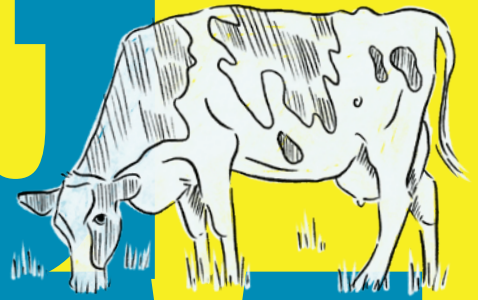
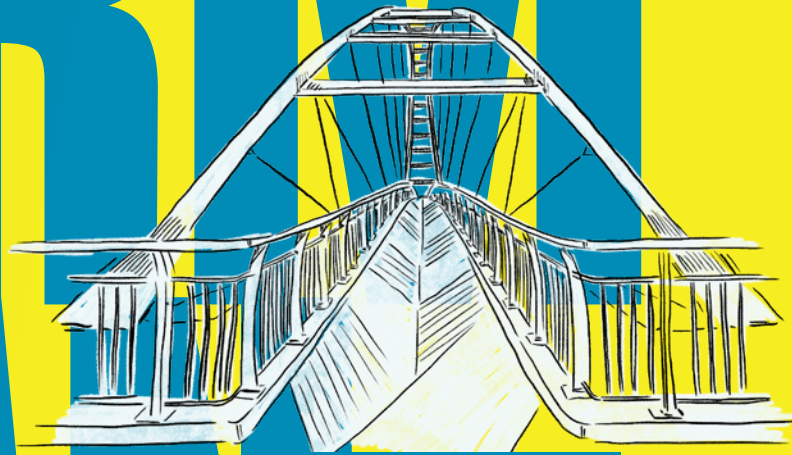


LONG TERM PLAN



OUR VISION

LIVEABLE, THRIVING
+ CONNECTED
COMMUNITIES



2021-2031

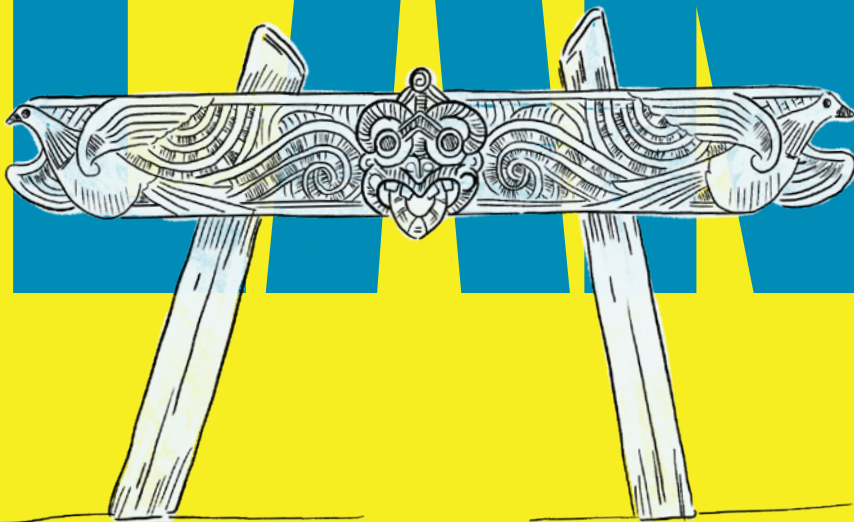


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OUR VISION: LIVEABLE, THRIVING, CONNECTED COMMUNITIES

He noohanga aahuru, he iwi whai ora, he hapori tuuhono tahi

Our Vision and Community Outcomes set the goals we want to achieve in everything we do. We have refreshed our vision to embrace the growth and changes we face. Our vision is that we work together as a district to build liveable, thriving, connected communities as our townships grow.

Liveable communities are well-planned and people-friendly, providing for a range of quality residential options, social

infrastructure, walkways and open spaces. They reflect what's important to people, and support a shared sense of belonging both to the local community and the wider district.

Thriving communities participate in Council decision-making and community-led projects, provide input into the management of their local assets, and sustain the local business sector that provides local employment.

Connected communities have fit-for-purpose infrastructure to create liveable, thriving communities. Connectivity through roads, cycleways, walkways and digital capabilities enable rapid information sharing and engaging in activities together. By these means, people in connected communities access services and amenities that meet their social, health, education and employment needs.

OUR COMMUNITY OUTCOMES AND GOALS

Together with your Community Boards and Committees, we have developed the following community outcomes to guide our decision-making:

Supporting our communities:

Kia tautoko ki a taatou Haapori

We consider the well-being of all of our people in all our planning and activities. We support and plan for the development of complete and connected communities.

Building our economy:

Ka hanga a taatou Oohanga

We attract diverse enterprise/business; creating jobs and opportunities for our community. We continue to support our existing industry. We support others who leverage our location to ensure tourism brings benefits to a range of people in our communities.

Sustaining our environment:

Kia toituu to taatou Taiiao

We are a community that believes in environmental sustainability; we pursue and promote related ideas and manage regulatory processes to safeguard and improve our district.

Working together with you:

Kia mahi tahi taatou

Our communities work with us so we are collectively focused on the right things at the right time.

Providing value for money:

Ka whai painga mo te puutea

Residents and ratepayers get value for money because we find innovative

ways to deliver strategic, timely and fit for purpose infrastructure and services at the most effective cost.

Our approach

When considering the financial picture, the Council's overall approach continues to be:

- Support growth in targeted areas
- Maintain existing assets
- Modernise infrastructure where it is prudent to do so
- Do more within existing budgets
- Move the cost of providing a service to those who use them ie. user pays

KEY DECISIONS

A key focus of our Long Term Plan (LTP) is to build the Council's capacity and capability to fulfil our vision of creating liveable, thriving and connected communities.

The Waikato district is experiencing high levels of growth. Our population of 81,473 (2020) is expected to swell by more than 14,000 in the next decade and rise to between 128,500 and 149,500 by 2060.

