addressed. There were concerns about future inflation increases and sustained cost escalations in the global market that could affect future procurement. They would like to see an increase in the level of detail for the modelling of the projects and asked if the projects could be staged.

Some submissions were of concerns for the wellbeing of the districts community including the cost of living crisis and how the current economic situation is creating hardship for some residents and how an increase in rates may add further stress.

Some told us that the creation of employment, homes and businesses provided by this infrastructure was a good thing and would enable development and intensification of existing urban areas.

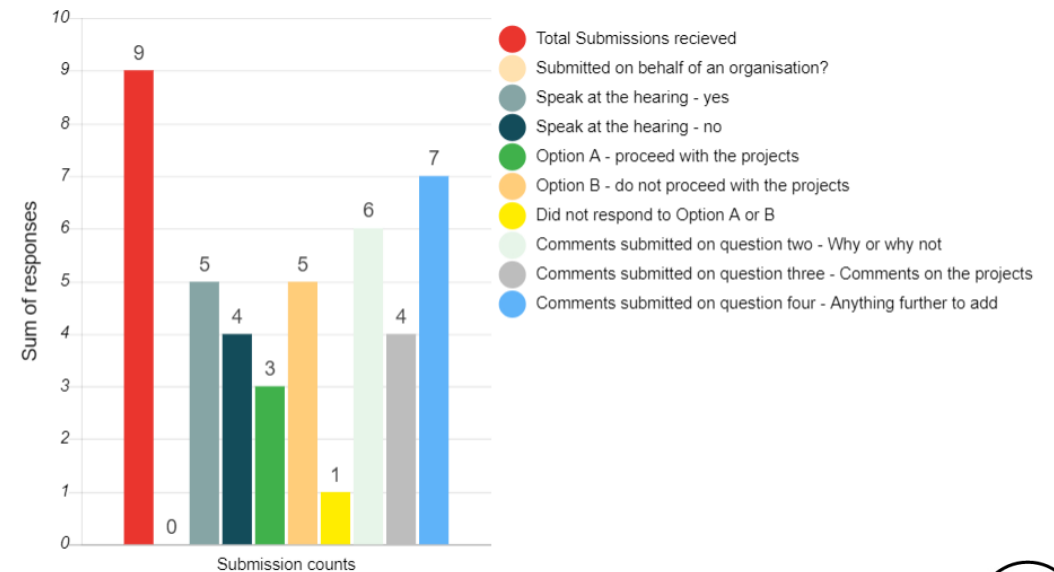
There were submissions querying the direction of the Three waters reform and transition to the three waters entity and what that means for the district.

Hearings and deliberations proceeded on 1 December 2022 with four speakers talking to their submissions.

Speakers attending the hearing commented on a variety of topics including the need for future growth for our community, requirements for increased housing, a change in section sizes for infill housing, thinking differently and using an innovative approach, creating a point of difference for our council, checking the shovel readiness of projects and what this means, how to explore development contributions further, staging projects, and providing more detail in the modelling.

Overall, nine submissions were received with five submissions selecting option B to not proceed, three submissions selecting option A to proceed. Four speakers attending the hearing with three in support and one giving qualified support of the Council proceeding with the draft 2021-31 Long Term Plan amendment.

Submission responses



## What our communities told us consultation 2021-31 Long Term Plan

We have focused on creating spaces and opportunities for our communities to let us know what they want in our District's towns, parks, communities and the level of service Council provides. During the past three years we have engaged on recycling, development contributions, how to utilise our parks and reserves and gathered ideas for the heated indoor pools and library in Tokoroa. We have also been out and about reviewing the concept plans for each town and discussing the community programmes, such as Warm Homes, Clean Air and Waste Minimisation. Our District has been busy shaping our future and COVID-19 changed some views and reinforced others.

The importance of recreational spaces were highlighted as people's movement was restricted over the COVID-19 lockdown. However, our District showed its strength, as it rallied together to support the more vulnerable members and whānau in our communities. COVID-19 also highlighted the importance of being connected through transport and roading as well as accessibility through the internet.

Over the past eighteen months our communities have helped to shape this LTP through attending public forums, focus groups, participating in surveys and making formal submissions. Staff have also looked at service requests to get a picture of what is happening in our communities and where the concerns are. Staff have met with iwi, health, education, businesses, social service providers and special interest groups to hear and understand what their experiences and challenges are. Our community has been great at letting Council know what it is doing well and where we are improving, which is helpful to continue towards a strong future.

## Formal consultation

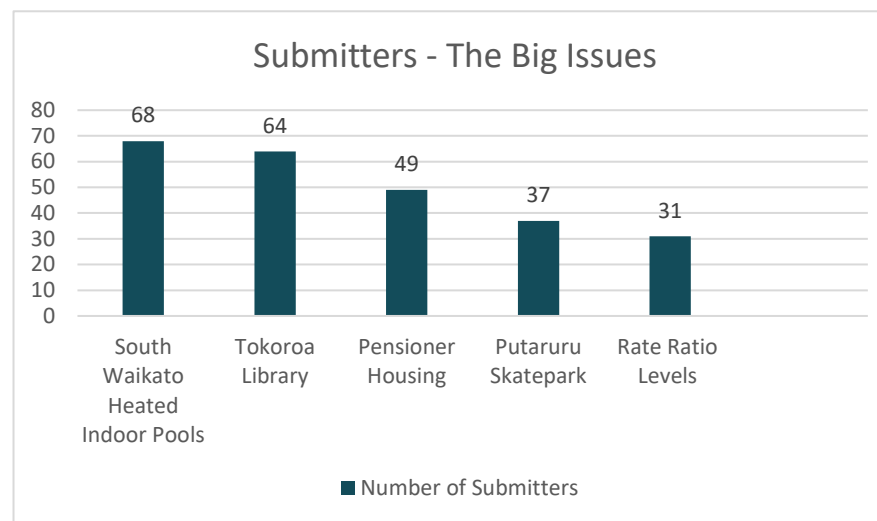
The five week Securing Today, Shaping Tomorrow, Strong Future campaign was successful in community engagement across the District. We engaged with the community at more than 20 organised meetings, community events and spaces, and attracted hundreds more on social media and the Council website.

We wanted to ensure that all of the community had an opportunity to participate in securing today to shape tomorrow for a strong future for our

District. Formal consultation opened on 22 March and closed 26 April 2021, followed by Council hearings and deliberations from 17 May until 27 May 2021. Changes were incorporated before the final 2021 – 2031 Long Term Plan was adopted by Council on 30 June 2021.

- 1100 copies of the consultation document were printed and distributed throughout the community
- 14 public drop in sessions and public meetings were held
- The Council website, social media, Antenna, print media and online advertising were used to inform the public about the LTP and how to have a say
- Council received a total of 148 submissions, with 355 submission points. Of these, 249 were in reference to the five Big Issues from the Consultation Document
- 28 submitters took the opportunity to speak to their submission at the hearings

## The Big Issues | Ngā kaupapa nui



## **Putāruru Skatepark**

Option B resolved by Council. 78% of submitters opted for the funding of an enhanced skatepark facility, which was Option B. Council has committed \$550,000 towards the project, and it is likely that additional funding will be sourced from other funders.

## **Pensioner Housing**

Option B resolved by Council. 80% of submitters preferred that the weekly rent is increased over three years, which was Option B. Given the legislation requiring capital upgrades and the shortfall for existing maintenance, rentals have to increase and increasing over three years is the better option for tenants.

## **Uniform Annual General Charge**

Option A resolved by Council for years 1, 2 and 3. The majority of submitters wanted to decrease the level of UAGC from the current 25% to 22% in year 1 and 16% in years 2 and 3, which was Option A for all years. Reducing the level of the UAGC allows Council to smooth the rate revenue increases across the District.

## **South Waikato Heated Indoor Pools and Tokoroa Library**

The LTP consultation process gave Council a good steer on what the community wanted to see in a future proofed pool facility and a future proofed library and community hub. After significant discussion, Council decided that the decisions regarding sites, keeping the facilities separate or integrating them, relocating the facilities to new locations, refurbishments or new builds required further investigation. Two of the primary concerns were not having a pool open to the community during possible refurbishment of the pools, funding levels and affordability. Funding for these facilities is within the 7.6% average rate revenue increase for year 1. Council will do more investigation and come back out to the community with robust options for consultation.

## **Other Consultation Issues**

### **Asset Replacement**

Option B resolved by Council. 55% of submitters preferred funding asset replacement at 55% for water and wastewater and 0% for stormwater, increasing gradually to 100% from year 5, which was Option B.

### **Fees and Charges**

There were several amendments to the proposed Fees and Charges as a result of community feedback. The removal of spectator fees and fees for preschool aged children as proposed in the Consultation Document was not adopted by Council following community concerns.

The sports ground hire definition was amended to clarify that it only applies to senior sports teams, to reflect the established practice.

The roading financial contribution discount was increased to 70% from 60%.

### **Policies**

There were no changes to the following policies subsequent to consultation:

- Treasury Management Policy
- Postponement of Rates Policy
- Remission of Rates Policy
- Remission of Postponement of Rates Policy
- Remission and Postponement of Rates on Māori Freehold Land Policy
- Significance and Engagement Policy
- Development and Financial Contributions Policy

The average 7.7% average rates revenue increase as proposed in the Consultation Document for the 2021-31 LTP was reduced to a 7.6% average rates revenue increase following the Long Term Plan hearings and deliberations.

## Concept Plans | Ngā Mahere o te Āpōpō

The concept plans represent the projects that each town would like to see happen in their own township. Across all of the towns there were common themes that all of our towns faced and some of these have already been discussed under “Our District’s issues” on page 13:

The main themes to come out of the concept plans were:

- Safety
- Recreational spaces
- Revitalisation of the CBD
- Accessibility and connectivity through transport and internet/phone

### How concept planning is used

- Helps a community to signal to regional and national bodies what is important to the local people, so that these aspirations and actions can be integrated into their respective planning
- Helps inform and guide priority projects that the community want to lead and progress
- Signals opportunities for collaboration and partnerships between iwi, community organisations and businesses.
- Can be used to inform Annual Plans, Long Term Plans, District Plans and other Council Plans and Bylaws
- Helps inform new residents of the key projects the community is working on
- Helps give guidance and clarity to funding and grant applications.

Council considered each of the projects and concerns of each town that are in each concept plan. The projects that Council have agreed to support have been included in this LTP within the appropriate activity. Many of the projects are also included in the Reserves Management Plans as recreational and reserve spaces. Other activities will also be contributing to fulfilling the concept plans: community facilities (indoor swimming pools, the plaza and libraries) and community and economic development.

For further information on each of the towns’ concept plans, please visit ([www.southwaikato.govt.nz/our-council/strategies-plans-policies-bylaws/plans/concept-plans](http://www.southwaikato.govt.nz/our-council/strategies-plans-policies-bylaws/plans/concept-plans))

## Tirau

Tirau is a bustling boutique village known for its corrugated iron artwork and neat vibe!

Those living in Tirau believe that its the best placeto live, work and play.

Centrally located and commutable to main centres such as Tauranga, Hamilton, Rotorua and Taupō, Tirau supports future hopes and aspirations for the wide cross section of community grouping who live and work here. Village charm less than two hours from Auckland!

Come and take a break and 'Take in Tirau'.

For futher information on the Tirau Concept Plan visit Council's website at [www.southwaikato.govt.nz/our-council/strategies-plans-policies-bylaws/plans/concept-plans](http://www.southwaikato.govt.nz/our-council/strategies-plans-policies-bylaws/plans/concept-plans)



## Putāruru

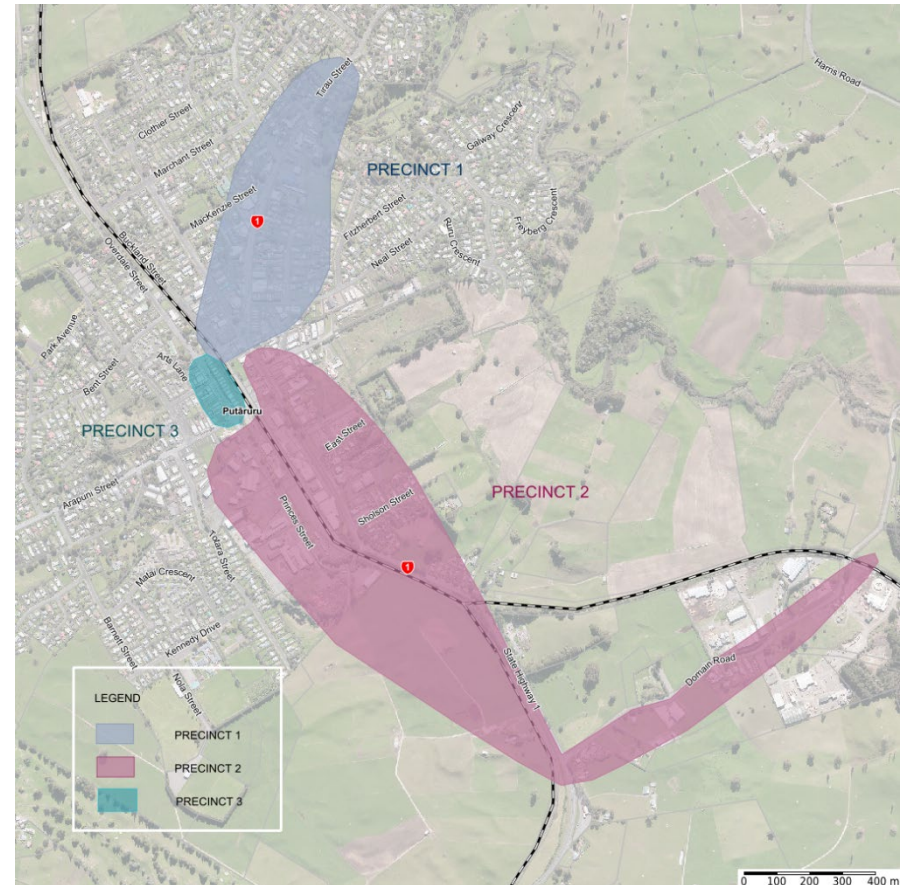
Putāruru is a great place to live with its natural surroundings, resources, central location and an engaged and caring community. The Te Waihou Spring and Walkway is close to the township and there are a number of unique local businesses leveraging off the purity of its surrounds and inspiring a growing interest in artisan food and beverages.

Putāruru's concept planning kicked into action from 2018 and has been driven by Pride In Putāruru (PIP) with support from Council and the South Waikato Investment Fund Trust (SWIFT). Collectively we have seen the town grow and become more vibrant with great services for its residents, the Waikato region and those who visit Putāruru.

Putāruru remained active throughout COVID-19 lockdown as many of the local businesses provide services to the District's main industries of agriculture and forestry. As part of the COVID-19 recovery, PIP along with our Council and SWIFT supported start-up businesses with a short-term market for artisan products made by Putāruru residents. This has now converted into a permanent lease of the store by one of the businesses, who will continue to add to the vibrancy of Putāruru and capitalise on its central location.

Pride in Putāruru continue to increase the vibrancy through its contribution through the Reserve Management Plan and working with Sport Waikato to provide improved leisure spaces for its community. In particular for its youth, seniors and residents with mobility issues.

For further information on the Putāruru Concept Plan visit Council's website at [www.southwaikato.govt.nz/our-council/strategies-plans-policies-bylaws/plans/concept-plans](http://www.southwaikato.govt.nz/our-council/strategies-plans-policies-bylaws/plans/concept-plans)





## Arapuni

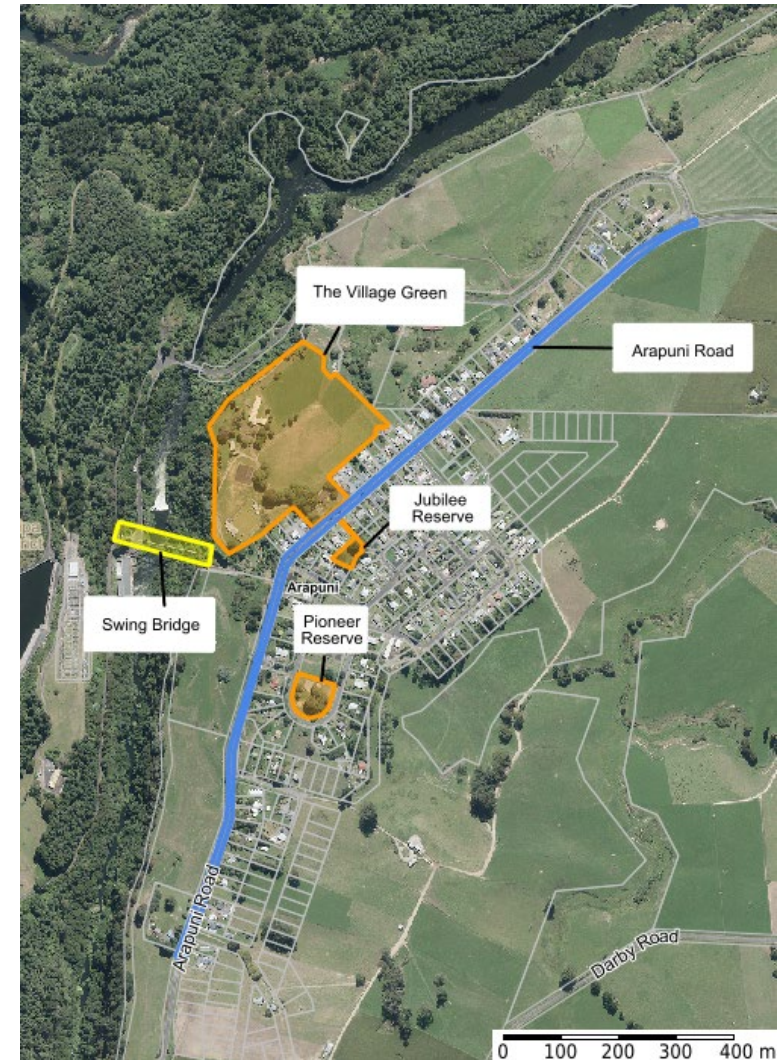
Arapuni is a vibrant and connected community with a deep history and exciting future. The Arapuni Village Community Association (AVCA) was formed specifically to promote a closer, more connected community, increased services to our young and our elderly, and to ensure that the village's needs were actively communicated to Council and other stakeholders.

Ultimately, it's Arapuni village residents that determine Arapuni's future. Their concept plan is critical in informing the framework that the future of Arapuni village is built on. Everyone who lives here, or visits, quickly understands what a unique and special place Arapuni village is. From our historic Hydro Dam, our rivers and lakes, through to the amazing bird life that results from Maungatautari Ecological Reserve, it's crucial that we guide our village's future.

Arapuni village is a place that our people are proud to call their home. A sustainable, diverse, and inclusive community which embraces technology to achieve a balance between the fast pace of modern life and the relaxed lifestyle of a small rural village. A community that values connection, friendship, and support and recognises the impact that our activities have on the natural environment.

Arapuni's focus is to improve its recreational spaces, markets and festivals, and its connectivity. Arapuni has a challenge to get good internet connectivity and is working with Council to advocate for this to be improved. Members of AVCA are also discussing with Council on options to improve footpaths and safety of its roads for their community members.

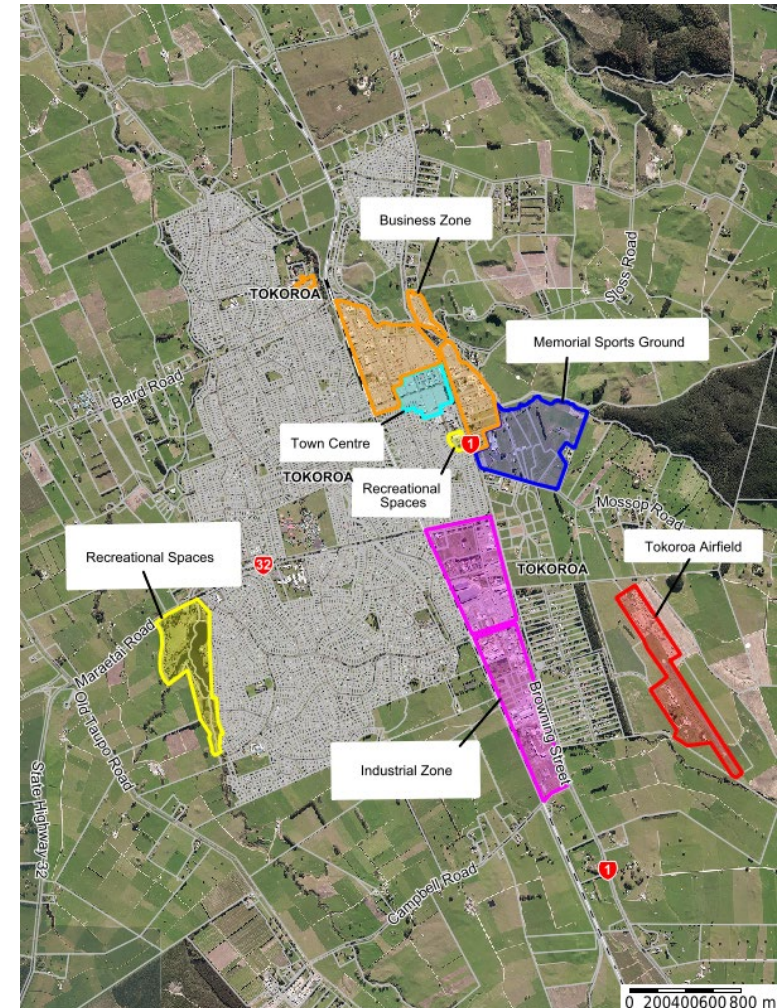
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## Tokoroa

Tokoroa is the largest town in our District and is centrally located, well connected by road and rail; historically and culturally rich with significant growth happening. It is home to an ever-growing community with members from countries around the world. Our culturally diverse close-knit community celebrates its own special identity each year through festivals and events that bring the community together as one. Our strong engineering, forestry, growing educational sector, transport and distribution opportunities provide for a myriad of growth opportunities.

For further information on the Tokoroa Concept plan, visit Council's website at [www.southwaikato.govt.nz/our-council/strategies-plans-policies-bylaws/plans/concept-plans](http://www.southwaikato.govt.nz/our-council/strategies-plans-policies-bylaws/plans/concept-plans)



## Our strategic direction | Tā mātou ahu rautaki

Our vision statement was developed to encourage us to continually strive to achieve the vision and improve on the District's current state.

Council's strategic directions and work plans, along with this LTP, provide a map on how we intend to work with communities to achieve our vision for the District.

Our Council strategic direction states our vision, the outcomes that we are striving for and the strategies that we will focus on to achieve our vision for our District to be a home where...



## Our community outcomes | Tā matou putanga hapori

Council reviewed its community outcomes with the reinstatement of the Community Well-beings into the Local Government Act 2002. There are four aspects to local government well-being; social, cultural, economic and environmental well-being. Environmental well-being includes both the natural environment of our lakes, rivers, parks, reserves and the built environment, being our towns, roads, water systems and buildings. Council wants to focus on using quality data and information to shape our District's future. This will be required to secure partnerships and funding that will withstand the rigorous analysis by external funders. So, we will focus on the RiGouR of our data and information to reach our outcomes and vision.

### RELATIONSHIPS | NGĀ HONONGA

Strong relationships with iwi and Māori, Pacific Peoples, community and business groups that can achieve growth and a resilient community

Relationships with iwi and Māori will be developed through strong governance models, building management/operational relationships, the development of cultural understanding among staff and elected members and undertaking joint projects.

Council recognises the important contribution our Pacific Peoples make towards the economic, environmental, social and cultural strength of our District. They make up 13% of our population and add significant cultural diversity to our community. Council will continue to work collaboratively with our Pacific Peoples to achieve mutual benefits and enhance relationships.

We will be talking to businesses and the community through improved engagement models so that we can better understand each other and share knowledge. Council wants to do more joint community projects and even provide on-going operations of facilities and services together. However, Council also needs to work towards helping community groups that rely heavily on Council funding to be more self-sufficient and encourage



independence. Partnership models with business will focus on economic development and, more directly, job creation and training.

### GROWTH | TE TUPUNGA OHANGA

Activities and strategies that facilitate sustainable economic growth and lift community pride.

The term growth can mean different things to different people. Therefore it is important that Council's growth outcome is defined in a way that is meaningful to our community, helps address some of the issues and opportunities facing the community (see Part Two) and provides direction so that it can guide the activities, investments and projects Council undertakes.

Council has actively stimulated our local economy for several years, supporting our community to respond to our economic and social concerns, challenges and opportunities. The impact of COVID-19 on local businesses and employment has highlighted this still further. Part of Council's strong response to supporting post COVID-19 social and economic recovery, is to stimulate growth.

Council has taken a wide interpretation of what it includes in its growth outcome, which are outlined below:

- Population – an increase in population improves the resilience and economic prosperity of the District by supporting more businesses to thrive through increased spending on goods and services
- Income (district and individual) – an increase in the Gross Domestic Product (GDP) for the District is a broad indicator of growth but does not assess the individual community member's economic well-being. The average earnings of our population is a key indicator of community financial resilience as is the proportion of our population receiving financial support from government
- Employment and Education – improving educational attainment, skills development and aspiration is critical to futureproofing our workforce. Key metrics include: increasing the percentage of our working age population in employment and more importantly reducing the percentage of young people (15-24) that are not in education, employment or training (NEET)



- Housing – facilitate the availability of safe, dry affordable housing solutions for our community based on defined need. From social and progressive housing to market rental; privately owned entry-level houses and apartments right through to executive homes. Specialist (especially senior living / retirement) needs also to be catered for. There must be enough land appropriately zoned and infrastructure, ready to facilitate different housing development in a timely manner
- Business, Industrial and Commercial land – facilitate and support the development of enough capacity within the supply of appropriately zoned and serviced land to support the current and future growth requirements of existing and new enterprises
- Business Units – increase the number of enterprises operating within the District through support for start-up businesses and entrepreneurs; working alongside existing businesses to grow and thrive increasing employment and the percentage of highly skilled and remunerated jobs and attracting new enterprises to establish operations within the District

## RESILIENCE | KIA EKE PANUKU

A resilient district with good infrastructure and services, a sound financial position, rates affordability and a healthy environment that has the ability to anticipate, resist, respond to and recover from significant change or events.



Council and the community need to anticipate, resist, respond to and recover from significant change or events.

This includes social, cultural, economic and environmental resilience as well as Council's infrastructure. Having a strong focus on resilience will help the community and Council to be prepared, to lessen the effects of change and to recover quickly.

Resilience covers a wide range of topics such as civil defence and storm events, how we manage our financial position, the affordability of rates and asset replacement, and environmental sustainability and our ability to recover from difficult situations

## Our key strategies | Ngā rautaki mārie

The following strategies are what we will focus on to deliver the Council vision and outcomes for our District. The following strategies shape our community spaces and service to continue to build a strong future for this generation and our future generations of community members.



### Vibrant culture

Strong relationships with iwi and Māori, our Pacific Peoples and other cultures.

Promote and protect arts, culture and history.

Iwi partnerships and Māori engagement.

Celebrate, recognise and understand our diverse cultures.



### Healthy, proud and connected community

A community that has good access to recreation and leisure services and is connected as a community, and has good connection to Council. It has a feeling of pride and the district has a positive image to others outside the district.

Leisure activities to support community wellness.

A positive district perception that we are a great place to live, work and play in.

Creating and maintaining a safe community.

A customer centred approach (internally and externally) that provides a balanced view of expectations.

Community engagement and partnership.

Connecting our communities.

The development and support of youth.



### Environmental sustainability

Support environmentally friendly practices and technologies and consider the physical environment when making decisions.

Caring for our environment when undertaking Council operations and project procurement.

Consider climate change when making decisions on our infrastructure.



### Economic development

Stimulate economic development opportunities by assisting existing businesses to thrive, attracting new businesses while encouraging diversification of the economic base.

Encourage education and training to improve the employment opportunities of the district's residents.

Facilitate growth and economic development to support jobs and community prosperity.

Prudent financial management and rates affordability.

A customer centred approach (internally and externally) that provides a balanced view of expectations.



### Durable infrastructure

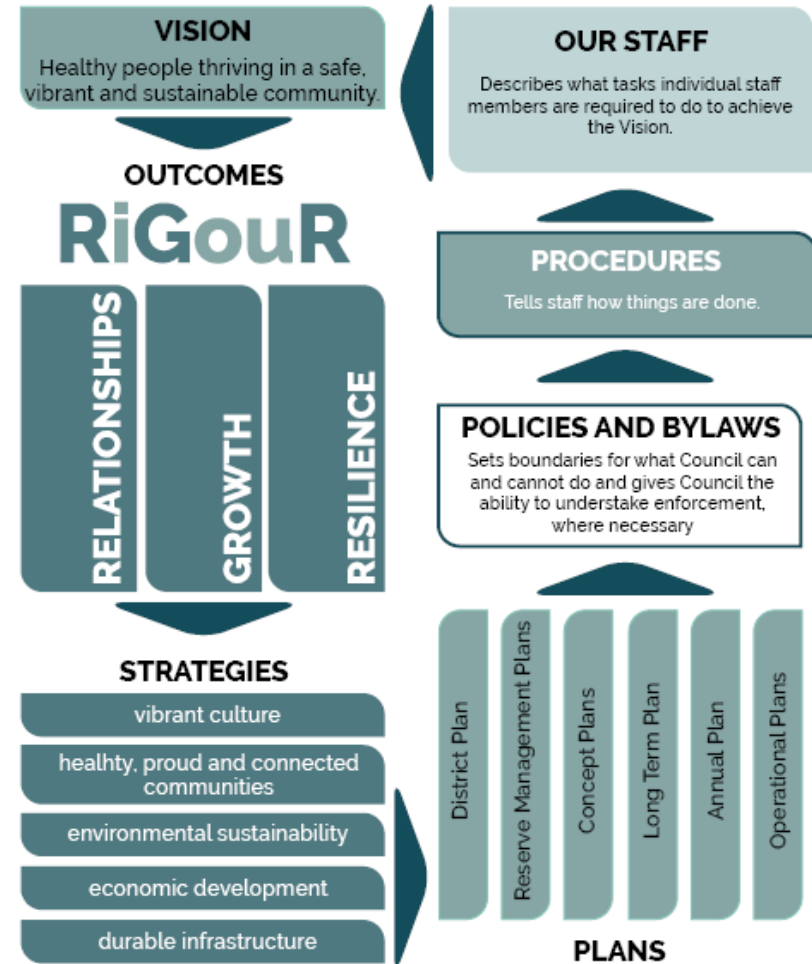
Infrastructure and services that are fit for purpose and affordable now and into the future.

Council infrastructure assets and services that are appropriate and affordable and are ready now and for the future.

Sound asset management practice are in place.

## How does the Council outcomes and strategy link to everything else Council does?

Over the years, Council has prepared and adopted a number of strategies, policies and bylaws. As the Council Strategy provides the overarching strategic direction, every plan, policy and bylaw that Council adopts should directly link to the Council Strategy. The diagram below shows how Council's documents fit together.



# Long Term Plan 2021-31

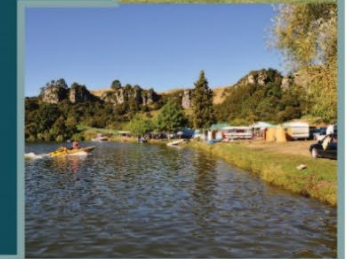
## Mahere pae tawhiti



### PART 4

## Securing our plan

- What we are doing
- Financial overview
- Infrastructure strategy
- Map of activities



SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.



## What we are doing | Tā mātou mahi ināianei Growth

Through this LTP Amendment we are ensuring that we are in the best position to attract and facilitate investment by having appropriate infrastructure to support land development. The infrastructure modelling work Council has progressed over the past several years has identified priority infrastructure improvement projects that we need to deliver to support business, industrial and residential growth in our district for our communities' current needs and for future growth.

These capital works projects, totaling \$58.161 million, sit in the three waters space. The projects are spread across our water supply, wastewater and stormwater activities and are throughout the district's towns – Arapuni, Tīrau, Putāruru and Tokoroa.

### Housing Supply

Council will facilitate the availability of safe, dry affordable housing solutions for our community, including social, progressive retirement, privately owned entry-level houses and apartments, executive homes and ready stock for rentals. This has been identified as a key enabler to Council's economic development strategy.

It needs to ensure enough land is appropriately zoned and infrastructure-ready to facilitate development for different housing needs in a timely manner that better aligns demand and supply. In doing so it will seek to moderate the level of house prices and rental inflation and its impact on our community.

It will stimulate new private housing development through effective marketing of our District, a supportive District Plan, appropriate infrastructure to support development, supportive council activities (in particular strong marketing and business case management) and quality information available to land owners and developers.

The availability of an appropriate supply of affordable and progressive housing is a huge concern to council and to our community. We are working with Kāinga Ora, Ministry of Housing and Urban Development, Raukawa Iwi Development Limited and the private sector to find opportunities to develop this type of housing. We are also exploring the development of alternative housing models, such as papakāinga and alternative funding support to widen home ownership through part buy / part rent models.

## Economic Development Strategy

Council's economic development strategy and marketing plan is not specifically geared toward COVID-19 recovery. It takes a wider perspective to stimulating growth and economic development by focussing on key demand and supply side interventions and investments. Council works alongside key local stakeholders such as the South Waikato Investment Fund Trust (SWIFT), Raukawa Iwi Development Limited and Te Waka, the Waikato Regional Economic Development Agency. Council advocates to central government for increased co-investment into the District, especially in relation to key infrastructure and labour supply interventions.

Council works alongside local industry to identify and address factors that constrain or enable growth and sustainable employment. Council and SWIFT promote the District through the SW Space to Grow brand to potential investors at a regional, national and international level, making enterprises aware of the benefits of establishing operations within the District. Council works alongside schools and the tertiary sector and training providers to support interventions designed to improve education and skills attainment and other labour market investments.

Council seeks to understand the changes in the macro economic and political environment and the opportunities this will present to our existing business community. Council works collaboratively with other Waikato councils, Waikato Regional Council and New Zealand Trade and Enterprise to promote the Waikato to overseas investors.

### COVID-19 Resurgence Planning

Council are part of the Waikato Region 'Caring for Communities' steering group which includes members from central government, iwi and local government. The main aim of this group is the coordinated approach to resurgence planning.

Council provides resources in terms of its internal Emergency Management function and specifically through its Emergency Manager, Local Controllers, Welfare Manager, Recovery Manager and its coordination of a local welfare committee.

## Tokoroa CBD

There is strong need to reshape / rethink the Tokoroa wider Central Business District in line with the change in rural towns and retailing to ensure it is vibrant for our business owners, investors, local customers and attractive and enticing for visitors and new business.

Council plans to engage with the community to consider:

- What is the vision and character of the town that the community wants;
- How much of the CBD and surrounding business zone should be considered in any development plans;
- Whether the District Plan needs to change to enable the type of development the town needs;



- What activation (events, activities) is required to entice visitors and support our community;

- How a business association and Town Centre Manager could support this development and the development of businesses; and
- What further marketing of the town can be undertaken to support the business community

This will all help answer the question of what infrastructure upgrades and changes to council service are required.

## District Plan Review

Building on the Putāruru zoning plan change and infrastructure management plan change undertaken in 2020, Council's land use guidance document is due for its ten year review. To prepare for this workstream, an analysis of the efficiency and effectiveness of the current District Plan is being completed, together with a long term monitoring strategy and framework to meet the National Planning Standards and ePlan obligations. This work and its identified funding (approximately \$2M) may transition to priority strategic planning necessary to prepare for the impending Resource Management Act reform, yet to be confirmed.

Council's focus will continue to enable sustainable growth and managed land use in our environment that is fit for purpose in our growing communities. This work is planned to be produced during the course of this LTP.

Council is also continuing to work with Raukawa on the Nga Wahi Tuturu plan change to recognise and protect culturally significant sites and landscapes in the rohe.

## Stronger collaboration with our partners

### Iwi

Council wants to develop our relationship with iwi far beyond the statutory requirements.

This is particularly so with Raukawa Charitable Trust who is our primary iwi partner. Our relationship has always been strong and over recent years the operational interactions between the two organisations has strengthened, especially in planning, engagement, communications, infrastructure planning, emergency management, economic development, housing and cultural support. The next step that both organisations are working on is a strengthened joint governance and engagement model which will help a shared view of the future of the District and also allow for stronger collaboration on issues common to both organisations.

We have a Joint Management Agreement with Te Arawa River Iwi Trust (TARIT) which has served both organisations well in terms of strong communication and strategic alignment and shared projects. The most recent of these has been the employment of students nominated by TARIT for Christmas holiday projects with Council.

Strong communication and engagement are in place with Ngati Koroki Kahukura and Ngati Haua to ensure that decisions made about the land in the South Waikato District that is in their rohe are well considered by all parties.

### Pacific People

The relationship with our Pacific Island communities has always been strong. We look forward to strengthening these by having more formal relationship agreements with these groups so that there can be a planned and clear pathway to work together on.

Close working relationships were strengthened during the COVID-19 lockdown and recovery periods. These alliances will be strengthened through our continual contact and formally through the local Welfare Committee.

One of the exciting projects that we have worked on together has been the shared vision for Pacific People in the South Waikato. This has been developed through multiple meetings and now is being tangibly developed through the concept of a Vaka cultural facility in conjunction with the Ministry of Pacific Peoples.

### Community and business partners

Council has relationships with a large number of community and business groups with whom Council works to achieve one or more of the Council strategies, and the objectives of the individual group.

There is a higher degree of collaboration with these groups so there can be a higher degree of openness to achieve shared goals. These groups fit into a number of different categories:

- Iwi and Pacific People.
- Business and Economic Development. Council has a strong working relationship with the South Waikato Investment Trust (SWIFT) to develop growth for the District. Te Waka, Waikato's regional economic development agency, is key to the development of the South Waikato District and also ensuring a unified voice for the Waikato is heard at central government which includes a South Waikato perspective.
- Business associations. Pride in Putāruru works with Council to develop and deliver tangible business development support, community events and an information service. Council is very keen to work with communities to develop this type of entity in other towns. This is particularly so for Tokoroa, which will have a future focus on the delivery of a vision for a wider town-centre plan.
- Community associations and the Tīrau Community Board (TCB). Council is fortunate to have a strong link into the community through the TCB and other organisations such as the Arapuni Ratepayers Association. These, along with our other partner organisations, help provide a community voice.

- Community services delivery. There are a large number of organisations, often charitable trusts, that provide social and community health, disability and support services; employment and visitor attraction.
- Our Emergency Management activity has an established Local Community Welfare Committee which is co-chaired by Raukawa and Council and involves multiple agencies.
- Council has strong partnership with tertiary education service providers, particularly in the trades training area where we are partnering with Toi Ohomai, Te Wānanga o Aotearoa and SWIFT to increase student numbers and range of courses offered through a new purpose-built facility in Tokoroa.
- Strong connections are kept with businesses in the District through our economic development, regulatory, asset infrastructure and community activities to support them to thrive. Our business case management activity has been established to support new and existing businesses through the regulatory process.



## Local government collaboration

- Local government is very fortunate that it operates in a non-competitive industry. There is significant collaboration and information sharing through a large range of networks within the sector and more formally through Local Government New Zealand and Taituarā (formerly the Society of Local Government Managers).
- The Waikato Local Authority Shares Services (WLASS) entity supports twelve councils in the wider Waikato Region. The key purpose of WLASS has evolved from initially being focused on procurement to now driving collaboration between councils, and aims to improve customer service and performance, and to reduce costs.
  - The Regional Asset Technical Accord (RATA) this has been expanded from Roding to now include collaboration around the three waters
  - Procurement advice and shared services eg. insurance, Waikato Aerial Photography Syndicate
  - Coordinated infrastructure planning
  - Shared Valuation Database Service for rating
  - Shared website and online services platform with other Waikato Councils
  - The Waikato Plan (Waikato: he reo kotahi)
- Lakes Coast Cluster - building consent authority group
- Memorandums of understanding with neighbouring Councils to work together across emergency management and environmental health/ food activities
- Links with the Waikato Regional Council are strong in the areas of land use, air quality and water quality.

## Central government sector collaboration

Council has strong and growing relationships with central government agencies to improve the opportunities for our communities to benefit from government funding initiatives and programmes.

Waka Kotahi (NZ Transport Agency) has always been a close partner in the delivery of funding for local roads and state highways.

There has been increasing emphasis on the provision of social, affordable and progressive housing solutions for our District, resulting in the formation of a close relationship with Ministry of Housing and Urban Development and Kāinga Ora.

From an economic development perspective, the range of agencies in our network have been increased to look for funding and project opportunities.

Links between our regulatory teams with their associated government agencies have always been strong so that we understand our requirements and can plan for the future.

## Strong Infrastructure Planning

Providing and maintaining Council's infrastructure requires good asset management practices and strategic thinking. Sound durable infrastructure that is fit for purpose and affordable requires strong planning. Council proposes to use the 30 year Infrastructure Strategy to provide for this planning.

The Infrastructure Strategy will assist Council in taking a long-term view of South Waikato's infrastructure needs and is an indicative estimate of Council's future infrastructure needs. It is a statement of current assumptions and thinking on what infrastructure will be required to address the major issues facing the District over the next 30 years.

The strategy outlines Council's approach to managing and investing in the District's infrastructure including what will be required, when, and how much it will cost across the following infrastructure classes:

- Water
- Wastewater
- Stormwater
- Land transport

The strategy draws together information from the Three Waters Strategy and Land Transport Strategy and informs the Asset Management Plans (AMPs) for each of the classes.

Councils infrastructure replacement programme is developed using the optimised decision-making process which is outlined in our Asset Management Plans.

The goal of good planning is to provide infrastructure in an efficient and effective manner that enables the provision of the agreed level of service for current and future customers in a sustainable manner.

## Leisure and recreational services

Council has consulted on its Reserve Management Plans to make the District more attractive to live in and to encourage our people to be more active and have quality recreation space. It has planned for growth and is recognising that the demographics of our community is changing through this process.

The outcome of the review of the plans has been included in the Long Term Plan, so there have been significant projects involving our reserves, pools and the Tokoroa library included in budgets. These are detailed in this document. See Part Five to see what these projects are.

We work closely with our partner, Sport Waikato, whose focus is on play, active recreation and sport. Sport Waikato aims to help people to build a lifelong love of physical activity.

## Changing Service Delivery

A significant number of changes to the level of service we deliver is proposed in this LTP:

- Rezoning of land for residential and business growth. This has started with the opportunity for 600 additional residential sections in Putāruru as well as more business land. This will increase storage volume for wastewater pump stations and improve the quality of water and wastewater reticulation.
- Infrastructure capacity planning in Tokoroa and Tīrau has been undertaken to access the potential capacity for growth in these towns. Several water supply and wastewater infrastructure upgrade projects have been identified to provide the capacity to service growth.
- Wheelie bins for rubbish and recycling collection – there is no change in the frequency of collection with rubbish still collected weekly and recycling fortnightly, but the move to wheelie bins is a substantial increase in the level of service provided, particularly in terms of the ease of use and the increased amount that material that can be collected.
- Significant wastewater plant upgrades in Tokoroa, Putāruru and Tīrau are planned to improve water discharge to streams to comply with Waikato Regional Council resource consents and improve the quality of the district's awa.
- Wastewater wetland ponds are planned for Tokoroa, Putāruru and Tīrau. This will help restore the mana and the mauri to the water.
- Stormwater maintenance service delivery. The level of service has increased as a contract has been put in place to manage stormwater maintenance and funding has been increased. This will improve property flood protection. In Tokoroa, Putāruru and Tīrau, areas of potential flooding have been mapped and communicated to residents.
- In addition to the above there will be more stormwater detention ponds and reticulation for treatment of stormwater and to reduce flooding
- Water and wastewater telemetry. An improved automated monitoring and management system will improve the ability to manage these systems and ultimately improve the quality of these services.
- Community engagement – this involves the increased level of human resources and more platforms for engagement, which provides increased engagement opportunities for more people to be heard. We will improve the quality and quantity of the flow of information and improve the connectivity with our communities.
- Renewing backflow protection of water supply points will reduce the risk of drinking water contamination.
- Council owned pensioner units will have upgrades for ventilation and heating to improve the quality of these units and comply with new legislation
- The South Waikato District Plan will have a formal and complete review during the period of this Long Term Plan. The review will ensure compliance with regional and national requirements and be future focussed and allow for improved land use management (subject to timing of RMA reform).

## Financial Overview

Council's overarching approach to its financial position is that we are a community focused service provider, which acts prudently in the interest of the community at large. Council also need to recognise and take advantage of economic and community development opportunities that fit within our vision and Long Term Plan.

Significant near term funding primarily through loans has been budgeted for infrastructure upgrades which will better prepare our District for the opportunities and challenges of growth.

Council is very concerned about the affordability of rates for our community and loan interest and repayments add significantly to rates.

The increased investment will see rates peak at 8.6% in 2024-25 with a return to more modest levels thereafter.

Loans are predicted to grow from \$42 million to \$118 million during the period of this plan. Council has a net debt limit of 175% of revenue and is forecast to marginally exceed that in 2026-27.

Council's arrangement with the Local Government Funding Agency enables access to cheaper borrowing to assist with affordability.

### Summary Financial Statements

Below is a table of the key financial levels included in the financial statements.

A draft Prospective Statement of Comprehensive Revenue and Expenses; Prospective Statement of Changes in Net Equity; Prospective Statement of Cashflows and a Prospective Statement of Financial Position is detailed in Part 6 of this document.

Summary Financial Statements	20/21 Current AP \$m	21/22 LTP \$m	22/23 LTP \$m	23/24 LTP \$m	24/25 LTP \$m	25/26 LTP \$m	26/27 LTP \$m	27/28 LTP \$m	28/29 LTP \$m	29/30 LTP \$m	30/31 LTP \$m
Rates levied	28.6	31.1	33.4	35.8	38.9	41.4	43.7	45.9	47.8	49.4	51.1
Total revenue	40.3	44.0	46.9	50.0	54.2	57.2	58.9	61.4	63.6	65.2	67.4
Operational expenditure	40.1	44.2	47.4	50.0	53.5	57.0	59.9	62.6	64.9	66.7	68.8
Capital expenditure	14.4	20.4	16.2	38.9	31.1	35.9	26.7	11.6	11.6	11.9	9.6
Total Borrowings	30.2	42.4	47.2	74.4	92.2	112.4	126.2	124.7	122.9	121.2	118.2

## Rates Increases and Trends

Because our community cannot afford sustained significant rates increases, Council has proposed limits for rates revenue:

- Rates revenue increases will not be larger than 9% for any year.
- Rates revenue will not increase by more than a 6% average for the ten years.

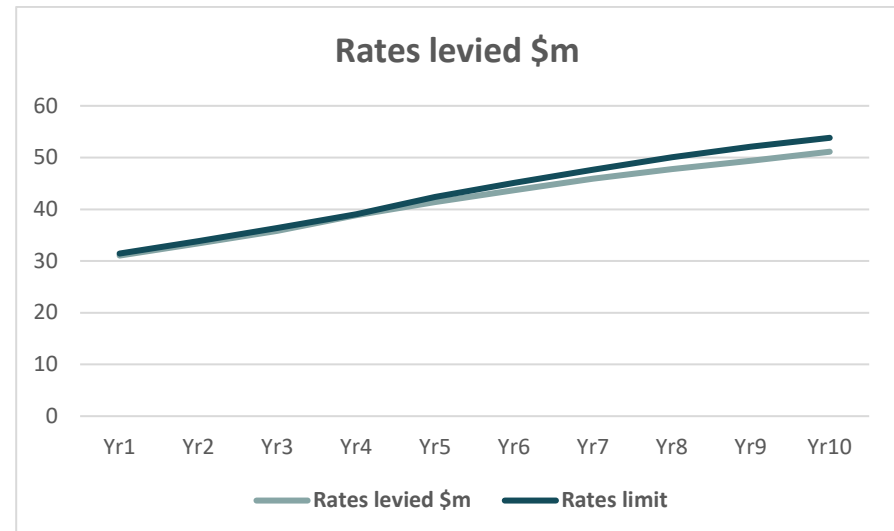
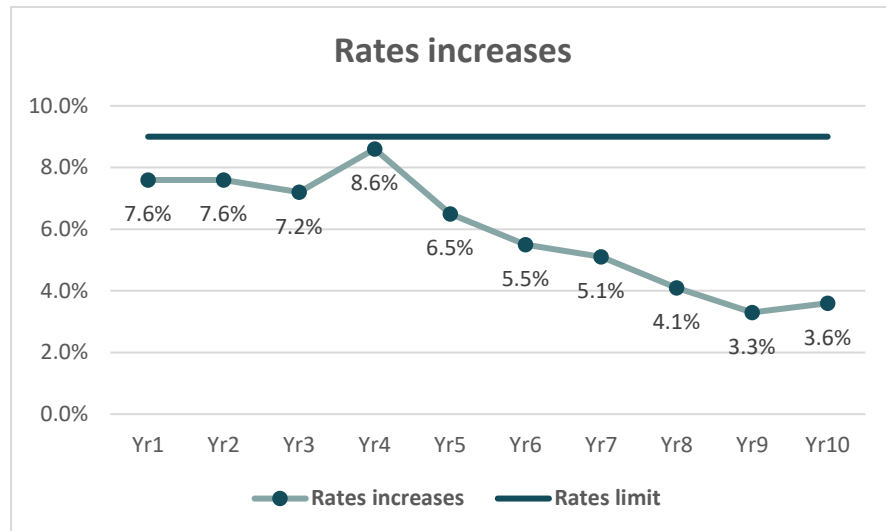
Council recognises that these are large increases but spending money on growth, wastewater, water, solid waste upgrades and other Council infrastructure and legislative compliance has meant we have little choice.

Council will continue to look for savings over the coming years to minimise these rates increases.

The LTP budget proposes an average increase of 5.89% in rates revenue over the 10 years of this Long Term Plan. Total revenue received from rates is forecasted to rise from \$31.1m in 2021-22 to \$51.1m in 2030-31.

The Funding Impact Statement showing forecast rating values and rating methods is detailed in Part Six Funding and Rates.

The rate increase is shown in the graph below.





## Rates and User Charges

### District Valuation and Impact on Rates

Every three years councils must get an independent valuer to value all the properties in its district. Councils use these valuations to set rates. These new rating valuations will be based on the property market as at July 2021 and will have an impact on rates for the 2022-23 year.

Based on sales indications there will be a small reduction for some rural properties, and significant increases for residential properties (possible increases averaging 50%) when compared to the previous (2018) district rating valuations.

Changes in rating valuations does not mean Council collects more rates, but it can mean a shift in who pays the rates. General Rates are charged on rating valuations. Because urban and lifestyle properties are expected to increase by more than other properties (such as rural and business) they will pay a larger share of the General Rate. Rural ratepayers will pay a lesser share than they did before.

At this stage, these changes in rating valuations are only estimates, but they are expected to be so large and variable it is important ratepayers are aware of the possible impact. The revaluation notices will be mailed to ratepayers later in 2021 and there will be an opportunity to challenge the values if the accuracy is challenged.

### Uniform Annual General Charge percentages

The amount of rates property owners pay includes a portion that is a Uniform Annual General Charge (UAGC) - a charge that is the same for every property regardless of property value - and a portion based on the capital value determined by the District Valuation process (General Rate).

Higher value properties pay a higher proportion of the General Rate. For 2022-23, Council plans to reduce the impact of the change in rating valuations by adjusting the amount of rates collected from UAGC. This will reduce the impact on rates increases resulting from district valuation

changes. Even with this, the change in valuations are still expected to significantly increase rates in 2022-23 for residential ratepayers.

Council will reduce the UAGC so that the total rates funded from UAGC plus some other targeted rates is 16% of total rates revenue in 2022/23. A change is also proposed for 2021/22. See Water, “*Wastewater and Stormwater Rates Harmonisation*” below for details of these changes.

### Development Contributions

As part of the 2018-28 Long Term Plan amendment for the Putāruru Growth Plan, a Development and Financial Contributions Policy was adopted by Council. The cost of the capital expenditure that relates to growth will be funded by loans and repaid by development contributions as they are received. There are components of the capital spend at that time which will be funded by Council reserves and ratepayers – namely the capital required to bring activities up to an appropriate standard, the capital relating to the replacement of existing assets and the operating costs of all the new infrastructure.

Now during each LTP the Development and Financial Contributions Policy, investment and funding requirements need to be revisited and consulted on during the LTP process. This is detailed in Part 6 of the LTP.

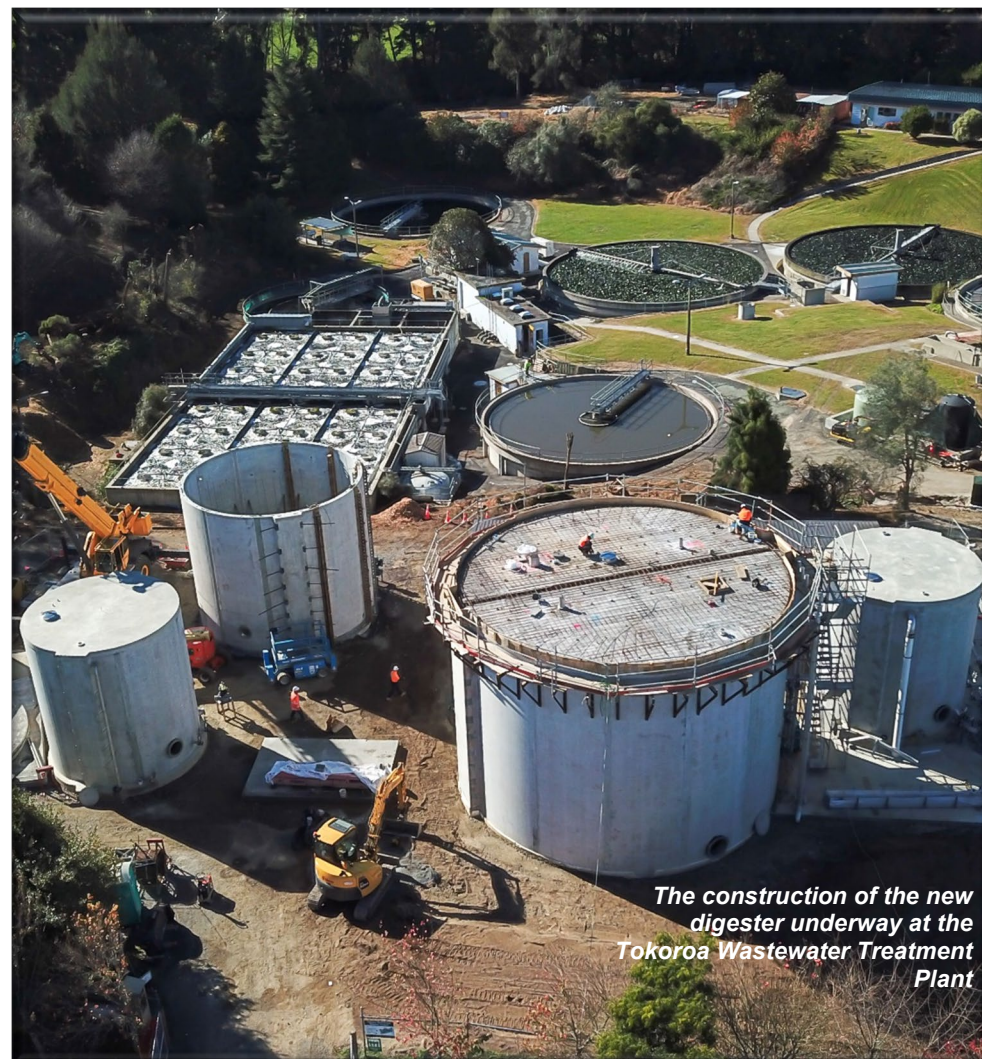
Council are well advanced in developing the infrastructure required to service growth in Tokoroa and Tīrau. Capital costs have been included in this LTP but the growth zones planned and the detailed financial modelling required to develop a development contribution policy for Tokoroa and Tīrau is not available yet. The community will be consulted on when this is available. In the meantime, the Putāruru township is the only area with a development contribution policy (and therefore charges) in place.

## Water, Wastewater and Stormwater Rates Harmonisation

Council's philosophy is to use targeted rates for those services that can clearly be identified as benefiting only a proportion of the population and then recovering these costs only from the ratepayers - these are called targeted rates. There are targeted rates for the following activities: water supply, wastewater disposal, stormwater, waste collection, district recycling, Putāruru CBD charge, Tīrau Community Board charge, Putāruru promotion rate, Tokoroa promotion rate, clean heat charges and individual hall charges.

Other, more generally used, Council activities are rate funded by user charges wherever possible with the residual being recovered through general rates. Examples of these are libraries, swimming pools, roads, parks and reserves and so on. The General Rate requirement is split between Uniform Annual General Charges, ie. an equal amount charged to each property, with the remaining General Rate being charged to ratepayers on the capital value of the property ie. the higher the capital value of the property the higher the general rates levied. Legislation dictates that no more than 30% of Councils total rates revenue can come from the UAGC plus other targeted rates levied on a uniform basis (excluding charges for water supply and wastewater). The amount of the UAGC will vary between years to help moderate the rating balance between the general rate (based on the rateable value of a property) and the UAGC (rated on a per rateable property basis). This will reduce from 25% to 22% in the 2021/22 year to make rates as affordable as possible for all ratepayers.

The other aspect to the rating system that is useful to explain is that water, wastewater, stormwater, solid waste collection and recycling rates are harmonised. These are targeted rates as explained above, but they relate to multiple different geographic areas in the District. The total cost of all these activities is added together and applied to all the ratepayers receiving these services. For example, the total cost of the four wastewater plants (Tokoroa, Putāruru, Tīrau and Arapuni) is added together and the rates averaged out across all the wastewater connections for the four towns. The alternative approach is that each town's ratepayers pay the cost of just their wastewater plant. This approach is not adopted because it would make the cost to ratepayers in small towns very high - instead the costs are spread over all the towns' ratepayers.



*The construction of the new digester underway at the Tokoroa Wastewater Treatment Plant*

## Funding of Asset Replacement

Asset replacement reserves are maintained for the activities listed below. Depreciation, funded from rates, is transferred into these reserves, while capital expenditure and loan repayments, if any, are funded from these reserves.

- Bridges
- Cemeteries
- District recycling
- Council properties and buildings
- Information Services
- Libraries
- Parks and Reserves
- Putāruru town centre CCTV network
- Refuse Disposal – rehabilitation and monitoring after landfill closure only
- South Waikato Sport and Events Centre
- Sportsgrounds
- Stormwater
- Swimming Pools (Tokoroa, Putāruru and Tīrau)
- The Plaza Theatre
- Toilets
- Tokoroa town centre CCTV network
- Trade Training Centre
- Water
- Wastewater
- Vehicles

Depreciation is partly funded on the following activities

Activity	Funded	Reason why not 100%
Waikato Sport and Events Centre	50%	Assumed that when this is replaced it would be funded 50% by contributions from external funders and the community
Tokoroa Indoor Swimming Pools	50%	Assumed that when this is replaced it would be funded 50% by contributions from external funders and the community. Tīrau and Putāruru pool replacements are fully rate funded
Plaza Theatre	50%	Assumed that when this is replaced it would be funded 50% by contributions from external funders and the community
Wastewater and Water	55% - 100%	Asset replacement is proposed to be funded – moving from 55% in year 5 to fully funded by year 10.
Stormwater	0% - 100%	Asset replacement is proposed to be funded – moving from 0% in year 5 to fully funded by year 10.

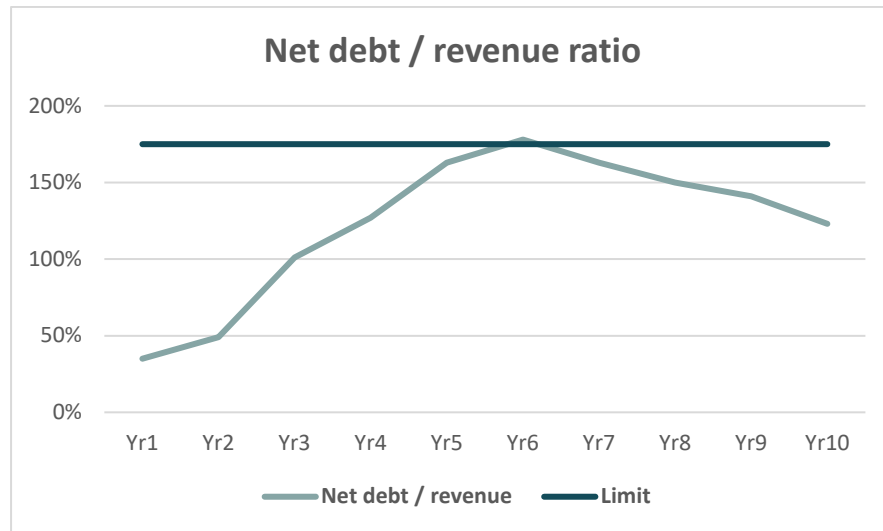
Depreciation is not funded on the following activities.

Activity	Reason why
Talking Poles	These will be funded by rates if new ones are required
Libraries	Capital expenditure is at a similar level across the years, so is funded directly by rates, and depreciation is not rate funded
Roading (except bridges)	A roading programme for the ongoing maintenance of the roading network is in place. Capital expenditure is at a similar level across the years, so is funded directly by rates, and depreciation is not rate funded
Community halls	Any capital expenditure is funded through rates. Council does not plan to replace these halls at the end of their life, so no funding has been accumulated for this.
Pensioner Housing	Capital expenditure is part of an ongoing upgrade programme so similar each year. The purchase or build of new houses will be funded from other sources. As the income and expense is already ring fenced in a dedicated reserve, there is little value in retaining another reserve for this activity.
Airport	The replacement of the runway is funded from adjacent land and tree sales, so there is no separate fund for asset replacement funded from depreciation
Information services	The capital expenditure for Information Services is regular over the years, so this is funded through rates, and the depreciation is not rate funded. There is an existing asset replacement reserve which is being retained until a replacement of our enterprise system is required.
Furniture	Capital expenditure is at a similar level across the years, so is funded directly by rates, and depreciation is not funded
CCTV cameras	Capital expenditure on Council property CCTV (as opposed to public town centre CCCTV systems, is at a similar level across the years, so is funded directly by rates, and depreciation is not rate funded

## Loans

The previous limit for total loans was set at 100% of total revenue. This limit was updated in line with the Treasury Management Policy in late 2019 to allow net debt to be 175% of total revenue as agreed with the Local Government Funding Agency (LGFA).

To accommodate the facility development and growth capital expenditure that Council has planned in this Long Term Plan, Council is now forecast to marginally exceed the 175% limit in 2026-27. However careful monitoring and management of borrowings over the next three to four years should ensure that does not happen.



## Policy on the giving of securities for its borrowing

It is important that Council borrows at the lowest interest rate practical while balancing this with not having to provide large security to achieve it. Council's preference is for unsecured financial facilities. Where there is a borrowing cost advantage in giving security, Council will first assign rates revenue to secure the loan. However, if Council considers that security should be given by mortgaging (or otherwise charging a physical asset instead of rates) it may do so. Independent advice will be sought if it is considered necessary. Council's current approach is to secure loans against rates revenue so Council has not needed to provide physical assets as security.

## Financial investment and equities

Objectives for holding and managing financial investments and equity securities and its quantified targets for returns on those investments and equity securities.

Council's objectives for holding and managing financial investments and equity securities are:

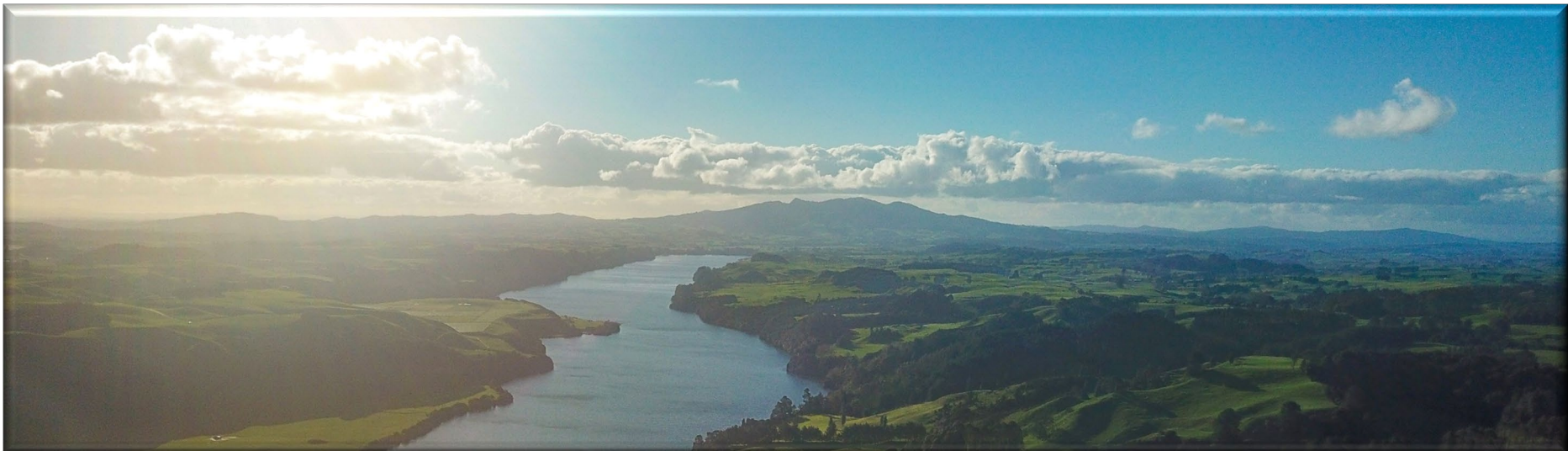
- To prudently manage Council's investment assets in the interests of the District's residents and to safeguard the investments from making a loss
- To ensure that the investments are only for lawful purposes
- To maximise investment income within a prudent level of investment risk
- To comply with all relevant statutes and their amendments
- To ensure Council is able to meet its future financial commitments as they fall due, in both the short term and the long term, through active liquidity management
- To manage interest rate risk and to maintain Council's exposure to
- To safeguard Council's investments by only investing in approved financial institutions and undertaking ongoing monitoring of their credit ratings

- To actively manage adequate internal controls to ensure that funds are invested in accordance with Council policy
- To avoid all financial arrangements that could be described as speculative
- To maintain a risk averse stance at all times.

#### Collaboration efforts in the Waikato and BOP

Changes to the Local Government Act 2002 now require Councils to work together collaboratively to reduce costs and to improve efficiency. Council is working with other councils in the Waikato and Bay of Plenty on projects that will save money. Projects include:

- Waikato Local Authority Shared Services (LASS)
- Councils worked together to form a shared view on the submissions and further submission phases of the Regional Plan Change
- The Waikato Spatial Plan
- The Bay of Plenty Spatial Plan
- Waikato Region – Economic Development
- The Road Asset Technical Accord (RATA) which involves projects such as joint procurement for LED streetlighting and developing a consistent approach for roading maintenance
- Shared recruitment services with other Waikato Councils
- LASS – procurement for insurance
- Shared Valuation Database Services for rating
- Waikato Regional Sports Infrastructure Plan
- Waikato Aerial Photography Syndicate
- Lakes Coast Cluster – building consent authority group
- The Waikato Plan (Waikato: he reo kotahi)
- Shared website and online services platform with other Waikato Councils
- Combined contracting of election services with other Waikato councils.



# Infrastructure Strategy | Te rautaki hanganga

## Purpose

The purpose of the 30-year Infrastructure Strategy is to identify significant infrastructure challenges for South Waikato District Council over the next 30 years and the principal options for managing those challenges.

Providing and maintaining Council's infrastructure requires good asset management practices and strategic thinking. This Strategy assists Council in taking a long-term view of South Waikato's infrastructure needs. The Strategy is an indicative estimate of Council's future infrastructure needs. It is a statement of current assumptions and thinking on what infrastructure will be required to address the major issues facing the District over the next 30 years.

The Strategy outlines Council's approach to managing and investing in the District's infrastructure including what will be required, when, and how much it will cost across the following infrastructure classes:

- Water
- Wastewater
- Stormwater
- Land transport

The Strategy draws together information from the Three Waters Strategy and Land Transport Strategy and informs the Asset Management Plans (AMPs) for each of the classes.

The 30-year goal is to provide infrastructure in an efficient and effective manner that enables the provision of the agreed level of service for current and future customers in a sustainable manner.

## Scope

The Infrastructure Strategy includes the following assets:

- Transportation: sealing (surface layer of a road), pavements (below the surface), kerb and channel, rural drainage, traffic signs, bridges and large culverts, street lighting, footpaths, parking and vegetation control.
- Water supply: headworks, bores, reservoirs, pumps, treatment plants, underground pipe networks and all ancillary assets.
- Wastewater treatment: pump stations, treatment plants, underground pipe networks and all ancillary assets.
- Stormwater: major culverts, lined channels, underground pipe network, detention structures, swales, wadies and ancillary assets.

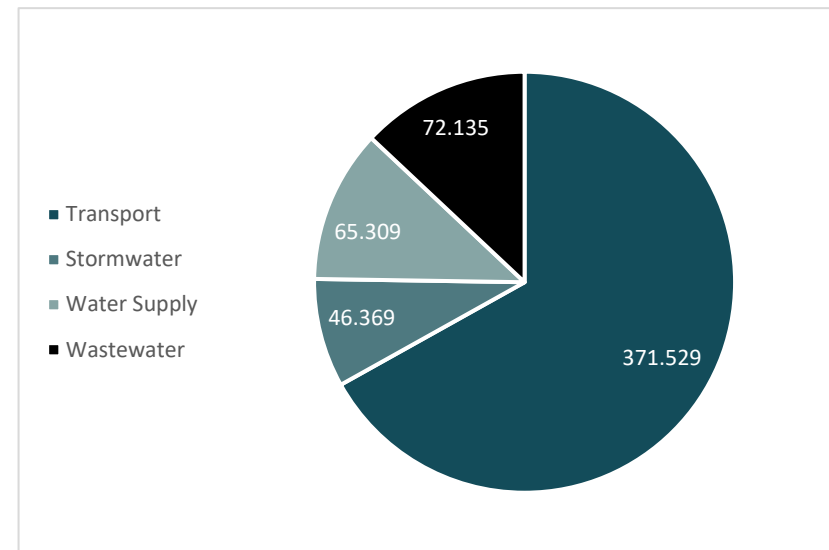


Figure 4. Breakdown of assets owned and value (\$million) by Council as at 1 July 2021

## Infrastructure Strategic Challenges

In order to deliver Council outcomes, Council needs to focus on its infrastructure investments.

The following challenges are the most important infrastructure matters for Council to address:

- Renewals: Managing the replacement of existing assets by informed decision making.
- Population Growth: Responding to an increase in demand for services.
- Resilience: Planning for service disruptions.
- Compliance: Maintaining or improving public health outcomes, improving environmental outcomes and providing a safe transport system.
- Levels of Service: Maintaining sustainable delivery of existing levels of service and managing expectations for improved levels of service.
- Recovery: Responding to natural disasters, the effects of the COVID-19 pandemic and planning for future pandemics.
- Climate change: Planning for climate change in our renewals and replacement programme, and new infrastructure.
- Critical assets: Proactively maintaining and replacing critical assets to maintain the level of service, to protect the environment, and the health and well-being of the community.
- Asset management improvement: Identifying improvements to Council's asset management practices to enhance asset information and systems to enable informed decision making.
- Relationships: Maintaining relationships with residents and ratepayers, tangata whenua, Waka Kotahi, Waikato Regional Council, community partners, central government and government agencies.



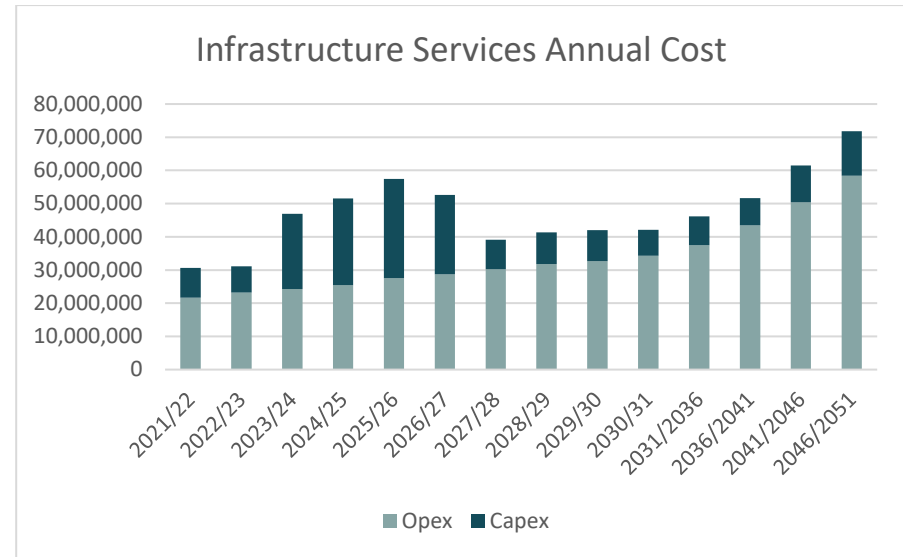


## Investment / Financials

The 30-year forecasted operational expenditure and capital expenditure for three waters and roading infrastructure assets is summarised in the table and figure below.

Year	Opex	Capex	Yearly Total
2021/22	21,653,656	8,973,271	30,626,927
2022/23	23,245,073	7,845,593	31,090,666
2023/24	24,220,165	22,728,504	46,948,669
2024/25	25,432,873	26,113,943	51,546,816
2025/26	27,502,350	29,925,721	57,428,071
2026/27	28,672,905	23,983,551	52,656,456
2027/28	30,204,765	8,896,078	39,100,843
2028/29	31,794,608	9,521,762	41,316,370
2029/30	32,694,891	9,302,673	41,997,564
2030/31	34,278,214	7,839,657	42,117,871
2031/2036	37,489,465	8,669,765	46,159,230
2036/2041	43,460,564	8,201,542	51,662,106
2041/2046	50,382,705	11,125,064	61,507,769
2046/2051	58,407,364	13,412,657	71,820,021

Note: From 2031 onward, the five yearly amounts shown are the annual average.



The renewal programme for wastewater and water reticulation networks over the next 30 years will be based on the results of performance, maintenance, breakage history, criticality and condition of specific assets. A programme of condition assessments is carried out. The assets are selected based on remaining life, criticality, performance and maintenance history. The information is analysed to determine what pipes will be replaced and when they will be replaced.

Network modeling has been carried out to assess where pipe sizes need to be increased to provide the level of service and where additional capacity is required to cater for growth.

The result of the condition assessments and network modeling inform the forward works programme.

Council has financially assessed the risks around not having adequate reserves for replacement of existing assets. We have looked at current reserve levels, the funding requirements of replacing assets and the projected rates revenue we will receive to establish the funding position over the next 30 years. These can be viewed in the full Infrastructure Strategy that can be viewed on Council's website at [www.southwaikato.govt.nz](http://www.southwaikato.govt.nz).

### **Asset Management Improvement Programme**

Providing and maintaining Council's infrastructure requires good asset management practices and strategic thinking. Understanding what assets we own and what key information (criticality, performance, condition and age) is required is fundamental to asset management.

Gaps in our asset knowledge of Council's infrastructure have been identified. A range of options have been considered to fill those gaps in order to allow Council to make good decisions that are fit for purpose. Funding for the improvement programme is identified in the 2021-31 Long Term Plan.

### **Performance Gaps**

Information on how well assets are performing is missing in some areas. Collection of additional information will allow a better understanding of how our existing assets are currently performing. The information can also be used to assess how much capacity is available in our existing infrastructure to support growth.



## Infrastructure Requirements

Key data required for forecasting and planning has been identified and a gap analysis of the existing data sets carried out.

Gaps in the management of our infrastructure assets have been identified as follows:

- Missing buried asset depths and invert levels in our asset management system.
- Our system of assessing the consequences of an asset failing needs review (criticality assessment)
- Asset condition data is missing or not current.
- Correct age of assets.
- Reliable condition assessment to be collected on assets near end of life or that have performance issues.
- Data on maintenance of existing assets not being captured in asset management system and linked to those assets.
- Process of asset data capture needs review.
- Succession planning for replacement of staff.
- New technology to assist with data capture.
- Making better use of our asset system functionality.
- Integration of finance and audit of assets to determine confidence in data accuracy

## Forward Works

The following issues have been identified as requiring further investigation:

Audit and/or investigate asset data for missing data, accuracy, and to confirm manhole locations, depths and pipe diameters.

- Investigate identified inconsistencies in asset information.
- Prioritising which asset catchment areas need to be addressed first, based on level of service needs.
- Investigate new technologies to assist with data capture.
- Investigate integration of finance and asset systems
- Audit of assets to determine confidence in data accuracy.
- Maintenance costs to be collected and attributed to assets.
- Upgrade and develop the monitoring and telemetry systems to allow improved performance monitoring.

To view the full Infrastructure Strategy go to [www.southwaikato.govt.nz](http://www.southwaikato.govt.nz)



# Long Term Plan 2021-31

## Mahere pae tawhiti



## PART 5

# Our Services

- An introduction to our services
- Governance and corporate
- Economic and community development
- Community facilities
- Parks and reserves
- Property
- Regulatory
- Solid waste and recycling
- Transport, roading and footpaths
- Water supply
- Wastewater
- Stormwater



SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.

# An introduction to our services | He whakatakinga ki tā mātou ratonga

In the following pages we look at the eleven (11) Council activities that contribute to our community outcomes.

We outline what we do, our plans, what you can expect from us and share with you how we will measure our progress.

We will let you know what our services cost and how they are funded.

<b>REGULATORY</b>	Resource management 	Building control 	Animal control & compliance 	Health and alcohol 	Emergency management 	Business case management 	
<b>ASSETS</b>	Transport, roading & footpaths 	Water supply 	Wastewater 	Stormwater 	Solid waste & recycling 	Parks and reserves 	Property 
<b>COMMUNITY FACILITIES</b>	Pools 	Libraries 	Sport & Events Centre 				
<b>ECONOMY &amp; COMMUNITY</b>	Economic development 	Community grants 	Community events 	District promotion 	Advocacy 	Community cohesion 	
<b>GOVERNANCE &amp; CORPORATE</b>	Infrastructure strategy 	Strategic planning 	Financial services 	Iwi liaison 	Risk, legal, health & safety 	Policy development 	Elections 



## WHAT WE DO

We enable, promote and support local democracy by providing governance advice and democratic services to Elected Members, the public and staff. This is achieved through providing induction, training and administrative support for the Mayor and Councillors.

Continuous engagement with our communities will assist us to shape and design plans that will deliver services that will be care for the well-being of our communities now and for the future.

We will review our policies and processes to ensure we are operating within legislation and providing the accepted level of service to our District and communities within the stated requirements.

We seek to collaborate authentically with our Treaty partners and to foster the opportunities for Māori to participate in decision-making. We also intend to continue to build our relationship with the Pacific communities in our District, while finding ways to celebrate the diversity of cultures that contributes to the fabric of who we are in the South Waikato.

## WHY WE DO

The governance and corporate group of activities support all the other activities carried out by Council to ensure that they run smoothly by providing the necessary information systems and financial support.



## WHAT CAN YOU EXPECT FROM US



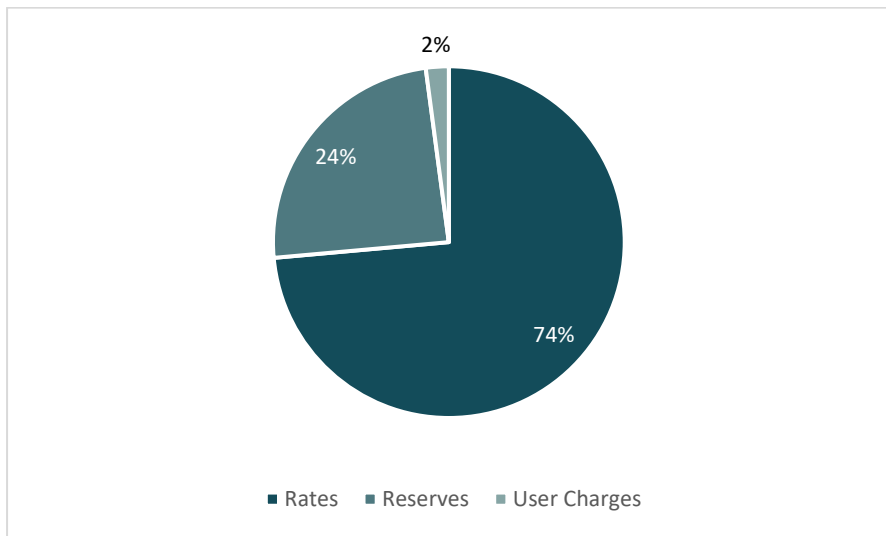
Activity	Strategy	Our Objective Level of Service	How we Measure Success
<b>Strategic planning</b>	Healthy, proud and connected community	That the public can expect to contribute to the development of Annual Plans and Long Term Plans and that these documents meet statutory requirements so that they can access information about the Council business in a timely manner.	Annual Plans and Long-Term Plans will be adopted in compliance with the requirements and deadlines of the Local Government Act 2002.
<b>Finance</b>	Durable infrastructure Economic development Healthy, proud and connected community	That Council collects only enough rates to meet its operational and capital replacement requirements	To ensure Council only collects enough rates to meet funding requirements, the total amount of general and targeted rates revenue budgeted will not be more or less than \$500,000 of the rateable expenditure on those general and targeted activities for that year.
<b>Elections</b>	Healthy, proud and connected community	That local government elections are conducted in a timely and an error free manner	Council will conduct error-free local government elections (the election process is defined in the Local Electoral Act 2001).
<b>Democracy</b>	Healthy, proud and connected community	The democratic process ensures ultimate oversight of the affairs of Council. It must ensure that procedures meet all statutory requirements and provide opportunities for participation by residents, stakeholders and community groups within the District.	Council complies with all sections of the Local Government Act 2002 governing the functions of Elected Members and consultation with our community on documents (including strategies, policies and bylaws).
<b>Information services</b>	Durable infrastructure Healthy, proud and connected community	A wide variety of Council's services are now provided by Information Services eg. online. Both ratepayers and staff can expect to access the information that they need easily, when they need it.	Council's information systems are available* at least 99% of the time.  <i>*System availability is defined as reliable access during business hours to supported applications. Availability is measured over 24 hours 365 days of the year, excluding planned and agreed maintenance downtime.</i>
<b>Communications</b>	Healthy, proud and connected community *Healthy, proud and connected community Vibrant Community Healthy, proud and connected community	That parties requesting information from Council can expect to receive the information in a timely manner. That the community is informed about Council activities and services in a timely manner. That the community's satisfaction of Council activities and services is surveyed four times a year and that results are used to further inform levels of service and priorities.	90% of media queries are resolved* within five working days. That at least 60% of media statements submitted, feature in media within 28 days of release. *The level of community satisfaction with overall communication from Council is at least 75% satisfied All official information requests are responded* to within the statutory timeframe (20 or 40 working days).



## SIGNIFICANT NEGATIVE EFFECTS

Potential Negative Effect	How it will be mitigated
Legislation changes	Keeping up to date with bills and assess possible impacts for our District
Relationships with Māori may be perceived as racial favouritism by other ethnic groups	Council will partner with Māori and increase the knowledge and awareness of our staff by promoting the Treaty of Waitangi and the special status that Māori have here in Aotearoa as tangata whenua.

## HOW IT'S PAID FOR



## MAJOR PROJECTS

Activity	Major Project	Year(s) Delivered	Cost \$000	Funding Source	Classification
Information Systems	Council chambers audio	2022	269	Loan	Level of service
Information Systems	Cloud migration	2022-2024	487	Rates	Level of service
Information Systems	Business improvement	2022-2031	403	Rates	Level of service
Information Systems	Council online web services	2022-2031	500	Rates	Level of service
Information Systems	Desktop PC hardware	2022-2031	1,052	Rates	Renewal
Information Systems	Magiq software cloud migration	2022-2031	253	Rates	Level of service
Information Systems	Smartsheet automation	2022-2031	786	Rates	Level of service
Information Systems	Community tech outreach	2023-2025	299	Rates	Level of service
Information Systems	Innovation programme	2023-2031	645	Rates	Level of service
Information Systems	IS core infrastructure	2024-2031	291	Rates	Renewal
Information Systems	Customer experience improvements	2025	147	Rates	Level of service
Information Systems	District sensor programme	2025-2031	329	Rates	Level of service
Information Systems	Human Resources information, payroll and learning management systems upgrade	2026	106	Rates	Level of service
Corporate Governance	Furniture renewals	2022-2031	111	Rates	Renewal
Corporate Governance	Vehicle replacement	2022-2031	1,775	Asset Replacement Reserve	Renewal

## THE FINANCIALS – Funding Impact Statement

### Funding Impact Statement - Governance & Corporate

For the year commencing 1 July

Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	
2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	
<b>SOURCES OF OPERATING FUNDING</b>											
<b>Rates Revenue:</b>											
General Rates, Uniform Annual General Charges, rates penalties	1,590	1,695	1,881	1,874	1,910	2,007	1,944	1,944	2,123	2,064	2,071
Targeted Rates	20	20	21	21	21	22	22	23	23	24	24
<b>Other Revenue:</b>											
Subsidies & grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges & targeted rates for water supply	86	49	50	51	53	52	55	56	55	58	60
Interest & dividends from investments	1,025	30	30	30	30	30	30	30	30	30	30
Internal charges & overheads recovered	11,229	10,863	11,602	12,749	13,528	13,085	13,447	13,460	13,798	14,158	14,251
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING FUNDING (A)</b>	<b>13,950</b>	<b>12,657</b>	<b>13,584</b>	<b>14,725</b>	<b>15,542</b>	<b>15,196</b>	<b>15,498</b>	<b>15,513</b>	<b>16,029</b>	<b>16,334</b>	<b>16,436</b>
<b>APPLICATION OF OPERATING FUNDING</b>											
Payments of staff & suppliers	9,512	9,286	9,690	10,146	10,307	10,530	10,789	10,867	11,169	11,467	11,528
Finance Costs	115	65	68	67	69	70	72	73	75	76	78
Internal charges & overheads applied	2,971	3,034	3,263	3,690	3,945	3,830	3,910	3,911	3,995	4,038	4,060
Other operating funding applications	45	45	46	47	48	49	50	51	52	54	55
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>12,643</b>	<b>12,430</b>	<b>13,067</b>	<b>13,950</b>	<b>14,369</b>	<b>14,479</b>	<b>14,821</b>	<b>14,902</b>	<b>15,291</b>	<b>15,635</b>	<b>15,721</b>

<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>1,307</b>	<b>227</b>	<b>517</b>	<b>775</b>	<b>1,173</b>	<b>717</b>	<b>677</b>	<b>611</b>	<b>738</b>	<b>699</b>	<b>715</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(158)	28	(118)	(78)	(36)	(37)	104	(41)	(40)	(39)	(39)
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>(158)</b>	<b>28</b>	<b>(118)</b>	<b>(78)</b>	<b>(36)</b>	<b>(37)</b>	<b>104</b>	<b>(41)</b>	<b>(40)</b>	<b>(39)</b>	<b>(39)</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of services	-	446	480	347	733	353	475	258	348	270	364
- to replace existing assets	535	376	514	313	349	298	305	312	351	391	334
Increase (decrease) in reserves	650	(567)	(595)	37	55	29	1	-	(1)	(1)	(22)
Increase (decrease) in investments	(36)	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>1,149</b>	<b>255</b>	<b>399</b>	<b>697</b>	<b>1,137</b>	<b>680</b>	<b>781</b>	<b>570</b>	<b>698</b>	<b>660</b>	<b>676</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(1,307)</b>	<b>(227)</b>	<b>(517)</b>	<b>(775)</b>	<b>(1,173)</b>	<b>(717)</b>	<b>(677)</b>	<b>(611)</b>	<b>(738)</b>	<b>(699)</b>	<b>(715)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## WHAT WE DO

We work with community groups to implement projects that benefit the community, such as the Warm Homes, Clean Air and the Waste Minimisation programme. We also assist event organisers to meet compliance and regulatory requirements, so that our District can enjoy events while being kept safe and and our environment is cared for.