We face challenges in balancing the level of new investment needed to meet this growth, while still maintaining the standards of the assets and services we currently provide.

To meet these challenges we have shaped our approach for managing infrastructure for the next 30 years by developing our Waikato District Blueprint and 'Waikato 2070' Growth and Economic Development Strategy in consultation with the community.

The Blueprint is a community planning document that sets out the priorities of our towns and rural communities. 'Waikato 2070' provides a plan for how, where and when growth should occur over the next 50 years. Accordingly, our LTP capital programme is designed to support growth areas, deliver Blueprint projects and meet expected levels of service while maintaining affordability for our ratepayers.

LTP consultation options focussed on a General Rates Increase, and the future of our pensioner housing and inorganic kerbside rubbish collection service. The Council received 605 submissions during the consultation period (7 April - 7 May) and heard

presentations from 77 submitters at hearings held on 25-27 May. Most submissions focussed on the three consultation items and the tables below summarise the support for the options offered.

Following consultation, the Council agreed to set the general rates increases to 6.5% in year 1 and 3.5% in years 2 and 3, and to sell pensioner housing to a responsible provider. After much debate the Council decided to halt the annual inorganic kerbside rubbish collection in line with its Waste Minimisation and Management Plan, but agreed to explore alternative solutions such as fast-tracking resource recovery services.

General Rates Increase	Option 1	Option 2	Neither option	Total
	Increase at 9% in year 1, 3.5% in year 2 and 3.5% in year 3	Increase at 7% in year 1, 6% in year 2 and 4% in year 3		
No. of submissions	176	221	131	528

Pensioner housing	Option 1	Option 2	Neither option	Total
	Retain	Sell to a Responsible Service Provider		
No. of submissions	199	274	23	496

Inorganic kerbside rubbish collection	Option 1	Option 2	Neither option	Total
	Continue collection	Discontinue collection		
No. of submissions	328	171	21	520

FINANCIAL STRATEGY

Balancing Affordability, Increasing Expectations and Growth

The Council is achieving this by:

- Moving costs of services to those who use them.
- Maintaining existing assets.
- Modernising and improving infrastructure.
- Supporting growth.

Forecast growth will see a 21% increase in the number of homes (6,600) over the next 10 years. This is substantial and requires a significant investment in all the Council activities to achieve our vision for liveable, thriving and connected communities.

Alongside this, maintaining existing service in an environment of increasing regulation and weather events is challenging.

Within this context the Council has developed a financial strategy that balances affordability for those paying, with rising compliance expectations and community desires, while supporting investment to allow for and arising from population growth.

Sustainable Growth

The Waikato district has been growing rapidly, our proximity to Auckland and Hamilton making us an attractive proposition for both business and residential development. Growth will occur in the Waikato due to factors outside of our control. How the Council responds to growth drives whether that growth enhances the Council vision for liveable, thriving and connected communities.

There is uncertainty around the potential economic impacts on the district as the global COVID-19 pandemic continues. The potential economic impacts on the Waikato Region as indicated in Waka Kotahi NZ Transport Agency's (NZTA) study dated October 2020 are:

- The south of the Waikato district around Hamilton is expected to perform reasonably well due to relatively low reliance on international tourism (25% of total tourism spend), links to surrounding agriculture, and the city's role as a hub for education, healthcare and other government services.
- The north of the Waikato district is expected to experience slower growth rates due to lower business and population movements out of Auckland, with flow-on impacts on the construction sector.

The Council's forecast growth will mean 6,600 new homes for over 14,000 more people. Much of this growth will occur in towns (42:58 urban to rural population in 2021, rising to 45:55 by 2031). Changes in population and land use on rural properties is not forecast to be significant. This requires significant planning, working with the community and other agencies. It will result in an investment in roads, water, wastewater, stormwater and community infrastructure often in advance of the people arriving. By providing

this trunk infrastructure investment in advance of growth it will avoid adverse consequences to public health, safety and the environment.

Growth capital will initially be funded by borrowing, including the Housing Infrastructure Fund (\$38 million) and each project drawdown will be interest free for 10 years. Where subsidies and external funds can be earned, this will reduce the initial debt. Development contributions will be paid when developments are completed, and this revenue will reduce debt. The remainder will be paid over 25 years by existing ratepayers and by new ratepayers as they arrive.

The capital investment in growth is shown in Figure 1. This chart shows a large investment in trunk infrastructure in the first 4 years of the plan. With the trunk infrastructure in the right place, it will create sufficient capacity to support forecast growth in our main urban areas, which allows for local developer investment to continue in those later years.

The day-to-day costs resulting from population and land use changes will come to \$405 million over 10 years, which is around 21% of total operating costs.