Council administers community development grants as well as the creative community grants on behalf on Creative NZ. These grants are one off projects that provide vibrancy and support for our communities.

We work with local businesses to understand how Council along with South Waikato Investment Fund Trust (SWIFT) can provide support for businesses to grow.

Council advocates for and with South Waikato communities to obtain resources and strategic partnerships that will help our District to grow stronger.

## WHY WE DO

Community development is important because it helps build community sustainability by encouraging community pride and supporting community groups. An emphasis on increased participation and engagement is aligned with Councils planned outcome to increase the value of relationships with the community and in particular with Māori.

Economic development activities are important to create employment opportunities and attract people to live in the District.



Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>Economic development</b>	<p>Council is involved in the promotion and marketing of the District to organisations and individuals residing outside the District: looking to invest in establishing or moving a business to the District; moving to the District to live; planning to visit the District for leisure, recreation or tourism purposes.</p> <p>Council supports the growth and success of existing enterprises, through supply side facilitation of housing and business/industrial land development. Council works with local, regional and national organisations to advocate for investment into the District and to support initiatives that increase employment; reduce unemployment, particularly amongst youth and improve living standards for residents.</p>	Economic Development	<p>Digital Marketing: Click through rate for display advertisements (how many people engage with our advertising) is at 0.15%*. * Industry standard (display ads) is 0.08%.</p>
		Economic Development	<p>District Profile: Net media exposure score – number and reach of positive media exposures exceeds the number and reach of negative media exposures (print/radio/TV/digital).</p>
		Economic Development	<p>New businesses established: Three new businesses that engaged with Council's Economic Development staff will open in the District each year.</p>
<b>Community development</b>	<p>Council is involved in community development to improve social outcomes for the District. This includes mechanisms such as: The Warm Homes Clean Air programme; facilitating community events; funding community contract partners. Facilitating cohesive and strong connections between community groups and partners to strengthen our cultural diversity and vibrancy.</p>	Healthy, proud and connected community	Lead five civic events and co-lead five public events, with no less than two key stakeholders
		Healthy, proud and connected community	Engage with, support or facilitate ten interagency collaboration meetings in the social, education, health, youth and aged care sectors annually.
		Healthy, proud and connected community	90% of the key performance indicators within community contracts are satisfactorily met by individual contract holders annually
		Healthy, proud and connected community	At least 90% of the customers, who engaged with our frontline customer services team, indicate that they received courteous and respectful service.

## SIGNIFICANT NEGATIVE EFFECTS

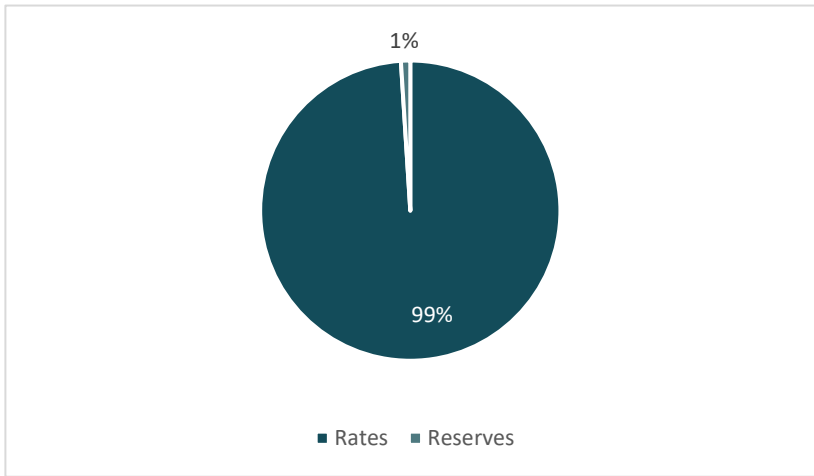


Potential Negative Effect	How it will be mitigated
<b>Conflicting priorities regarding social and economic development</b>	Council makes decisions based on the social good of our community as well as the economic sustainability of our District. This can sometimes be difficult and require lengthy decision-making processes by Council. However, Council staff will provide the required information in a timely fashion and Councillors will make decisions pursuant to their sworn right, for the good of the residents of our District.
<b>Some residents may feel deprived of certain opportunities when Council community and economic development policy is implemented in the interest of the general public</b>	Council will ensure that there are clear policies, systems and processes in place that promote the well-being of the general public.

## MAJOR PROJECTS

Activity	Major Project	Year(s) Delivered	Cost \$000	Funding Source	Classification
Economic Development	Town brands and entrances	2022	319	Loan	Level of service
Economic Development	Maraetai Road Intermodal Business Park	2022-2023	5,696	Loan	Growth
Economic Development	Council's involvement in residential property	2022-2031	3,329	Loan	Level of service

## HOW IT'S PAID FOR



## THE FINANCIALS – Funding Impact Statement

### Funding Impact Statement - Economic and community development

For the year commencing 1 July

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>SOURCES OF OPERATING FUNDING</b>											
<b>Rates Revenue:</b>											
General Rates, Uniform Annual General Charges, rates penalties	2,685	2,869	3,106	3,154	3,483	3,243	3,396	3,462	3,585	3,693	3,790
Targeted Rates	199	313	300	301	305	308	315	307	302	307	311
<b>Other Revenue:</b>											
Subsidies & grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges & targeted rates for water supply	6	6	6	6	6	7	7	7	7	7	7
Interest & dividends from investments	-	-	-	-	-	-	-	-	-	-	-
Internal charges & overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING FUNDING (A)</b>	<b>2,890</b>	<b>3,188</b>	<b>3,412</b>	<b>3,461</b>	<b>3,794</b>	<b>3,558</b>	<b>3,718</b>	<b>3,776</b>	<b>3,894</b>	<b>4,007</b>	<b>4,108</b>
<b>APPLICATION OF OPERATING FUNDING</b>											
Payments of staff & suppliers	1,053	1,119	1,337	1,134	1,167	1,171	1,208	1,246	1,285	1,341	1,369
Finance Costs	50	46	116	147	152	158	163	168	173	179	185
Internal charges & overheads applied	344	437	487	516	539	529	544	545	555	570	575
Other operating funding applications	1,266	1,456	1,631	1,515	1,757	1,525	1,596	1,631	1,683	1,722	1,753
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>2,713</b>	<b>3,058</b>	<b>3,571</b>	<b>3,312</b>	<b>3,615</b>	<b>3,383</b>	<b>3,511</b>	<b>3,590</b>	<b>3,696</b>	<b>3,812</b>	<b>3,882</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>177</b>	<b>130</b>	<b>(159)</b>	<b>149</b>	<b>179</b>	<b>175</b>	<b>207</b>	<b>186</b>	<b>198</b>	<b>195</b>	<b>226</b>



**SOURCES OF CAPITAL FUNDING**

Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	223	3,748	2,811	(4)	(8)	(12)	(19)	(11)	(3)	(8)	(12)
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>223</b>	<b>3,748</b>	<b>2,811</b>	<b>(4)</b>	<b>(8)</b>	<b>(12)</b>	<b>(19)</b>	<b>(11)</b>	<b>(3)</b>	<b>(8)</b>	<b>(12)</b>

**APPLICATION OF CAPITAL FUNDING**

Capital expenditure:

- to meet additional demand	-	3,291	2,455	-	-	-	-	-	-	-	-
- to improve the level of services	350	619	307	314	321	329	336	344	351	359	368
- to replace existing assets	150	-	15	-	16	-	17	-	18	-	18
Increase (decrease) in reserves	(156)	(32)	(125)	(169)	(166)	(166)	(165)	(169)	(174)	(172)	(172)
Increase (decrease) in investments	56	-	-	-	-	-	-	-	-	-	-

**TOTAL APPLICATIONS OF CAPITAL FUNDING (D)**

<b>400</b>	<b>3,878</b>	<b>2,652</b>	<b>145</b>	<b>171</b>	<b>163</b>	<b>188</b>	<b>175</b>	<b>195</b>	<b>187</b>	<b>214</b>
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**SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)**

<b>(177)</b>	<b>(130)</b>	<b>159</b>	<b>(149)</b>	<b>(179)</b>	<b>(175)</b>	<b>(207)</b>	<b>(186)</b>	<b>(198)</b>	<b>(195)</b>	<b>(226)</b>
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**FUNDING BALANCE ((A-B)+(C-D))**

<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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## WHAT WE DO

Council owns, operates and maintains property throughout the District to enhance its amenity value by providing facilities that contribute to the well-being of our communities.

Some of the assets that Council operates are:

- Pools (indoor and outdoor)
- Libraries
- Information centres
- Council offices and depots
- Pensioner housing
- The Plaza
- Public toilets
- Community halls

Council is tasked to provide these services for the community as with most of these facilities there are no alternative options for their provision within the community. In most cases no private sector alternatives exist locally and the emphasis is with Council to provide these venues, services or facilities.

## WHY WE DO

The objective of the Property activity is to enhance the amenity value of the District by providing community facilities and directly related buildings. This is achieved by the following:

- Providing facilities such as community halls, the Plaza theatre and libraries for the use and enjoyment of residents and visitors to the District.
- Provision of swimming pools and venues such as the South Waikato Sport and Events Centre for the use and enjoyment of residents and visitors alike, creating opportunities to bring events to our District.
- Providing facilities such as housing and other community-based facilities for the use of the District's residents.



## WHAT CAN YOU EXPECT FROM US



Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>South Waikato Sport and Events Centre</b>	Council owns and operates the Sport and Events Centre in Tokoroa. This facility provides indoor recreational opportunities for our residents and caters for those holding meetings or functions	Healthy, Proud and Connected Community	South Waikato Sport and Events Centre users rate their overall satisfaction level at an average of 90% or above annually.
		Healthy, Proud and Connected Community Durable Infrastructure	Annual usage of the South Waikato Sport and Events Centre will equate to an average of at least twice the District's population.
<b>Swimming pools</b>	Council owns and operates the District's indoor heated pool complex (South Waikato Indoor Pools) in Tokoroa and, during the summer months, outdoor pools in Putāruru and Tīrau.  These facilities provide a range of aquatic recreational opportunities that cater for the needs of a wide range of people - from young children and their parents, youth, swimming clubs and school groups to retired people and individuals wanting exercise.	Healthy, Proud and Connected Community	South Waikato pool facility users (Tokoroa, Putāruru, Tīrau) rate their overall satisfaction at 90% or above annually.
		Healthy, Proud and Connected Community	Annual usage of the South Waikato pool facilities will equate to an average of at least four times the District's population.
		Healthy, Proud and Connected Community	At least 90% of South Waikato pool water tests (Tokoroa, Putāruru and Tīrau) comply with the New Zealand Standard Pool Water Quality annually.
		Healthy, Proud and Connected Community	One water safety education campaign is undertaken (across the istrict) each year.
<b>Libraries</b>	That Council provides libraries which are civic spaces that provide users with access to lifelong learning, social interaction and the ability to access educational and cultural organisations and material  Council has libraries in Tokoroa and Putāruru and a library link service in Tīrau.	Healthy, Proud and Connected Community	South Waikato Library customers (Tokoroa, Putāruru and Tīrau) rate overall satisfaction at 95% or above annually.
		Healthy, Proud and Connected Community	South Waikato Libraries visitor and online user numbers will increase by at least 2% of the five-year average. <i>Note: this KPI is a combination of two 'current KPI's'.</i>
		Healthy, Proud and Connected Community	Ten library led community-based learning programmes are undertaken each year.
		Healthy, Proud and Connected Community	Ten or more community groups engage with the District libraries each month.

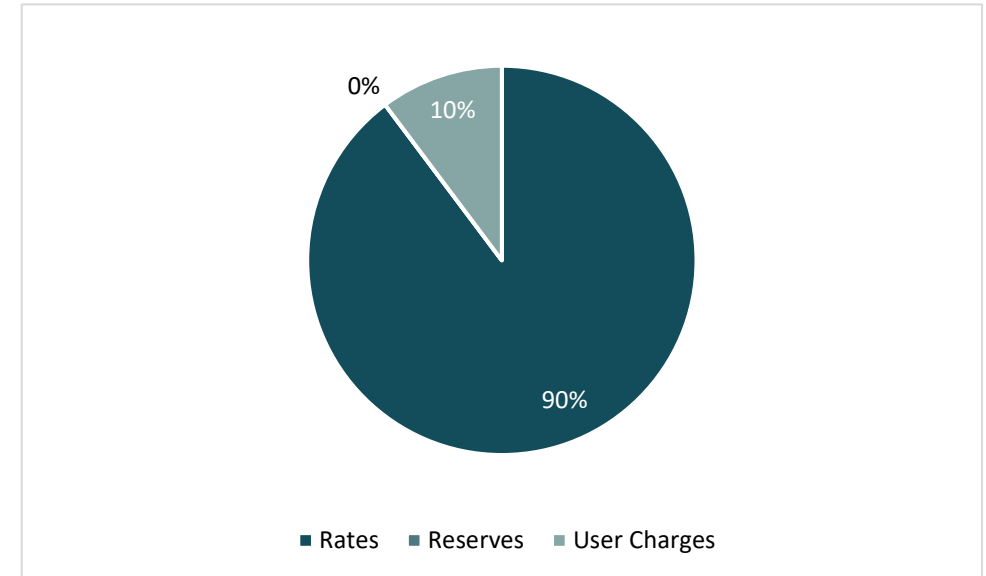
## SIGNIFICANT NEGATIVE EFFECTS

Potential Negative Effect	How it will be mitigated
<b>Vandalism, litter and petty crime may result in the facilities looking untidy and cause people to feel unsafe</b>	Graffiti and vandalism are removed and repaired as quickly as possible. The layout and design of the facilities are considered (especially aspects such as rubbish bins and lighting) to ensure that the potential for crime and littering are reduced.
<b>The perceptions that derive from Council's levels of service, such as poor town maintenance and asset management. (Low levels of service are associated with low rate charges)</b>	Council have planned to increase the levels of Council services including facilities maintenance and infrastructural management. (Increased levels of service associate with increased costs and will therefore induce an increase in rates for residents)
<b>Heightened service expectations. While our staff endeavour to support our community with their growing technical needs, increased service demands may prevent them from providing technical advice.</b>	Library staff will provide residents with learning and professional development options that help residents gain skills such as the use of Microsoft Office, emails and printing. Library staff will also offer instruction sheets to residents to enable skill development.
<b>Conflicting priorities: This could occur between residents, and/or between Council and residents</b>	Council will analyse the suggestions put forth from the community and will consider and prioritise options based on the Council's strategic direction and outcomes.

## MAJOR PROJECTS

Activity	Major Project	Year(s) Delivered	Cost \$000	Funding Source	Classification
Libraries - District	Library collection and information resources	2022-2031	1,387	Rates	Renewal
Libraries - Tokoroa	Tokoroa Library/Community Hub - New Building	2023-2026	9,382	Loan	Level of service
Pools - Tokoroa	Swimming pool upgrade	2022-2024	13,339	Loan	Renewal
Pools - Putāruru	Pool refurbishments	2022-2025	301	Loan	Renewal
Pools - Tīrau	Pool refurbishments	2023-2024	574	Loan	Renewal
South Waikato Sport and Event Centre	South Waikato Sport and Event Centre upgrades	2022-2025, 2029-2030	180	Asset Replacement Reserve	Renewal
Talking Poles	District cultural trail plan	2022-2025	170	Rates	Level of service
Talking Poles	Green man talking pole resurrection	2026	282	Loan	Renewal

## HOW IT'S PAID FOR



## THE FINANCIALS – Funding Impact Statement

### Funding Impact Statement - Community Facilities

For the year commencing 1 July

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>SOURCES OF OPERATING FUNDING</b>											
<b>Rates Revenue:</b>											
General Rates, Uniform Annual General Charges, rates penalties	3,120	3,313	3,751	4,401	5,164	5,208	5,364	5,403	5,482	5,546	5,539
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
<b>Other Revenue:</b>											
Subsidies & grants for operating purposes	12	177	2	2	2	2	2	2	2	2	2
Fees, charges & targeted rates for water supply	379	378	388	396	405	414	423	431	441	450	461
Interest & dividends from investments	-	22	27	33	45	57	70	83	96	109	123
Internal charges & overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING FUNDING (A)</b>	<b>3,511</b>	<b>3,890</b>	<b>4,168</b>	<b>4,832</b>	<b>5,616</b>	<b>5,681</b>	<b>5,859</b>	<b>5,919</b>	<b>6,021</b>	<b>6,107</b>	<b>6,125</b>
<b>APPLICATION OF OPERATING FUNDING</b>											
Payments of staff & suppliers	2,014	2,304	2,155	2,221	2,287	2,351	2,387	2,434	2,495	2,533	2,584
Finance Costs	107	46	138	243	410	456	483	481	478	476	474
Internal charges & overheads applied	961	934	1,030	1,137	1,225	1,173	1,199	1,200	1,235	1,245	1,257
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>3,082</b>	<b>3,284</b>	<b>3,323</b>	<b>3,601</b>	<b>3,922</b>	<b>3,980</b>	<b>4,069</b>	<b>4,115</b>	<b>4,208</b>	<b>4,254</b>	<b>4,315</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>429</b>	<b>606</b>	<b>845</b>	<b>1,231</b>	<b>1,694</b>	<b>1,701</b>	<b>1,790</b>	<b>1,804</b>	<b>1,813</b>	<b>1,853</b>	<b>1,810</b>
<b>SOURCES OF CAPITAL FUNDING</b>											

Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(62)	3,301	2,125	12,029	1,077	2,221	(1,082)	(1,085)	(1,075)	(1,057)	(1,008)
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>(62)</b>	<b>3,301</b>	<b>2,125</b>	<b>12,029</b>	<b>1,077</b>	<b>2,221</b>	<b>(1,082)</b>	<b>(1,085)</b>	<b>(1,075)</b>	<b>(1,057)</b>	<b>(1,008)</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of services	-	51	283	4,280	2,095	2,963	-	-	12	12	-
- to replace existing assets	435	3,701	2,399	8,639	151	425	147	150	153	157	161
Increase (decrease) in reserves	(236)	155	288	341	525	534	561	569	573	627	641
Increase (decrease) in investments	168	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>367</b>	<b>3,907</b>	<b>2,970</b>	<b>13,260</b>	<b>2,771</b>	<b>3,922</b>	<b>708</b>	<b>719</b>	<b>738</b>	<b>796</b>	<b>802</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(429)</b>	<b>(606)</b>	<b>(845)</b>	<b>(1,231)</b>	<b>(1,694)</b>	<b>(1,701)</b>	<b>(1,790)</b>	<b>(1,804)</b>	<b>(1,813)</b>	<b>(1,853)</b>	<b>(1,810)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Parks and reserves



## WHAT WE DO

Council owns and/or manages approximately 285 hectares of parks, sportsgrounds, reserves, cemeteries and gardens.

Our role sees us administer contracts, undertake auditing, program work, plan development and manage their use. Council provides a contact for users and administers the bookings for each of our parks and sportsgrounds. We are also involved in planning for and carrying out capital works as set out in the LTP and Annual Plans.

## WHY WE DO

We provide parks and reserves to enable the provision of infrastructural and community-based services. Council undertakes the Parks and Reserves group of activities to ensure that our residents and visitors have a wide range of options to meet their leisure and recreation needs.

These facilities play an important role in fostering community pride in our District as they provide for both formal sporting and recreational groups to come together, or for the community to get together in an informal manner.





## WHAT CAN YOU EXPECT FROM US

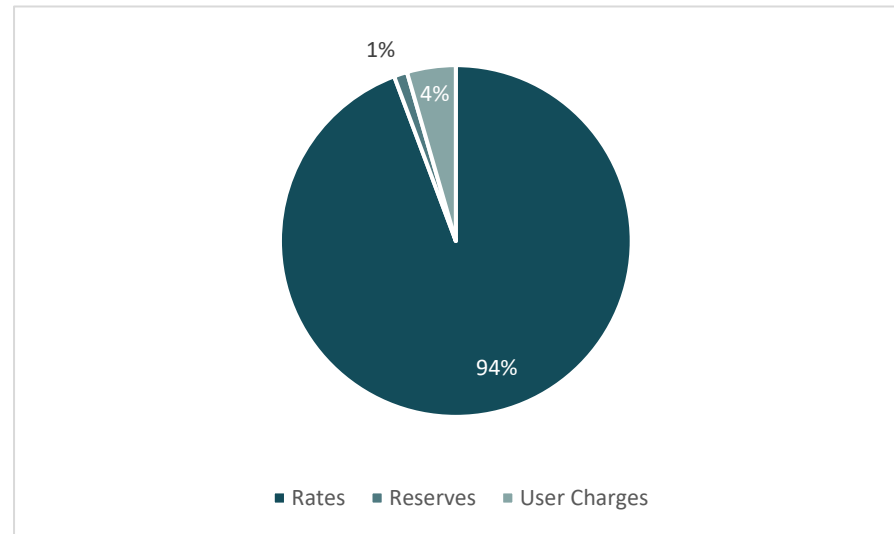


Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>Cemeteries</b>	To ensure that all interment processes within the cemeteries located in Tokoroa, Putāruru and Tīrau are managed to legal requirements, all cemeteries are accessible and maintained to appropriate levels as the final resting place for our communities' loved ones	Vibrant Culture Durable Infrastructure Healthy, Proud and Connected Community Environmental Sustainability	90% of non-urgent* enquiries and service requests relating to cemeteries are responded to within ten working days of notice.
			90% of urgent* enquiries and service requests relating to cemeteries are responded to within two working days of notice.
<b>Playgrounds, parks and reserves</b>	Council will maintain facilities and grounds within parks and reserves that considers visual appeal, environmental well-being and safety. Council will provide a level of service that allows for appropriate use of parks and reserves	Vibrant Culture Durable Infrastructure Healthy, Proud and Connected Community Environmental Sustainability	90% of non-urgent* enquiries and service requests relating to parks and reserves are responded to within ten working days of notice.
			90% of urgent* enquiries and service requests relating to parks and reserves are responded to within two working days of notice.
			Users of South Waikato parks and reserves rate the overall satisfaction level at an average of 90% or above annually. <i>*urgent denotes immediate attention required due to threat to life or property.</i>

## SIGNIFICANT NEGATIVE EFFECTS

Potential Negative Effect	How it will be mitigated
<b>Vandalism, litter, and petty crime may result in the facilities looking untidy and cause people to feel unsafe.</b>	<p>Regular inspections of buildings and playground equipment are conducted to make sure that they are safe.</p> <p>Respond quickly when members of the public advise that there is a safety concern at facilities.</p> <p>Buildings are regularly inspected to ensure compliance with the building code.</p>

## HOW IT'S PAID FOR



## MAJOR PROJECTS

Activity	Major Project	Year(s) Delivered	Cost \$000	Funding Source	Classification
Cemeteries - Tokoroa	Cemetery extension	2022	830	Loan	Growth
Reserves - General	Shelters	2023-2028	472	Loan	Level of service
Reserves - General	Skate park	2022	550	Loan	Level of service
Reserves - General	Lake Moananui upgrades	2022-2028, 2030	726	Loan/ Rates	Level of service
Reserves - General	Play equipment	2022-2031	953	Loan/ Asset replacement reserve	Level of service/ Renewals
Reserves - General	Retaining wall renewals	2024, 2026	401	Asset replacement reserve	Renewals
Reserves - General	Pump track Arapuni	2024	104	Loan	Level of service
Reserves - General	Toilet Arapuni Pioneer Park	2024	126	Loan	Level of service
Reserves - General	Tirau Domain upgrades	2023-2024, 2028, 2030	1,104	Loan	Level of service
Reserves - General	Water park	2023	460	Loan	Level of service
Reserves - General	Additional roads	2023	111	Loan	Level of service
Reserves - General	BBQ installs	2023-2027	152	Loan	Level of service
Reserves - General	Internal roads	2022-2031	277	Loan	Renewal
Reserves - General	Playgrounds	2024, 2026, 2028, 2031	369	Loan	Level of service

Reserves - General	Walkways	2022-2031	555	Asset replacement reserve/ Rates	Level of service/ Renewals
Reserves - General	Tokoroa upgrades	2022-2024	110	Loan/ Rates	Level of service
Reserves - General	Signage, furniture, bins & fences	2022-2031	194	Asset replacement reserve	Level of service/ Renewals
Reserves - Putāruru	Putāruru reserves land purchase	2025, 2030	692	Loan	Growth
Sportsgrounds - General	Glenshea Park netball courts resurfacing and lighting	2024-2025	409	Asset replacement reserve	Renewals
Sportsgrounds - General	Resurface Tokoroa netball courts	2022	68	Asset replacement reserve	Renewals
Sportsgrounds - General	Additional basketball court	2026	165	Loan	Level of service
Sportsgrounds - General	Memorial sportsground resurfacing	2030	256	Asset replacement reserve	Renewals
Tokoroa Airport	Runway maintenance and crack sealing	2022, 2024, 2026, 2028, 2030	165	Council created reserve	Renewals
Tokoroa Airport	Hanger access seal	2024-2025	123	Council created reserve	Level of service

## THE FINANCIALS – Funding Impact Statement

### Funding Impact Statement - Parks and Reserves

For the year commencing 1 July

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>SOURCES OF OPERATING FUNDING</b>											
<b>Rates Revenue:</b>											
General Rates, Uniform Annual General Charges, rates penalties	3,823	3,984	4,301	4,753	4,780	4,967	5,150	5,400	5,471	5,943	5,940
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
<b>Other Revenue:</b>											
Subsidies & grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges & targeted rates for water supply	189	189	194	198	203	207	212	216	221	226	231
Interest & dividends from investments	-	13	18	11	22	28	45	64	83	102	130
Internal charges & overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING FUNDING (A)</b>	<b>4,012</b>	<b>4,186</b>	<b>4,513</b>	<b>4,962</b>	<b>5,005</b>	<b>5,202</b>	<b>5,407</b>	<b>5,680</b>	<b>5,775</b>	<b>6,271</b>	<b>6,301</b>
<b>APPLICATION OF OPERATING FUNDING</b>											
Payments of staff & suppliers	2,396	2,606	2,696	2,871	2,828	2,912	3,015	3,091	3,180	3,274	3,351
Finance Costs	98	55	95	112	122	129	135	147	155	161	168
Internal charges & overheads applied	1,047	1,027	1,059	1,139	1,192	1,166	1,202	1,207	1,230	1,266	1,275
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>3,541</b>	<b>3,688</b>	<b>3,850</b>	<b>4,122</b>	<b>4,142</b>	<b>4,207</b>	<b>4,352</b>	<b>4,445</b>	<b>4,565</b>	<b>4,701</b>	<b>4,794</b>

<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>471</b>	<b>498</b>	<b>663</b>	<b>840</b>	<b>863</b>	<b>995</b>	<b>1,055</b>	<b>1,235</b>	<b>1,210</b>	<b>1,570</b>	<b>1,507</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	42	41	42	43	44	45	46	47	48	49	50
Increase (decrease) in debt	454	1,699	714	270	303	4	81	514	(249)	247	(248)
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>496</b>	<b>1,740</b>	<b>756</b>	<b>313</b>	<b>347</b>	<b>49</b>	<b>127</b>	<b>561</b>	<b>(201)</b>	<b>296</b>	<b>(198)</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure:											
- to meet additional demand	-	836	6	6	220	7	7	7	7	485	7
- to improve the level of services	590	1,178	1,047	752	572	460	479	1,029	207	232	223
- to replace existing assets	516	276	142	710	116	340	70	106	73	456	77
Increase (decrease) in reserves	(606)	(52)	224	(315)	302	237	626	654	722	693	1,002
Increase (decrease) in investments	467	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>967</b>	<b>2,238</b>	<b>1,419</b>	<b>1,153</b>	<b>1,210</b>	<b>1,044</b>	<b>1,182</b>	<b>1,796</b>	<b>1,009</b>	<b>1,866</b>	<b>1,309</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(471)</b>	<b>(498)</b>	<b>(663)</b>	<b>(840)</b>	<b>(863)</b>	<b>(995)</b>	<b>(1,055)</b>	<b>(1,235)</b>	<b>(1,210)</b>	<b>(1,570)</b>	<b>(1,507)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## WHAT WE DO

We maintain and manage all the buildings owned and operated by Council. This involves the day-to-day operations of most of these and the planning for and undertaking major asset renewal work and the upkeep of Council's asset management system for the properties.

We maintain all Council office buildings and depots as well as vacant land owned by Council that are not reserves or parks.

We install, clean and maintain the Tokoroa Talking Poles and the District's other artwork (such as the mosaics in Putāruru).

We work with the users of the Tokoroa Airfield in completing the maintenance at this location.



## WHY WE DO IT

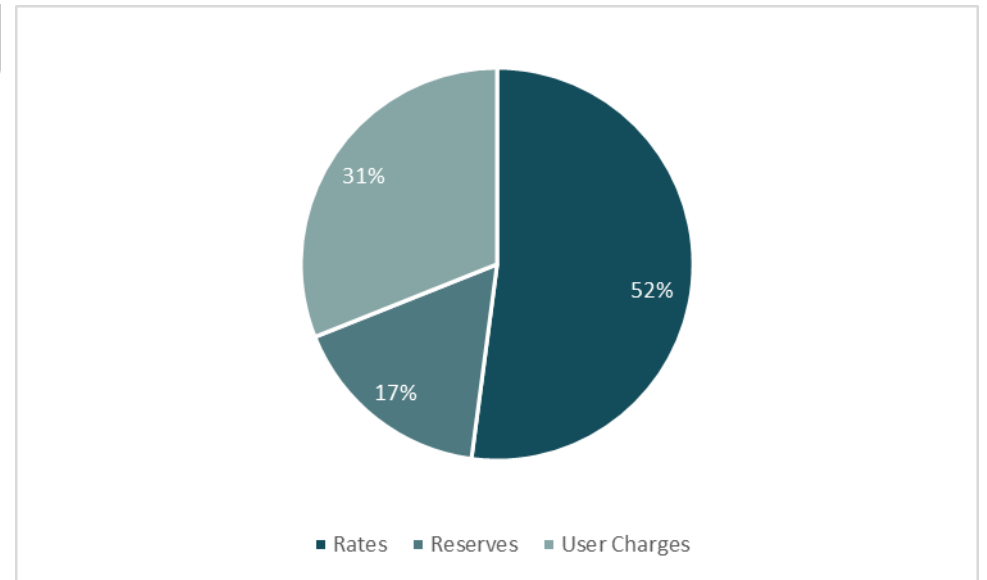
In many cases Council manages these facilities as part of the need to provide services to the community such as our administration buildings and libraries. Other buildings form part of a complex such as the indoor pools or Sport and Events Centre and therefore need to be maintained to ensure the viability of the facility in the future. A number of properties are under Council management due to historical reasons such as community housing (now pensioner housing). Other areas, such as community halls, have come under Council management over the years as the landscape has changed and these have passed from the community into Council ownership or management. This activity links to economic, social and cultural community outcomes through quality infrastructure, the development of tourism opportunities, community pride, health, affordability and accessibility and reflecting the diversity of our communities



## WHAT CAN YOU EXPECT FROM US

Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>Public Toilets</b>	Council provides public toilet facilities that are clean and well maintained throughout the District, in town centres, along the major travelling routes and in certain recreational locations.	Durable infrastructure	90% of enquiries and service requests relating to public toilets are responded to within two working days of notice
			90% of enquiries and service requests relating to public toilets are resolved within three working days of notice
<b>Pensioner Housing</b>	Council's pensioner flats located in Putāruru, Tīrau and Tokoroa are maintained at an average to good standard, with rentals set to recover the cost of operation and will comply with new government standards for rented properties	Healthy, proud and connected community	The occupancy of Council's pensioner housing units is at least 95% on an annual basis

## HOW IT'S PAID FOR





Potential Negative Effect	How it will be mitigated
<b>Staff and the public may experience incidents when using the facilities.</b>	Regular inspections of buildings are conducted to make sure that they are safe. Respond quickly when members of the public advise that there is a safety concern at our facilities. Buildings are regularly inspected to ensure compliance with the Building Code.

## MAJOR PROJECTS

Activity	Major Project	Year(s) Delivered	Cost \$000	Funding Source	Classification
Pensioner Housing - District	Pensioner housing - Healthy homes and general upgrades	2022-2031	1,292	Rates	Level of service/ renewals
Toilets - Tirau	New toilet Hillcrest St Tirau	2027	280	Loan	Level of service
Property - District	CCTV renewals	2022-2026	110	Rates	Renewals
Property - District	Property upgrade works	2022-2031	281	Asset Replacement Reserve	Renewals
Property - Tokoroa	Renewal office building at the Tokoroa Depot	2022-2024	102	Loan	Renewals
The Plaza	The Plaza- Lighting upgrade and seating replacement	2022-2023	143	Loan	Renewals

## THE FINANCIALS – Funding Impact Statement

### Funding Impact Statement - Property

For the year commencing 1 July

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>SOURCES OF OPERATING FUNDING</b>											
<b>Rates Revenue:</b>											
General Rates, Uniform Annual General Charges, rates penalties	836	1,003	1,007	1,130	1,184	1,188	1,199	1,212	1,228	1,264	1,248
Targeted Rates	52	53	55	56	57	59	60	61	63	64	66
<b>Other Revenue:</b>											
Subsidies & grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges & targeted rates for water supply	486	630	707	800	824	846	871	895	924	950	979
Interest & dividends from investments	-	24	35	48	61	74	90	106	122	141	160
Internal charges & overheads recovered	54	631	632	645	654	660	674	676	633	589	590
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING FUNDING (A)</b>	<b>1,428</b>	<b>2,341</b>	<b>2,436</b>	<b>2,679</b>	<b>2,780</b>	<b>2,827</b>	<b>2,894</b>	<b>2,950</b>	<b>2,970</b>	<b>3,008</b>	<b>3,043</b>
<b>APPLICATION OF OPERATING FUNDING</b>											
Payments of staff & suppliers	863	1,283	1,303	1,332	1,360	1,391	1,421	1,450	1,482	1,514	1,548
Finance Costs	101	60	57	54	50	45	42	39	34	32	28
Internal charges & overheads applied	430	651	612	776	835	819	836	842	862	879	878
Other operating funding applications	1	1	1	1	1	1	1	1	1	1	1
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>1,395</b>	<b>1,995</b>	<b>1,973</b>	<b>2,163</b>	<b>2,246</b>	<b>2,256</b>	<b>2,300</b>	<b>2,332</b>	<b>2,379</b>	<b>2,426</b>	<b>2,455</b>

<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>33</b>	<b>346</b>	<b>463</b>	<b>516</b>	<b>534</b>	<b>571</b>	<b>594</b>	<b>618</b>	<b>591</b>	<b>582</b>	<b>588</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(238)	(157)	(194)	(214)	(300)	(304)	(36)	(325)	(274)	(236)	(220)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>(238)</b>	<b>(157)</b>	<b>(194)</b>	<b>(214)</b>	<b>(300)</b>	<b>(304)</b>	<b>(36)</b>	<b>(325)</b>	<b>(274)</b>	<b>(236)</b>	<b>(220)</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of services	-	245	205	-	-	-	280	-	-	-	-
- to replace existing assets	434	286	280	237	156	149	106	112	105	108	110
Increase (decrease) in reserves	(492)	(342)	(216)	65	78	118	172	181	212	238	258
Increase (decrease) in investments	(147)	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>(205)</b>	<b>189</b>	<b>269</b>	<b>302</b>	<b>234</b>	<b>267</b>	<b>558</b>	<b>293</b>	<b>317</b>	<b>346</b>	<b>368</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(33)</b>	<b>(346)</b>	<b>(463)</b>	<b>(516)</b>	<b>(534)</b>	<b>(571)</b>	<b>(594)</b>	<b>(618)</b>	<b>(591)</b>	<b>(582)</b>	<b>(588)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## WHAT WE DO

The regulatory groups assist the community with the following activities:

- Planning guidance and compliance
- Building guidance
- Civil defence
- Animal control
- Sale and supply of alcohol licensing
- Auditing food premises
- Noise control
- Parking and bylaw enforcement
- Business management

## WHY WE DO IT

The focus of the regulatory activity is to make sure that our residents and the environment are safe. By supporting our communities in planning and operating in a safe manner, we can build on a sustainable culture that will ensure a strong future for our District.



## WHAT CAN YOU EXPECT FROM US



Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>Animal control and compliance</b>	Ensure that animals, predominantly dogs, do not become a nuisance to the community	Healthy, proud and connected community	95% of known dogs in the South Waikato District are registered annually or infringements issued.
	Council is required to have a service that is responsible for keeping dog registration records and provide experienced officers that are charged with keeping control of animals within their district		
	Council's compliance team works within our community 24 hours 7 days a week to promote and regulate responsible dog ownership and welfare of dogs. This includes attending attacks and aggression complaints, investigating barking complaints and facilitating resolutions between complainants and dog owners/voluntary handovers.		
	Council provide a dog and stock pound facility, rehoming and de-sexing programme and microchipping service and ensure that animals, predominantly dogs, do not become a nuisance to the community. Staff offer free of charge education and awareness programmes about dog safety, hygiene, behaviour issues and welfare.		
Minimal parking compliance and monitoring operates within the CBDs or as directed. This team leads general compliance matters which are also managed on a reactive basis related to Council's bylaws and infringement fines for Litter. Council's compliance team assist Police and SPCA inspectors regularly.	Healthy, proud and connected community	Not less than 200 hours per year spent on car parking patrols and complaints	
		100% of urgent* animal service requests are attended to within one hour on 24/7 basis. *Urgent means wandering stock on roads, roaming or aggressive or attacking dogs.	

Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>Building control</b>	To maintain Building Consent Authority accreditation and to ensure that building work that is completed is safe and complies with the requirements of the legislation	Economic Development Durable Infrastructure Healthy, proud and connected community Environmental sustainability	Council will retain accreditation as a Building Consent Authority.
	Council activity includes providing building control guidance through a daily duty officer available, consent processing (usually within 10 days) and inspection (24hr notice), swimming pool fencing management and building control related policy eg. earthquake prone buildings	Economic Development Durable Infrastructure Healthy, proud and connected community Environmental sustainability	The Building team will meet with builders and designers at least twice per year.
	Council work with applicants to find effective solutions to meet the Code through suggesting available options. Council outsources expertise when we do not have the in-house capability eg. significant commercial development. Compliance and enforcement matters are reactive.	Economic Development Durable Infrastructure	At least 100% of building consents are processed within statutory timelines (20 working days).
		Economic Development Durable Infrastructure	All swimming pools on Council's pool register will be inspected at least once every three years (or 33% each year).
<b>Civil defence</b>	Council plans and prepares for a civil defence emergency within the District. Council provide our community with 24 hours 7 days a week initial response capability.	Healthy, proud and connected communities. Environmental Sustainability	At least one Emergency Operations Centre or Managers exercise is run annually to measure the effectiveness of training delivery to meet the Group KPI
	Council Emergency Operations Centre (EOC) staff support and statutory roles such as Controllers, Welfare and Recovery Managers are provided for as secondary to other business as usual (BAU) roles.	Healthy, proud and connected communities. Environmental Sustainability	Council staff will participate in 20 or more activities with local organisations; of those, four must be collaborative meetings with the local welfare committee and/or emergency services coordinating committee
	Council promote and offer education and awareness programmes within the community and facilitate training for staff and social sector groups free of charge, to improve our collective readiness for natural hazards and emergencies	Healthy, proud and connected communities. Environmental Sustainability	
	Council are reactive in our engagement with high hazard facility emergency response planning due to capacity.	Healthy, proud and connected communities. Environmental Sustainability	Civil Defence staff will engage with high hazard facilities at least twice per year.

Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>Environmental Health</b>	Provide health and licensing services and provide general protection to public health and safety	Healthy, proud and connected communities. Vibrant Culture	95% of premises registered under the Health Act 1956 will be inspected annually
	Auditing and verification of food premises to ensure that they meet the Food Act.	Healthy, proud and connected communities. Vibrant Culture	There are legislated timeframes to complete verifications within and the aim by staff is to complete at least 90% of these on time. There are instances where suspended registrations, closed premises and cancelled verifications for example mean that timeframes cannot be adhered to.
	Council outsources expertise when we do not have inhouse capability eg. noise measurement, hazardous substances, Food Act enforcement	Healthy, proud and connected communities. Vibrant Culture	
	Sale and Supply of Alcohol Licensing Provide alcohol licensing services and provide general protection to public health and safety. This involves face to face interviews with applicant for General Manager certification and facilitation of stakeholders for large scale special licence applications.	Healthy, proud and connected communities. Vibrant Culture	100% of premises that hold either on, off or club licences will be inspected annually.
		Healthy, proud and connected communities. Vibrant Culture	Alcohol licenses/renewals and general manager certificates are issued within three months of application, providing there are no objections or opposition from the agencies, the chair or a hearing requested by Alcohol Regulatory and Licensing Authority (ARLA).
		Healthy, proud and connected communities. Vibrant Culture	Three or more meetings per calendar year will be held with the South Waikato Alcohol Accord group.
	Noise Control In addition, 24 hour 7 days a week noise complaint and investigation service are provided.	Healthy, proud and connected communities. Vibrant Culture	100% of urban complaints regarding excessive noise are responded to within one hour as contracted.

Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>Resource management and planning</b>	To promote the sustainable management of the District's natural and physical resources and process resource consents and provide environmental services in accordance with the Resource Management Act 1991.	Environmental sustainability Economic development	100% of consents are processed within the Resource Management Act 1991 timeframes.
		Environmental sustainability Economic development	100% of decisions permitting boundary activity certificates are issued within statutory timeframes.
	This includes processing of resource consents (20 days), a daily duty officer available, managing of bylaw reviews and minimal monitoring of consented activities. Complaint investigation is reactive	Environmental sustainability Economic development	Not less than 80 hours per year is spent on monitoring land uses eg., resource consents, consent notices certificates of compliance and existing situations
	Staff work with applicants through suggesting consultant support options and engagement facilitation with stakeholders such as iwi and NZTA	Environmental sustainability Economic development	90% of all potential business development projects that require an integrated regulatory approach (i.e. Business Case Management) are contacted within two working days.
	Council staff supports, advocates and provides funding for various environmental enhancement programmes and projects help to promote sustainable management. State of Environment reporting is minimal.  Council outsources resource when we do not have inhouse capacity to meet demand for District Plan Policy programme changes and resource consent processing	Environmental sustainability Economic development	<i>Required planning input into 100% of all building consent applications is assessed within five working days of online registration.</i>



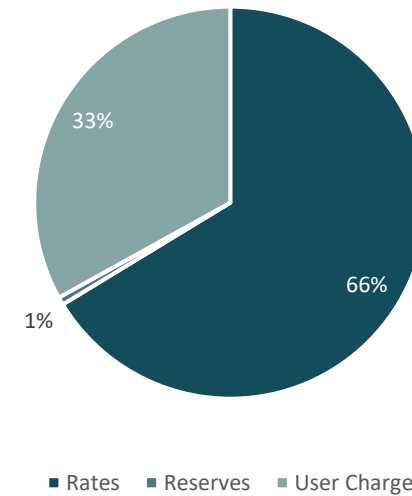
## SIGNIFICANT NEGATIVE EFFECTS

Potential Negative Effect	How it will be mitigated
<p><b>There is a perception that red tape and bureaucracy are holding up new developments.</b></p>	<p>Council operates the Business Case Management programme including use of discretion, which helps applicants navigate through any regulatory processes in order to minimise delays. Council has obligations under various Acts to ensure developments and activities are sustainable and no future liability on ratepayers occurs.</p> <p>Improved application detail from applicants and upfront vetting of deficiencies saves time.</p> <p>Engagement with regular customers through newsletters and education sessions on common areas for improvement.</p>
<p><b>Costs of regulatory processes may cause financial hardship for households and businesses.</b></p>	<p>When developing the Revenue and Financing Policy Council decides how much of each activity should be funded by general rates, targeted rates and/or user fees. For each of the activities in the regulatory group of activities, Council has agreed to an appropriate split between general rates and user fees to ensure that neither ratepayers nor users are unfairly burdened. If you would like to read the Revenue and Financing Policy, go to <a href="http://southwaikato.govt.nz/our-council/strategies-plans-policies-bylaws/policies">southwaikato.govt.nz/our-council/strategies-plans-policies-bylaws/policies</a>.</p> <p>Pre application meetings and the availability of duty technical officers are provided at no charge. Automatic payment agreement options and links to community funding groups are offered in genuine hardship circumstances.</p>

## MAJOR PROJECTS

Activity	Major Project	Year(s) Delivered	Cost \$000	Funding Source	Classification
Resource Management	District plan - Eplan	2022-2031	2,313	Loan	Level of service
Emergency Management	Replacement generator	2022-2024	118	Asset replacement reserve	Renewals

## HOW IT'S PAID FOR



## THE FINANCIALS – Funding Impact Statement

### Funding Impact Statement - Regulatory

For the year commencing 1 July

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>SOURCES OF OPERATING FUNDING</b>											
<b>Rates Revenue:</b>											
General Rates, Uniform Annual General Charges, rates penalties	2,978	2,866	2,876	2,937	3,056	3,090	3,216	3,281	3,345	3,420	3,542
<b>Other Revenue:</b>											
Subsidies & grants for operating purposes	2	-	-	-	-	-	-	-	-	-	-
Fees, charges & targeted rates for water supply	1,382	1,428	1,482	1,527	1,605	1,636	1,685	1,711	1,802	1,854	1,888
Interest & dividends from investments											
Internal charges & overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	69	69	71	72	74	75	77	79	80	82	84
<b>TOTAL OPERATING FUNDING (A)</b>	<b>4,431</b>	<b>4,363</b>	<b>4,429</b>	<b>4,536</b>	<b>4,735</b>	<b>4,801</b>	<b>4,978</b>	<b>5,071</b>	<b>5,227</b>	<b>5,356</b>	<b>5,514</b>
<b>APPLICATION OF OPERATING FUNDING</b>											
Payments of staff & suppliers	2,673	2,702	2,714	2,710	2,818	2,892	2,990	3,016	3,086	3,155	3,267
Finance Costs	12	3	4	6	9	13	20	28	36	40	43
Internal charges & overheads applied	1,583	1,498	1,648	1,740	1,831	1,800	1,833	1,848	1,887	1,914	1,948
Other operating funding applications	3	6	6	6	6	7	7	7	7	7	4
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>4,271</b>	<b>4,209</b>	<b>4,372</b>	<b>4,462</b>	<b>4,664</b>	<b>4,712</b>	<b>4,850</b>	<b>4,899</b>	<b>5,016</b>	<b>5,116</b>	<b>5,262</b>

<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>160</b>	<b>154</b>	<b>57</b>	<b>74</b>	<b>71</b>	<b>89</b>	<b>128</b>	<b>172</b>	<b>211</b>	<b>240</b>	<b>252</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Increase (decrease) in debt	(141)	(56)	101	110	97	208	385	248	207	(100)	(108)
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>(141)</b>	<b>(56)</b>	<b>101</b>	<b>110</b>	<b>97</b>	<b>208</b>	<b>385</b>	<b>248</b>	<b>207</b>	<b>(100)</b>	<b>(108)</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of services	-	80	133	157	161	274	493	401	399	121	125
- to replace existing assets	65	46	37	38	-	-	-	-	-	-	-
Increase (decrease) in reserves	(90)	(28)	(12)	(11)	7	23	20	19	19	19	19
Increase (decrease) in investments	44	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>19</b>	<b>98</b>	<b>158</b>	<b>184</b>	<b>168</b>	<b>297</b>	<b>513</b>	<b>420</b>	<b>418</b>	<b>140</b>	<b>144</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(160)</b>	<b>(154)</b>	<b>(57)</b>	<b>(74)</b>	<b>(71)</b>	<b>(89)</b>	<b>(128)</b>	<b>(172)</b>	<b>(211)</b>	<b>(240)</b>	<b>(252)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## WHAT WE DO

Council owns, operates (under contracts) and maintains the following assets and services:

- A weekly kerbside household rubbish collection and disposal service
- A Fortnightly kerbside household recycling collection and processing service
- A greenwaste drop off and processing service
- Rubbish transfer stations in Tokoroa and Putāruru
- Three recycling drop off centres (RDOP)
- Maintenance and aftercare of three closed landfills
- Behaviour change, community engagement and policy development to achieve waste minimisation and reduction

## WHY WE DO IT

The purpose of the Waste Minimisation Act 2008 is to encourage waste minimisation and decrease waste disposal to landfill. A key part of this act is that Council prepares and regularly reviews a Waste management and Minimisation Plan. The current WMP was prepared in 2018 and is due for review in 2024.

Council's strategy presents what we are going to do for the next ten years to make our District a better place to live and work.



## WHAT CAN YOU EXPECT FROM US



Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>Landfill</b>	Council manages its closed landfills subject to each landfills' aftercare provisions. All sites are managed in accordance with Council's Solid Waste Site Management Plans.	Durable Infrastructure	90% of enquiries and service requests relating to recycling collection are responded to within two working days of notice
	Refuse is transferred out of our District to an externally owned and managed landfill	Durable Infrastructure	90% of enquiries and service requests relating to refuse collection are responded to within two working days of notice
<b>Household rubbish and recycling collection</b>	Council provides a fortnightly kerbside recyclable collection service for defined areas (mostly urban) in Arapuni, Putāruru, Tirau and Tokoroa.	Healthy, proud and connected community	Two waste minimisation education campaigns are undertaken each year.
	Council provides a weekly kerbside refuse kerbside collection service for defined areas (mostly urban) in Arapuni, Putāruru, Tirau and Tokoroa	Healthy, proud and connected community	South Waikato kerbside collection service users rate overall satisfaction of 75% or above annually.
<b>Transfer station and drop-off zones</b>	A transfer Station and Recycling drop-off zone operate in Tokoroa and Putāruru Rural recycling drop off zones operate in Tirau, Kuranui School and Waotu.	Durable Infrastructure	Recycling as percentage of the waste disposed to landfill increases: 2020/21 greater than 10% 2021/22 greater than 12.5% 2022/23 greater than 15%
	Recycling collected from these drop-off zones are processed by an external contractor. All sites are managed in accordance with Council's Solid Waste Site Management Plans.	Durable Infrastructure	There will be no Formal Enforcement Actions from the Consenting Authority regarding Council's compliance with resource consent conditions.
		Durable Infrastructure	90% of enquiries and service requests relating to recycling collection are resolved within three working days of notice.
		Durable Infrastructure	90% of enquiries and service requests relating to refuse collection are resolved within three working days of notice.

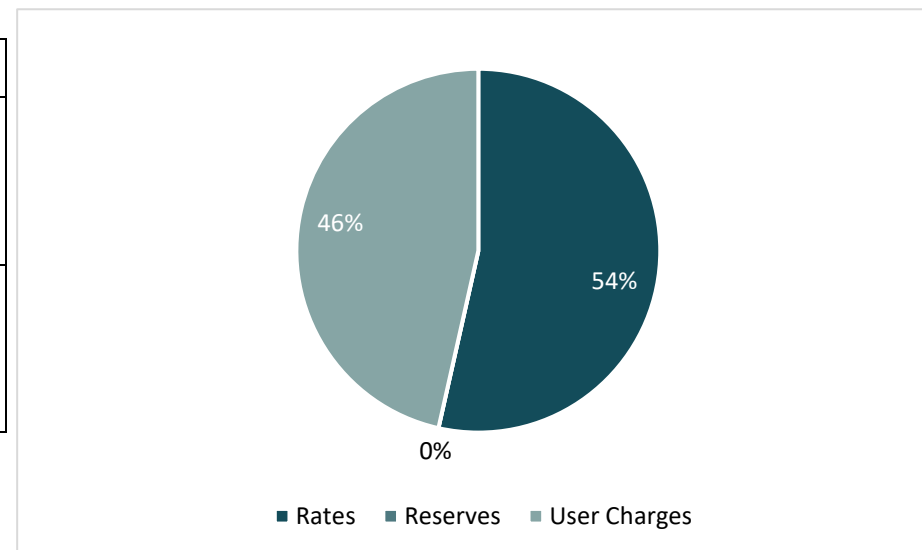
## SIGNIFICANT NEGATIVE EFFECTS

Potential Negative Effect	How it will be mitigated
Inappropriate disposal of waste results in adverse effects on the environment.	Transfer Station users are encouraged to separate chemicals, batteries and used oil from waste so it can be treated appropriately. A reduction of total waste is encouraged through realistic charges and the promotion of recycling. Options for managing and disposing of green waste is being investigated. The closed landfills are monitored as required in the consent conditions. The results are reported to Waikato Regional Council.
Unanticipated growth rates and/or demolition leading to increased rubbish disposal.	Council will monitor for acceptable levels of solid waste disposal; this will enable efficient planning for accommodate growth and development within the District.

## MAJOR PROJECTS

Activity	Major Project	Year(s) Delivered	Cost \$000	Funding Source	Classification
Waste Disposal	Putāruru refuse transfer station upgrade programme	2023-2024	384	Loan	Level of service
Waste Disposal	Tokoroa transfer station resource recovery centre	2025-2026	442	Loan	Level of service

## HOW IT'S PAID FOR



## THE FINANCIALS – Funding Impact Statement

### Funding Impact Statement - Solid waste & recycling

For the year commencing 1 July

Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's

#### SOURCES OF OPERATING FUNDING

##### Rates Revenue:

General Rates, Uniform Annual General Charges, rates penalties	719	698	347	86	257	65	549	532	949	760	756
Targeted Rates	1,193	2,065	2,149	2,133	2,242	2,235	2,306	2,358	2,446	2,471	2,491

##### Other Revenue:

Subsidies & grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges & targeted rates for water supply	2,578	2,399	2,640	2,975	3,199	3,271	2,846	2,904	2,527	2,605	2,664
Interest & dividends from investments	-	31	32	32	32	33	33	33	33	33	34
Internal charges & overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	92	181	277	472	578	591	560	571	584	572	585

#### TOTAL OPERATING FUNDING (A)

	<b>4,582</b>	<b>5,374</b>	<b>5,445</b>	<b>5,698</b>	<b>6,308</b>	<b>6,195</b>	<b>6,294</b>	<b>6,398</b>	<b>6,539</b>	<b>6,441</b>	<b>6,530</b>
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#### APPLICATION OF OPERATING FUNDING

Payments of staff & suppliers	3,523	3,497	3,819	4,403	4,733	4,894	4,944	5,056	5,180	5,226	5,318
Finance Costs	171	67	94	94	94	94	94	90	86	83	83
Internal charges & overheads applied	600	806	831	880	915	879	920	913	927	968	965
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-



<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>4,294</b>	<b>4,370</b>	<b>4,744</b>	<b>5,377</b>	<b>5,742</b>	<b>5,867</b>	<b>5,958</b>	<b>6,059</b>	<b>6,193</b>	<b>6,277</b>	<b>6,366</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>288</b>	<b>1,004</b>	<b>701</b>	<b>321</b>	<b>566</b>	<b>328</b>	<b>336</b>	<b>339</b>	<b>346</b>	<b>164</b>	<b>164</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Increase (decrease) in debt	(222)	(271)	(306)	(20)	(290)	(22)	(393)	(396)	(399)	(215)	(216)
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>(222)</b>	<b>(271)</b>	<b>(306)</b>	<b>(20)</b>	<b>(290)</b>	<b>(22)</b>	<b>(393)</b>	<b>(396)</b>	<b>(399)</b>	<b>(215)</b>	<b>(216)</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of services	-	-	44	340	80	361	-	-	-	-	-
- to replace existing assets	360	5	5	6	6	6	6	6	6	6	6
Increase (decrease) in reserves	(305)	728	346	(45)	190	(61)	(63)	(63)	(59)	(57)	(58)
Increase (decrease) in investments	11	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>66</b>	<b>733</b>	<b>395</b>	<b>301</b>	<b>276</b>	<b>306</b>	<b>(57)</b>	<b>(57)</b>	<b>(53)</b>	<b>(51)</b>	<b>(52)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(288)</b>	<b>(1,004)</b>	<b>(701)</b>	<b>(321)</b>	<b>(566)</b>	<b>(328)</b>	<b>(336)</b>	<b>(339)</b>	<b>(346)</b>	<b>(164)</b>	<b>(164)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## WHAT WE DO

The South Waikato District Council is in the business of owning, operating and maintaining the Land Transport Network (excluding State Highways) because

- The provision of roads is vital to the needs and aspirations of all who live in the District. They provide the primary means of safe, reliable and efficient access to resident's homes, schools, and businesses 24 hours a day, 365 days a year
- Through Council, local communities have representation regarding their transportation needs and the regional road corridors
- Council manages its largest asset soundly now and for future generations at the appropriate level of service.
- The existing land transport network is a community asset which should be controlled by Council.

Some of the activities Council facilitates are:

- Resealing of roads and cycleways
- Road pavement rehabilitation
- Seal widening and extensions
- Road marking
- Maintenance of signs and streetlighting designated to Council
- Maintenance of footpaths
- Road maintenance which is carried out by contractors

## WHY WE DO IT

Council provides a roading network and associated roading services to support these assets to ensure easy, safe and secure access to the District and around the District so that:

- business development can take place to increase our economic growth through a secure network
- our community and visitors can move safely around the District
- access to our facilities and services is easy
- operate existing business effectively and efficiently

### Waka Kotahi change in subsidy

Council received notice that Waka Kotahi reduced the subsidy provided for roading in late May 2021. The roading programme was amended to accommodate the revised budget.



## WHAT CAN YOU EXPECT FROM US

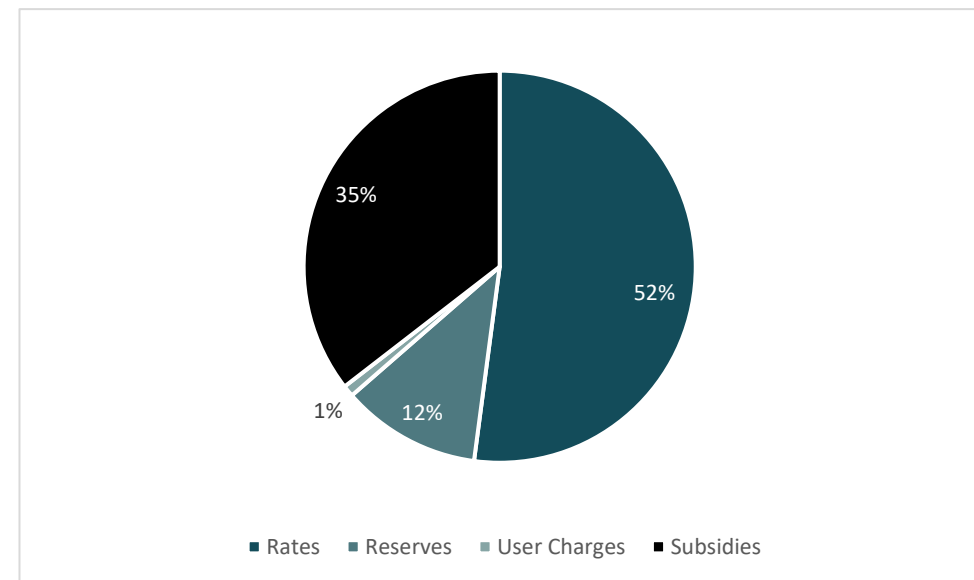


Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>Resealing of road and cycleways</b>	Council maintains its sealed road surface as part of its renewal targets set by the Asset Management Plan	Durable Infrastructure	The three-year rolling average of annual resurfacing completed is no less than 6% of the networks total seal area.
<b>Pavement (road) rehabilitation</b>	Council's roading network allows its users to travel efficiently to their desired destinations.	Durable Infrastructure	The percentage of vehicle kilometres travelled on smooth sealed local roads is at least 80%.
<b>General maintenance</b>	Users of our roading network can expect their enquiries and service requests relating to the roading network to be responded to in a timely manner.	Durable Infrastructure	South Waikato road users rate overall satisfaction with the quality of footpaths at 75% or above annually
		Healthy, proud and connected community	Council will respond to 90% of all urgent service requests within two working days of notice
		Healthy, proud and connected community	Council will respond to 90% of all non-urgent service requests within ten working days of notice.
<b>Road safety programme</b>	Council continues to provide a safer roading network	Durable Infrastructure	Two South Waikato District Council road safety education campaigns are undertaken each year
		Healthy, proud and connected community	There are no fatalities or serious injury crashes on the local transport network that are directly attributable to road conditions.
<b>Footpaths</b>	Council has a footpath network that allows its users to travel safely and easily to their desired destination	Healthy, proud and connected community	An annual audit of at least 10% of the footpath network will be undertaken each year
		Durable Infrastructure	90% of the footpath network that was audited should have a displacement of less than 15mm.

## SIGNIFICANT NEGATIVE EFFECTS

Potential Negative Effect	How it will be mitigated
<b>Effects on the environment including emissions, run-off, dust, and noise</b>	<p>Ensure that Council applies for any resource consents that may be required.</p> <p>Manage contracts to ensure that any effect on the environment is minimised.</p> <p>Design stormwater infrastructure to ensure that effects of run-off are minimised.</p> <p>Council has a seal extension programme in place in order to reduce the length of unsealed roads in the District, which in turn reduces the dust nuisance experienced by some of our residents.</p>
<b>Accidents may result in death or serious injury</b>	<p>Operates a road safety programme and work closely with partners (including the Police, New Zealand Transport Agency, and ACC) to raise awareness of road safety issues.</p> <p>Makes improvements to the roading network to improve safety eg. realigning dangerous intersections.</p> <p>Speed restrictions are imposed to help ensure that motorists travel at speeds that are appropriate for the road.</p>

## HOW IT'S PAID FOR



## MAJOR PROJECTS

Activity	Major Project	Year(s) Delivered	Cost \$000	Funding Source	Classification
Drainage renewals	District drainage renewals	2022-2031	1,775	Rates	Renewal
Footpaths	District construction of new footpaths	2022-2031	888	Rates	Level of service
Maintenance operations of local roads	District road formation widening	2022-2031	3,995	Rates	Level of service
Sealed road surfacing	District sealed road resurfacing	2022-2031	13,315	Rates	Renewal
Minor Improvements	Arapuni corridor study and improvement	2025-2027	329	Rates	Level of service
Minor Improvements	District cycle lane strategy and implementation	2029-2031	301	Rates	Level of service
Minor Improvements	District footpath strategy and implementation	2028-2030	353	Rates	Level of service
Minor Improvements	District widening associated with pavement rehabilitation	2022-2031	2,219	Rates	Level of service
Minor Improvements	Domain Road geometric and sight benching improvements	2022-2024	247	Rates	Level of service
Minor Improvements	Old Taupo Road improvements	2022-2024	1,961	Rates	Level of service
Minor Improvements	Wiltsdown Road corridor study and improvements	2024-2026	346	Rates	Level of service
Non-subsidised roading	Arapuni concrete pathway to powerhouse road	2026	55	Loan	Level of service
Non-subsidised roading	Putāruru Buttermilk site - new road industrial development	2022-2024	836	Rates/ Loan	Growth/ Renewal

Non-subsidised roading	Dumfries 800m new road link	2022-2023	1,620	Council created reserve	Growth
Non-subsidised roading	Leith Place Car Park - reformat to diagonal parking	2026	141	Rates	Level of service
Non-subsidised roading	District seal widening	2022-2031	888	Rates	Level of service
Non-subsidised roading	District sealed car park renewals for parks and reserves	2022-2031	1,511	Rates	Level of service
Pavement Rehabilitation	District pavement rehabilitation	2025-2031	8,524	Rates	Renewal
Pavement Rehabilitation	Pavement rehabilitation for Tokoroa roads	2022-2024	1,493	Rates	Renewal
Pavement Rehabilitation	Pavement rehabilitation for Tirau roads	2022-2024	430	Rates	Renewal
Pavement Rehabilitation	Pavement rehabilitation for Putaruru roads	2022-2024	197	Rates	Renewal
Pavement Rehabilitation	Pavement rehabilitation for Lichfield roads	2022-2024	474	Rates	Renewal
Pavement Rehabilitation	Pavement rehabilitation for Tapapa roads	2022-2024	123	Rates	Renewal
Pavement Rehabilitation	Pavement rehabilitation for Wiltsdown roads	2022-2024	207	Rates	Renewal
Traffic services renewals	District streetlighting	2022-2031	2,053	Rates	Renewal
Traffic services renewals	District traffic services signs	2022-2031	777	Rates	Renewal
Tokoroa CBD upgrade	CBD Upgrade	2023-2025	1,264	Loan	Level of service

## THE FINANCIALS – Funding Impact Statement

### Funding Impact Statement - Transport and roading

For the year commencing 1 July

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>SOURCES OF OPERATING FUNDING</b>											
<b>Rates Revenue:</b>											
General Rates, Uniform Annual General Charges, rates penalties	4,555	4,292	4,755	4,985	5,076	5,279	5,294	5,248	5,343	5,408	5,407
Targeted rates											
<b>Other Revenue:</b>											
Subsidies & grants for operating purposes	1,871	2,922	2,968	2,978	3,015	3,083	3,151	3,215	3,286	3,356	3,432
Fees, charges & targeted rates for water supply	84	77	79	81	82	84	86	88	90	92	94
Interest & dividends from investments	-	33	39	46	52	59	66	73	80	88	96
Internal charges & overheads recovered	685	54	62	66	72	68	68	68	68	68	69
Local authorities fuel tax, fines, infringement fees, and other receipts	155	155	159	162	166	170	173	177	181	185	189
<b>TOTAL OPERATING FUNDING (A)</b>	<b>7,350</b>	<b>7,533</b>	<b>8,062</b>	<b>8,318</b>	<b>8,463</b>	<b>8,743</b>	<b>8,838</b>	<b>8,869</b>	<b>9,048</b>	<b>9,197</b>	<b>9,287</b>
<b>APPLICATION OF OPERATING FUNDING</b>											
Payments of staff & suppliers	3,265	4,708	4,733	4,801	4,862	4,969	5,127	5,174	5,291	5,457	5,524
Finance Costs	140	53	67	72	81	82	78	74	70	67	66
Internal charges & overheads applied	2,128	938	976	1,037	1,087	1,034	1,081	1,072	1,087	1,134	1,130
Other operating funding applications		-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>5,533</b>	<b>5,699</b>	<b>5,776</b>	<b>5,910</b>	<b>6,030</b>	<b>6,085</b>	<b>6,286</b>	<b>6,320</b>	<b>6,448</b>	<b>6,658</b>	<b>6,720</b>

<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>1,817</b>	<b>1,834</b>	<b>2,286</b>	<b>2,408</b>	<b>2,433</b>	<b>2,658</b>	<b>2,552</b>	<b>2,549</b>	<b>2,600</b>	<b>2,539</b>	<b>2,567</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies & grants for capital expenditure	2,043	1,654	1,755	1,761	2,333	2,385	2,402	2,451	2,505	2,559	2,640
Development & financial contributions	-	-	-	105	-	275	-	-	293	-	-
Increase (decrease) in debt	(327)	(191)	(85)	305	194	(579)	(363)	(307)	(598)	(187)	(145)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>1,716</b>	<b>1,463</b>	<b>1,670</b>	<b>2,171</b>	<b>2,527</b>	<b>2,081</b>	<b>2,039</b>	<b>2,144</b>	<b>2,200</b>	<b>2,372</b>	<b>2,495</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure:											
- to meet additional demand	-	847	901	206	-	-	-	-	-	-	-
- to improve the level of services	170	1,110	1,442	1,725	1,842	1,531	1,310	1,340	1,370	1,402	1,471
- to replace existing assets	3,375	2,288	2,250	2,584	2,867	2,932	2,999	3,065	3,135	3,207	3,282
Increase (decrease) in reserves	(122)	(948)	(637)	64	251	276	282	288	295	302	309
Increase (decrease) in investments	110	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>3,533</b>	<b>3,297</b>	<b>3,956</b>	<b>4,579</b>	<b>4,960</b>	<b>4,739</b>	<b>4,591</b>	<b>4,693</b>	<b>4,800</b>	<b>4,911</b>	<b>5,062</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(1,817)</b>	<b>(1,834)</b>	<b>(2,286)</b>	<b>(2,408)</b>	<b>(2,433)</b>	<b>(2,658)</b>	<b>(2,552)</b>	<b>(2,549)</b>	<b>(2,600)</b>	<b>(2,539)</b>	<b>(2,567)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





## WHAT WE DO

Council staff manage four urban and two rural water supplies, Tokoroa, Putāruru, Tīrau, Arapuni, Lichfield and Athol. This includes 10 reservoirs, 10 bore water pumps and 228km of reticulation.

Tokoroa's water is supplied by two bores. The water is treated with chlorine, lime (which corrects the PH), fluoride and ultraviolet light before it is pumped up to Colson Hill reservoirs.

Putāruru's water is supplied from two sources. Glenshea Park has two bores and this water is treated with chlorine. The other supply is from the Waihou Spring (Blue Spring).

Tīrau's water is supplied from a spring on the banks of the Oraka River. The water is pumped to two reservoirs at the top of Fairview Street. The water is treated with chlorine and ultraviolet light. This water supply has not been aged.

Arapuni's water is supplied from two bores at the southern end of town. It is then pumped into a reservoir in Pioneer Street and is treated with chlorine.

Lichfield water is 60 years old, comes from a single bore in Ngātira Road, supplies 18 properties and is treated with chlorine. Old Taupo Road near Campbell Road, Wawa Road and Station Road are all supplied from Kinleith Mill. Council purchase water from the mill and then on sells it.

## WHY WE DO IT

A reliable supply of clean drinking water is essential for the health of our residents and also supports community safety through provision of adequate water supply to meet a minimum level of firefighting capability. A stable supply of water is essential in supporting our existing businesses and encouraging new businesses to our District. Council ensures that residents who are serviced by Councils water supply have high quality water that meets all statutory and environmental standards.

### What has changed for the Long Term Plan Amendment 2022

We are increasing the capacity of water reticulation to meet firefighting standards within the townships of Tokoroa and Tīrau along with increasing the capacity of the water reticulation to meet growth requirements in both townships.

Allowance for growth within Putāruru was included in the 2021/31 LTP.

We are also improving remote monitoring and reporting systems to ensure the water treatment systems operate effectively and efficiently, thereby ensuring the water supply to residents is safe and meets the New Zealand drinking water standards

## WHAT CAN YOU EXPECT FROM US

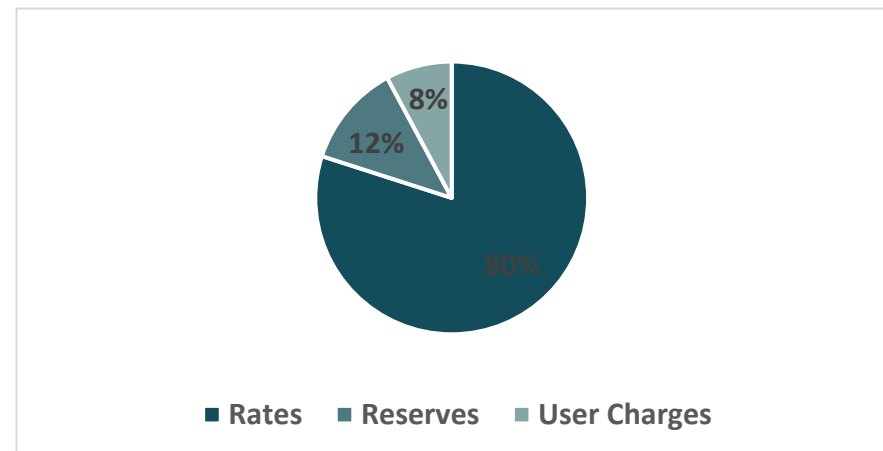


Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>Drinking water and treatment distribution</b>	Council operates and maintains four urban and two rural water supplies. This includes 10 reservoirs, 10 bore water pumps and 228 km of pipes. Council ensure that residents who are serviced by Council's water supply, have high-quality water available at all times for drinking and to meet other household and business needs. Council is responsible for looking after the network and making sure all statutory requirements and environmental standards are met	Durable infrastructure	All unsecure water sources, will have water treated as prescribed in Part 5 of the drinking water standards to treat protozoa.
		Healthy, proud and connected community	Community satisfaction with South Waikato water supply reliability is at 95% or above annually.
		Durable infrastructure	At least 97% of tests for E-coli (bacteria compliance) carried out on treated reticulated water will indicate a level of E-Coli in the reticulated Council systems of less than one per 100ml.
		Durable infrastructure	Where Council attends to water supply issues resulting from a fault or interruption in the Council's water supply system, the median response times measured: Respond* to urgent* callouts - 95% within one hour
		Durable infrastructure	Where Council attends to water supply issues resulting from a fault or interruption in the Council's water supply system, the median resolution times measured: Resolve* urgent* callouts– 95% within 24 hours
		Durable infrastructure	The total number of complaints about any of the following water supply issues: clarity, taste, odour, water, pressure/flow and continuity of supply does not exceed one complaint per 1,000 connections to Council's water supply system
		Durable infrastructure	The water loss from Council's reticulation network will be no more than 20%.
		Durable infrastructure	The average amount of water consumed per resident per day is less than 500 litres.

## SIGNIFICANT NEGATIVE EFFECTS

Potential Negative Effect	How it will be mitigated
<b>If treatment systems fail, then it may cause illness</b>	Water is regularly tested for microorganisms, chemical treatment, or contamination to ensure that it meets Council and the New Zealand Drinking Water Standards.
<b>Some users may waste water</b>	High users of water (such as some industrial users) are charged for the volume of water that they take which is an incentive to reduce unnecessary use. When water use across the District's water supply networks is higher than normal, Council may introduce water restrictions.
<b>Negative environmental impact from water extraction activities</b>	Council will analyse potential environmental impacts and consider options that are economically viable and environmentally prudent. Council meets WRC consent conditions for water takes, WRC monitor the effects on the environment
<b>Competing values and priorities can create tension between Council and stakeholders. Treaty partnerships are important and a legislative requirement</b>	Relationships with iwi are a key priority for Council. Councillors and staff will endeavour to maintain successful co-management and co-governance partnerships with iwi.

## HOW IT'S PAID FOR



## MAJOR PROJECTS

Activity	Major Project	Year(s) Delivered	Cost \$000	Funding Source	Classification
Water Supply - Tokoroa	Tokoroa water supply growth	2026-2027	7,884	Loan	Growth
Water Supply - Tokoroa	Honowhenua water supply	2024	311	Loan	Growth
Water Supply - Tokoroa	Maraetai Road intermodal business park	2024-2025	1,000	Loan	Growth
Water Supply - Tīrau	Tirau water supply growth	2026-2027	7,924	Loan	Growth
Water Supply - District	Districtwide water telemetry/SCADA	2024-2025	1,155	Loan	Renewal
Water Supply - Arapuni	Bore replacement	2022	195	Asset replacement reserve	Renewal
Water Supply - Arapuni	Watermain renewal programme	2023, 2026, 2029	395	Asset replacement reserve	Renewal
Water Supply - District	Health & safety improvements	2022-2031	333	Rates	Level of service
Water Supply - Putāruru	Arapuni street watermain upgrade	2030	832	Asset replacement reserve/ Loan	Growth/ Renewal
Water Supply - Putāruru	Reticulation minor new works	2022-2031	111	Asset replacement reserve	Level of service
Water Supply - Putāruru	Reservoir Street watermain upgrade	2026-2027	1,925	Asset replacement reserve/ Loan	Growth/ Renewal
Water Supply - Putāruru	Sholson Street watermain upgrade	2026	880	Asset replacement reserve/ Loan	Growth/ Renewal
Water Supply - Putāruru	Glenshea booster pump	2029	937	Asset replacement reserve/ Loan	Growth/ Renewal
Water Supply - Putāruru	Capital component of maintenance	2022-2031	166	Rates	Level of service
Water Supply - Putāruru	Watermain renewal programme	2022-2031	1,659	Asset replacement reserve	Renewal
Water Supply - Tīrau	Reticulation minor new works	2022-2031	111	Asset replacement reserve	Level of service
Water Supply - Tīrau	Plant & equipment replacement	2022-2031	270	Asset replacement reserve	Renewal
Water Supply - Tīrau	Reticulation minor new works	2022-2031	1,221	Asset replacement reserve	Level of service
Water Supply - Tīrau	Capital component of maintenance	2022-2031	133	Rates	Level of service
Water Supply - Tīrau	Watermain renewal programme	2028-2031	466	Asset replacement reserve	Renewal
Water Supply - Tokoroa	Billah Street filtration	2025	405	Loan	Level of service
Water Supply - Tokoroa	General upgrades	2025-2029	2,319	Loan	Level of service
Water Supply - Tokoroa	Billah St headworks rising main replacement	2023	113	Asset replacement reserve	Renewal
Water Supply - Tokoroa	Plant & equipment replacement	2022-2031	364	Asset replacement reserve	Renewal
Water Supply - Tokoroa	Capital component of maintenance	2022-2031	166	Rates	Level of service
Water Supply - Tokoroa	Watermain renewal programme	2022-2031	6,658	Asset replacement reserve	Renewal

## THE FINANCIALS – Funding Impact Statement

Funding Impact Statement - Water supply For the year commencing 1 July	Annual Plan 2020-21 \$000's	LTP 2021-22 \$000's	LTP 2022-23 \$000's	LTP 2023-24 \$000's	LTP 2024-25 \$000's	LTP 2025-26 \$000's	LTP 2026-27 \$000's	LTP 2027-28 \$000's	LTP 2028-29 \$000's	LTP 2029-30 \$000's	LTP 2030-31 \$000's
<b>SOURCES OF OPERATING FUNDING</b>											
<b>Rates Revenue:</b>											
Targeted Rates	2,987	3,294	3,460	3,697	4,051	4,706	5,040	5,702	6,013	6,372	6,822
<b>Other Revenue:</b>											
Fees, charges & targeted rates for water supply	333	323	331	339	346	354	362	370	378	386	395
Interest & dividends from investments	-	133	118	110	102	87	77	67	55	47	44
Internal charges & overheads recovered	2,695	1,532	1,598	1,646	1,697	1,716	1,749	1,782	1,823	1,859	1,899
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING FUNDING (A)</b>	<b>6,015</b>	<b>5,282</b>	<b>5,507</b>	<b>5,792</b>	<b>6,196</b>	<b>6,863</b>	<b>7,228</b>	<b>7,921</b>	<b>8,269</b>	<b>8,664</b>	<b>9,160</b>
<b>APPLICATION OF OPERATING FUNDING</b>											
Payments of staff & suppliers	1,445	2,039	2,088	2,146	2,222	2,408	2,490	2,648	2,703	2,776	2,841
Finance Costs	40	7	12	43	73	270	655	852	871	886	891
Internal charges & overheads applied	3,565	2,537	2,672	2,793	2,903	2,878	2,950	2,981	3,048	3,122	3,169
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>5,050</b>	<b>4,583</b>	<b>4,772</b>	<b>4,982</b>	<b>5,198</b>	<b>5,556</b>	<b>6,095</b>	<b>6,481</b>	<b>6,622</b>	<b>6,784</b>	<b>6,901</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>965</b>	<b>699</b>	<b>735</b>	<b>810</b>	<b>998</b>	<b>1,307</b>	<b>1,133</b>	<b>1,440</b>	<b>1,647</b>	<b>1,880</b>	<b>2,259</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Development & financial contributions	102	96	98	100	103	105	107	109	112	114	117
Increase (decrease) in debt	172	6	57	1,368	1,546	9,400	8,427	424	1,122	44	(174)
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>274</b>	<b>102</b>	<b>155</b>	<b>1,468</b>	<b>1,649</b>	<b>9,505</b>	<b>8,534</b>	<b>533</b>	<b>1,234</b>	<b>158</b>	<b>(57)</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure:											
- to meet additional demand	318	30	-	799	502	8,947	7,972	-	702	216	-
- to improve the level of services	549	242	263	222	743	787	805	804	822	242	248
- to replace existing assets	618	1,032	1,096	1,459	1,537	2,794	988	1,026	1,380	1,642	1,019
Increase (decrease) in reserves	(1,163)	(503)	(469)	(202)	(135)	(1,716)	(98)	143	(23)	(62)	935
Increase (decrease) in investments	917	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>1,239</b>	<b>801</b>	<b>890</b>	<b>2,278</b>	<b>2,647</b>	<b>10,812</b>	<b>9,667</b>	<b>1,973</b>	<b>2,881</b>	<b>2,038</b>	<b>2,202</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(965)</b>	<b>(699)</b>	<b>(735)</b>	<b>(810)</b>	<b>(998)</b>	<b>(1,307)</b>	<b>(1,133)</b>	<b>(1,440)</b>	<b>(1,647)</b>	<b>(1,880)</b>	<b>(2,259)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## WHAT WE DO

Council owns, operates and maintains the wastewater collection networks and disposal schemes in Arapuni, Tirau, Putāruru, and Tokoroa communities.

- We collect wastewater from homes and businesses via sewage pipes and send it to the treatment plants either by gravity or pumping.
- We treat wastewater to a high quality, then discharge it to water or land.
- The services that are provided to the community through the assets in this plan are as follows:
- Wastewater collection provided throughout the urban environment including collection of wastewater from the towns of Tokoroa, Putāruru, Tirau & Arapuni
- Gravity and pumped delivery of the wastewater to the individual wastewater treatment plants.
- Treatment at the Tokoroa, Putaruru, Tirau & Arapuni WW Plants prior to discharge of the treated effluent to the receiving environments.

## WHY WE DO IT

The provision of wastewater collection networks and treatment plants is vital to the needs and aspirations of all who live in the District. Wastewater provide the means of safe, reliable and efficient disposal of wastewater for resident's homes, schools, and businesses 24 hours a day, 365 days a year in a manner that is safe for both human health and the environment

### **What has changed for the Long Term Plan Amendment 2022**

We are increasing the capacity of wastewater systems to meet expected growth within the townships of Tokoroa and Tirau.

Allowance for growth in Putāruru was included in the 2021/31 LTP.

We are also improving remote monitoring and reporting system to ensure that the treatment of wastewater is effectively and efficiently, thereby ensuring the treated wastewater is discharged safely and in compliance with resource consent conditions.

## WHAT CAN YOU EXPECT FROM US

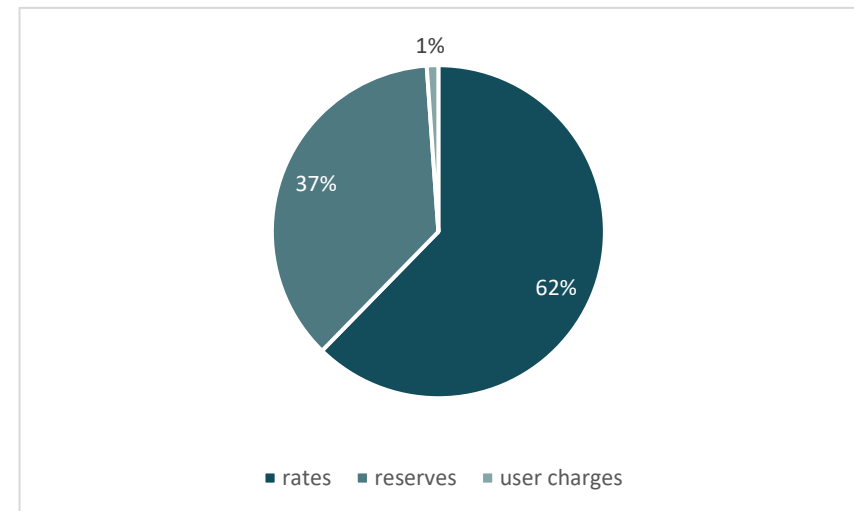


Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>Wastewater collection and treatment</b>	Council maintains about 167km of wastewater reticulation and 18 pumping stations. Each year the wastewater network carries about 55,430 cubic metres of wastewater to the Council's treatment plants, ensuring that wastewater is treated and disposed of to comply with environmental standards.	Durable infrastructure	There will be no <i>Formal Enforcement Actions</i> from the consenting authority (Waikato Regional Council) in regard to Council's compliance with resource consent conditions relating to wastewater.
	Residents can expect timely responses to interruptions to the wastewater reticulation system	Durable infrastructure	The total number of complaints received about any of the following: wastewater odour, wastewater system faults, wastewater system blockages and Council's response to any of these issues expressed as one per 1,000 connections to Council's wastewater system.
	Residents can expect a reticulated wastewater treatment system that is reliable and does not fail unnecessarily	Durable infrastructure	Community satisfaction with South Waikato wastewater treatment and disposal of water is at an average of 90% or above annually
	Council will operate its wastewater treatment systems in an environmentally responsible manner and ensure that it complies with the conditions of the resource consents it holds with the Waikato Regional Council	Durable infrastructure	Where Council attends to wastewater overflows resulting from a blockage or other fault in the Council's wastewater system, the median response times are measured: Respond - 95% within one hour
			Where Council attends to wastewater overflows resulting from a blockage or other fault in the Council's wastewater system, the median resolution times are measured: Resolve* – 95% within 24 hours
			The total number of dry weather overflows* from the public wastewater system shall not exceed three per 1,000 wastewater connections from the wastewater system.  *A dry weather overflow is when a blockage causes wastewater in the reticulated system to spill to the environment.

## SIGNIFICANT NEGATIVE EFFECTS

Potential Negative Effect	How it will be mitigated
<b>Blockages, leakages and overflows cause harm to our environment.</b>	The wastewater systems are routinely inspected, and Council conducts ongoing maintenance to ensure that the network is of an appropriate standard. Blockages and overflows are responded to as quickly as possible to minimise the impact on the environment. . Response times are monitored as a KPI for Council.
<b>There are significant financial costs (rate increases) associated with upgrading the wastewater treatment plants</b>	Council is funding the upgrades through loans and DIA funding.
<b>Competing values and priorities can create tension between Council and stakeholders. Treaty partnerships are important and a legislative requirement</b>	Relationships with iwi are a key priority for Council. Councillors and staff will endeavour to maintain successful co-management and co-governance partnerships with iwi.