Capital Expenditure for Growth

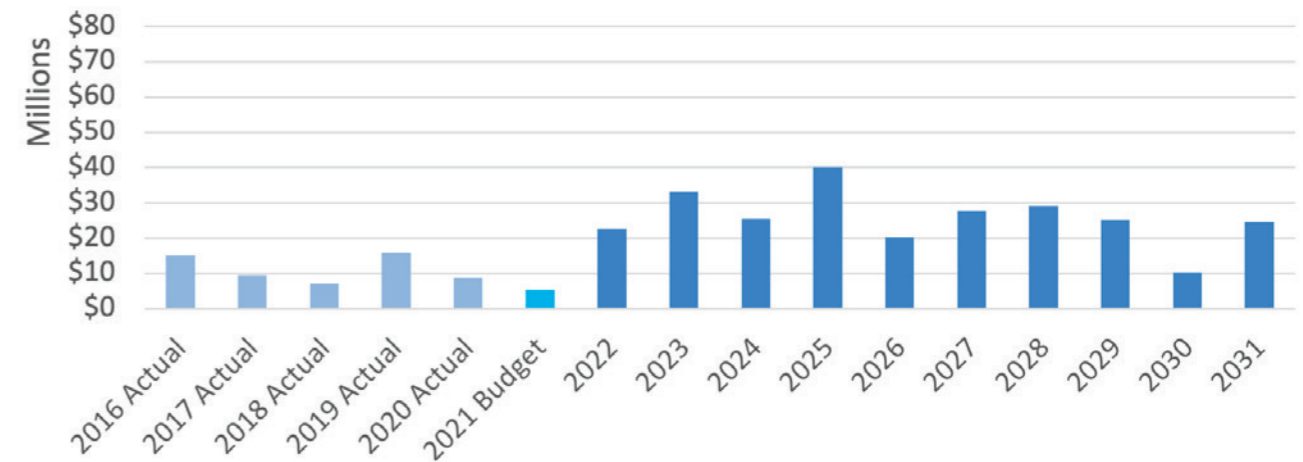


Figure 1: Capital Expenditure for Growth (\$Million)

Maintaining Existing Assets

The Council looks after \$1.7 billion of assets, 86% of which are infrastructure assets. These assets have been the backbone of our community's services for decades. The quality of these services contributes a lot to whether a community is liveable and thriving.

The Council invests a lot of resources in professional asset management practices to ensure they are well

maintained to the end of their economic lives and are renewed at that moment when it is most cost effective to do so. Getting this right has a big influence on the affordability of services.

For Roading there have been great efficiencies resulting from the Council's innovation of its Roading Alliance. With the waters activities the Council partnered with Watercare Services and Waikato Tainui in

October 2019 with the aim of delivering further efficiencies. However, the underlying condition of the assets no longer meet the rising standards for consent renewals on treatment facilities and significant investment is required over and above that previously planned.

Capital Expenditure to Maintain Assets

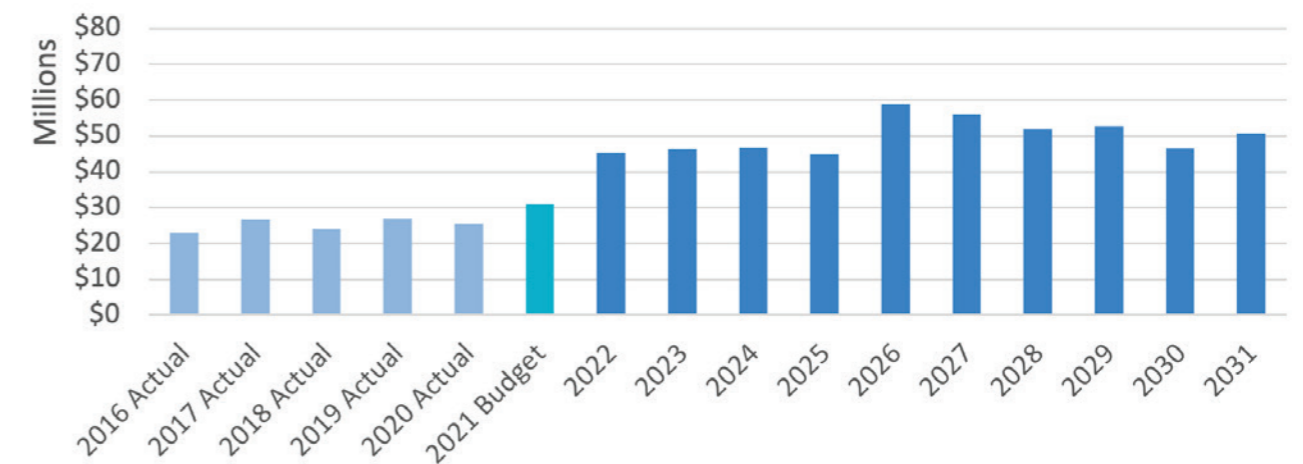


Figure 2: Renewal Expenditure to maintain asset service levels (\$Million)

Figure 2 above shows the Council is providing for a consistent investment between \$45 to \$59 million in each year of the Plan. This level of investment is more than annual depreciation (forecast at \$33 to \$55

million) reflecting the scale of asset replacements budgeted in this 10-year period some of which are earlier than planned for due to the need to address upgrades to support growth and changing consent conditions.

The chart shows an increased investment from 2022 onwards across all infrastructure classes, with a sizeable change in 2026 largely due to wastewater renewals.

A significant element of the Council's financial strategy is for infrastructure assets to maintain up to date asset valuations which recognise the current replacement cost of assets and then fund the consequential depreciation cost. This provides for an appropriate allocation of cost to those who benefit from the services the assets provide each year and overall is the most cost-effective approach to ensure current and future generations pay an affordable share of the asset renewal. For each asset type any funds are accounted for in asset replacement reserves.

Along with everyday maintenance this capital renewal budget will ensure that service levels remain constant.

Better Services

Communities that are thriving have a high degree of liveability through a good range of modern services. Communities often desire many improvements which need

prioritising to balance affordability with service levels.

Figure 3 shows an increased investment in the first two years of the plan, 60% of the investment being on better services on the roads and three waters services. Investing in better service levels on core infrastructure is essential to building modern communities, however communities need access to other services like playgrounds and libraries if people are to feel their community is liveable and thriving. The Council must therefore balance investment choices between core infrastructure and community infrastructure and services.

Capital expenditure for better services will initially be funded by borrowing. Where subsidies and external funds can be earned, this will reduce the initial debt.

The remaining debt will be paid over 25 years by existing ratepayers and by new ratepayers as they come into the district.

The regulatory environment is imposing more cost to protect people and the environment including healthy rivers, drinking water standards and consent conditions. Pending three waters reform work has meant that the standards associated with running water and wastewater services will inevitably increase. It is not yet clear what the reforms will mean for our communities but the type of treatment plants that need to be built to achieve regional consent conditions will cost more and are included in the plan.

Providing better service levels will add cost which is included in the graph below.