## HOW IT'S PAID FOR





## MAJOR PROJECTS

Activity	Major Project	Year(s) Delivered	Cost \$000	Funding Source	Classification
Wastewater - Tokoroa	Tokoroa wastewater growth	2026-2027	2,847	Loan	Growth
Wastewater - Tokoroa	Maraeti Road intermodal business park	2024-2025	600	Loan	Growth
Wastewater - Tīrau	Tīrau wastewater growth	2026-2027	4,884	Loan	Growth
Wastewater - District	Districtwide wastewater telemetry/SCADA	2024-2025	1,155	Loan	Renewal
Wastewater - District	De-nitrification - funded by 3 waters reform	2022	1,389	Council created reserve	Level of service
Wastewater - District	SCADA telemetry upgrade - funded by 3 waters reform	2022	219	Council created reserve	Level of service
Wastewater - District	Seismic assessments water supply reservoirs	2025-2026	260	Loan	Level of service
Wastewater - District	Wastewater development contributions	2022-2031	166	Loan	Growth
Wastewater - District	Wastewater district wide health & safety	2022-2031	333	Rates	Level of service
Wastewater - Putāruru	Buckland Street pump station capacity upgrade	2030	463	Asset replacement reserve/ Loan	Growth/ Renewal
Wastewater - Putāruru	Main renewal programme	2025-2031	815	Asset replacement reserve	Renewal
Wastewater - Putāruru	Plant & equipment replacement	2022-2031	777	Asset replacement reserve	Renewal
Wastewater - Putāruru	Consent upgrades	2024-2026	7,306	Loan	Level of service
Wastewater - Putāruru	Tīrau St - main rehabilitation	2023	169	Asset replacement reserve	Renewal
Wastewater - Tīrau	Depot St pumpstation	2023-2024	1,071	Loan	Level of service
Wastewater - Tīrau	Plant & equipment replacement	2022-2031	484	Asset replacement reserve	Renewal
Wastewater - Tīrau	Membrane replacements	2022, 2024, 2026, 2028, 2030	247	Asset replacement reserve	Renewal
Wastewater - Tokoroa	Main renewal programme	2024-2031	3,146	Asset replacement reserve	Renewal
Wastewater - Tokoroa	Digester Refurbishment	2022-2023	1,960	Asset replacement reserve	Level of service
Wastewater - Tokoroa	Pump stations	2025-2030	1,700	Loan	Level of service
Wastewater - Tokoroa	FAST filter media replacement	2024	681	Asset replacement reserve	Renewal
Wastewater - Tokoroa	Duplicate drum filter	2024	220	Loan	Level of service
Wastewater - Tokoroa	Plant & equipment replacement	2022-2031	2,270	Asset replacement reserve	Renewal
Wastewater - Tokoroa	UV lamp replacements	2022-2031	444	Asset replacement reserve	Renewal
Wastewater - Tokoroa	UV system duplication	2023	256	Loan	Level of service

## THE FINANCIALS – Funding Impact Statement

Funding Impact Statement - Wastewater For the year commencing 1 July	Annual Plan 2020-21 \$000's	LTP 2021-22 \$000's	LTP 2022-23 \$000's	LTP 2023-24 \$000's	LTP 2024-25 \$000's	LTP 2025-26 \$000's	LTP 2026-27 \$000's	LTP 2027-28 \$000's	LTP 2028-29 \$000's	LTP 2029-30 \$000's	LTP 2030-31 \$000's
<b>SOURCES OF OPERATING FUNDING</b>											
<b>Rates Revenue:</b>											
Targeted Rates	3,623	4,385	5,088	5,671	6,035	6,742	7,488	8,156	8,504	8,942	9,698
<b>Other Revenue:</b>											
Fees, charges & targeted rates for water supply	18	79	81	82	84	86	88	90	92	94	96
Interest & dividends from investments	-	234	211	190	188	179	160	154	150	145	148
Internal charges & overheads recovered	-	1,892	1,973	2,054	2,113	2,125	2,174	2,200	2,251	2,300	2,337
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING FUNDING (A)</b>	<b>3,641</b>	<b>6,590</b>	<b>7,353</b>	<b>7,997</b>	<b>8,420</b>	<b>9,132</b>	<b>9,910</b>	<b>10,600</b>	<b>10,997</b>	<b>11,481</b>	<b>12,279</b>
<b>APPLICATION OF OPERATING FUNDING</b>											
Payments of staff & suppliers	2,333	2,765	3,138	3,376	3,443	3,764	3,970	4,105	4,178	4,264	4,330
Finance Costs	150	130	242	277	364	543	759	854	859	867	872
Internal charges & overheads applied	868	2,880	3,044	3,191	3,325	3,282	3,364	3,393	3,470	3,552	3,602
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>3,351</b>	<b>5,775</b>	<b>6,424</b>	<b>6,844</b>	<b>7,132</b>	<b>7,589</b>	<b>8,093</b>	<b>8,352</b>	<b>8,507</b>	<b>8,683</b>	<b>8,804</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>290</b>	<b>815</b>	<b>929</b>	<b>1,153</b>	<b>1,288</b>	<b>1,543</b>	<b>1,817</b>	<b>2,248</b>	<b>2,490</b>	<b>2,798</b>	<b>3,475</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Development & financial contributions	99	91	93	95	97	99	101	103	106	108	110
Increase (decrease) in debt	2,473	(253)	(163)	1,786	4,100	7,077	3,391	(525)	(533)	(177)	(844)
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>2,572</b>	<b>(162)</b>	<b>(70)</b>	<b>1,881</b>	<b>4,197</b>	<b>7,176</b>	<b>3,492</b>	<b>(422)</b>	<b>(427)</b>	<b>(69)</b>	<b>(734)</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
<b>Capital expenditure:</b>											
- to meet additional demand	1,669	15	15	311	318	3,827	3,912	17	18	379	18
- to improve the level of services	1,912	2,813	1,279	1,514	3,943	4,118	327	321	328	335	37
- to replace existing assets	1,403	398	464	1,876	1,231	828	1,356	1,020	1,049	1,194	1,062
Increase (decrease) in reserves	(2,386)	(2,573)	(899)	(667)	(7)	(54)	(286)	468	668	821	1,624
Increase (decrease) in investments	264	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>2,862</b>	<b>653</b>	<b>859</b>	<b>3,034</b>	<b>5,485</b>	<b>8,719</b>	<b>5,309</b>	<b>1,826</b>	<b>2,063</b>	<b>2,729</b>	<b>2,741</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(290)</b>	<b>(815)</b>	<b>(929)</b>	<b>(1,153)</b>	<b>(1,288)</b>	<b>(1,543)</b>	<b>(1,817)</b>	<b>(2,248)</b>	<b>(2,490)</b>	<b>(2,798)</b>	<b>(3,475)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## WHAT WE DO

Council owns, operates and maintains 123km of stormwater collection networks and disposal schemes in Arapuni, Tirau, Putāruru, and Tokoroa communities.

The services that are provided to the community through the stormwater assets in this plan are as follows:

- A reticulated stormwater system of pipes and channels (primary network) sufficient to cope with frequent rainfall events.
- A secondary stormwater system comprising swales, road, kerb and channel and both formal and informal overland flow paths sufficient to control stormwater from less frequent rainfall events
- Planning and building controls to restrict building in high flood risk areas, require minimum floor levels and require mitigation of stormwater runoff effects to prevent stormwater entry to habitable buildings.
- Planning and policy initiatives to minimise stormwater quality and quantity effects at source.
- Gross pollutant traps or similar treatment devices to reduce debris and contaminant levels in stormwater discharge.

We collect stormwater from homes and businesses via stormwater pipes and direct it by gravity to natural watercourses

## WHY WE DO IT

The provision of Stormwater collection networks is vital to the needs and aspirations of all who live in the District. They provide the means of safe, reliable and efficient disposal of stormwater for resident's homes, schools, and businesses 24 hours a day, 365 days a year in a manner that is safe for both human health and property.

### What has changed for the Long Term Plan Amendment 2022

We are increasing the capacity of the stormwater systems in Tokoroa township, Putāruru township and Tirau township, to improve the protection of property and dwellings from stormwater events.

Improving the capacity of the stormwater systems will reduce the frequency and severity of flooding.

The increased capacity will also account for the climate changes effects which are expected to increase the intensity and frequency of severe rainfall events.

## WHAT CAN YOU EXPECT FROM US

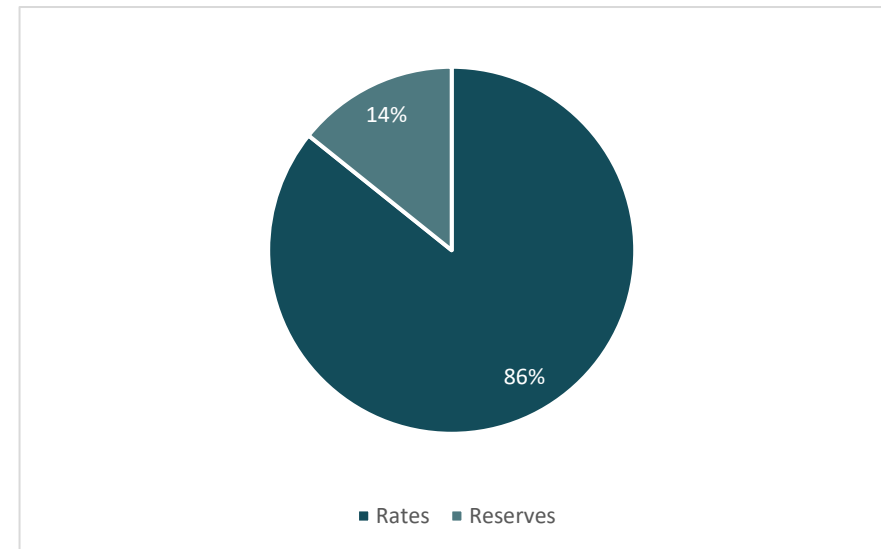


Activity	Our Objective Level of Service	Strategy	How we Measure Success
<b>Stormwater collections and treatment</b>	Council effectively manages stormwater and maintains 123 km of pipes that make up the stormwater networks so that there is no flooding of habitable dwellings under a storm event less than a 1% AEP.	Durable infrastructure	No more than two flood events per year resulting in stormwater from Council's stormwater system entering a habitable floor in an urban area.
	The network complies with all statutory requirements and that public health and safety risks are minimised. This work includes maintaining the network and monitoring stormwater for contaminants to ensure harmful contaminants do not enter waterways	Durable infrastructure	The total number of complaints received does not exceed one complaint per 1,000 connections to Council's stormwater system.
		Durable infrastructure	The median response times for callouts in response to a fault or interruption to Council's stormwater reticulation system does not exceed four hours of notice during a flood event*.  <i>*A flood event causes flooding to compliant rateable habitable dwellings in urban areas due to exceeding the capacity of the stormwater system</i>
		Durable infrastructure	There will be no <i>Formal Enforcement Actions</i> from the consenting authority (Waikato Regional Council) in regard to Council's compliance with resource consent conditions relating to stormwater

## SIGNIFICANT NEGATIVE EFFECTS

Potential Negative Effect	How it will be mitigated
<b>Poor water quality - Pollution and contamination of the stormwater from runoff and cross-connections with the wastewater network, resulting in contaminants entering the stormwater network and discharging to streams</b>	<p>Identifying and targeting sites that are at high risk of discharging significant contaminants.</p> <p>Runoff from industrial areas with the potential for adverse stormwater contamination is managed through the building consenting and trade waste regulatory processes.</p> <p>The clean-up for any pollution incidents is managed by emergency response plans (with Waikato Regional Council).</p> <p>Behaviour change initiatives within the community focus on reducing illegal dumping, littering and discharging of hazardous substances into the stormwater system.</p>
<b>Excessive wastewater volumes - Stormwater entry to the wastewater network through cross-connections and illegal connections resulting in excess volumes of wastewater to be treated and potential detrimental impacts on the quality of treated effluent discharged.</b>	A comprehensive programme of monitoring, inspection and corrective work to reduce the volume of stormwater infiltration and inflow into the wastewater system
<b>Flooding of property - Failure of the system in flooding habitable residential and commercial buildings</b>	Capital works to address capacity constraints, effective building controls, site specific detention and attenuation of stormwater in new growth and infill subdivisions

## HOW IT'S PAID FOR



## MAJOR PROJECTS

Activity	Major Project	Year(s) Delivered	Cost \$000	Funding Source	Classification
Stormwater - Tokoroa	Tokoroa stormwater flooding prevention	2024-2025	2,824	Loan	Level of service
Stormwater - Tokoroa	Tokoroa stormwater flooding prevention	2024-2025	1,271	Loan	Level of service
Stormwater - Tokoroa	Tokoroa stormwater flooding prevention	2024-2025	1,094	Loan	Level of service
Stormwater - Tokoroa	Tokoroa stormwater flooding prevention	2024-2025	8,169	Loan	Level of service
Stormwater - Tokoroa	Tokoroa stormwater flooding prevention	2024-2025	3,475	Loan	Level of service
Stormwater - Tokoroa	Maraetai Road intermodal business park	2024-2025	2,401	Loan	Growth
Stormwater - Putaruru	Putaruru stormwater flooding prevention	2024-2025	7,292	Loan	Level of service
Stormwater - Tirau	Tirau stormwater flooding prevention	2024-2025	3,875	Loan	Level of service
Stormwater - District	Treatment devices	2025-2031	4,334	Asset replacement reserve	Level of service
Stormwater - District	Urban stormwater consent renewals	2023	102	Asset replacement reserve	Renewal
Stormwater - Putaruru	Buckland Street culvert replacement	2024	204	Asset replacement reserve	Level of service
Stormwater - Putaruru	Philip Street improvements	2027	246	Asset replacement reserve	Level of service
Stormwater - Putaruru	SH1/Countdown network improvements	2025	182	Asset replacement reserve	Level of service
Stormwater - Putaruru	Improvements - SH1/Harry Martin Drive	2022,2027-2028	103	Asset replacement reserve	Level of service
Stormwater - Putaruru	Minor new works	2022-2031	122	Asset replacement reserve	Level of service
Stormwater - Tirau	General upgrades	2022, 2024-2025	314	Asset replacement reserve	Level of service
Stormwater - Tokoroa	Minor new works	2022-2031	122	Asset replacement reserve	Level of service
Stormwater - Tokoroa	General upgrades	2022, 2025-2026	321	Asset replacement reserve	Level of service
Stormwater - Tokoroa	Rehabilitation	2027-2029	640	Asset replacement reserve	Renewal

## THE FINANCIALS – Funding Impact Statement

Funding Impact Statement - Stormwater For the year commencing 1 July	Annual Plan 2020-21 \$000's	LTP 2021-22 \$000's	LTP 2022-23 \$000's	LTP 2023-24 \$000's	LTP 2024-25 \$000's	LTP 2025-26 \$000's	LTP 2026-27 \$000's	LTP 2027-28 \$000's	LTP 2028-29 \$000's	LTP 2029-30 \$000's	LTP 2030-31 \$000's
<b>SOURCES OF OPERATING FUNDING</b>											
<b>Rates Revenue:</b>											
Targeted Rates	524	560	673	979	1,649	2,675	2,755	3,233	3,339	3,523	3,861
<b>Other Revenue:</b>											
Fees, charges & targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Interest & dividends from investments	-	203	200	195	145	96	72	40	22	5	-
Internal charges & overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING FUNDING (A)</b>	<b>524</b>	<b>763</b>	<b>873</b>	<b>1,174</b>	<b>1,794</b>	<b>2,771</b>	<b>2,827</b>	<b>3,273</b>	<b>3,361</b>	<b>3,528</b>	<b>3,861</b>
<b>APPLICATION OF OPERATING FUNDING</b>											
Payments of staff & suppliers	339	401	411	431	429	901	938	1,116	1,140	1,176	1,189
Finance Costs	9	-	-	260	785	1,093	1,222	1,298	1,298	1,298	1,298
Internal charges & overheads applied	157	242	255	271	281	276	284	285	290	298	300
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>505</b>	<b>643</b>	<b>666</b>	<b>962</b>	<b>1,495</b>	<b>2,270</b>	<b>2,444</b>	<b>2,699</b>	<b>2,728</b>	<b>2,772</b>	<b>2,787</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>19</b>	<b>120</b>	<b>207</b>	<b>212</b>	<b>299</b>	<b>501</b>	<b>383</b>	<b>574</b>	<b>633</b>	<b>756</b>	<b>1,074</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(8)	-	(164)	11,646	11,161	2,248	3,332	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>(8)</b>	<b>-</b>	<b>(164)</b>	<b>11,646</b>	<b>11,161</b>	<b>2,248</b>	<b>3,332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
<b>Capital expenditure:</b>											
- to meet additional demand	-	-	-	1,194	1,219	25	25	-	-	-	-
- to improve the level of services	832	153	33	10,828	11,902	4,137	4,202	799	671	686	702
- to replace existing assets	75	60	103	9	10	-	89	504	47	-	-
Increase (decrease) in reserves	757	(93)	(93)	(173)	(1,671)	(1,413)	(601)	(729)	(85)	70	372
Increase (decrease) in investments	(1,653)	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>11</b>	<b>120</b>	<b>43</b>	<b>11,858</b>	<b>11,460</b>	<b>2,749</b>	<b>3,715</b>	<b>574</b>	<b>633</b>	<b>756</b>	<b>1,074</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(19)</b>	<b>(120)</b>	<b>(207)</b>	<b>(212)</b>	<b>(299)</b>	<b>(501)</b>	<b>(383)</b>	<b>(574)</b>	<b>(633)</b>	<b>(756)</b>	<b>(1,074)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Long Term Plan 2021-31

## Mahere pae tawhiti



## PART 6

# Dollars and Cents

- Funding and rates
- Long Term Plan disclosure statement
- Rating funding impact statement
- Forecast financial statements and reserves
- Statement of accounting policies
- What the auditors said

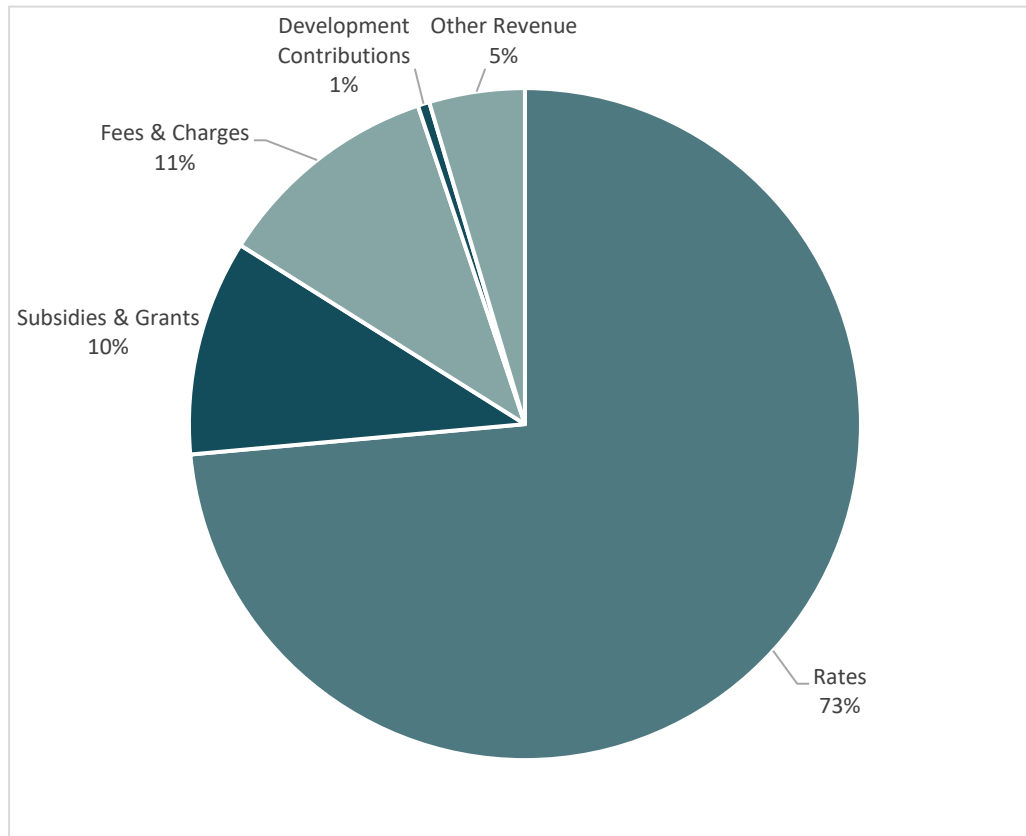
SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.



## Funding and rates | Te putea me ngā reiti

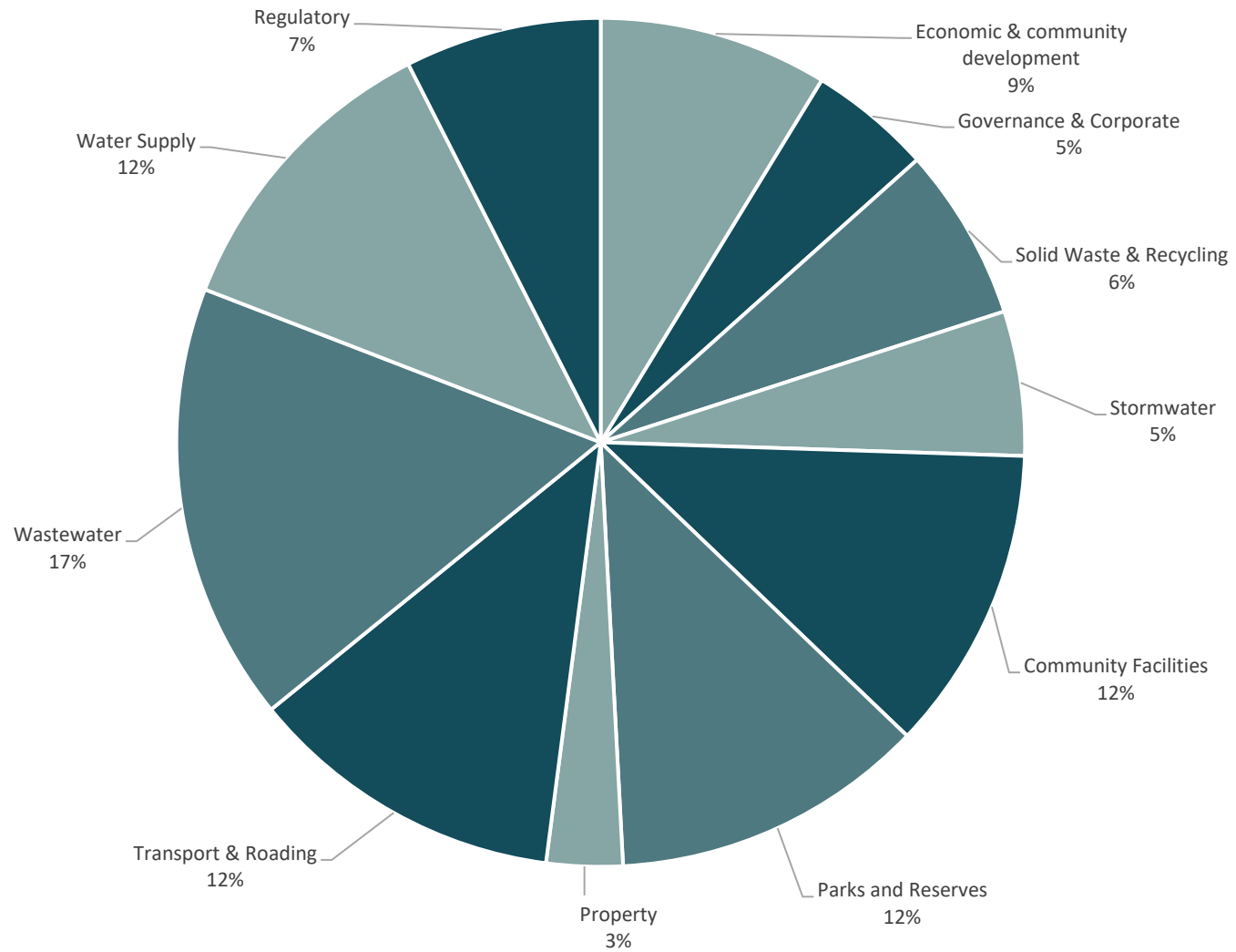
This Part looks at where Council sources its funds and where it spends the money it collects. It also includes information on the rating policy, rates examples and the proposed individual rates charges for the ten years of the LTP

### Where will Council receive funding from in 2021-31?



Source	Examples
<b>Subsidies and Grants</b>	Council collects from government agencies like the New Zealand Transport Agency for roading projects and maintenance.
<b>Fees and Charges</b>	Council collects from things like pool entry, library charges, dog registrations, building consent fees etc.
<b>Development Contributions</b>	Council charges developers for growth related infrastructure required for new residential and business development.
<b>Other Income</b>	Council receives income from investments as well as a small amount of other income from a number of sources, such as rate penalties.
<b>Rates</b>	Council collects from you via your rates bill.

### Where will Council spend its rate money in 2021-31



<b>Service</b>	<b>Examples</b>
<b>Regulatory</b>	Animal control, building control, environmental health, liquor licensing, parking, planning, emergency management
<b>Solid Waste &amp; Recycling</b>	Landfills, refuse and recycling collections, planned maintenance, new recycling centre in Tokoroa
<b>Wastewater</b>	Reticulation and treatment of sewage, improvements to wastewater treatment plants
<b>Roads</b>	Road resurfacing, road rehabilitation, signage renewal and replacement, lighting, street fixtures, road safety education, culverts and footpath renewal
<b>Stormwater</b>	Monitoring and maintenance of existing networks
<b>Water Supply</b>	Water treatment and supply, pipe replacement, planned maintenance of existing system, system upgrades, reticulation replacements, commercial water meter upgrade, compliance with Drinking-water Standards for New Zealand
<b>Parks and Reserves</b>	Parks and reserves, cemeteries, sportsgrounds and playgrounds
<b>Community Facilities</b>	South Waikato Indoor Pools, seasonal pools at Putāruru and Tīrau, pool programmes like 'Woggles', 'Learn to Swim' and 'Swim Academy'. Three district libraries, library programmes like 'Summer Reading' and 'School Holiday Programmes', internet access, toy library collection, puzzles, DVDs and magazines. Talking poles. South Waikato Sport and Events Centre.
<b>Economic and Community Development</b>	Events, community advocacy, grants, economic development and community contracts
<b>Property</b>	Council buildings including urban toilets
<b>Governance &amp; Corporate</b>	Council meetings, elections, Tīrau Community Board, long term planning and managing Council business

# The Rating Funding Impact Statement | Te taukī kawekawe ō ngā pūtea moni

Please note that the Funding Impact Statement is presented for compliance with Local Government (Financial Reporting and Prudence) Regulations 2014. The information presented is not presented in compliance with New Zealand generally accepted accounting practice (GAAP) and does not include depreciation and other items of a non-cash nature.

## The funding impact statement

This is a summary of where money will come from, for the year commencing 1 July 2023. The following rates have been set by the South Waikato District Council under the Local Government (Rating) Act 2002, on rating units in the District, for the financial year commencing 1 July 2023 and ending on 30 June 2024.

Note: All per unit rates are quoted inclusive of GST and rate revenue to be collected is GST exclusive. The rating system used for the general rate and some of the targeted rates is capital value, and property valuations produced by Opteon Technologies Ltd effective 1 July 2021 are used for the 2023-24 rating year.

It should be noted that a separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner/ a person other than

### Limitation on uniform rates

**Section 21 of the Local Government (Rating) Act 2002 puts a legislative limit on the amount of rates that can be collected from certain uniformly charged rating mechanisms. In relation to the requirements of that section, the forecast for the 2023-24 year is 16%. The maximum limit is 30%.**

the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, license, or other agreement.

This definition includes separately used parts, whether actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or Long Term basis by someone other than the owner.

Examples of separately used or inhabited parts include:

- a property containing two or more separately occupiable units, flats, or houses
- a residential, lifestyle or rural property containing separately occupiable areas with a separate business operating in that area or areas
- a commercial or otherwise non-residential property containing separate residential accommodation
- commercial premises or office blocks containing separate shops, office areas, workshops, warehouses, or other areas, each operated as a separate business in those premises.

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

## General rate

A general rate of \$0.002732 per dollar of the rateable capital value of every separate rating unit in the District. The rate is expected to produce \$19,841,697 (excluding GST). (Pursuant to Section 13 of the Local Government (Rating) Act 2002)

## Uniform annual general charge

A uniform annual general charge of \$319.03 on every separate rating unit in the District. The rate is expected to produce \$2,673,985 (excluding GST). (Pursuant to Section 15 of the Local Government (Rating) Act 2002.

## Additional unit rate

An Additional unit rate is charged to any rating unit that has more than one separately used or inhabited part as follows:

- For each residential part of a rating unit: A targeted rate on a uniform basis of \$319.02 on each separately used or inhabited part of a rating unit beyond the first dwelling or non-residential part. The rate is expected to produce \$364,243 (excluding GST).
- For each non-residential part of a rating unit: A targeted rate on a uniform basis of \$319.02 on each separately used or inhabited part of a rating unit beyond the first dwelling or non-residential part. The rate is expected to produce \$63,805 (excluding GST).
- For clarification, a residential part means a self-contained house, unit, flat or similar, designed for or used primarily for residential purposes. A non-residential part means a shop, offices, workshop, warehouse, separate yard or similar, designed for or used primarily for non-residential purposes.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

## Water supply charge

### Water supply - metered

For Rating units that are solely and exclusively supplied via a metered water supply:

- A targeted rate on a uniform basis of \$487.59 per metered supply.
- Plus, water used in excess of 320m<sup>3</sup> per annum on an individual metered supply shall be charged at \$1.25 m<sup>3</sup>, or where water is used in excess of 200m<sup>3</sup> per day this shall be charged at \$1.46 m<sup>3</sup>

## Water supply - partly metered or sharing a metered supply

For Rating units that have a mixture of metered and non-metered water supply, or that share a metered water supply with another rating unit:

- A targeted rate on a uniform basis of \$487.59 for each separately used or inhabited part of a rating unit connected to the Council water supply
- Plus, for the metered supply, water used in excess of 320m<sup>3</sup> per annum per separately used or inhabited part of a rating unit per meter connected to the Council water supply shall be charged at \$1.25 m<sup>3</sup>, or where water is used in excess of 200m<sup>3</sup> per day this shall be charged at \$1.46 m<sup>3</sup>.

## Water supply – other

For rating units located within any area shown on the rating maps 2592, 2595, 2589, 2591, 2587 or 2594 that have a non-metered water supply:

- A targeted rate on a uniform basis of \$487.59 for each separately used or inhabited part of a rating unit connected to the Council water supply.
- A targeted rate on a uniform basis of \$243.79 for each separately used or inhabited part of a rating unit that is not connected to Council's water supply being 50% of the standard charge.
- For rating units located outside any area shown on the rating maps described above that are serviceable but not connected to a Council water supply:
- A targeted rate on a uniform basis of \$243.79 for each rating unit being 50% of the standard charge.

Rates expected to produce \$3,697,812 GST exclusive from uniform targeted rates, and \$330,775 GST exclusive from charges for water used in excess of allowances.

*(Pursuant to Section 16 and Section 19 of the Local Government (Rating) Act 2002)*

## Wastewater disposal charge

For all rating units located within any area shown on the rating maps 2593, 2588, 2590 or 2586:

### Residential use:

- A targeted rate on a uniform basis of \$648.64 on each separately used or inhabited part of a rating unit with a residential use that has a water closet or urinal connected directly or through a private drain to a Council wastewater network.
- Not connected: A targeted rate on a uniform basis of \$324.32 on each separately used or inhabited part of a rating unit with a residential use that is not connected to a Council wastewater network. This is 50% of the standard charge

### Schools:

- For land used as a school: A targeted rate on a uniform basis of \$434.59 on each water closet or urinal connected either directly or through a private drain to a Council wastewater network. School has the same meaning as contained in Clause 6 of Schedule 1 of the Local Government (Rating) Act 2002 with the exception that residential accommodation used by a school employee is not included. This is 67% of the standard charge

### All other non-residential use:

A targeted rate on a uniform basis on each water closet or urinal connected either directly or through a private drain to a Council wastewater network, as shown below.

In respect of the first five pans and/or urinals within the rating unit, a targeted rate on a uniform basis of \$648.64 per pan. In respect of each pan and/or urinal within the rating unit in excess of five – a targeted rate on a uniform basis of \$518.91 per pan. This is 80% of the standard charge.

Not connected: A targeted rate on a uniform basis of \$324.32 on each separately used or inhabited part of a rating unit that is not connected to a Council wastewater network. This is 50% of the standard charge.

The rate is expected to produce \$5,670,940 GST exclusive.  
(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

## Stormwater charge

For all rating units located within any area shown on the rating maps 321, 319, 320 or 318:

A targeted rate for stormwater disposal of \$0.0003260 per \$ of the Rateable Capital Value. The rate is expected to produce \$979,435 GST exclusive.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

## Waste collection charge

A targeted rate for waste collection to be charged on a uniform basis at \$204.38 for each separately used or inhabited part of a rating unit provided with a waste collection service. The rate is expected to produce \$1,472,840 (excluding GST).

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

## District recycling charge

A targeted rate for district recycling to be charged on a uniform basis at \$70.34 on each separately used or inhabited part of a rating unit in the District.

Rating units with an Improvements Value of \$10,000 or less will have a targeted rate of \$0.00. Improvements value is calculated as the capital value of the rating unit minus the land value of the rating unit.

The rate is expected to produce \$660,294 (excluding GST).

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

## Putāruru Business Promotions charges

Council rates for the Putāruru business promotions charge in two ways; on capital value and on a uniform charge. Each method collects half the funds required for this activity.

## Targeted Rate on Capital Value:

A targeted rate of \$0.000308 per dollar of the capital value of land on every separate rating unit located within the area shown in the Putāruru business rate area rating map.

- The targeted rate on capital value is expected to produce \$34,049 (excluding GST) for the promotion of the Putāruru business area.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

## Targeted Rate on a Uniform Basis:

- A targeted rate charged on a uniform basis of \$240.22 on every separate rating unit located within the area shown on the Putāruru business rate area rating map.
- Rating units with an improvements value of \$10,000 or less will have a uniform targeted rate of \$0.00. Improvements value is calculated as the capital value of the rating unit minus the land value of the rating unit.
- The targeted rate on a uniform basis is expected to produce \$34,049 (excluding GST) for the promotion of the Putāruru business area.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

## Tirau Ward charge

A targeted rate charged on a uniform basis at \$41.29 on every separate rating unit within the Tirau ward as defined on SWDC plan 2021. The rate is expected to produce \$35,800 (excluding GST) for the activity of the Tirau Community Board and the provision of CCTV cameras.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

## Putāruru Ward charge

A targeted rate charged on a uniform basis at \$34.05 on every separate rating unit within the Putāruru ward as defined on SWDC plan 2021. The rate is expected to produce \$80,068 (excluding GST) for Putāruru promotion activities and the provision of CCTV cameras.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

## Tokoroa Ward charge

A targeted rate charged on a uniform basis at \$26.78 on every separate rating unit within the Tokoroa ward as defined on SWDC plan 2021. The rate is expected to produce \$138,365 (excluding GST) for Tokoroa promotion activities and the provision of CCTV cameras.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002).*

## Hall charges

A targeted rate on a uniform basis on every separate rating unit within the hall area as defined on the SWDC plan stated. The rates will be used for providing a hall in the respective area.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

Hall Rating Area	Uniform Annual Charge GST Incl	Rate Expected to Produce GST Excl	SWDC Plan
Arapuni	\$ 114.09	\$ 16,370	2584
Lichfield	\$ 29.37	\$ 4,802	2584
Puketurua	\$ 93.66	\$ 9,366	2584
Piarere	\$ 14.87	\$ 996	2584
Tapapa-Okoroire	\$ 54.45	\$ 10,155	2584
Upper Atiamuri	\$ 266.14	\$ 7,406	2584
Waotu	\$ 63.16	\$ 6,865	2584

## Hall rating

Note that the Plaza in Putāruru and the Tīrau Hall are funded through General Rates and the Uniform Annual General Charge.

## Clean Heat

A targeted rate charged on a uniform basis as show in the table below, based on the extent of service provided. The rate is calculated as cents per dollar (a percentage) of the initial cost of providing the service to a property and is charged for 9 years. Different rates apply to a property depending on the rating year in which the clean heat rate starts / started. The rate is expected to produce \$200,000 (excluding GST).

First year rated	Final rating year	Rate: cents per dollar
2023-24	2031-32	12.44248
2022-23	2030-31	12.44248
2021-22	2029-30	12.44248
2020-21	2028-29	12.58110
2019-20	2027-28	12.72321
2018-19	2026-27	12.86891
2017-18	2025-26	13.01825
2016-17	2024-25	13.17134
2015-16	2023-24	13.32829

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

The Clean Heat targeted rate applies to services that have been provided under Councils 'Heat Swap', 'Buy Now Pay Later' and 'Split the Bill' schemes.

## Due dates for payment of rates

Instalment No	Period	Invoice Date	Date for last day of payment (before penalties apply)
1	Jul – Sept 2023	1 August 2023	7 September 2023
2	Oct – Dec 2023	1 November 2023	7 December 2023
3	Jan – Mar 2024	1 February 2024	7 March 2024
4	Apr – June 2024	1 May 2024	7 June 2024

## Additional charges (penalties)

An additional charge of 10% is to be added to all rates levied in respect of the 2023-24 financial year and which, although due, remain unpaid on the following dates:

Instalment No 1	7 September 2023
Instalment No 2	7 December 2023
Instalment No 3	7 March 2024
Instalment No 4	7 June 2024



A further additional charge of 8% is to be added to all rates levied in any financial year prior to the 2023-2024 financial year and which remain unpaid on 7 December 2023.

A further additional charge of 8% is to be added to all rates levied in any financial year prior to the 2023-2024 financial year and which remain unpaid on 7 June 2024.

*(Pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002)*

### **Due dates for payment of invoices for metered water rates**

Invoices for rates relating to water consumed in excess of allowances as detailed in section 1.5 Water Supply will be issued separately on 31 August 2023, 30 November 2023, 28 February 2024, and 31 May 2024, with due dates for payment of 20 September 2023, 20 December 2023, 20 March 2024 and 20 June 2024 respectively.

### **Payment of rates**

Tokoroa Office, Torphin Crescent, Tokoroa.

Putāruru Office, Overdale Street, Putāruru.

Tīrau Information Centre (The Dog), Main Road, Tīrau

Payment may also be made electronically via the ratepayer's banks Bill Payments system (we are pre-registered with all major banks), or by direct credit to Council's bank: BNZ 02 0464 0103382 00 (ensuring property valuation number or water account number is referenced), or by credit card (Visa or Mastercard), POLi or Real Time Debit via Council's website ([www.southwaikato.govt.nz](http://www.southwaikato.govt.nz)).