Capital Expenditure for Better Service Levels

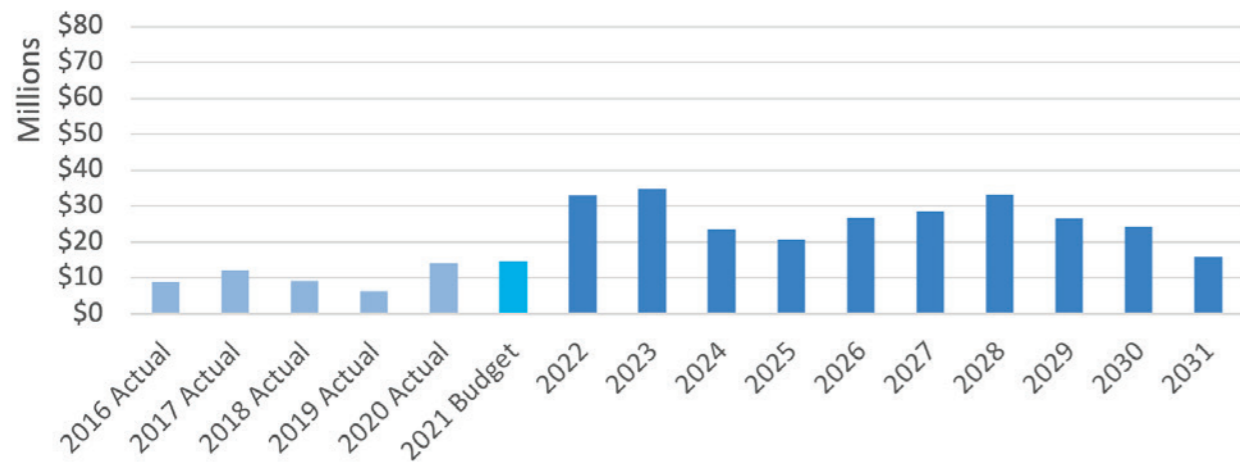


Figure 3: Capital Expenditure for Better Services (\$ million)

Managing Debt

The increased investment in the next three years in growth, renewals and service levels has the consequence of increasing debt (see Figure 4). Debt rises by \$165 million in the first five years reflecting the level of investment. From 2029 the level of new debt decreases and by 2030 debt repayments exceed new investment.

The Council will repay \$289 million of debt over 10 years.

The Housing Infrastructure Fund (HIF) loan was approved in 2020 with borrowing to be drawn down over the first three years of this Plan as investment on HIF approved projects is made. This borrowing is

interest free for 10 years (saving approximately \$17 million in interest payments over the duration of the plan). The borrowing is recognised as debt in Figure 4. and on the Council balance sheet.

Debt To Revenue

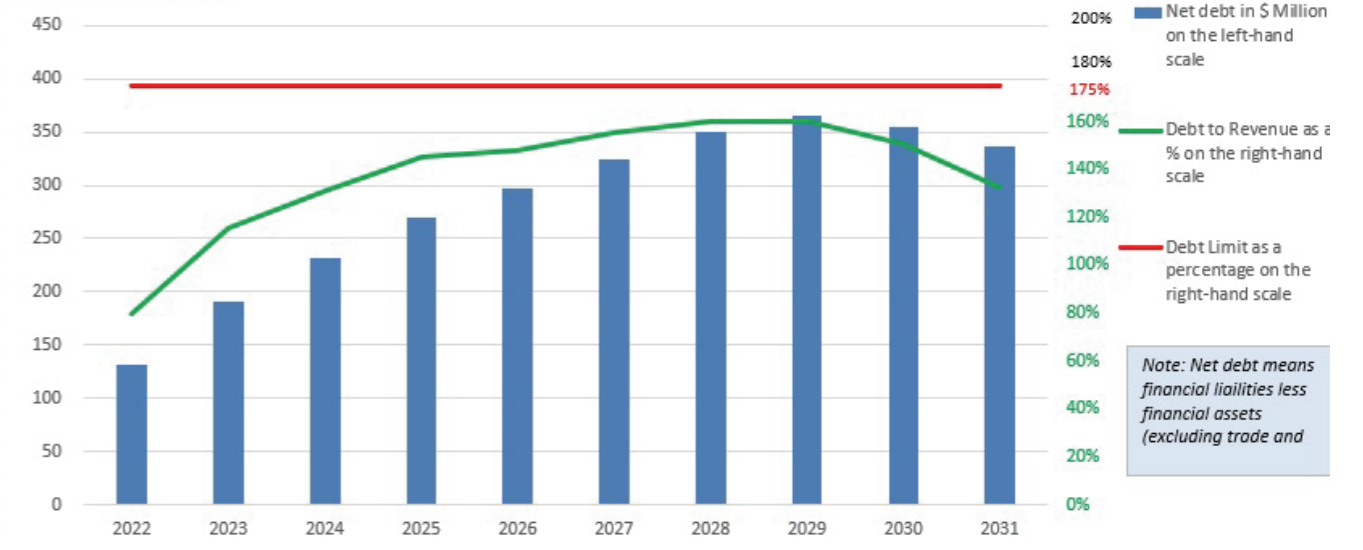


Figure 4: Debt Levels (\$million) and Debt Limits

Debt Limit

Net debt will not exceed 175% of revenue.

Net debt equals total external debt net of related borrower notes. Revenue is net of developer contributions and vested assets.

The Council has set its debt limit using a debt to revenue ratio. This is one of the main methods used by the Council's funders to determine the affordability of debt. People who have borrowed home mortgages will know how important income is to the banks decision to lend money.

The Council's primary lender, the Local Government Funding Agency (LGFA), has determined that it will only lend to the Council up to 175% of revenue.

Although the debt limit has been set equal to our borrowing capacity, the Council has \$156 million of capacity it could spend before it would reach the 175% limit in 2022. Additionally, the Local Government Funding and Financing toolbox has been extended to include off-balance sheet options. There would still be the challenge of repayment so in the first instance Council has planned a programme that fits within LGFA limits.

Council's borrowing is secured by either a debenture trust deed or a floating charge over all Council rates levied under the Rating Act.

Affordable Rates

Rates income ranges between 46 and 69% of income and is Council's main revenue source. During the next 10 years there will be a 21% increase in the number of properties. This will create extra income to offset some of the costs of growth.

Limits Rates Increases

Average annual rate increases to existing ratepayers*, are set at 10% in the first year reducing to 8% from 2023 onwards.

*Based on 2020 rating valuations and property information.

The Council has set its limits on rates increases as a measure of the impact on the average existing ratepayer. This measure shows the impact of rates on typical properties by including all rates (general and targeted) charged to a property and is based on 2020 rating valuations.

This measure is relatable to what people pay and therefore can be considered as a measure of affordability. The challenging economic environment created across the world because of pandemic response measures, may mean for some in our community that these limits still feel too high. However, the relative size of our district does not lend itself to economies of scale as our large geographic spread, means we have multiple critical assets with high compliance and operational

costs. These are not costs we can 'opt out' of.

The measures are calculated based on those ratepayers that paid rates in the previous rating year, allowing the Council to focus on how the majority of ratepayers are impacted by the increased price of rates. By doing this the Council can better grow the rates from new ratepayers, which is very important in the high growth situation the district is forecast to have.

The Council has set limits that are real and consequentially could be challenging in the event of unplanned event or compliance costs. In setting the limits this way the Council is challenging itself to be good financial managers for the district. This is a better approach than setting limits so

high they never become relevant to decision making.

Balancing the Books

Good financial practice is to manage the business so that operating revenues exceed operating costs. This ensures that each year the users of services are paying for what they use. Having a surplus position ensures funds are available for asset purchases and debt repayment.

The figure below shows that after removing development contributions and vested assets from revenue the Council is on the whole forecasting to make surpluses that allow for debt repayment.

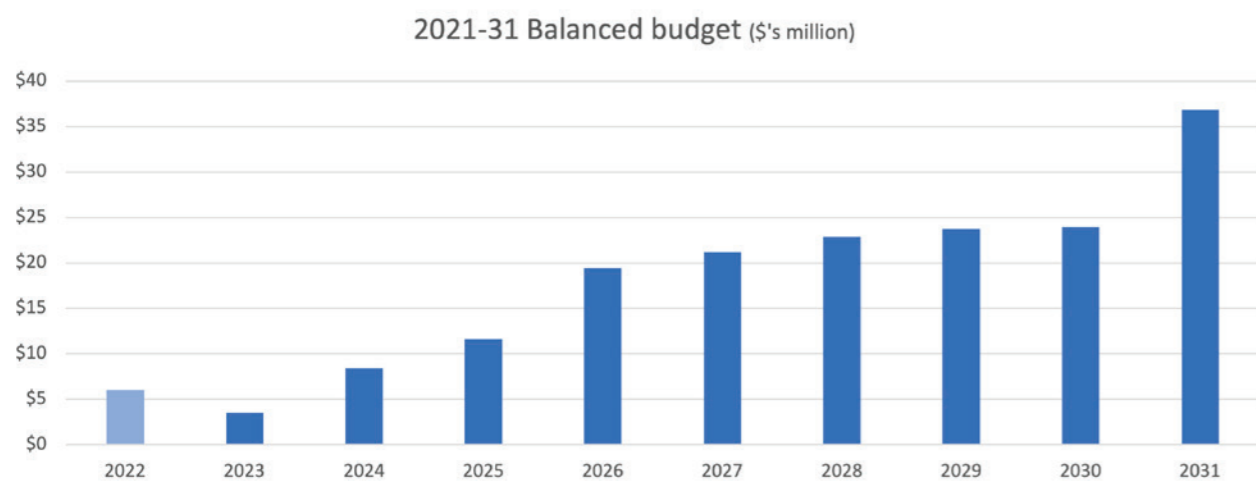


Figure 5: Balanced Budget (\$)

Good Investments

The Council has financial, property and equity investments which are managed in accordance with the Treasury Risk Management Policy.

Investment	2020 (ACTUAL)		2021-2031
	Value \$(000)	Return	Return (forecast)
Financial	90	7%	7% year 1 only
Investment Property	560	8%	8%
Equity			
Waikato Regional Airport Ltd	16,744	0%	0.18% p.a. from 2024
Waikato Local Authority Shared Services Ltd	219	0%	0%
Civic Financial Services Ltd	38	0%	0%
Waikato District Community Wellbeing Trust	0	0%	0%

The Council holds investments for a strategic reason, not just for a financial return on investment. These reasons include where there is some community, social, physical or economic benefit accruing from the investment activity. The Council has the following objectives in holding the above investments.

Financial

Cash is held for liquidity purposes, not to make a financial gain. The Council is a net borrower and will convert surplus cash to reduce debt costs as appropriate to maintain liquidity. Any returns from cash investments are offset against the general rate. The financial investments outlined in the table above relate to a small number of community loans which will be fully repaid by 2023.

Investment Property

The Council has one investment property in Ngaruawahia that receives a modest commercial lease return. It also has a small portfolio of non-reserve land and buildings. These properties are predominantly owned for operational efficiency including offices at Raglan, Huntly and Ngaruawahia. No return on these investments is planned for.

Waikato Regional Airport Ltd

The company operates Hamilton International Airport and promotes the region to tourists. The Council shareholding is 15.625%.

The Council's shareholding is considered a strategic asset. While Council's ownership is largely for economic development reasons and not for financial return, the company has no dividends forecast for the first two years of the plan due to the coronavirus pandemic and the flow on impact to travel. An annual dividend of \$30,000 has been included from year 3 onwards.

Waikato Local Authority Shared Services Ltd

The company has been established to cost effectively provide councils with a vehicle to procure shared services. It is an investment which aims to reduce the cost of providing generic services. The company does not provide a financial return by way of dividend.