*Enjoying South Waikato's walks*

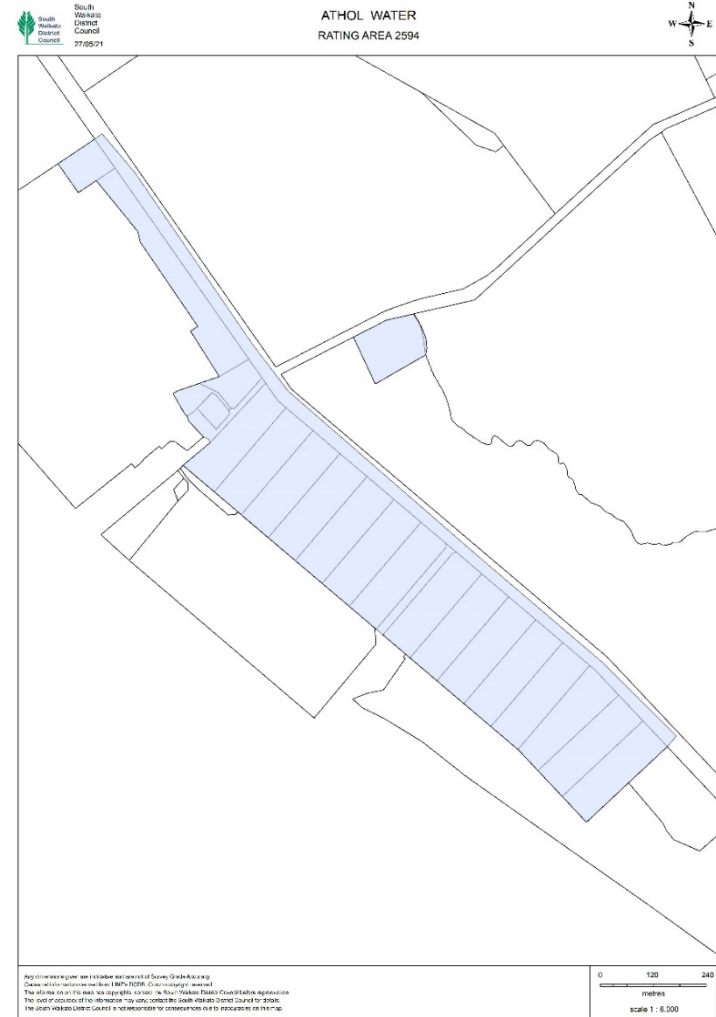
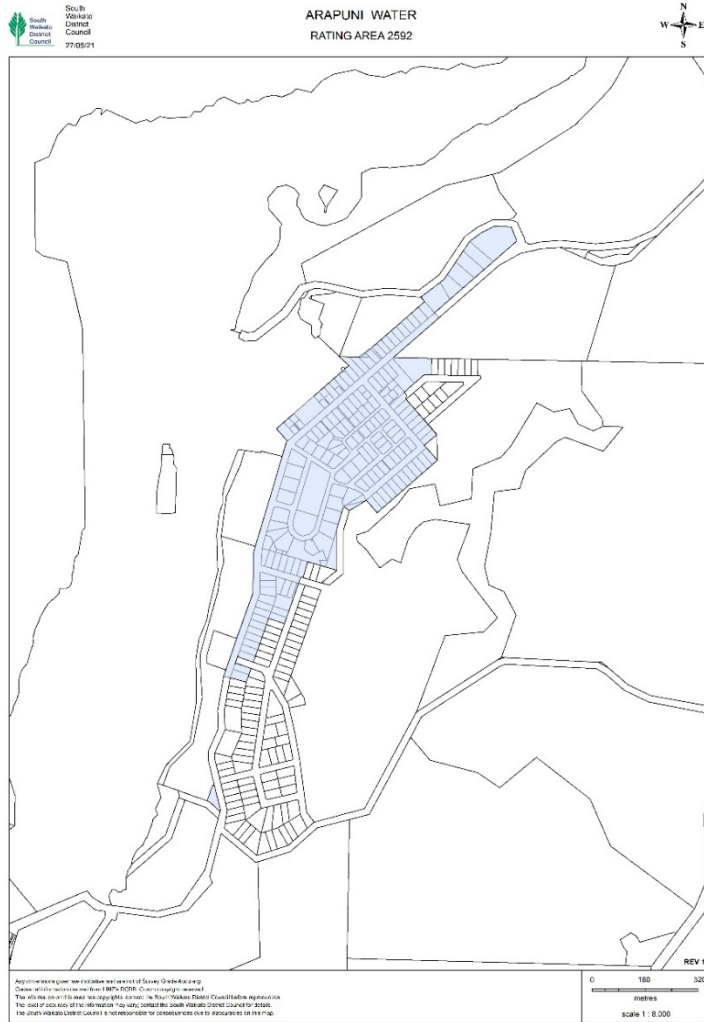


## Rates examples

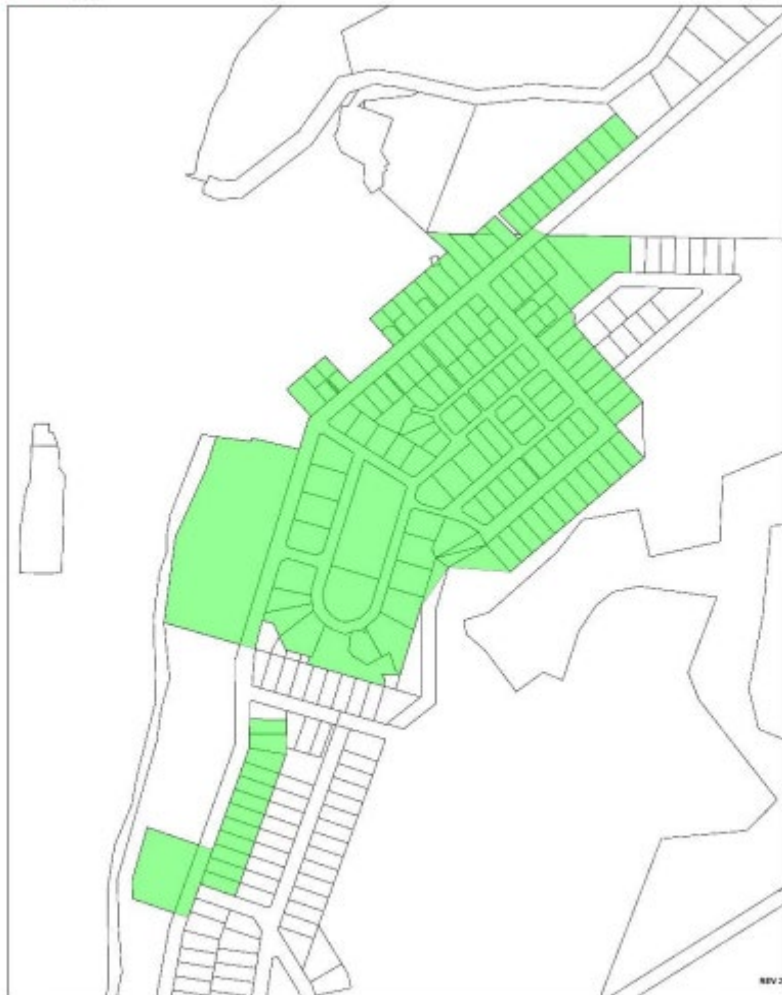
Detailed below are rate calculation examples for residential, farm and lifestyle properties. Please note that these are examples only using an average property value. The residential examples assume a property with a single dwelling with all services such as water supply, wastewater and refuse collection. The farm and lifestyle examples assume a property with none of these services with the lifestyle property example assuming one dwelling only

Rates Examples (GST Inclusive)	Current Year 2020/21	Long Term Plan Y1 2021/22	Long Term Plan Y2 2022/23	Long Term Plan Y3 2023/24
<b>Tokoroa Urban Residential</b>				0
Average Property Value	<b>\$204,000</b>	<b>\$204,000</b>	<b>\$380,000</b>	<b>\$380,000</b>
Total Annual Rates	\$2,145	\$2,321	\$2,682	\$2,919
Change per week		\$3.38	\$6.94	\$4.56
<b>Putāruru Urban Residential</b>				
Average Property Value	<b>\$304,000</b>	<b>\$304,000</b>	<b>\$475,000</b>	<b>\$475,000</b>
Total Annual Rates	\$2,457	\$2,639	\$2,979	\$3,217
Change per week		\$3.50	\$6.54	\$4.57
<b>Tirau Urban Residential</b>				
Average Property Value	<b>\$381,000</b>	<b>\$381,000</b>	<b>\$555,000</b>	<b>\$555,000</b>
Total Annual Rates	\$2,685	\$2,882	\$3,218	\$3,468
Change per week		\$3.78	\$6.46	\$4.82
<b>Arapuni Urban Residential</b>				
Average Property Value	<b>\$314,000</b>	<b>\$314,000</b>	<b>\$485,000</b>	<b>\$485,000</b>
Total Annual Rates	\$2,592	\$2,776	\$3,108	\$3,361
Change per week		\$3.53	\$6.40	\$4.86
<b>Tokoroa Ward Farm - two dwellings</b>				
Average Property Value	<b>\$5,525,000</b>	<b>\$5,525,000</b>	<b>\$4,917,000</b>	<b>\$4,917,000</b>
Total Annual Rates	\$15,288	\$16,471	\$13,776	\$14,239
Change per week		\$22.75	-\$51.83	\$8.90
<b>Putāruru Ward Farm - two dwellings</b>				
Average Property Value	<b>\$4,179,000</b>	<b>\$4,179,000</b>	<b>\$3,620,000</b>	<b>\$3,620,000</b>
Total Annual Rates	\$11,905	\$12,722	\$10,373	\$10,703
Change per week		\$15.72	-\$45.18	\$6.34
<b>Tirau Ward Farm - two dwellings</b>				
Average Property Value	<b>\$4,094,000</b>	<b>\$4,094,000</b>	<b>\$3,889,000</b>	<b>\$3,889,000</b>
Total Annual Rates	\$11,700	\$12,489	\$11,093	\$11,445
Change per week		\$15.17	-\$26.83	\$6.76
<b>Tokoroa Lifestyle</b>				
Average Property Value	<b>\$526,000</b>	<b>\$526,000</b>	<b>\$730,000</b>	<b>\$730,000</b>
Total Annual Rates	\$1,980	\$2,009	\$2,323	\$2,411
Change per week		\$0.56	\$6.02	\$1.69
<b>Putāruru Lifestyle</b>				
Average Property Value	<b>\$564,000</b>	<b>\$564,000</b>	<b>\$750,000</b>	<b>\$750,000</b>
Total Annual Rates	\$2,105	\$2,123	\$2,401	\$2,472
Change per week		\$0.34	\$5.35	\$1.38
<b>Tirau Lifestyle</b>				
Average Property Value	<b>\$636,000</b>	<b>\$636,000</b>	<b>\$810,000</b>	<b>\$810,000</b>
Total Annual Rates	\$2,297	\$2,327	\$2,569	\$2,644
Change per week		\$0.58	\$4.65	\$1.44

# Rating Maps



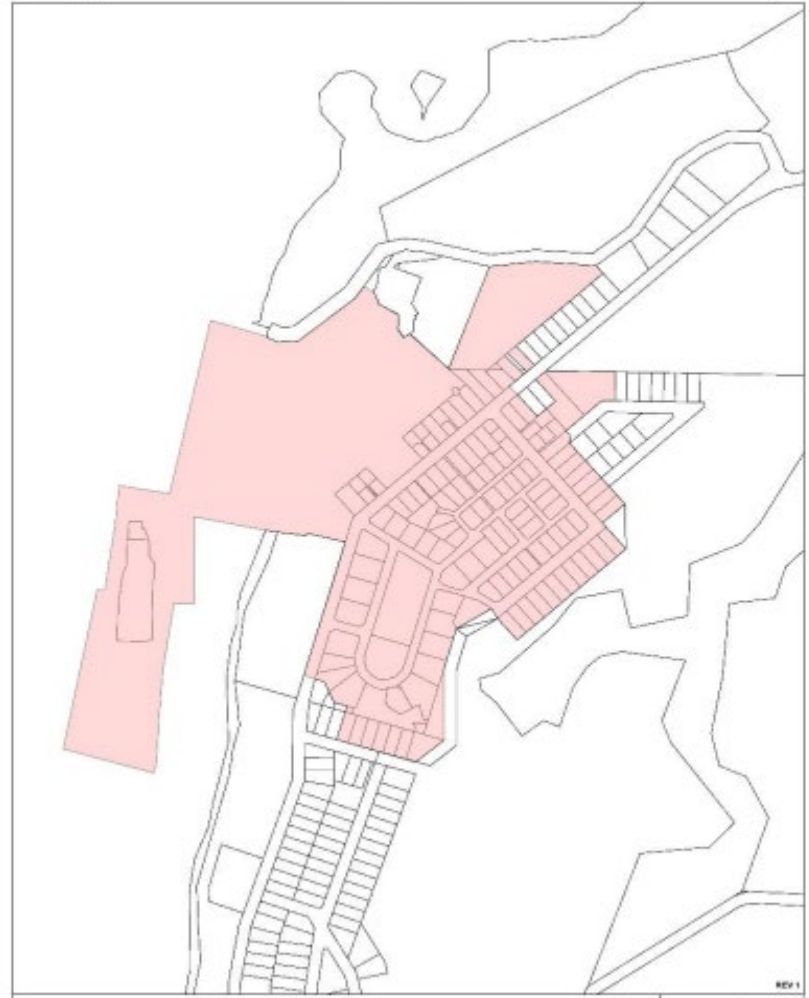
ARAPUNI STORMWATER  
RATING AREA 321



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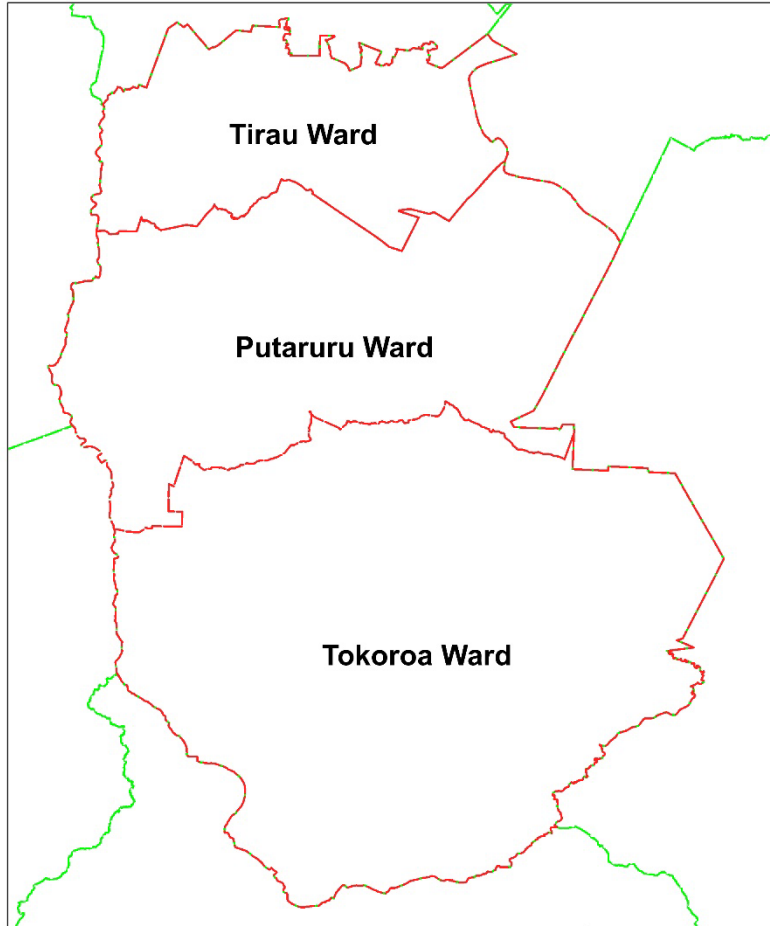
ARAPUNI WASTEWATER  
RATING AREA 2563



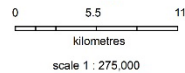
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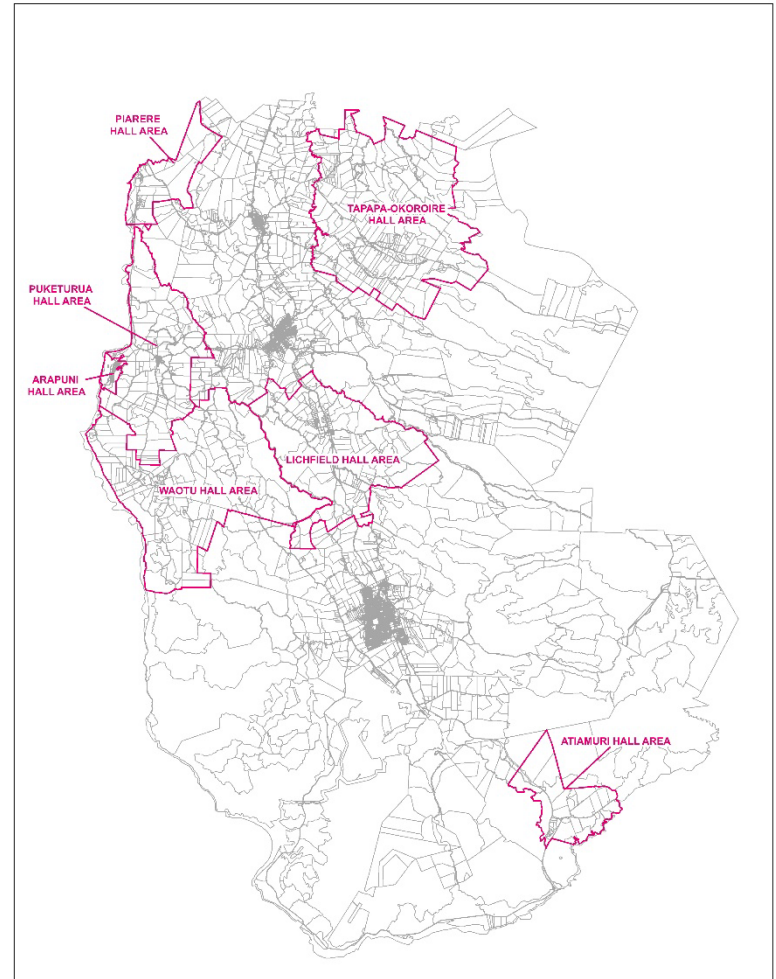
DISTRICT WARDS  
SWDC 2021 BOUNDARY



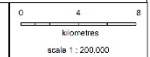
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HALL RATING AREAS 2584



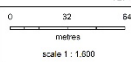
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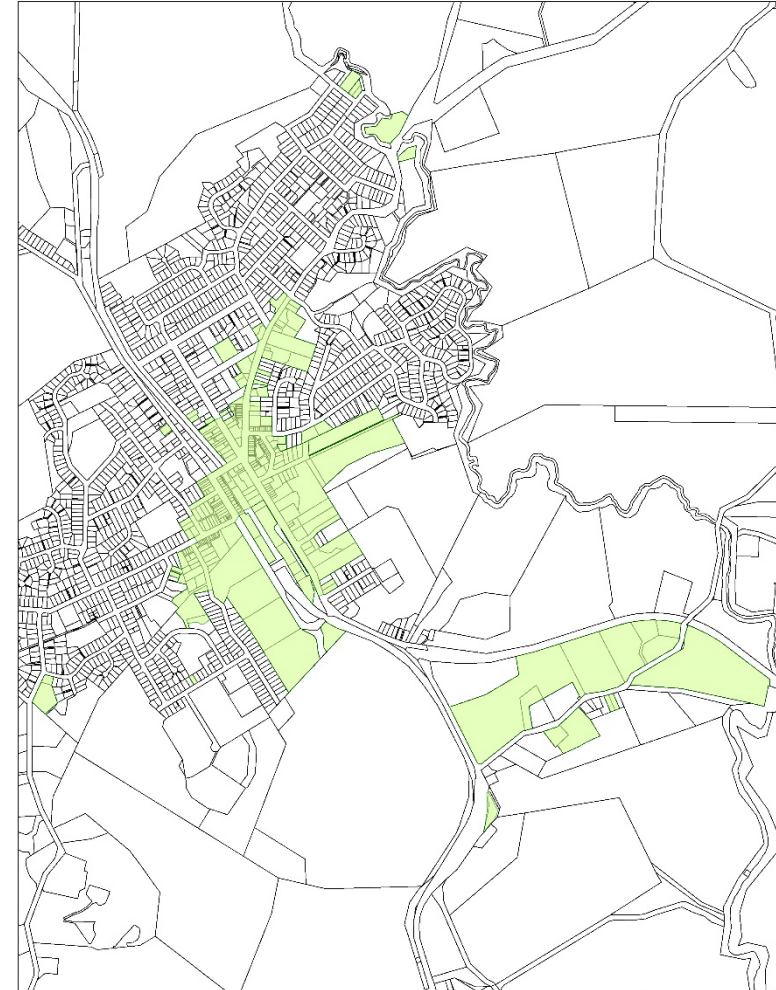
LICHFIELD WATER  
RATING AREA 2595



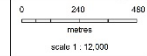
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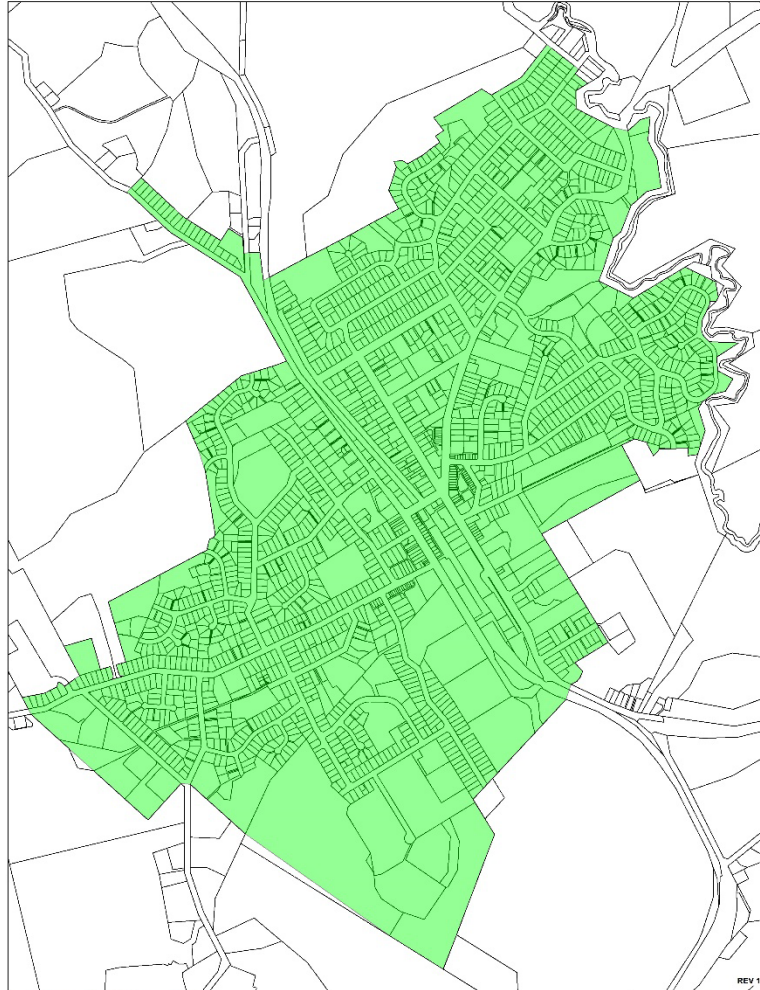
PUTARURU BUSINESS RATE AREA



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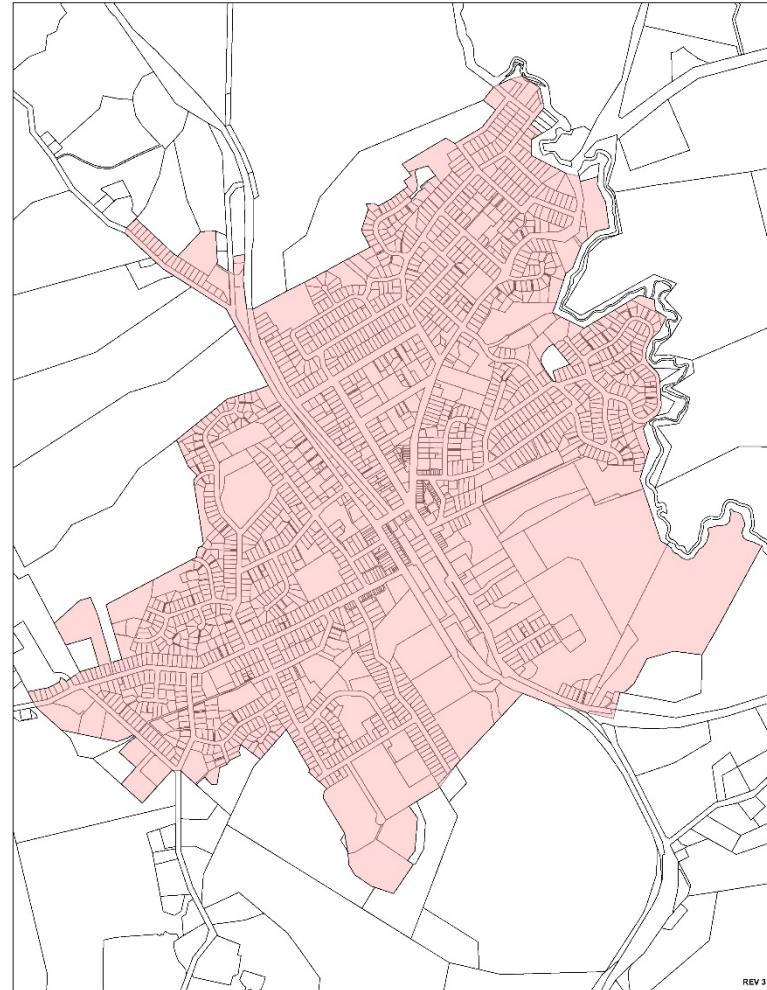
PUTARURU STORMWATER  
RATING AREA 319



REV 1  
0 200 400  
metres  
scale 1 : 10,000

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PUTARURU WASTEWATER  
RATING AREA 2588



REV 1  
0 220 440  
metres  
scale 1 : 11,000

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# PUTARURU WATER Rating Area 2589

Print Date: 6/13/2022  
Print Time: 12:39 PM



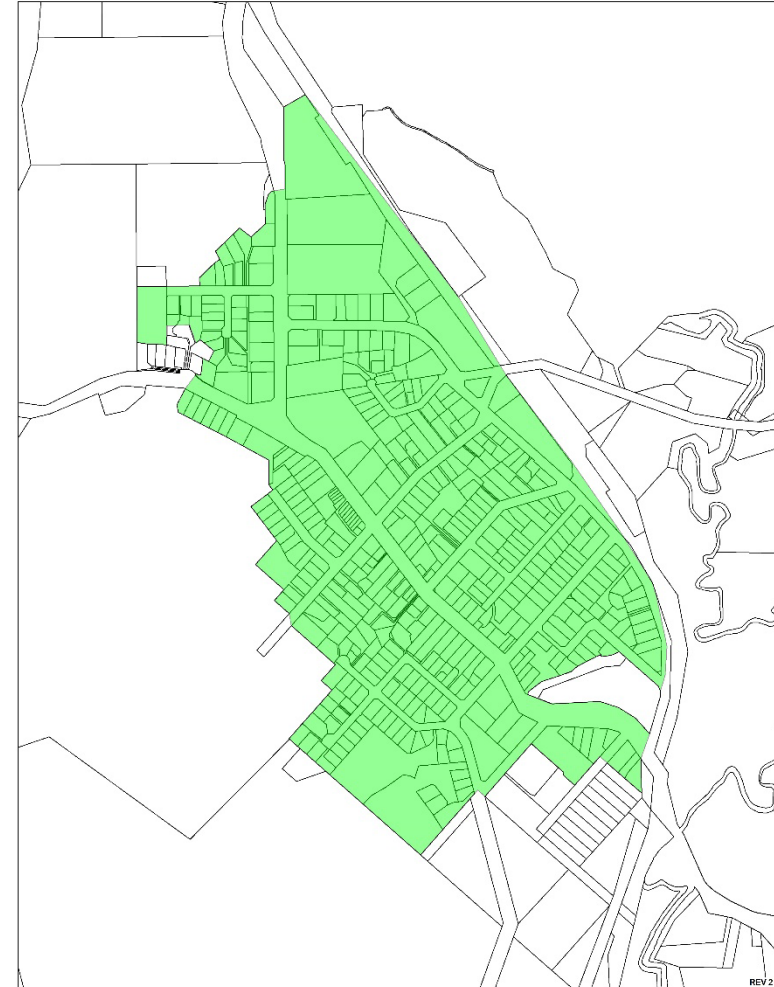
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Original Sheet Size A4

Projection: NZGD2000 / New Zealand Transverse Mercator 2000  
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# TIRAU STORMWATER RATING AREA 320



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Original Sheet Size A4

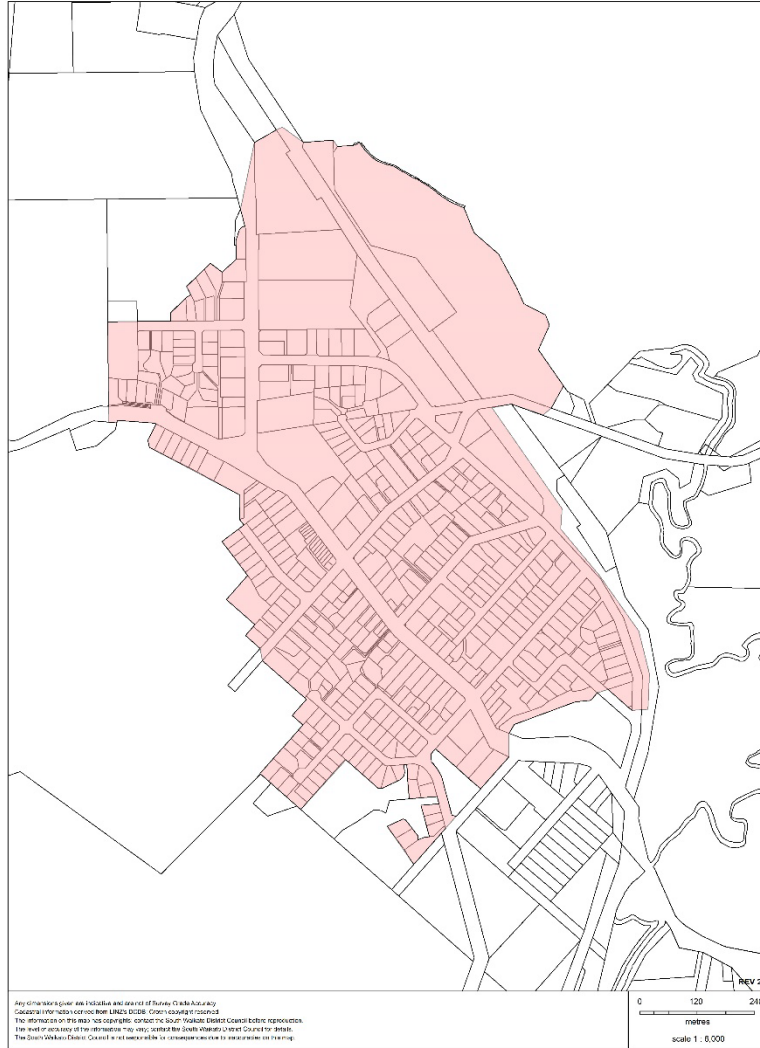
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REV 2  
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metres  
scale 1:5,000

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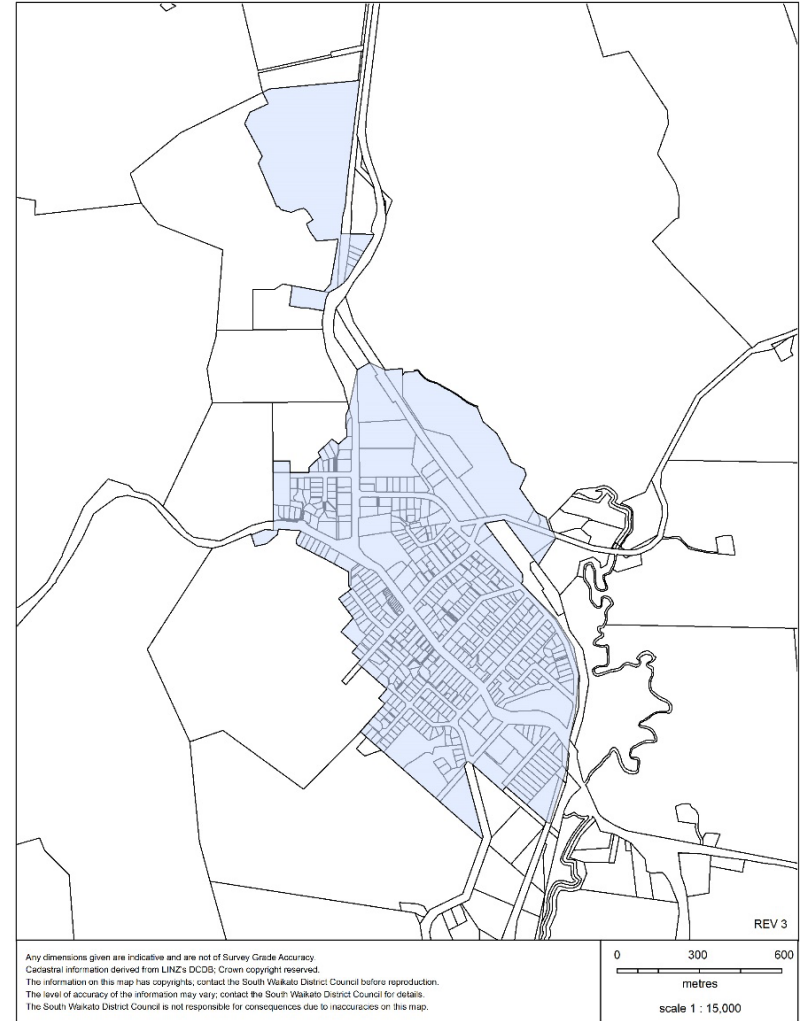
TIRAU WASTEWATER  
RATING AREA 2590



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metres  
scale 1 : 6,000

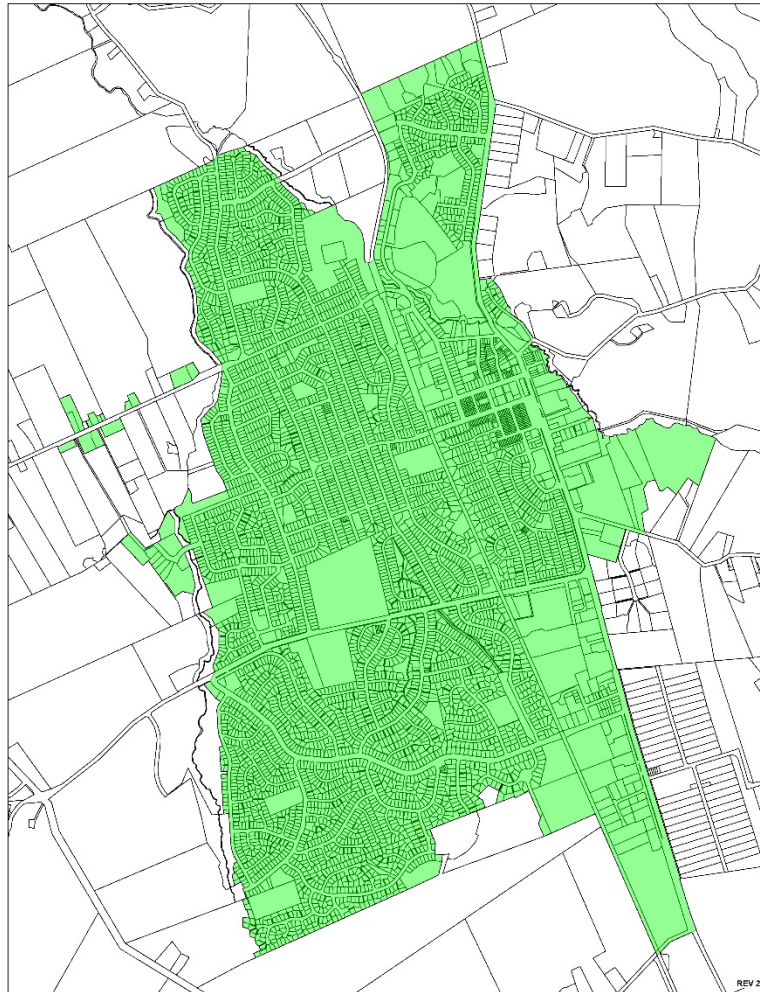
TIRAU WATER  
RATING AREA 2591



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0 300 600  
metres  
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TOKOROA STORMWATER  
RATING AREA 318

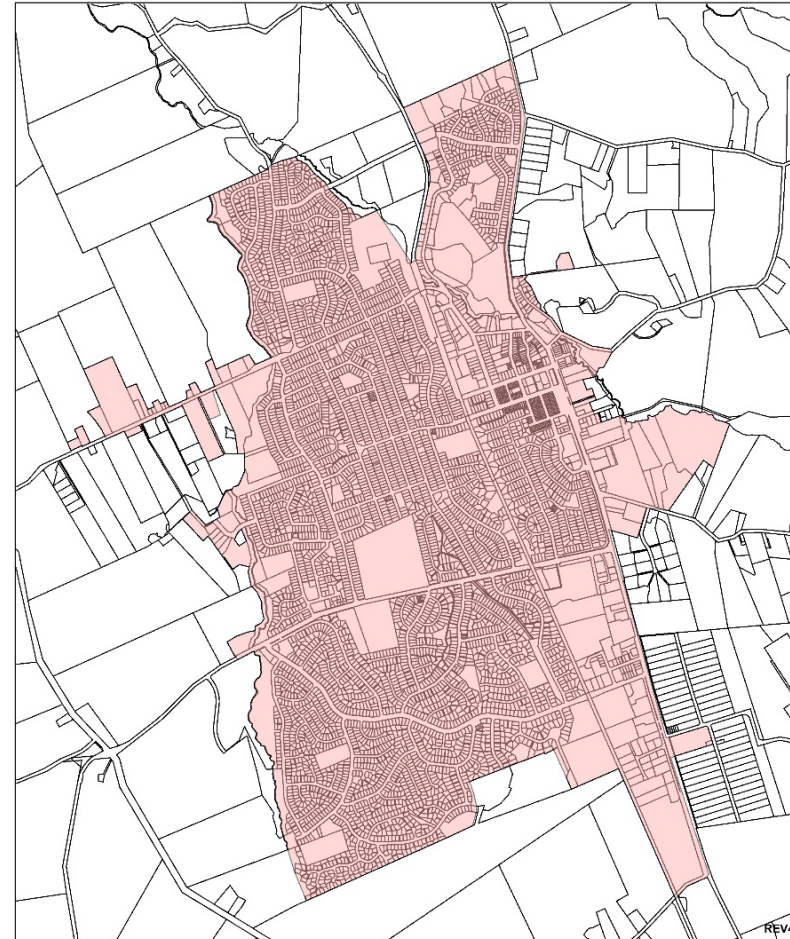


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metres  
scale 1 : 16,000

REV 21

TOKOROA WASTEWATER  
RATING AREA 2586

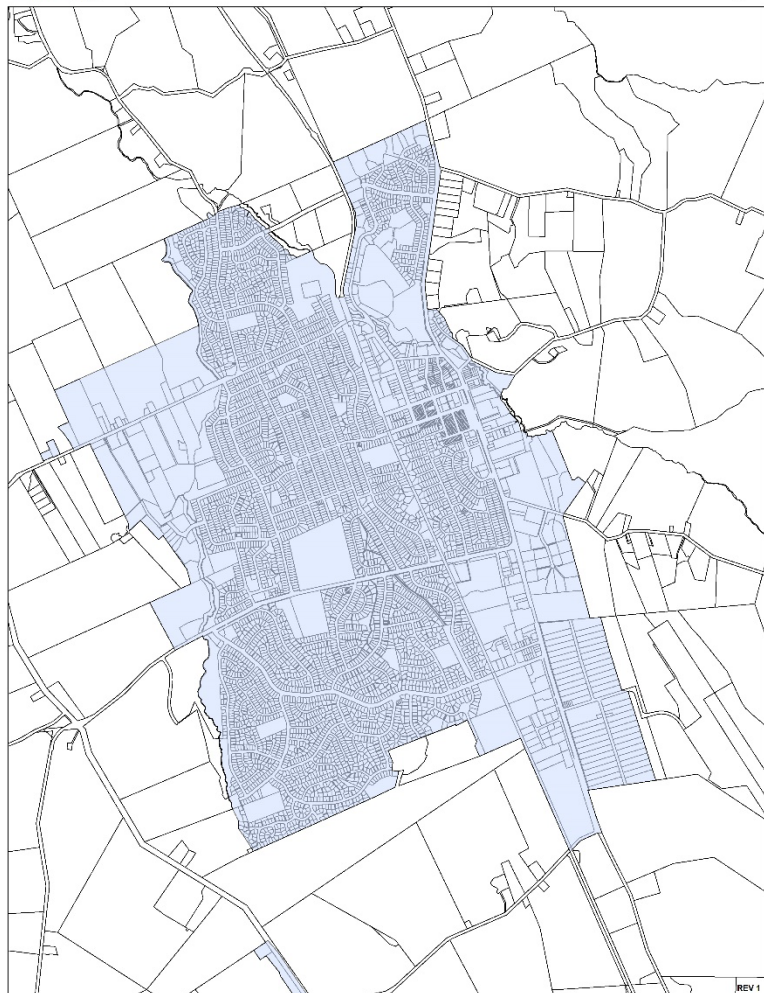


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0 500 1000  
metres  
scale 1 : 25,000

REV 4

TOKOROA WATER  
RATING AREA 2587



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Proposed Rates Table											
All rates are inclusive of GST	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General Rate (note 1)	0.002534	0.00279	0.002643	0.002732	0.002889	0.002844	0.002941	0.002940	0.003044	0.003082	0.003064
Uniform annual general charge	590.97	446.29	342.12	319.03	356.33	395.78	423.04	452.20	471.73	491.54	514.63
Additional unit rate	590.97	446.29	342.12	319.02	356.33	395.78	423.04	452.20	471.73	491.54	514.63
Waste collection	103.22	203.04	175.43	204.38	216.00	211.04	216.61	220.71	228.86	228.37	227.80
District recycling charge	49.19	66.01	44.71	70.34	71.70	73.57	75.56	76.54	78.19	79.81	80.94
Wastewater disposal charge	417.55	504.40	600.07	648.64	687.32	764.43	845.35	916.84	951.84	996.56	1076.25
Wastewater disposal - schools		337.95	402.05	434.59	460.50	512.17	566.38	614.28	637.73	667.69	721.09
Water supply charge	399.72	438.05	424.18	487.59	531.44	614.29	654.71	736.96	773.37	815.55	868.84
Stormwater (note 1)	0.000297	0.000317	0.0002220	0.0003260	0.0005459	0.0008811	0.0009028	0.0010542	0.0010833	0.0011372	0.0012403
<b>Hall charges</b>											
Piarere	14.97	14.19	14.19	14.87	15.18	15.52	15.86	16.19	16.54	16.90	17.28
Upper Atiamuri	249.88	247.33	234.12	266.14	271.72	277.41	282.94	289.24	295.30	301.49	307.81
Puketurua	91.12	93.01	83.66	93.66	95.62	97.63	99.60	101.79	103.92	106.10	108.33
Waotu	53.7	57.1	53.23	63.16	66.13	69.23	72.41	75.90	79.46	83.19	87.10
Lichfield	27.74	28.64	28.03	29.37	29.99	30.66	31.34	31.98	32.68	33.38	34.14
Arapuni	106.6	105.75	100.57	114.09	117.40	120.80	124.20	127.93	131.63	135.44	139.37
Tapapa-Okoroire	55.06	53.05	47.40	51.45	51.45	51.45	51.40	51.45	51.45	51.45	51.45
<b>Promotional and Community Board Rates</b>											
Putaruru Business Promotion (note 1)	0.000367	0.000366	0.000293	0.000308	0.000314	0.000320	0.000328	0.000334	0.000341	0.000349	0.000356
Putaruru Business Promotion (note 2)	226.8	226.68	228.69	240.22	245.00	250.02	256.07	260.70	266.26	272.52	278.06
Tirau Ward charge	45.14	40.09	41.06	41.29	41.53	41.77	42.02	33.91	25.91	26.28	26.65
Tokoroa Ward charge	7.08	29.26	6.35	26.78	26.77	26.74	26.82	25.97	25.18	25.26	25.23
Putaruru Ward charge	35.51	36.46	31.72	34.05	34.56	35.09	36.56	36.91	38.80	39.38	39.85
<b>Clean Heat (note 3)</b>											
First year rated 2021-22 or later		12.44248	12.44248	12.44248	12.44248	12.44248	12.44248	12.44248	12.44248	12.44248	12.44248
First year rated 2020-21	13.865	12.5811	12.5811	12.5811	12.5811	12.5811	12.5811	12.5811	12.5811		
First Year rated 2019-20	13.865	12.72321	12.72321	12.72321	12.72321	12.72321	12.72321	12.72321			
First year rated 2018-19	13.865	12.86891	12.86891	12.86891	12.86891	12.86891	12.86891				
First year rated 2017-18	13.865	13.01825	13.01825	13.01825	13.01825	13.01825					
First year rated 2016-17	13.865	13.17134	13.17134	13.17134	13.17134						
First year rated 2015-16	13.865	13.32829	13.32829	13.32829							
First year rated 2014-15	13.865	13.48921	13.48921								
First year rated 2013-14	13.865	13.6541									
First year rated 2012-13	13.865										
<b>Note 1</b>	Dollar per \$1 of rateable capital value										
<b>Note 2</b>	Rate per rating unit										
<b>Note 3</b>	Cents per dollar of cost of service provided										

## **Long Term Plan disclosure statement 2021 - 31**

### **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 Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. Council is required to include this statement in its long term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

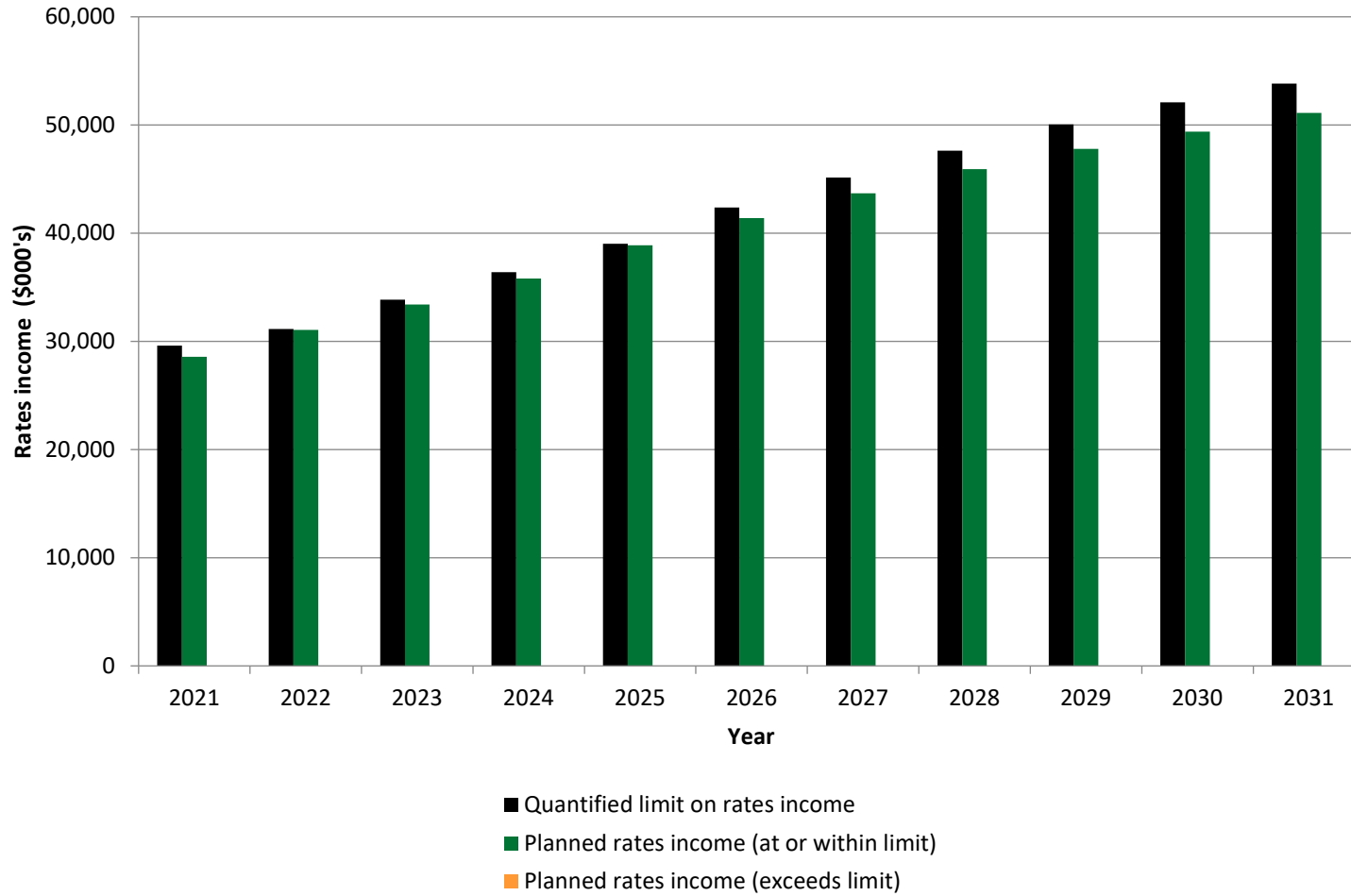
### **Rates affordability benchmark**

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.