Civic Financial Service Limited

The company, established in 1960, is owned by local government to provide a range of financial services including Riskpool, LAPP and Supereasy Kiwisaver scheme. The Council's holding is historic, and no return is forecast.

Waikato District Community Wellbeing Trust

The Waikato District Community Wellbeing Trust was formed from the winding up of the Waikato Foundation. The funds held by the trust are retained for the trust's purposes and distributed to the community. The Council's reason for holding this investment is to support projects that deliver on the aspirations and community outcomes of the Waikato district as identified and promoted by the community. The objectives of the Trust align with the delivery of community blueprint projects and community identified initiatives.

Planning for the Unexpected

Events such as the Wellington and Canterbury earthquakes and locally Cyclone Debbie and the March 2017 weather event have a significant impact on infrastructure. Much of the Council's \$1.7 billion of assets is vulnerable to local weather events and the impacts of events affecting the Waikato River.

The Council has purchased commercial insurance for assets under the ground such as water,

waste water and stormwater infrastructure. This was achieved through partnering with a number of the Local Authority Shared Services councils in a group insurance programme. In the event of a natural disaster affecting water, waste water, stormwater and arterial bridges the Council will be able to secure a proportionate amount of the group's insurance proceeds to pay for the repair and replacement of these assets.

In addition to this cover, Council is proposing to increase the investment in our own disaster recovery fund to self-insure for events that may not trigger the natural disaster insurance policy claim criteria. A specific budget has been set aside each year to re-build the balance of the disaster recovery fund. \$2.4 million has been set aside over the first three years. This fund will continue to be replenished and built upon throughout the 10 years. Additionally, a roading budget of \$800,000 per annum is included for emergency works in the event that the network sustains heavy or prolonged rainfall and a further \$300,000 of minor event emergency works budget per annum. This \$1.1 million of annual budget is additional to funds held in the disaster recovery reserve.

For really big events Council expects external financial assistance for the emergency response and recovery. Council will be expected to initially fund these costs.

30 YEAR INFRASTRUCTURE STRATEGY (2021 - 2051)

INTRODUCTION

This Infrastructure Strategy sets the strategic direction for the provision of infrastructure in the Waikato district.

It is intended to have a strategic focus, which can be read as a standalone document that sits alongside the growth and development, and financial strategies, and will direct the activity management planning process.

It forms part of the Long Term Plan (LTP) to fulfil the requirements of the Local Government Act 2002 Section 101B.

Activity management plans include a detailed 10 year plan.

The 2021 LTP collects the 10 year plans and levels of service from each of the activity management plans:

- Most likely scenario collated from AMPs
- Financial forecast each of the first 10 years
 - Years 1-3 in detail
 - Years 4-10 in outline

The LTP will also include a long term forecast for year 10 to year 50.

The long term forecast summarises years 10 – 50 in five yearly funding blocks as indicative cost estimates.

This Infrastructure Strategy sits within the framework of Council policies, strategies, and plans as shown in Figure 1.

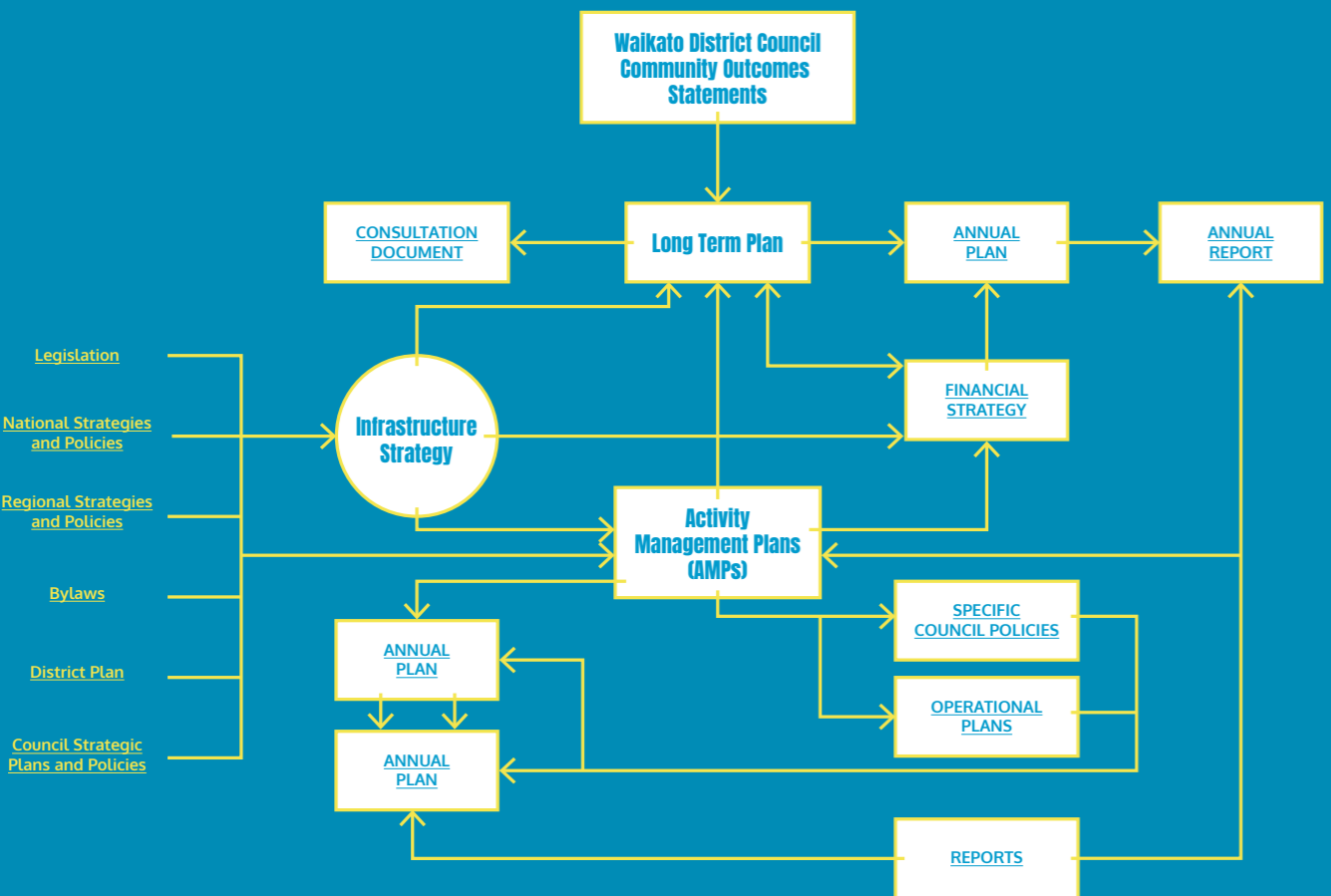


Figure 1: Infrastructure strategy linkage with other documents.

Purpose

This Infrastructure Strategy formally documents the management philosophy that is applied to Waikato District Council’s infrastructure assets as required under section 101B of the Local Government Act 2002. It identifies the significant infrastructure issues over the next 30 consecutive financial years, the principal options for managing those assets and the implication of those options. The Infrastructure Strategy also describes how infrastructure contributes to the delivery of the Waikato Council Vision and our Community Outcomes and:

- Describes the key infrastructure provided by the Council within each activity;
- Identifies significant infrastructure issues and the principal options for managing those issues;

- Describes the activity management practices, including the approach for managing growth increasing service levels, ensuring infrastructure resilience, renewing existing infrastructure;
- Outlines the key assumptions in putting together this infrastructure strategy; and
- Informs the Activity Management Planning process for infrastructure-based activities, and forms part of the Long Term Plan development process.

This Strategy aligns with our Financial Strategy, in which we determine what we can afford to do, when we can afford to do it and how we will fund it.

Structure

This Infrastructure Strategy responds to the requirements in the Local Government Act 2002, specifically section 101B. The alignment to these requirements is described in the table below.

Section	Description	Alignment to LGA 2002 Section 101B
Introduction	Identifies the purpose of the Infrastructure Strategy.	
Strategic Alignment	Positions the Infrastructure Strategy in the strategic planning framework and describes alignment to community outcomes and the environment we are working in.	
Infrastructure overview	Summary of the core and community infrastructure in the district.	
Significant infrastructure issues	Describes significant issues and identifies the response options for the significant issues and documents the benefits, cost, when and funding source	2
How we manage infrastructure	Describes how we plan for asset renewals, respond to growth, alter the level of service, ensure public health and infrastructure resilience.	3
Most likely scenario	Discuss Council’s response to the issues and significant decisions about capital expenditure to be made during the term of this strategy.	4 (a, b)
Financial summary	Identifies the costs associated with the most likely scenario.	
Assumptions	Key assumptions and impact potential effects of uncertainty	4 (c, d)

STRATEGIC CONTEXT

Waikato District Council is experiencing high levels of growth in parts of the district which border the larger urban centres of Hamilton and Auckland. There is also noticeable planned growth in Raglan and Te Kauwhata.

Over the next 30 years, Council plans to build new infrastructure to meet development needs as well as renew existing assets to maintain its level of service and provide resilience to natural hazards.

Significant increased growth funded expenditure is required for water supply, wastewater and transportation infrastructure. Expenditure for other activities such as solid waste, open spaces, facilities and libraries will focus on renewals and maintaining levels of service.

Community Outcomes

Infrastructure provides an essential contribution toward achievement of the Waikato District Council community outcomes.

The level of service framework (detailed in section five of this document) describes the contribution each activity makes toward these outcomes.

- We have aligned the outcomes of our infrastructure-based activities to the community outcomes.
- The levels of service describe how the activity outcomes are delivered by the activities.

The community outcomes are depicted in Figure 2.

The community desires for Infrastructure improvements are captured, prioritised and communicated through the Community Blueprint process.



Figure 2: Community Outcomes

Geographic Context

The Waikato district lies within the northern growth corridor between the large cities of Hamilton and Auckland along State Highway 1.

The district has been growing rapidly, with our proximity to Auckland and Hamilton making us an attractive

proposition for both business and residential development.

This diverse district covers more than 400,000 hectares.

The major towns are Huntly, Ngaruawahia, Raglan, Te Kauwhata and Tuakau.

Smaller settlements include Gordonton, Matangi, Tamahere, Meremere, Port Waikato and Pokeno.

The Waikato and Waipa Rivers and their catchments are important to the cultural and economic activities in the region.