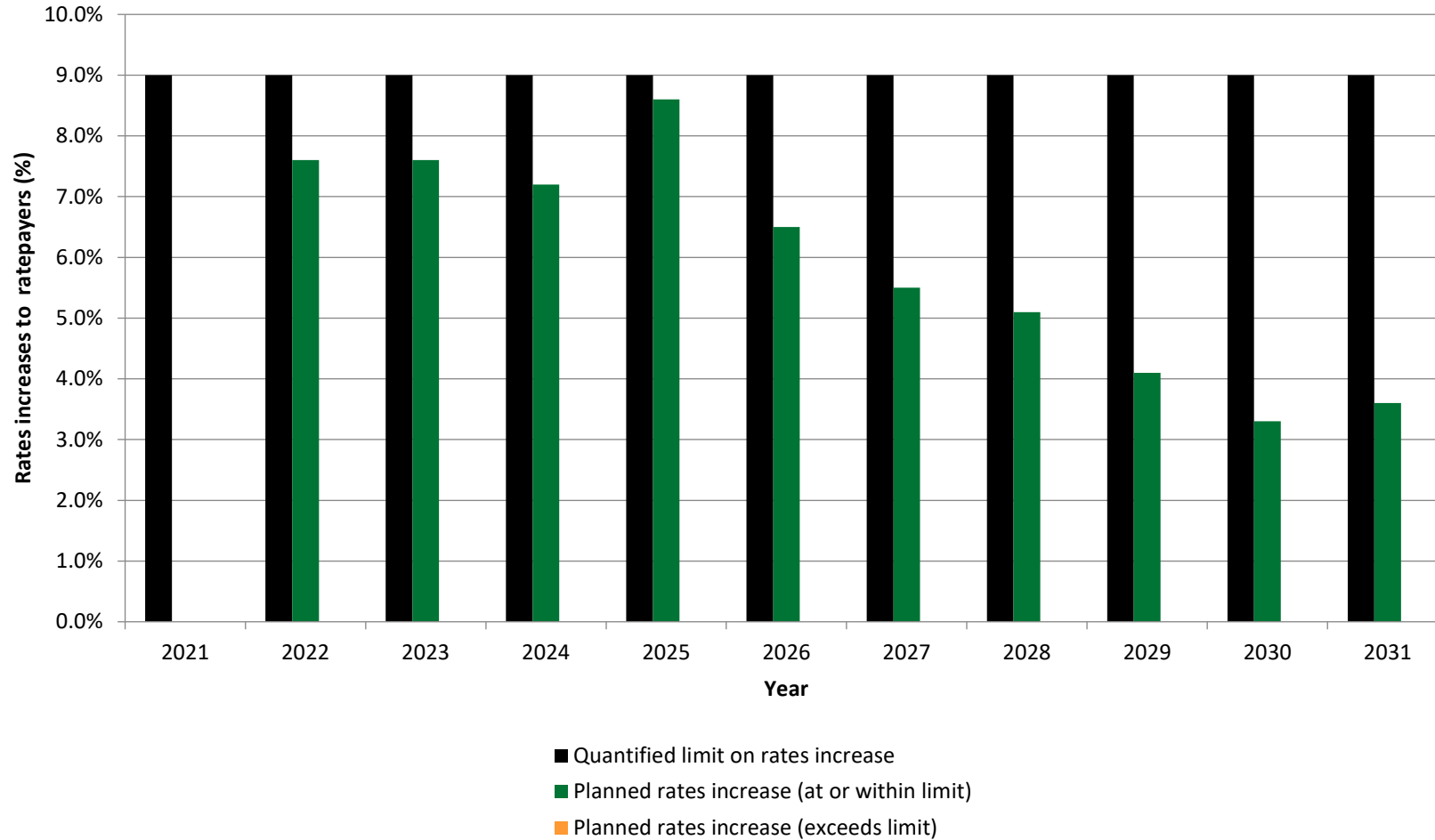
## Rates (income) affordability

The following graph compares Council's planned rates income with a quantified limit on rates contained in the financial strategy, including in Council's long term plan.



## Rates (increases) affordability

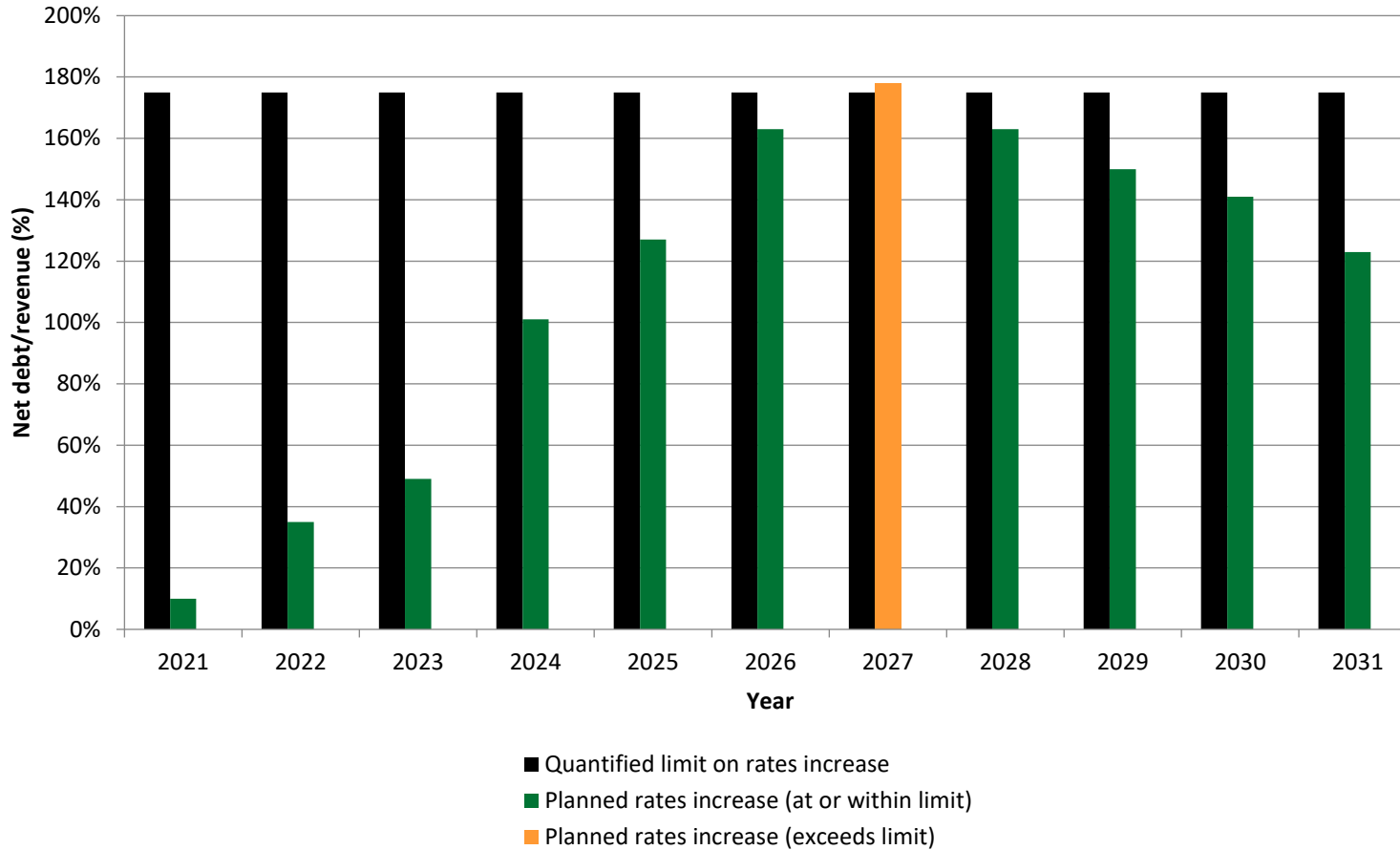
The following graph compares Council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in Council's long term plan.





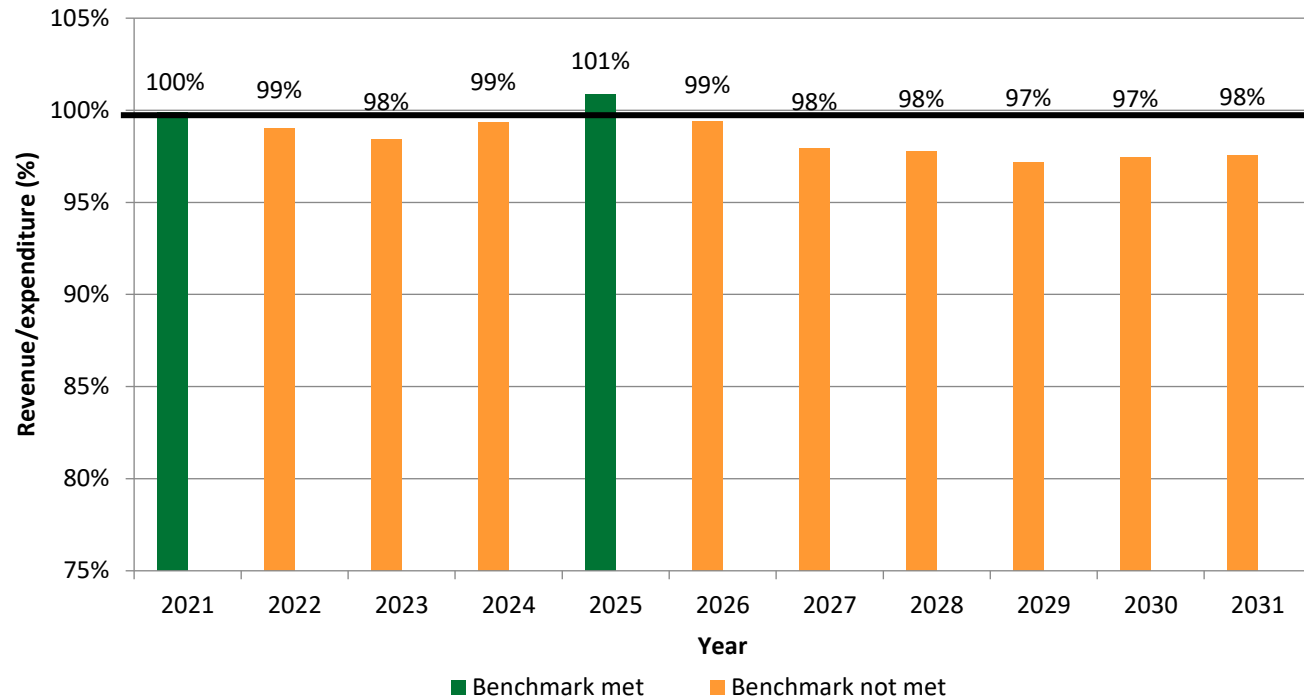
## Debt affordability benchmark

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on external borrowing. The following graph compares Council's planned borrowing with a quantified limit on borrowing, stated in the financial strategy in Council's long term plan.



## Balanced budget benchmark

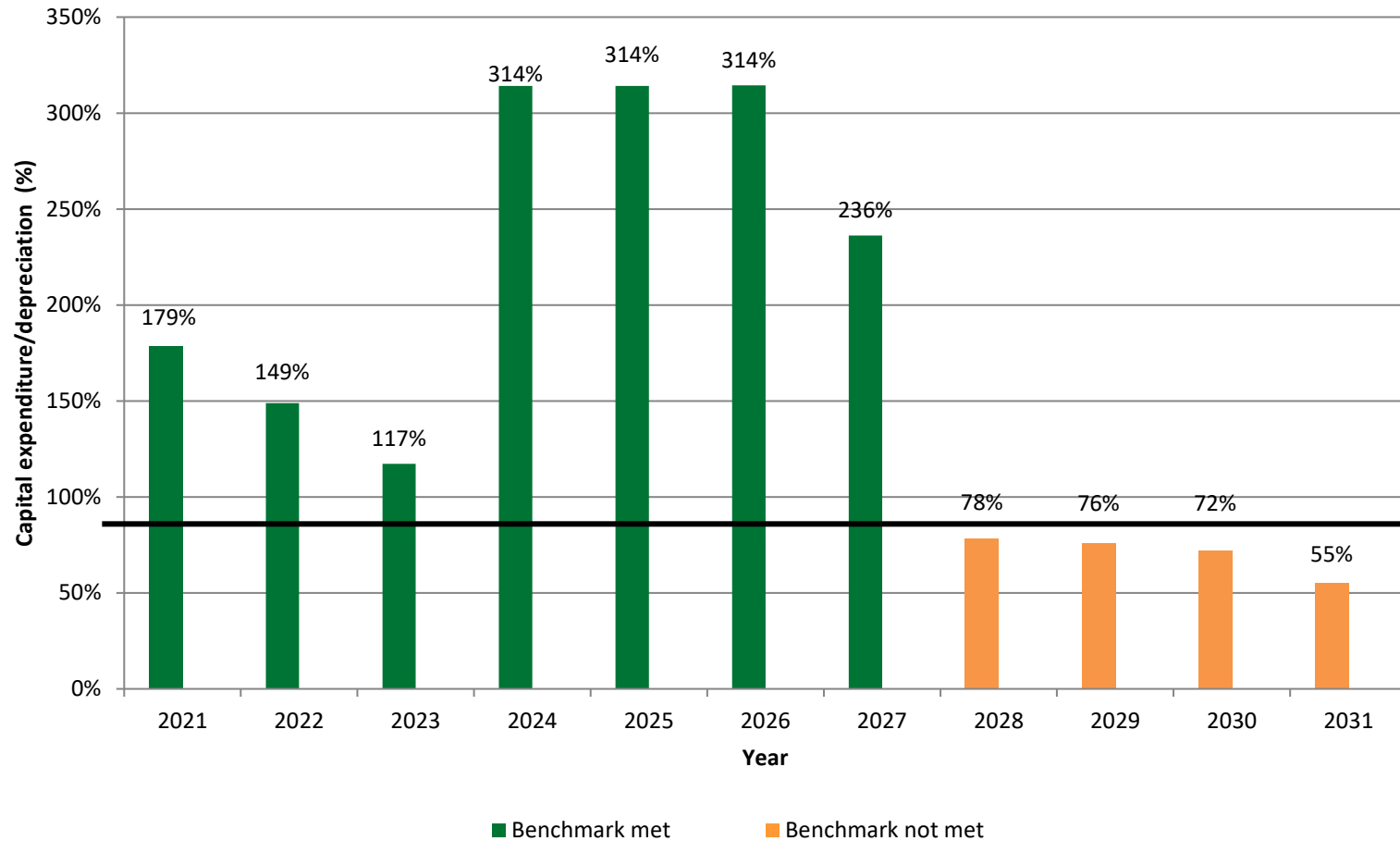
The following graph displays Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). Council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.



The main reason for the unbalanced budget is due to the decision Council has made to not fund asset replacement on some assets. Council considers this to be financially prudent as: we are moving towards fully funding the three waters depreciation by year 10; and the replacement of the South Waikato Heated Indoor Pools will be funded 50% by contributions from external funders and the community.

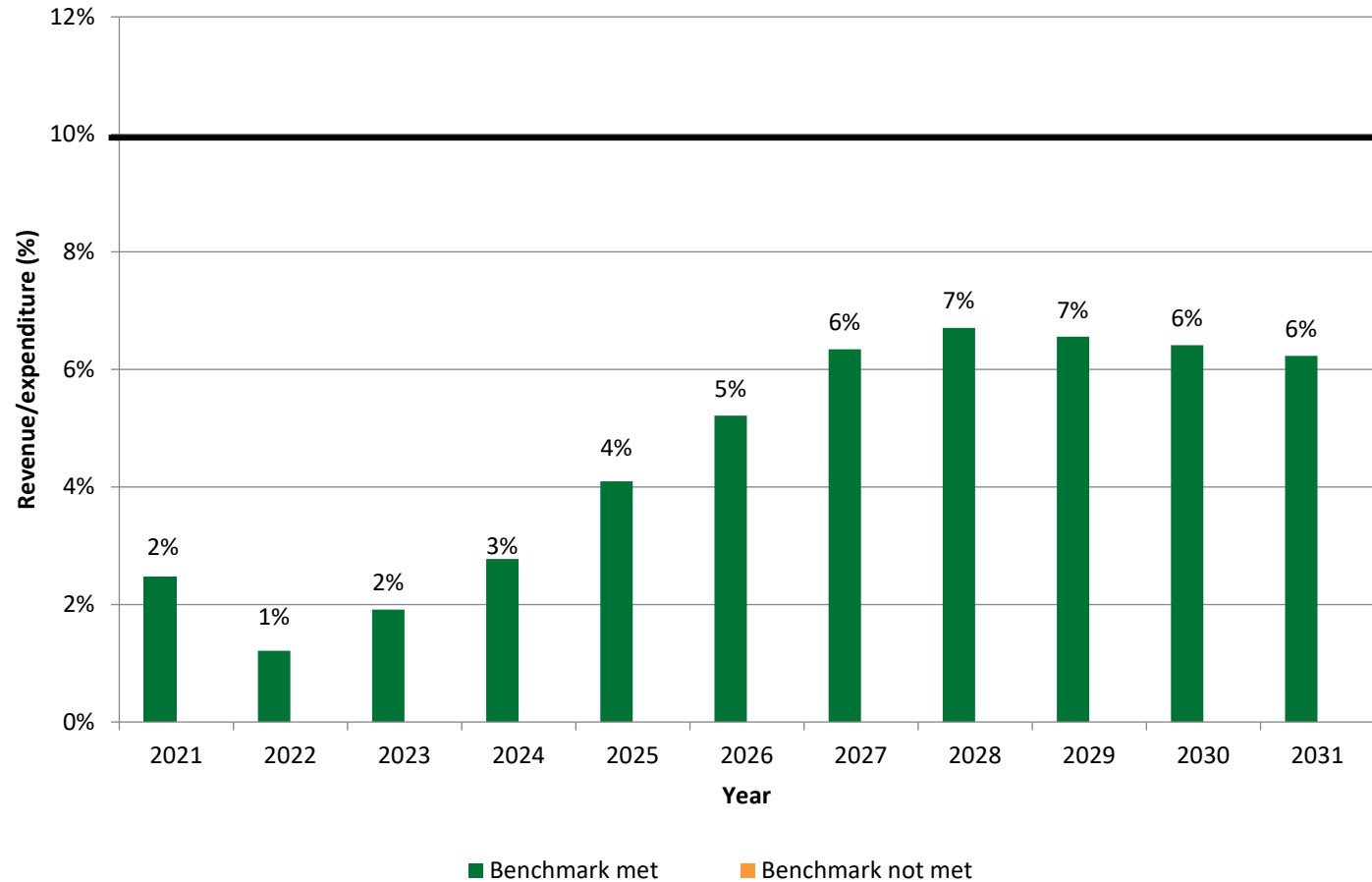
## Essential services benchmark

The following graph displays Council's planned capital expenditure on network services as a proportion of planned depreciation on network services. Council meets this benchmark if its planned capital expenditure on network services equals or is greater than planned depreciation on network services.



## Debt servicing benchmark

The following graph displays Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment). Council meets this benchmark if its borrowing costs equal or are less than 10% of its revenue.



# The forecast financial statements and reserves

## Prospective financial information

The financial information contained within this document is prospective financial information in terms of Financial Reporting Standard (FRS) 42: Prospective Financial Statements. The purpose for which it has been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by Council over the next 10 financial years to 30 June 2031, and to provide a broad accountability mechanism for Council to the community. The information contained within these prospective financial statements may not be suitable for use in another capacity.

The information in the prospective financial statements is based on estimates and the preparation requires the exercise of judgement. The actual financial results that will be 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 Council may subsequently take actions that differ from the courses of action on which the prospective financial statements are based.

Council authorised the prospective financial statements on 4 March 2021. Council believes that the assumptions underlying these prospective financial statements are appropriate, and has approved the long term plan for distribution.

Council and management of Council accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual financial results have been incorporated within the prospective financial statements. Minor rounding may exist in the numbers included in the financial statements.

The information presented in the financial statements are shown on the next page onwards.

Statement of Comprehensive Revenue and Expense As at 30 June	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Rates revenue	28,566	31,050	33,400	35,804	38,884	41,401	43,697	45,910	47,798	49,372	51,127
Development and financial contributions	244	227	233	344	243	524	254	259	558	271	277
Subsidies and grants	4,018	4,933	5,001	5,212	5,928	6,061	6,114	6,240	6,376	6,489	6,660
Fees and Charges	5,245	5,265	5,654	6,149	6,493	6,633	6,305	6,433	6,190	6,372	6,515
Finance revenue	1,025	376	370	362	353	337	336	340	351	365	397
Other revenue	1,194	2,099	2,201	2,146	2,269	2,194	2,230	2,257	2,337	2,371	2,463
<b>Total Revenue</b>	<b>40,292</b>	<b>43,950</b>	<b>46,859</b>	<b>50,017</b>	<b>54,170</b>	<b>57,150</b>	<b>58,936</b>	<b>61,439</b>	<b>63,610</b>	<b>65,240</b>	<b>67,439</b>
Personnel costs	11,068	11,756	11,988	12,265	12,513	12,767	13,025	13,289	13,558	13,833	14,113
Finance expenses	989	531	893	1,377	2,209	2,953	3,723	4,104	4,134	4,166	4,185
Depreciation and Amortisation	8,355	8,566	9,743	10,592	11,964	13,331	14,298	15,616	16,818	17,534	18,951
Other expenses	19,682	23,302	24,737	25,774	26,766	27,927	28,859	29,559	30,373	31,137	31,593
	<b>40,094</b>	<b>44,155</b>	<b>47,361</b>	<b>50,008</b>	<b>53,452</b>	<b>56,978</b>	<b>59,905</b>	<b>62,568</b>	<b>64,883</b>	<b>66,670</b>	<b>68,842</b>
<b>Net Surplus/Deficit</b>	<b>198</b>	<b>(205)</b>	<b>(502)</b>	<b>9</b>	<b>718</b>	<b>172</b>	<b>(969)</b>	<b>(1,129)</b>	<b>(1,273)</b>	<b>(1,430)</b>	<b>(1,403)</b>
<b>Other comprehensive income</b>											
Increase in Asset Revaluation Reserves	12,064	5,464	19,558	2,054	6,953	20,061	2,107	15,039	21,426	2,317	20,819
<b>Total other comprehensive revenue and expenses</b>	<b>12,064</b>	<b>5,464</b>	<b>19,558</b>	<b>2,054</b>	<b>6,953</b>	<b>20,061</b>	<b>2,107</b>	<b>15,039</b>	<b>21,426</b>	<b>2,317</b>	<b>20,819</b>
<b>Total Comprehensive Revenue and Expense</b>	<b>12,262</b>	<b>5,259</b>	<b>19,056</b>	<b>2,063</b>	<b>7,671</b>	<b>20,233</b>	<b>1,138</b>	<b>13,910</b>	<b>20,153</b>	<b>887</b>	<b>19,416</b>

Prospective Statement of Cash Flows For year ending 30 June	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>											
Rates	28,566	31,050	33,400	35,804	38,884	41,401	43,697	45,910	47,798	49,372	51,127
Subsidies and grants	4,018	4,933	5,001	5,212	5,928	6,061	6,114	6,240	6,376	6,489	6,660
Development and financial contributions	244	227	233	344	243	524	254	259	558	271	277
Finance revenue	50	376	370	362	353	337	336	340	351	365	397
Fees, charges and other revenue	6,439	7,362	7,854	8,295	8,761	8,826	8,536	8,690	8,527	8,743	8,979
Finance expenses	(988)	(531)	(893)	(1,377)	(2,209)	(2,953)	(3,723)	(4,104)	(4,134)	(4,166)	(4,185)
Cash disbursed to suppliers and employees	(30,750)	(35,058)	(36,725)	(38,038)	(39,278)	(40,693)	(41,885)	(42,849)	(43,931)	(44,970)	(45,706)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>7,579</b>	<b>8,359</b>	<b>9,240</b>	<b>10,602</b>	<b>12,682</b>	<b>13,503</b>	<b>13,329</b>	<b>14,486</b>	<b>15,545</b>	<b>16,104</b>	<b>17,549</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
Proceeds from investments	975	693	681	665	646	614	612	619	642	670	734
Investments purchased/appropriations	(1,500)	0	1	1,002	3	138	284	(297)	(1,746)	(4,252)	(5,237)
Property, plant & equipment acquired	(19,076)	(20,424)	(16,199)	(38,868)	(31,090)	(35,889)	(26,704)	(11,620)	(11,552)	(11,900)	(9,633)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(19,601)</b>	<b>(19,731)</b>	<b>(15,517)</b>	<b>(37,201)</b>	<b>(30,441)</b>	<b>(35,137)</b>	<b>(25,808)</b>	<b>(11,298)</b>	<b>(12,656)</b>	<b>(15,482)</b>	<b>(14,136)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Loans raised	13,883	9,879	7,269	30,056	21,267	24,006	17,838	2,581	2,310	2,171	840
Loans repaid	(1,578)	(2,026)	(2,489)	(2,858)	(3,425)	(3,808)	(4,011)	(4,084)	(4,155)	(3,900)	(3,854)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>12,305</b>	<b>7,853</b>	<b>4,780</b>	<b>27,198</b>	<b>17,842</b>	<b>20,198</b>	<b>13,827</b>	<b>(1,503)</b>	<b>(1,845)</b>	<b>(1,729)</b>	<b>(3,014)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>283</b>	<b>(3,519)</b>	<b>(1,497)</b>	<b>599</b>	<b>83</b>	<b>(1,436)</b>	<b>1,348</b>	<b>1,685</b>	<b>1,044</b>	<b>(1,107)</b>	<b>399</b>
Cash and cash equivalents at 1 July	5,569	5,852	2,333	836	1,435	1,518	82	1,430	3,115	4,159	3,052
<b>CASH AND CASH EQUIVALENTS at end of year</b>	<b>5,852</b>	<b>2,333</b>	<b>836</b>	<b>1,435</b>	<b>1,518</b>	<b>82</b>	<b>1,430</b>	<b>3,115</b>	<b>4,159</b>	<b>3,052</b>	<b>3,451</b>

Prospective Statement of Changes in Net Assets/Equity											
As at 30 June											
	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Equity at beginning of year</b>	<b>455,909</b>	<b>473,035</b>	<b>478,294</b>	<b>497,350</b>	<b>499,413</b>	<b>507,084</b>	<b>527,317</b>	<b>528,455</b>	<b>542,365</b>	<b>562,518</b>	<b>563,405</b>
Net surplus/(deficit) for the year	12,262	5,259	19,056	2,063	7,671	20,233	1,138	13,910	20,153	887	19,416
<b>Total equity at end of year</b>	<b>468,171</b>	<b>478,294</b>	<b>497,350</b>	<b>499,413</b>	<b>507,084</b>	<b>527,317</b>	<b>528,455</b>	<b>542,365</b>	<b>562,518</b>	<b>563,405</b>	<b>582,821</b>
<b>Components of equity</b>											
<b>Accumulated surplus/(deficit) at beginning of year</b>	<b>175,600</b>	<b>173,350</b>	<b>166,791</b>	<b>168,447</b>	<b>169,380</b>	<b>170,864</b>	<b>173,252</b>	<b>171,858</b>	<b>169,365</b>	<b>165,844</b>	<b>161,779</b>
Net Surplus/(deficits) for the year	198	(205)	(502)	9	718	172	(969)	(1,129)	(1,273)	(1,430)	(1,403)
Net other movements	164	(6,354)	2,158	924	766	2,216	(425)	(1,364)	(2,248)	(2,635)	(5,127)
<b>Accumulated surplus/(deficits) at end of year</b>	<b>175,962</b>	<b>166,791</b>	<b>168,447</b>	<b>169,380</b>	<b>170,864</b>	<b>173,252</b>	<b>171,858</b>	<b>169,365</b>	<b>165,844</b>	<b>161,779</b>	<b>155,249</b>
<b>Council created reserves at beginning of year</b>	<b>1,087</b>	<b>1,088</b>	<b>(42)</b>	<b>(1,404)</b>	<b>(1,634)</b>	<b>(1,840)</b>	<b>(1,976)</b>	<b>(2,077)</b>	<b>(2,197)</b>	<b>(2,221)</b>	<b>(2,266)</b>
Movements for year	1	(1,130)	(1,362)	(230)	(206)	(136)	(101)	(120)	(24)	(45)	2
<b>Council created reserves at end of year</b>	<b>1,088</b>	<b>(42)</b>	<b>(1,404)</b>	<b>(1,634)</b>	<b>(1,840)</b>	<b>(1,976)</b>	<b>(2,077)</b>	<b>(2,197)</b>	<b>(2,221)</b>	<b>(2,266)</b>	<b>(2,264)</b>
<b>Restricted reserves at beginning of year</b>	<b>16,777</b>	<b>16,612</b>	<b>24,096</b>	<b>23,300</b>	<b>22,606</b>	<b>22,046</b>	<b>19,966</b>	<b>20,492</b>	<b>21,976</b>	<b>24,248</b>	<b>26,928</b>
Movements for year	(165)	7,484	(796)	(694)	(560)	(2,080)	526	1,484	2,272	2,680	5,125
<b>Restricted reserves at end of year</b>	<b>16,612</b>	<b>24,096</b>	<b>23,300</b>	<b>22,606</b>	<b>22,046</b>	<b>19,966</b>	<b>20,492</b>	<b>21,976</b>	<b>24,248</b>	<b>26,928</b>	<b>32,053</b>
<b>Revaluation reserves at beginning of year</b>	<b>262,445</b>	<b>281,985</b>	<b>287,449</b>	<b>307,007</b>	<b>309,061</b>	<b>316,014</b>	<b>336,075</b>	<b>338,182</b>	<b>353,221</b>	<b>374,647</b>	<b>376,964</b>
Revaluation surplus/(deficit)	12,064	5,464	19,558	2,054	6,953	20,061	2,107	15,039	21,426	2,317	20,819
<b>Revaluation reserves at end of year</b>	<b>274,509</b>	<b>287,449</b>	<b>307,007</b>	<b>309,061</b>	<b>316,014</b>	<b>336,075</b>	<b>338,182</b>	<b>353,221</b>	<b>374,647</b>	<b>376,964</b>	<b>397,783</b>
<b>Total equity at end of year</b>	<b>468,171</b>	<b>478,294</b>	<b>497,350</b>	<b>499,413</b>	<b>507,084</b>	<b>527,317</b>	<b>528,455</b>	<b>542,365</b>	<b>562,518</b>	<b>563,405</b>	<b>582,821</b>



Prospective Statement of Financial Position As at 30 June	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash + cash equivalents	5,852	2,333	836	1,435	1,518	82	1,430	3,115	4,159	3,052	3,451
Receivables	4,422	3,540	3,610	3,680	3,750	3,820	3,890	3,960	4,030	4,100	4,170
Inventory	132	171	171	171	171	171	171	171	171	171	171
<b>Total current assets</b>	<b>10,406</b>	<b>6,044</b>	<b>4,617</b>	<b>5,286</b>	<b>5,439</b>	<b>4,073</b>	<b>5,491</b>	<b>7,246</b>	<b>8,360</b>	<b>7,323</b>	<b>7,792</b>
<b>Non current assets</b>											
Property + plant + equipment	474,336	499,100	525,643	555,080	581,303	625,558	638,672	647,933	662,947	660,556	671,460
Other financial assets-non current	20,341	24,920	23,729	22,972	22,198	19,830	20,352	21,832	24,100	26,775	31,893
Intangible assets	600	328	328	328	328	328	328	328	328	328	328
<b>Total non current assets</b>	<b>495,277</b>	<b>524,348</b>	<b>549,700</b>	<b>578,380</b>	<b>603,829</b>	<b>645,716</b>	<b>659,352</b>	<b>670,093</b>	<b>687,375</b>	<b>687,659</b>	<b>703,681</b>
<b>TOTAL ASSETS</b>	<b>505,683</b>	<b>530,392</b>	<b>554,317</b>	<b>583,666</b>	<b>609,268</b>	<b>649,789</b>	<b>664,843</b>	<b>677,339</b>	<b>695,735</b>	<b>694,982</b>	<b>711,473</b>
<b>LIABILITIES</b>											
<b>Current Liabilities:</b>											
Payables and deferred revenue	5,008	6,965	7,025	7,085	7,145	7,205	7,265	7,325	7,385	7,445	7,505
Employee entitlements - current	861	859	876	893	910	927	944	961	978	995	1,012
Borrowings - current	1,624	2,248	2,509	3,226	3,590	3,923	3,848	3,768	3,668	3,576	3,415
Provisions	113	948	958	968	978	988	998	1,008	1,018	1,028	1,038
<b>Total current liabilities</b>	<b>7,606</b>	<b>11,020</b>	<b>11,368</b>	<b>12,172</b>	<b>12,623</b>	<b>13,043</b>	<b>13,055</b>	<b>13,062</b>	<b>13,049</b>	<b>13,044</b>	<b>12,970</b>
<b>Non current liabilities</b>											
Employee entitlements - non current	258	250	250	250	250	250	250	250	250	250	250
Provisions - non current	1,056	673	675	677	679	681	683	685	687	689	691
Borrowings - non current	28,592	40,155	44,674	71,154	88,632	108,498	122,400	120,977	119,231	117,594	114,741
<b>Total non current liabilities</b>	<b>29,906</b>	<b>41,078</b>	<b>45,599</b>	<b>72,081</b>	<b>89,561</b>	<b>109,429</b>	<b>123,333</b>	<b>121,912</b>	<b>120,168</b>	<b>118,533</b>	<b>115,682</b>
<b>TOTAL LIABILITIES</b>	<b>37,512</b>	<b>52,098</b>	<b>56,967</b>	<b>84,253</b>	<b>102,184</b>	<b>122,472</b>	<b>136,388</b>	<b>134,974</b>	<b>133,217</b>	<b>131,577</b>	<b>128,652</b>
<b>NET ASSETS</b>	<b>468,171</b>	<b>478,294</b>	<b>497,350</b>	<b>499,413</b>	<b>507,084</b>	<b>527,317</b>	<b>528,455</b>	<b>542,365</b>	<b>562,518</b>	<b>563,405</b>	<b>582,821</b>

Prospective Statement of Financial Position As at 30 June	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>EQUITY</b>											
Accumulated funds	175,962	166,791	168,447	169,380	170,864	173,252	171,858	169,365	165,844	161,779	155,249
Council created reserves	1,088	(42)	(1,404)	(1,634)	(1,840)	(1,976)	(2,077)	(2,197)	(2,221)	(2,266)	(2,264)
Restricted reserves	16,612	24,096	23,300	22,606	22,046	19,966	20,492	21,976	24,248	26,928	32,053
Asset revaluation reserves	271,006	284,033	303,591	305,645	312,598	332,659	334,766	349,805	371,231	373,548	394,367
Investment revaluation reserves	3,503	3,416	3,416	3,416	3,416	3,416	3,416	3,416	3,416	3,416	3,416
<b>TOTAL EQUITY</b>	<b>468,171</b>	<b>478,294</b>	<b>497,350</b>	<b>499,413</b>	<b>507,084</b>	<b>527,317</b>	<b>528,455</b>	<b>542,365</b>	<b>562,518</b>	<b>563,405</b>	<b>582,821</b>

Funding Impact Statement - Whole of Council For the year commencing 1 July	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>SOURCES OF OPERATING FUNDING</b>											
<b>Rates Revenue:</b>											
General Rates, Uniform Annual General Charges, rates penalties	20,307	20,720	22,024	23,321	24,909	25,048	26,113	26,481	27,526	28,098	28,292
<b>Targeted Rates</b>											
Stormwater	524	560	673	979	1,649	2,675	2,755	3,233	3,339	3,523	3,861
Wastewater	3,623	4,385	5,088	5,671	6,035	6,742	7,488	8,156	8,504	8,942	9,698
Water Supply (excl water by meter)	2,987	3,294	3,460	3,697	4,051	4,706	5,040	5,702	6,013	6,372	6,822
Refuse Collection	734	1,450	1,507	1,473	1,565	1,537	1,586	1,624	1,693	1,698	1,703
Public and Community Halls	52	53	55	56	57	59	60	61	63	64	66
Tirau Community Board	37	34	35	36	36	37	37	30	23	24	24
Business Promotion Tokoroa Ward	8	8	8	8	8	8	9	9	9	9	9
Business Promotion Putaruru Ward	81	84	76	80	82	84	88	90	95	97	99
Tokoroa CBD	29	143	135	130	130	130	131	127	123	123	123
Putāruru CBD	65	65	66	68	69	71	73	74	75	77	79
Recycling	459	615	642	660	677	698	721	734	753	773	788
less elimination of internal Council rates	(673)	(701)	(719)	(735)	(750)	(767)	(784)	(800)	(818)	(835)	(854)
<b>Other Revenue</b>											
Subsidies & grants for operating purposes	1,885	3,099	2,970	2,980	3,018	3,085	3,153	3,218	3,288	3,359	3,435
Fees, charges & targeted rates for water supply	5,538	5,558	5,957	6,456	6,807	6,957	6,634	6,768	6,536	6,722	6,873
Interest & dividends from investments	1,025	723	711	695	676	644	642	649	672	700	764
Local authorities fuel tax, fines, infringement fees, and other receipts	314	404	507	707	818	836	810	826	845	839	858
<b>TOTAL OPERATING FUNDING (A)</b>	<b>36,995</b>	<b>40,494</b>	<b>43,195</b>	<b>46,282</b>	<b>49,837</b>	<b>52,550</b>	<b>54,556</b>	<b>56,982</b>	<b>58,739</b>	<b>60,585</b>	<b>62,640</b>
<b>APPLICATION OF OPERATING FUNDING</b>											
Payments of staff & suppliers	29,418	32,020	33,374	34,847	35,717	37,427	38,508	39,415	40,382	41,360	42,008
Finance Costs	989	531	893	1,376	2,208	2,953	3,723	4,103	4,133	4,165	4,184
Other operating funding applications (Net of Rates on Council Property)	1,315	1,508	1,684	1,570	1,812	1,582	1,654	1,690	1,744	1,783	1,813
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>31,722</b>	<b>34,059</b>	<b>35,951</b>	<b>37,793</b>	<b>39,737</b>	<b>41,962</b>	<b>43,885</b>	<b>45,208</b>	<b>46,259</b>	<b>47,308</b>	<b>48,005</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>5,273</b>	<b>6,435</b>	<b>7,244</b>	<b>8,489</b>	<b>10,100</b>	<b>10,588</b>	<b>10,671</b>	<b>11,774</b>	<b>12,480</b>	<b>13,277</b>	<b>14,635</b>

Funding Impact Statement - Whole of Council (continued) For the year commencing 1 July	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies & grants for capital expenditure	2,043	1,654	1,755	1,761	2,333	2,385	2,402	2,451	2,505	2,559	2,640
Development & financial contributions	243	227	233	344	243	524	254	259	558	271	277
Increase (decrease) in debt	2,168	7,853	4,779	27,197	17,842	20,201	13,827	(1,501)	(1,843)	(1,731)	(3,014)
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>4,454</b>	<b>9,734</b>	<b>6,767</b>	<b>29,302</b>	<b>20,418</b>	<b>23,110</b>	<b>16,483</b>	<b>1,209</b>	<b>1,220</b>	<b>1,099</b>	<b>(97)</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure:											
- to meet additional demand	1,987	5,019	3,377	2,516	2,259	12,806	11,916	24	727	1,080	25
- to improve the level of services	4,403	6,937	5,516	20,480	22,392	15,313	8,707	5,295	4,508	3,659	3,538
- to replace existing assets	7,966	8,468	7,305	15,871	6,439	7,772	6,083	6,302	6,317	7,161	6,069
Increase (decrease) in reserves	(4,149)	(4,255)	(2,187)	(1,076)	(572)	(2,193)	448	1,362	2,148	2,476	4,906
Increase (decrease) in investments	(480)	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>9,727</b>	<b>16,169</b>	<b>14,011</b>	<b>37,791</b>	<b>30,518</b>	<b>33,698</b>	<b>27,154</b>	<b>12,983</b>	<b>13,700</b>	<b>14,376</b>	<b>14,538</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(5,273)</b>	<b>(6,435)</b>	<b>(7,244)</b>	<b>(8,489)</b>	<b>(10,100)</b>	<b>(10,588)</b>	<b>(10,671)</b>	<b>(11,774)</b>	<b>(12,480)</b>	<b>(13,277)</b>	<b>(14,635)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Forecast reserve movements during 2021-31**

	Note	Forecasted balance as at 1 July 2021	Transfers in	Transfers out	Forecasted balance as at 30 June 2021
<b>Council created reserves</b>					
Pensioner Housing Account	A	(220)	(312)	-	(532)
Swdc Asset Purchase	B	(58)	-	-	(58)
Roading reserve extra NZTA subsidy	C	386	-	(386)	-
Riverside Access Reserve	D	421	-	(70)	351
National Waste Levy Reserve	E	109	-	(222)	(113)
Finan Contributions - Roothing	F	151	-	(180)	(29)
SW Finan Contribution Reserve	F	83	-	(83)	-
Stormwater Financial Contribution Reserve	F	2	-	-	2
Water Financial Contribution Reserve	F	1	-	-	1
Mayoral Grants Reserve	G	19	-	-	19
Forestry / Airport Reserve	H	619	-	(265)	354
Land Purchase	I	(41)	-	(2,402)	(2,443)
Whakamaru Forestry Reserve	J	184	-	-	184
Solidwaste Ringfencing	K	(729)	729	-	-
3 Waters Reform Funding Reserve	L	2,051	-	(2,051)	-
<b>Total Council created reserves</b>		<b>2,978</b>	<b>417</b>	<b>(5,659)</b>	<b>(2,264)</b>

**Asset Replacement Reserves**

General ARR	M	800	1,868	(3,426)	(758)
District Water ARR	M	4,921	9,820	(12,337)	2,404
District Wastewater ARR	M	8,629	16,064	(14,680)	10,013
District Stormwater ARR	M	6,780	2,593	(6,838)	2,535
Waste Disposal ARR	M	978	1,337	(1,295)	1,020
Plaza Theatre ARR	M	7	170	(236)	(59)
Vehicle ARR	M	276	-	(162)	114
Toilets ARR	M	175	1,713	(2,391)	(503)
Sport & Events Centre ARR	M	738	926	(705)	959
Sportsgrounds ARR	M	323	1,318	(1,137)	504
Reserves ARR	M	2	7,239	(3,412)	3,829
Cemeteries ARR	M	66	453	(391)	128
Libraries ARR	M	14	-	(49)	(35)
Swimming Pools ARR	M	(96)	3,420	(392)	2,932
Bridges ARR	M	904	1,700	589	3,193
General Properties ARR	M	405	4,103	822	5,330
Trade Training Centre ARR	M	84	-	29	113
Putaruru CCTV ARR	M	32	11	14	57
Tokoroa CCTV ARR	M	106	11	103	220
Information Services ARR reserve	M	959	-	(977)	(18)
District Recycling ARR	M	148	145	(378)	(85)
<b>Total Asset Replacement Reserves</b>		<b>26,251</b>	<b>52,891</b>	<b>(47,249)</b>	<b>31,893</b>

**Targeted Rate Reserves**

District Water Supply	N	(335)	336	-	1
District Wastewater	N	44	-	-	44
District Stormwater	N	(159)	160	-	1
Waste Collection	N	(64)	-	-	(64)
Upper Atiamuri Hall	N	(20)	20	-	-
Puketurua Hall	N	13	-	(13)	-
Waotu Hall	N	(5)	5	-	-
Lichfield Hall	N	7	-	-	7
Arapuni Hall	N	8	-	(8)	-
Tapapa Hall	N	15	17	-	32
Tirau Community Board	N	12	-	-	12
Tokoroa Promotions	N	69	-	-	69
Pride In Putaruru	N	36	-	-	36
Pride in Putaruru - Business rate	N	19	-	-	19
District Recycling	N	(655)	658	-	3
<b>Total Targeted Rate Reserves</b>		<b>(1,015)</b>	<b>1,196</b>	<b>(21)</b>	<b>160</b>

## Purpose of reserve

- A. Pensioner housing: Manage the surpluses and deficits from the pensioner housing activity, when more or less rental is collected than is required to fund the annual expenditure of the pensioner houses.
- B. SWDC asset purchase: Hold the proceeds from the sale of assets until they are applied to purchase other assets
- C. Roading reserve NZTA subsidy – was used to offset expenditure in year 1
- D. Riverside access: Manage sale of proceeds from certain stopped roads. This is to be used for opening up areas to public access in the South Waikato District.
- E. National waste levy: Manage the funds received from government relating to the national waste levy levied.
- F. Financial contributions: To manage financial contributions levied from the development of subdivisions until this funding is used for the development of related activities.
- G. Mayoral Grants reserve: Used to ringfence the budget allocated to this each year
- H. Forestry/Airport: This reserve is used to manage the funds received from the sale of the Amisfield trees, and future expenditure required for the airport.
- I. Land Purchase: To ring fence the costs of land purchased for development until the properties are sold.
- J. Whakamaru Forestry Reserve: The surplus received from the sale of trees to be used for Whakamaru reserve in the future.
- K. Solidwaste ringfencing: To repay the costs incurred in 2019 over time
- L. 3 Waters Reform funding reserve: Money allocated from the government as part of the reform.
- M. Asset replacement reserves: These accumulate funds from rates and are used for the future capital funding for the replacement of assets. Each major activity group e.g. water, roading, waste water, storm water, solid waste, has their own asset replacement reserve so that the funds from each can be applied to the appropriate activity's capital expenditure.
- N. Targeted rate reserves: These reserves are used to manage the surpluses and deficits of specific targeted activities such as water, stormwater, wastewater and halls, that arise when more or less rates revenue is collected to fund the annual expenditure of that activity. This ensures that rates collected from a certain group of targeted rate payers can only be used for the benefit of that group.

\*Forecasted balance as at 1 July 2021. These balances have been re-forecasted during the LTP process rather than being the balance that was forecasted in the 2020/21 Annual Plan.

Depreciation and Amortisation											
	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Community Facilities	429	450	597	858	1,148	1,206	1,275	1,271	1,252	1,310	1,307
Economic & Community Development	80	79	80	78	81	81	83	67	51	52	53
Environment	508	574	605	675	713	721	724	731	747	770	775
Governance	491	478	611	765	860	916	1,075	1,145	1,201	1,419	1,478
Parks and reserves	452	444	501	549	567	579	629	628	578	626	622
Property	44	38	55	71	70	90	127	171	212	239	252
Solid Waste	202	200	223	219	220	224	228	226	227	230	230
Stormwater	495	499	510	515	721	887	947	1,134	1,150	1,161	1,362
Transport	3,594	3,581	4,037	4,242	4,448	5,183	5,444	5,687	6,737	6,940	7,208
Wastewater	1,147	1,326	1,576	1,642	1,957	2,134	2,296	2,717	2,771	2,840	3,347
Water	913	897	948	978	1,179	1,310	1,470	1,839	1,892	1,947	2,317
<b>Total</b>	<b>8,355</b>	<b>8,566</b>	<b>9,743</b>	<b>10,592</b>	<b>11,964</b>	<b>13,331</b>	<b>14,298</b>	<b>15,616</b>	<b>16,818</b>	<b>17,534</b>	<b>18,951</b>

## Statement of accounting policies

### Reporting entity

The South Waikato District Council (Council) is a territorial authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The primary objective of Council is to provide services and social benefits to the community rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity for the purposes of financial reporting.

### Basis of preparation

#### Statement of compliance

The prospective financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared in accordance with NZ GAAP and they comply with Tier 1 Public Benefit Entity (PBE) Standards.

#### Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluations of land and buildings, certain infrastructural assets, and certain financial instruments (including derivative instruments).

#### Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

The accounting policies set out below have been applied consistently for all periods presented in these financial statements.

### Changes in accounting policies

There has been no changes in accounting policies.

### Significant accounting policies

#### Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Council and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods or services in the normal course of business, net of discounts and sales related taxes. The following specific recognition criteria must also be met before revenue is recognised.

#### Revenue from non-exchange transactions

##### Rates

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable. Rates charged to Council properties are excluded from rates income in the profit or loss.

##### Water rates

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

##### Government grants

Government grants are recognised when:

- claimed, for work completed on previously approved programmes
- eligibility has been established by the grantor.

Council receives government grants from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading



infrastructure. These subsidies are recognised upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

### **Provision of services**

Revenue from the provision of services (fees and charges) are recognised as income when the obligation to pay, by reference to the stage of completion of the transaction at balance date, arises.

### **Interest and dividends**

Interest income is recognised as it accrues using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial instrument.

Dividends are recognised as revenue when the right to receive payment have been established.

### **Vested assets**

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Assets vested in the Council are recognised as income when control over the asset is obtained.

### **Financial contributions borrowing costs**

Financial contributions are recognised as revenue when the Council provides, or is able to provide, the services for which the contribution was charged. Otherwise, the financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

All borrowing costs are recognised as an expense in the period in which they are incurred.

### **Grant expenditure**

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

### **Cost allocation policy**

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information. Direct costs are those costs directly attributable to a specific activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

### **Cost drivers for allocation of indirect costs**

The cost of internal services not directly charged to activities are allocated as support costs using appropriate cost drivers such as actual usage, staff numbers and floor area.

### **Current assets held for sale**

Current assets are classified as held for sale if the carrying amount will be recovered through a sale rather than continuing use. This condition is met only when the sale is highly probable and the asset is available for sale in its present condition. Council must be committed to the sale, and a completed sale is expected within one year from the date of classification. Current assets classified as held for sale are measured at the lower of the asset's carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in profit or loss.

Any increase in fair value, less costs to sell, are recognised in profit or loss up to the level of any impairment losses that have been previously recognised.

Current assets held for sale are not depreciated or amortised while they are classified as held for sale.

## Property, plant and equipment

### Critical accounting estimates and assumptions

#### Operational assets

These are tangible assets and include land, buildings and improvements, motor vehicles, the South Waikato Indoor Pools and associated equipment, and the library collection.

#### Infrastructural assets

These are fixed utility systems that provide a continuing service to the community and are not generally regarded as tradeable. They include:

- all property, plant and equipment associated with water supply, wastewater, storm water and waste disposal, including the land that they are located upon
- all roads, service lanes, footpaths, streetlights, car parks and associated street furniture
- all public toilets and restrooms, public halls and the land they are situated on.

#### Restricted assets

These assets cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community. They include:

- all property (excluding South Waikato Indoor Pools) associated with recreation, scenic, historic purposes, esplanade and local purpose reserves, including the reserve land
- all cemeteries
- all land contained within road reserves.

#### Measurement at recognition

All items of property, plant and equipment that qualify for recognition as assets are initially measured at cost. An item of property, plant and

equipment is recognised as an asset only if it is probable that any future economic benefits or service potential associated with them will flow to Council and the cost of the item can be measured reliably. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

#### Measurement after recognition

Property, plant and equipment are shown at cost or revalued amount, less accumulated depreciation and impairment losses. Those asset classes that are revalued are generally valued on a three year rotational basis to ensure revalued assets are carried at a value that is not materially different from fair value. All revaluations are either performed by independent and qualified valuers or in-house and peer-reviewed by independent and qualified valuers. All other asset classes are carried at depreciated historical cost.

#### Library collection

Valuation is at cost less accumulated depreciation and any accumulated impairment losses.

#### Motor vehicles, plant and equipment, furniture and fittings

Valuation is at cost less accumulated depreciation and any accumulated impairment losses.

#### Land and buildings

Land and buildings including land underneath roads were revalued effective 30 June 2018 by Telfer Young, Registered Valuers and Property Consultants, Rotorua, at current market value.

#### Land

Land has been valued based on its current zoning, making allowance for any recent changes and designations effective from the new Operative Plan which took over in 2015. Comparable sales have been analysed from a wide range of land sales and applied dependent on the location, use and zoning

of the property. Adjustments have been made for contour, size and other factors.

Where a property is designated, adjustment for the lifting of the designation has been made.

Where a property is zoned Reserve, these assets have been valued on an underlying zoning basis. From this has been deducted the base valued as Rural, and to the difference applied, a change of change which is added back to the base value to arrive at the Reserve value. This is the normally accepted method for the valuation of Reserve land.

### **Specialised Buildings**

Where there is no reliable market data available for such specialised buildings, the valuations have been prepared on a Depreciated Replacement Cost Approach. The replacement cost of the assets is adjusted, where required, for optimisation due to over-design or surplus capacity. The replacement cost is derived from analysis of costing information held on the valuer's files, costing information derived from the marketplace, and costing information provided by Quantity Surveyors and other building experts. Construction costs vary dramatically dependent on the building.

### **Non-Specialised Buildings**

Non-specialised buildings are those where there are known and active markets e.g. residential houses, office buildings, industrial workshops, warehouses and residential flats. These have been valued at fair value using market-based sales evidence.

### **Parks and Reserves**

Parks and reserves assets were revalued effective 30 June 2018 at depreciated replacement value. The revaluation was undertaken using an

external consultant, Robert Berghuis, Senior Valuer from Beca Projects NZ Limited. The external consultant has an extensive knowledge base and background in parks and reserves asset management.

The external consultant reviewed the useful lives and replacement cost unit values on Council's fixed assets register. The replacement cost unit values were updated to current market values by using either:

- available current contract-supplier unit rates for equivalent asset types (giving the highest level of confidence ) or
- the 2015 asset values/purchase cost adjusted for industry-specific inflation indices to represent estimated replacement costs for modern equivalent asset (MEA) components as at 30 June 2018 (giving a high level of confidence).

As part of the revaluation process, where assets that continue to be in commission are found to have a remaining life of nil (on Council's fixed assets register), an adjusted remaining useful life of 2.5% of the original base life has been made.

### **Land under roads**

The valuation methodology used for land underneath roads is the assessment of the value based upon an indicated value of the land adjoining the roads. Rural and urban roads have been separated and the average land value for adjoining land for each separate division applies. In some cases, a discount has been applied to the land value.

### **Landfill**

Landfill cell development, pipes and pumps are valued at cost less accumulated depreciation and any impairment costs.

### **Street furniture**

Street furniture is valued at cost less accumulated depreciation and any impairment costs.

### **Roads, footpaths, streetlights, large culverts and bridges**

Roads, footpaths, streetlights, large culverts and bridges were revalued effective 30 June 2020 by professionally qualified appointed RATA specialist Cameron Senior, and peer reviewed by WSP New Zealand

Limited, Auckland at optimised depreciated replacement value. Each asset component was valued taking into account its remaining useful life.

The valuation was performed in accordance with the International Accountancy Standard (IAS 16) modified to New Zealand requirements (IPSAS 17), and with New Zealand Local Authority Asset Management Practice, New Zealand Infrastructure Asset Management Manual (NZIAMM) and Valuations/Depreciation Guidelines. The RAMM valuation module has been used to complete the valuation.

The SWDC transport assets as at 2020 have been valued on a replacement cost basis in accordance with accepted New Zealand accounting practices.

Replacement cost is the cost of building the existing infrastructure using present day technology, but maintaining the originally designed level of service, assuming current technology ensures that no value results from the additional cost of outdated and expensive methods of construction. Maintaining the original level of service ensures that the existing asset with all its faults is valued, not the currently desirable alternative.

Replacement cost was calculated by multiplying asset quantities by unit cost rates factored to allow for other direct costs such as professional fees.

Unit rates are obtained from a variety of sources, including the following:

- Recent maintenance contracts for SWDC
- Recent capital works undertaken for SWDC

Costs have been used which reflect the increased difficulties and constraints of undertaking construction, maintenance and renewal work simultaneously with continued operation of the infrastructure networks. Operational constraints include access, delivery, safety, security, material handling and storage, traffic control and hours available for construction work.

The unit cost rates used for valuing the SWDC assets reflect an average cost rate for local construction.

Paper roads with a total length of 151.378km are recorded at land value.

## **Wastewater, stormwater and water**

Wastewater, stormwater disposal and water supply property, plant and equipment were revalued on 30 June 2019 by professionally qualified in-

house staff, and peer reviewed by Beca Projects NZ Limited at optimised depreciated replacement value.

The underground reticulation pipework was also revalued on 30 June 2019 by professionally qualified in-house staff, and peer reviewed by Beca Projects NZ Limited, at optimised depreciated replacement value.

These assets have been valued by the Optimised Depreciated Replacement Cost approach reflecting factors such as technical obsolescence, over engineering and surplus capacity where these have been specifically identified by the asset manager. Assets that have reached the end of their base life (design life) have been inspected, a condition based assessment carried out and a decision to replace an asset or defer replacement made based on the condition assessment. Allowance has been made for the costs of bringing the asset into working condition for its intended use and these costs include engineering fees and resource consent costs.

These assets were revalued in the Assetfinda database using replacement unit costs based on actual costs from recent contracts and where required applied an inflation adjustment.

Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined then all capitalised costs are written off.

## **Accounting for revaluations**

Council accounts for revaluations on property, plant and equipment on a class of asset basis.

The results of revaluing are recognised in other comprehensive income and accumulated as a separate component of equity in the asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed through profit or loss. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in profit or loss will be recognised first in profit or loss up to the amount previously expensed and then credited to other comprehensive income.

## Depreciation

Property, plant and equipment are depreciated on a straight-line basis at rates that reflect their estimated useful lives.

Depreciation is charged to write off the cost or valuation of assets, other than land and properties under construction and road formation cost, over their estimated useful lives. The depreciation rates are applied at a component level and are dependent on the remaining useful life of each component. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

## Operational and restricted assets

Heritage assets	Not depreciated
Land	Not depreciated
Buildings	40 - 100 years
Plant and equipment	5 - 30 years
Swimming pools	40 - 100 years
Motor vehicles	5 years
Computer equipment and furniture	3 - 10 years
Library equipment	5 - 10 years

## Infrastructural assets

### Roading Network

Top surface - rural	1 - 18 years
Top surface – urban	1 – 22 years
Pavement – rural	40 - 70 years
Pavement - urban	40 - 99 years
Culverts	25 - 80 years
Footpaths	10 - 80 years

Kerbs	80 years
Signs	6- 9 years
Streetlights and poles	25 - 70 years
Bridges	78 - 118 years
Land (including land under roads)	Not depreciated

## Waste

Landfills, pipes and pumps	7 - 100 years
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## Wastewater Systems

Manholes	80 years
Treatment plant	5 - 80 years

## Stormwater Systems

Reticulated pipework	50 - 90 years
Manholes and cesspits	90 years
Detention dams	60 years

## Water Supply

Reticulated pipework	55 - 95 years
Valves and hydrants	80 years
Pump stations	Up to 100 years (dependent on componentry)
Storage tanks	25 - 80 years
Infrastructural buildings	40 - 100 years
Street furniture	3 - 10 years

## Impairment

All assets, current and non-current, are tested annually for indicators of impairment or whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised in other comprehensive income. Where that results in a debit balance in other comprehensive income, the balance is recognised in profit or loss.

For assets not carried at a revalued amount, the total impairment loss is recognised in profit or loss.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for the class of asset was previously recognised in profit or loss, a reversal of the impairment loss is also recognised in profit or loss.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in profit or loss.

## Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in profit or loss. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to general equity.

## Subsequent cost

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 can be measured reliably.

## Assets under construction

Capital works under construction are valued at cost. The total cost of the project is transferred to the relevant asset class on its completion and then depreciated.

## Vested assets

Certain infrastructure assets have been vested in Council and are recognised in profit or loss at fair value. These assets have been valued based on the actual quantities of infrastructure components vested and the current 'in the ground' cost of providing identical services. On initial recognition the fair value of vested assets is recognised in profit or loss. Subsequent to these vested assets are revalued together with other property, plant and equipment, and surpluses or deficits arising on revaluation are treated in the same way as other property, plant and equipment.

## Rental property

Rental property is included in property, plant and equipment in accordance with PBE IPSAS, as the rental property is held to provide a social service rather than for rental income, capital appreciation or both.

## Intangible assets

### Computer software

Acquired computer software is capitalised on the basis of the cost incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as expense when incurred.

## Carbon credits

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

## Easements

No value is attached to easements due to the difficulty in establishing their original cost or fair value.

## Amortisation of intangible assets

The carrying amount 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 profit or loss. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3 – 7 years
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## Financial instruments

### Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. Investments are initially measured at fair value plus transaction costs except for those financial assets classified as fair value through profit or loss which are initially measured at fair value. Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

### Financial assets at fair value

Financial assets in this category are either financial assets held for trading or financial assets designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future or
- it is a part of an identified portfolio of financial instruments that the Council manages together and has a recent actual pattern of short-term profit-taking or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss includes any dividend or interest earned on the financial asset.

These consist of forward foreign exchange contracts that are assets. Council uses these derivative financial instruments to hedge exposure to foreign exchange fluctuations. However, as permitted by PBE IPSAS 29, Council does not employ hedge accounting techniques in its accounting for derivative financial instruments. After initial measurement these assets are measured at fair value. Any gain or loss arising from a change in the fair value is recognised in profit or loss. Council does not currently hold any of these investments.

### Financial assets at fair value through profit or loss

These consist of forward foreign exchange contracts that are assets. Council uses these derivative financial instruments to hedge exposure to foreign exchange fluctuations. However, as permitted by PBE IPSAS 29, Council does not employ hedge accounting techniques in its accounting for derivative financial instruments. After initial measurement these assets are measured at fair value. Any gain or loss arising from a change in the fair value is recognised in profit or loss.

## Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that Council's management has the positive intention and ability to hold to maturity. These investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective interest basis. Currently Council does not hold any assets in this category.

## Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Loans and receivables are classified as trade and other receivables in the balance sheet and include rates receivable, accrued income and New Zealand Transport Agency subsidies receivable.

## Available for sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Certain shares held by Council are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in Note 13. Gains and losses arising from changes in fair value are recognised directly in the investment revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the Investment revaluation reserve is included in profit or loss for the period.

Dividends on available-for-sale equity instruments are recognised separately in profit or loss in the statement of comprehensive income when Council's right to receive payment is established.

These include bonds and shares, the investment in Waikato Local Authority Shared Services Limited and Local Government Civic Assurance. If these assets are traded in an active market they are measured at their fair value using quoted market prices at the balance sheet date. The quoted market

price used is the current bid price. If the financial assets are not traded in an active market, their fair value is determined using valuation techniques. Council uses a variety of valuation methods and makes assumptions based on market conditions existing at each balance date. Of the remaining financial assets, if quoted market prices of similar financial assets in the market are not available, other techniques such as discounted expected cash flows are utilized to determine their fair value, or otherwise cost is used.

## Impairment of financial assets

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the profit or loss.

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as available for sale and financial lease receivables, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty or
- Default or delinquency in interest or principal payments.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against



the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

## Financial liabilities

Financial liabilities including debt instruments issued by Council are classified according to the substance of the contractual arrangements entered into.

The accounting policies adopted for specific financial liabilities are as follows:

- Bank borrowings

Interest bearing bank loans are initially measured at fair value net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

- Debt instruments

Council issues bonds from time to time to raise funds. These are initially measured at fair value net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

- Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost.

## Derivative financial instruments

These are mainly forward foreign exchange contracts. These are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates. Any gain or loss is recognised in profit or loss immediately.

Council activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. Council uses derivative financial instruments (primarily foreign currency forward contracts) to mitigate its risks associated with foreign currency fluctuations which relate to certain firm commitments and forecasted transactions. The significant interest rate risk arises from bank loans.

The use of financial derivatives is governed by Council's policies as approved by Council resolution, and which provide written principles on the use of financial derivatives consistent with Council's risk management strategy. Council does not use derivative financial instruments for speculative purposes.

## Investments in Council controlled organisations

Council has an interest (2.7%) in a Council Controlled Organisation (CCO), Waikato Local Authority Shared Services Limited. Council has no significant influence on operational or financial policies.

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

## Inventories

Inventories held for distribution or consumption in the provision of services are measured at the lower cost or current replacement cost. The cost to these inventories is assigned by using the weighted average cost formula. The write down from cost to current replacement cost is recognised in profit or loss.

## Foreign currencies

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of

historical cost in a foreign currency are translated using the exchange rates at the date of transaction.

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition.

### **Goods and services tax (GST)**

All 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 (IRD) is included as part of receivables or payables in the Balance Sheet. The net amount of GST paid or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flow. Commitments and contingencies are disclosed exclusive of GST.

### **Employee benefits**

#### **Short-term employee entitlements**

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

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

#### **Long-term entitlements**

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on actuarial basis using the service of professional actuaries. The actuarial calculations are based on an assumed salary increase of 3.5% (2019: 3.5%) per annum and a discount rate between 0.22% and 4.30% (2019: 1.26% - 4.21%) per annum. The discount rate is derived from the forward rates on NZ Government Bonds over recent periods. It's also assumed that all employees will retire at the age of 65 and will resign in accordance with the withdrawal rate assumption taken from the Treasury Circular 1998/15. Any actuarial gain or loss resulting from re-measurement of these liabilities is recognised in profit or loss.

Employees appointed to the staff prior to 31 December 1989 who retire from Council with not less than ten years continuous service are eligible for retirement leave. Employees appointed to the staff prior to 1 April 1992 are eligible for long service leave unless excluded under individual employment contracts.

#### **Presentation of employee entitlements**

Sick leave, annual leave, vested long service leave and non-vested long service leave, and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

## Superannuation schemes

### Defined contribution scheme

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in profit or loss.

### Public equity

Public equity is the community's interest in the Council, as measured by the value of total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specific uses Council makes of its accumulated surpluses. The components of equity are:

- general equity (retained earnings)
- restricted reserves
- Council-created reserves
- property revaluation reserves
- investment revaluation reserves.

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned.

### General equity (retained earnings)

General equity refers to reserves that do not fall into any of the four categories below.

### Restricted reserves

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specific purposes or if certain specified conditions are met. The reserves represent balances held from the collection of targeted rates and charges on activities that are funded from targeted rating or those same activities funding depreciation.

## Council created reserves

Council-created reserves are a part of the accumulated balance and are established at the will of Council. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

### Property revaluation reserves

Revaluation reserves arise from certain asset classes being revalued.

### Investment revaluation reserve

The investment revaluation reserve contains cumulative unrealised gains and losses in investments classified as 'available for sale' in accordance with PBE IPSAS 29.

## Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### Operating leases

#### Council as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

#### Council as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

## Provisions

Council recognises a provision for future expenditure of uncertain amount when there is a present obligation (legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax discount rate that reflects current market assessments the time at 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.

### **Landfill closure and post-closure provision**

Council, as operator of the Tokoroa landfill, has a legal obligation under its resource consent, to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for closure and post-closure costs is recognised as a liability when the obligation for closure and post-closure expenses arises.

A calculation of these future costs has been discounted and is measured based on the present value of future cash flows expected to be incurred, taking into account future events, including new legal requirements and known improvements in technology. The discount rate used is a pre-tax rate that reflects current market assessments of the time, value of money and the risks specific to Council. Amounts provided for landfill closure and post-closure are capitalised in the landfill asset where they give rise to future economic benefit to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

Assumptions about the future have been made in the calculation of the landfill closure and post closure cost provisions. These are disclosed in the notes to the financial report.

### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are disclosed as contingent liabilities. The amount of these contingent liabilities is equal to the loan balances guaranteed.

### **Critical judgements and estimations**

The preparation of financial statements in conformance with PBE IPSAS requires judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditures.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revisions affect both current and future periods.

Management has made the following judgments and estimations that have the most significant effect on the amounts recognised in the financial statements:

### **Property, plant and equipment**

As the Council is a Public Benefit Entity, property plant and equipment are valued at depreciated replacement cost that is based on an estimate of either fair value or current gross replacement costs of improvement less allowances for physical deterioration and optimisation for obsolescence and relevant surplus capacity. There are certain assets such as wastewater or stormwater related assets which may be affected by changes in the measurement of qualitative standards which could affect the results of future periods.

The depreciation method used reflects the service potential of assets and is reviewed each year to ensure that there is no under maintenance of assets which could affect the results of future periods.

### **Classification of investments**

Council has designated all of its bond investments as 'available for sale', rather than 'held to maturity', although they all have specific maturity dates. This was due to significant disposals within this class of financial asset

before maturity in previous financial years. Therefore, unrealised gains and losses on these investments are recognised as a movement in other comprehensive income. The carrying amount of the available for sale financial assets is disclosed in the notes to the financial report.

### **Long service leave provisions**

Key assumptions concerning the future have been made in the actuarial calculation of long service leave and retiring leave. These are disclosed in the notes to the financial report.



TO THE READERS OF SOUTH WAIKATO DISTRICT COUNCIL'S

AMENDED LONG-TERM PLAN

**INDEPENDENT AUDITOR'S REPORT ON SOUTH WAIKATO DISTRICT COUNCIL'S  
AMENDED 2021-31 LONG-TERM PLAN**

I am the Auditor-General's appointed auditor for South Waikato District Council (the *Council*). I use the staff and resources of Deloitte Limited to audit the information that the Council is required to have audited.

The Council adopted its 2021-31 long-term plan (the plan) on 30 June 2021.

A long-term plan must contain a report from the auditor on:

- whether the plan gives effect to the purpose set out in section 93(6) of the Local Government Act 2002; and
- the quality of the information and assumptions underlying the forecast information in the plan.

We expressed an unmodified opinion on the plan in our report dated 30 June 2021. We also drew attention to uncertainty over three water reforms.

After adopting the plan, the Council completed modelling for large capital works projects relating to three waters assets throughout the towns of Arapuni, Tīrau, Putāruru and Tokoroa. The Council proposed that these projects, to the value of \$58.161 million, be added to the 2021-31 long-term plan.

After consulting on the proposed amendments, the Council decided to amend its plan. The amended plan replaces the plan adopted on 30 June 2021.

The amended plan must contain a report from the auditor that either confirms or amends the previous audit report issued.

We considered the impact of the proposed amendments on our previous audit report. We completed our audit of the amendments on 8 December 2022 and our report is below.

**Report amending our previous audit report of 30 June 2021**

Our previous audit report on the plan adopted by the Council on 30 June 2021, is affected by the amendment to the plan as described below.

***The unmodified opinion is no longer appropriate***

Our previous unmodified audit opinion is no longer appropriate because the Council did not amend its assumptions for the additional capital works projects based on the best information available as described below. These assumptions are therefore not reasonable or supportable and affect the credibility of the amended plan.

***Assumption related to three waters reform***

In July 2020 the Government announced the Three Waters Reform Programme. The Programme included a review of water service delivery. When the long-term plan was adopted on 30 June 2021 there was uncertainty over the effects of the reform on the Council because no decisions had been made. Therefore, the Council assumed that it would retain ownership of three waters assets and remain responsible for the service delivery of three waters services for the life of the plan.

On 27 October 2021, the Government announced that legislation would be introduced to establish four publicly owned water services entities to take over responsibility for three waters service delivery and infrastructure from local authorities, from 1 July 2024. The Water Services Entities Bill was introduced in Parliament on 2 June 2022 and is currently awaiting its Third Reading. Although the Bill does not transfer ownership of three waters infrastructure, it makes clear the Government's intention to transfer ownership with the establishment of four water services entities.

The Council amended its plan by adding three waters assets to its capital works projects. However, the Council did not amend its assumption about ownership and responsibility for these assets, which not only affects assets and debt of the amended plan, but also revenue, depreciation and maintenance expenditure.

***Assumption related to inflationary movements***

Over recent months New Zealand has experienced a significant increase in inflation, which is expected to have a significant cumulative effect over the 10-year period. However, the Council did not determine how the increase in inflation affects the cost of the additional capital works projects, which would also affect the Council's revenue and debt.

The effects of not amending these two assumptions are therefore pervasive and warrant an adverse opinion on the amendments to the plan.

## **Adverse opinion**

In our opinion, because of the significance of not amending the assumptions for the amendment, the amendments to the plan do not provide an effective basis for:

- long-term integrated decision-making or co-ordination of the Council's resources; and
- accountability of the Council to the community.

Our previous audit report remains appropriate for the parts of the amended plan that are not affected by the amendment.

## **Effect of Water Services Entities Bill on the amended long-term plan**

Without further modifying our opinion, we draw attention to subpart 4 of schedule 1 of the Water Services Entities Bill, which provides that some council decisions relating to, or affecting, the provision of water services need to be confirmed by the Department of Internal Affairs before they can be implemented. Once enacted, this requirement could affect decisions by the Council to give effect to the amended long-term plan, depending how the Department exercises its oversight powers.

## **Highlighting the uncertainty over three waters reform is no longer appropriate**

Our previous audit report drew readers' attention to the uncertainty over three waters reform. The emphasis of matter is no longer appropriate because of the effect of the Water Services Entities Bill on the amended plan and the adverse opinion we expressed.

As was the case for our opinion on the plan prior to it being amended, this report does not provide assurance that the forecasts in the amended plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

## **Basis of this report**

Our audit focused only on the amendment and its effect on the plan. We did not repeat the audit that we carried out on the plan when it was originally adopted.

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing

Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We did not evaluate the security and controls over the electronic publication of the amended plan.

## **Responsibilities of the Council and auditor**

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to amending the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the amended plan to be free from material misstatement.


We are responsible for reporting on whether the amendment to the plan affects our previous audit report on the plan as previously adopted. We do not express an opinion on the merits of the plan's policy content.

## **Independence and quality control**

In carrying out our work, we have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council.



**Bruno Dente**  
**for Deloitte Limited**  
**On behalf of the Auditor-General,**  
**Hamilton, New Zealand**

# Long Term Plan 2021-31

## Mahere pae tawhiti



### PART 7

## Our Policies

- Significance and engagement policy
- Revenue and financing policy
- Development and financial contribution policy
- Rates remission on general land policy
- Rates on Māori freehold land policy
- Rates postponement on Māori land policy
- Treasury Management policy



SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.



## Part Seven Our Policies

This section contains the policies that guide Council decision making and the management of Council business as required by the Local Government Act 2002. (LGA) The policies are:

### Significance and Engagement

This policy guides council when making decisions of importance to the community.

“The purpose of a significance and engagement policy is

- a) To enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities; and
- b) To provide clarity about how and when communities can expect to be engaged in decisions about different issues, proposals, assets, or other matters; and
- c) To inform the local authority from the beginning of a decision-making process about –
  - i. The extent of any public engagement that is expected before a particular decision is made; and
  - ii. The form or type of engagement required,”<sup>7</sup>

In short; this policy provides the rules and framework of what, how, and when Council will engage with our communities and stakeholders.

### Revenue and Financing

This policy identifies how Council allocates the costs of its activities against available sources of funds, including rates and charges.

It lets our communities know what is paid for out of rates and when users need to pay for services and any other source of funds that help to deliver our services.

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<sup>7</sup> Section 76AA, Local Government Act

### Development Contributions and Financial Contributions

This policy is to enable a contribution from developers towards the construction of new recreation facilities and the impact of added services to our District’s water and roading services.

### Rates Remission on General Land

This policy outlines the parameters and circumstances under which Council will consider rate relief on general land.

### Rates Remission on Māori Freehold Land

This policy outlines the parameters and circumstances under which Council will consider rate relief on Māori Freehold land.

### Rates Postponement on Māori Land

This policy outlines the parameters and circumstances under which Council will consider rates postponement on Māori Land.

### Treasury Management

This policy outlines approved policies and procedures in respect of all treasury activity to be undertaken by Council. This enables treasury risks within Opotiki to be prudently managed

*Policies can be found at [www.southwaikato.govt.nz/our-council/strategies-plans-policies-by-laws/policies](http://www.southwaikato.govt.nz/our-council/strategies-plans-policies-by-laws/policies).*

*And hardcopies at each of our Council offices and libraries, including the Tīrau i-site.*

# Long Term Plan 2021-31

## Mahere pae tawhiti



## PART 8

# Appendices

Planning Assumptions

SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.

## Appendices - Planning assumptions

In developing this plan, we make assumptions about the future of the activities we provide, assets we hold, issues that affect us, cost forecast and our ability to deliver our services. This section sets out the significant forecasting assumptions we've made and associated risks that apply to Council-wide decisions.

### Infrastructure assumptions

Assumption	Implication	Source	Likelihood	Impact on financials
Not enough will be known about the government Three Waters Reform to be able to plan for anything other than status quo for three waters ownership and service delivery	Government sponsored reform to the provision of three waters services to local communities is underway. The exact form of the changes is under development through a consultation process between central government and TLA's. Once known, the Infrastructure Strategy will require review to reflect those changes.	Initial central government advice	High	Extreme
Waka Kotahi road funding rate will be fixed at 64% for each year of the ten years of the LTP.	Council's share for the land transport programme has been budgeted as income in the LTP.	Waka Kotahi 2021-24 NLTP Funding Assistance Rates – National Land Transport Programme	Medium	Medium
Waka Kotahi has capped the total amount of subsidy available to SWDC at \$20m over the first three years of the LTP. The assumption has been made that the subsidy available for the last 7 years of the LTP will return to previous levels.	Waka Kotahi's subsidy for the last seven years of the LTP has remained at similar levels to 2020/21.	LTP 2018-28	Medium	High
No major individual assets or asset groups (outside normal replacement) sales are planned.	Ongoing maintenance and renewal costs.	Initial central government advice	High	Status quo

Assumption	Implication	Source	Likelihood	Impact on financials
An assumption on Pensioner Housing ownership will be developed during this LTP.	Potential realisation of sale or lease income during the LTP.	LTP 2018-28	Definite	High
Asset data assumptions contained in our asset management systems are valid. While the asset management information system is reliable for the land transport activity, improvements in the confidence of the three waters data will be the focus for this LTP.	Medium risk - accurate and timely data to support renewal programme. This may result in unbudgeted expenditure to replace assets sooner than expected. Low risk for land transport.	Asset Management Plans	Medium	Asset management improvement programme will require an increase to previously restricted budget.
Movement in construction cost will mirror BERL rates.	During the annual plan process there is the opportunity to reassess forecasted budgets. This is an opportunity to mitigate the effects of this risk. Every three years during the LTP the budgets are reassessed and adjusted taking into account prevailing costs and BERL forecasts for inflation.	BERL	Low	Increase in budget to offset construction indices
Operational and Maintenance costs Use the BERL indices for operating and maintenance cost movement	Inflation factors have been applied to budgets over the next 30 years.	BERL	Low	Increase in budget to offset construction indices
Assumed lives of assets are reasonable	Risk that pipeline asset lives are inaccurate. Life can be modified based on condition assessments and performance. Most of the buried pipeline networks have not been condition assessed and some pipes may need renewing sooner than forecasted.	Based on industry standard design life and are best assessment of life currently available.	Buried Pipelines - Medium Other assets - Low	Minimum financial impact
Disasters that there are no large disasters that require additional funding to reinstate assets.	There is a low risk of a disaster occurring during the 30-year period which may require additional funding to reinstate assets.	Asset Management Plans	Low	Insurance cover is in place to manage the risk of disasters.

Assumption	Implication	Source	Likelihood	Impact on financials
Pandemics that there are no pandemic events which require additional funding to reinstate assets or to delay projects / programmes.	There is a medium risk of a continuation of COVID-19 and/or a recurrence of another global pandemic which affects programme activity	Crisis Management Plan	Medium	Slippage and/or increased costs of re-planning
Resources Adequate resources available to deliver programme of work	The current situation with COVID-19 is impacting the ability of some work to be completed on time due to restrictions in place. Council is planning on the basis that staff will be available to carry out assigned duties and contractors are available and able to provide services.	Business Continuity Plans	Medium	If the COVID-19 Alert Levels change then timeframes for some projects may need to be revised.
Climate change The effects of climate change will be low over the planning period	The likely effects of climate change have been factored into our forward planning of our infrastructure.	30-year Infrastructure Strategy	Low	Low
Growth in Demand Population growth is expected during the period of the Long Term Plan. It is assumed that the "urban areas" will experience the following annual growth: Tokoroa 0.3% Putāruru 1.0% Tirau 1.0% Arapuni 1.0%	Potential changes in demands due to population increase has been analysed and factored into our renewals and new assets programs.	SWDC Population Projection Report	Low	Low
Changes to level of service Expected changes to level of service are expected to be minor	Significant change to the level of service will require a review of the Council's operating and capital budgets and may have implications for Council's infrastructure strategy to assess the impact on infrastructure.	Council	Low	Low
Council policy No further significant policy changes that impact on assets.	Any further significant policy change that impacts assets will trigger another review of the infrastructure strategy. The impact of future District Plan changes has been considered planned for. Additional changes are deemed to have minimal impact on assets at this point.	Council	Low	Low

Assumption	Implication	Source	Likelihood	Impact on financials
<p>South Waikato have a slightly older average age of our population (37.9 years) than the national average (37.4 years) with our Māori population being younger (24.6 years) than the national average (25.4 years) and we anticipate that this will remain over this LTP period.</p>	<p>Smaller working populations and a higher need for age friendly services and infrastructure.</p>	<p>Statistics New Zealand</p>	<p>High</p>	<p>Medium</p>
<p>Council holds industrial and residential land and some buildings that have been purchased as part of our programme to stimulate Economic Development in the future. It is anticipated that some of these properties and other property and land will be purchased, developed and sold during the period of the LTP.</p>	<p>Money is budgeted for the purchase, sale and development of current land and property.</p>	<p>LTP 2018-28</p>	<p>Definite</p>	<p>High</p>

## Financial assumptions

Assumption	Implication	Source	Likelihood	Impact on financials
Council staffing (head count) remains similar to current levels	Any increase in head count would increase overheads and require the need for more operating costs (eg. in Information Services)		Medium	Low
Contractor (head count) remains static	Any increase in contractors using Council systems would increase software, and operating costs.	IS Manager	Medium	Low
Information Services, Engagement, Communication, Financial Services and Project Management costs are included within programme budgets	Provide for better forecasting and allocation of resources.		Medium	Low
Business Improvement activities will increase automation and efficiency. This will reduce resources needed to provide information for Council decision-making. Increased data availability, accuracy and relevance; improved information security and record-keeping Reduction in Overhead Recovery for IS budgets. Increase in Project costs (capital)	Projects will be funded for record-keeping, impact (business analysis), training, development, and technical project management	IS Manager	High	Low
The cost of energy is going to increase.	This will have financial impacts on Council's operations, this is likely to impact on the cost of roading and the provision of drinking water, the disposal of waste, and the operation of Council's swimming pools and event centre.	BERL		Low

Assumption	Implication	Source	Likelihood	Impact on financials
Inflation on operating costs will be: 2021-22: 2.4% 2022-23: 2.3% 2023-24: 2.1% 2024-25: 2.2% 2025-26: 2.2% 2026-27: 2.2% 2027-28: 2.2% 2028-29: 2.2% 2029-30: 2.2% 2030-31: 2.1%	This will impact on Council's operating costs. Recent economic data shows some upward movement in inflation. However movements in inflation are volatile and difficult to predict.  The additional projects added to the LTP have had an increase of inflation factored in. However as the next Long Term Plan is due within 18 months no additional inflation has been incorporated to existing projects.	BERL	High	High
Interest on borrowing will be: 2020-31: 4.8%	If the cost of servicing interest is significantly different than what was projected, then this will impose an additional burden on ratepayers.			Moderate
Inflation on capital costs will be: 2021-22: 2.5% 2022-23: 2.4% 2023-24: 2.2% 2024-25: 2.3% 2025-26: 2.3% 2026-27: 2.2% 2027-28: 2.3% 2028-29: 2.3% 2029-30: 2.4% 2030-31: 2.2%	This will impact on Council's operating costs. Recent economic data shows some upward movement in inflation. However movements in inflation are volatile and difficult to predict.  The additional projects added to the LTP have had an increase of inflation factored in. However as the next Long Term Plan is due within 18 months no additional inflation has been incorporated to existing projects.	BERL	High	High
Earning on investment income will be: 2030-31: 4%	This impacts how much we earn on our asset replacement reserves.		High	Low



Assumption	Implication	Source	Likelihood	Impact on financials
Council will revalue its land and buildings and most classes of infrastructural assets on a 3-yearly basis.	Revaluation increments could either differ in value from the estimates in this model, or the timing could differ due to the fair value requirement of the accounting standards. Either of these situations will result in the Statement of Financial Position values differing from expectation and there will be flow-on impact on the levels of depreciation expense which are generally rates funded.	BERL - inflation	Moderate	Moderate
Capital projects will be completed when predicted in the Asset Management Plans.	If capital projects are not completed when predicted ie if they have to be brought forward or delayed, then there are significant financial implications.	Asset Management Plans		Moderate
Where applicable, an averaged life estimate has been used to calculate depreciation on a capitalised project. Where the asset is large and can be broken down into its sub-components, the asset will most likely be componentised with specific estimates attached to those sub-components.	This might change the level of depreciation / asset replacement rate funding required. Of larger significance is the potential for Council to move to a forecasted asset replacement funding model where we look to accumulate the enough funds to fully fund future asset replacements.	Averaged asset lives	High	High

## Economic and rating trends assumptions

Assumption	Implication	Source	Likelihood	Impact on financials
Foreign Exchange fluctuations are negligible over the life of the LTP (ie, there is no net For Exchange / shift in NZD value relative to world currencies) over the life of the LTP	Fluctuations in (for example) NZD-USD rates affect imports, cloud services and other technology		Low	Assumed to be nil
With the expected increase in population, subdivision and building development will no longer continue to be minimal and irregular.	There is likely to be a material increase in the number of rateable properties or ratepayers each year.		High	Moderate to High. Council is planning for the infrastructure requirements for more residential development in Putāruru and growth in our other towns.
That the number of rating units in the District will increase during the period of this LTP from 10,193 to 10,643 by 2030-31	The number of rating units will increase over the period of the Long Term Plan	Calculation of subdivision resulting from new dwelling demand based on population projection during the LTP period	High	Moderate
Actual impact of Regional Plan Changes is assumed to not impact Council operations or ratepayers and users' ability to pay for services	There could be significant adverse impacts on economy of the District and the ability to use land productively from the rules created by plan changes submitted by the Waikato Regional Council.	Central and Regional Government	High	Medium
That the 2021 rating revaluation will result in a 10% increase in the capital value of the district. However, the increase in capital value will not be spread evenly over the various property types. For example a 50% CV increase on residential properties but a 8% decrease on dairy farm properties.	The 2021 rating revaluation will cause substantial variation in rates changes for different types of property when the revaluation results are used in year 2 of the Long Term Plan	Data from Valuation Service Providers as at December 2020	High	No impact on total rates revenue or financials. But a significant impact on majority of ratepayers

## Other assumptions

Assumption	Implication	Source	Likelihood	Impact on financials
Population growth is expected during the period of this Long-Term Plan. It is assumed that the District will experience an increase of 1% per annum for Tīrau, Putāruru and Arapuni and 0.3% for Tokoroa. Business zone growth is also planned.	There will be an increase in demand for services and a potential increase in the rating base. There is also a need to review our District Plan and plan for additional infrastructure to cope with new residential development.	Asset Management Plans identify the need for new major capital expenditure.	Moderate	High
Legislation will continue to change	Council will continue to have increased mandate and community expectation with likely no additional central government funding	Central Government	High	Moderate
Levels of service expectation and difficulties in community enforcement will continue to rise due to societal change	Move from reactive to proactive shift and increased legal challenges may be necessary and health and safety issues for staff may escalate eg greater Building Act exemptions places obligation on owner similar to Food Act audits – risk and TA control minimal, aggression and noncompliance towards field staff, increase in ombudsmen escalation	Central Government	Moderate	Moderate
There will be continued actual impact on the South Waikato due to COVID-19	Ongoing adverse effects to District yet to be fully quantified and consequences to Council activity largely unknown.  No change in resources are budgeted for this. Resources are reallocated as require and other risk management work is not undertaken	National Civil Defence Support Agencies	Moderate	Moderate