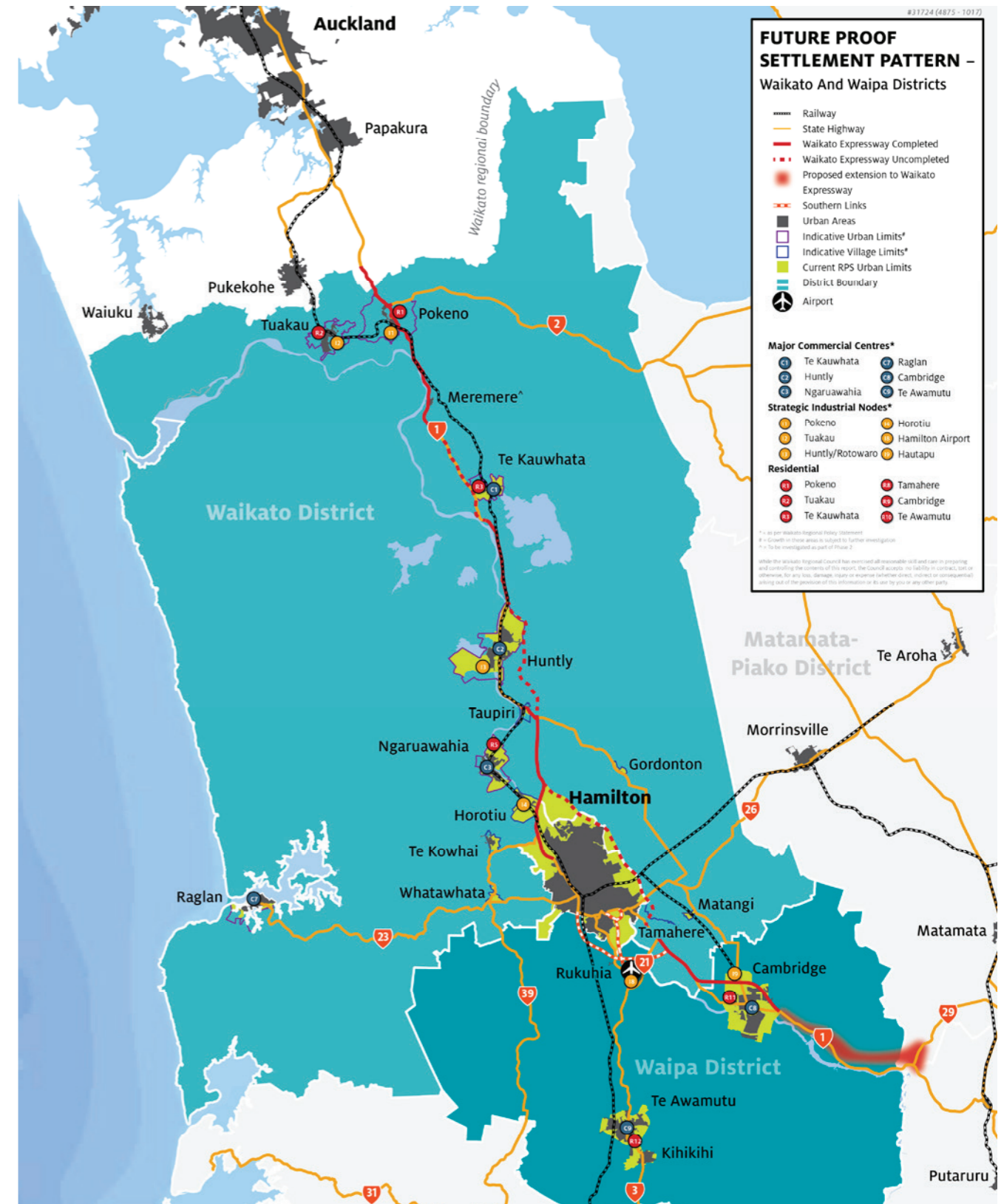


Figure 3: Waikato district (proposed urban limits to 2061)

Population Growth

The population in the Waikato district in 2020 was 81,473.

The Waikato District Council Growth & Economic Development Strategy (Waikato 2070) was developed to provide guidance on appropriate growth and economic development that will support the well-being of the district. The document was prepared using the Special Consultative Procedure, Section 83, of the Local Government Act (2002) and adopted by Council in May 2020.

Waikato 2070 is a guiding document that the Council uses to inform how, where and when growth occurs in the district over the next

50 years. The growth indicated in Waikato 2070 has been informed by in-depth analysis and combines economic, community and environmental objectives to create liveable, thriving, and connected communities. The growth direction within Waikato 2070 will ultimately inform long-term planning and therefore affect social, cultural, economic, and environmental well-being.

The figures below show the population and household projections for the Waikato district for 2020 to 2060. Based on household projections prepared by the University of Waikato (Cameron, 2020) the Waikato

district’s population is projected to increase by approximately 15,500 - 19,000 additional people over the next 10 years.

To understand the distribution of the growth across the district Waikato District Council has a Spatial Distribution Model (2020) that has been used to inform the household projection numbers for each town or village.

By 2060 the district’s total population is estimated to reach between 128,500 and 149,500.

Population Projection for the Waikato District

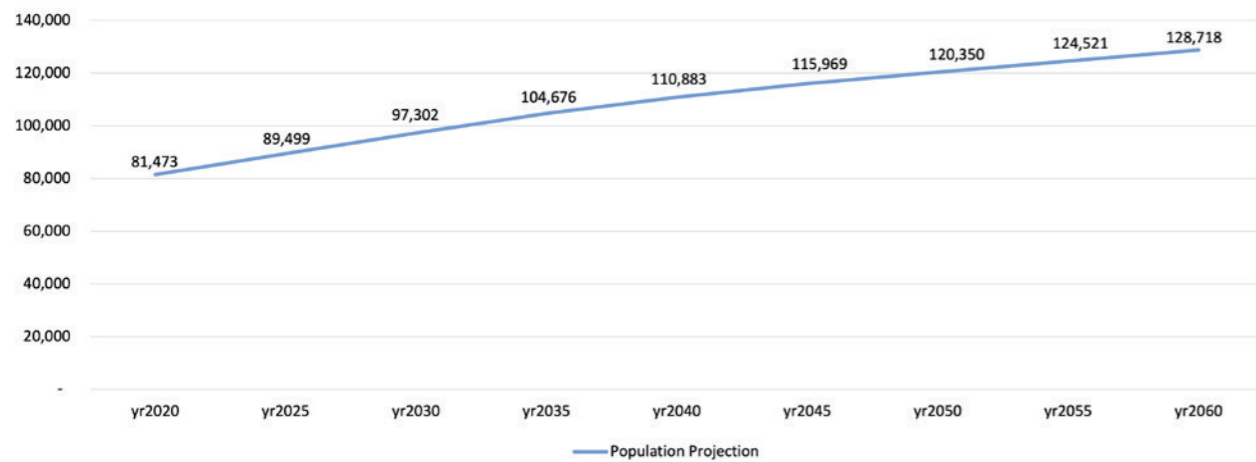


Figure 4 – Population projection 2020-2060

Household Projection for the Waikato District

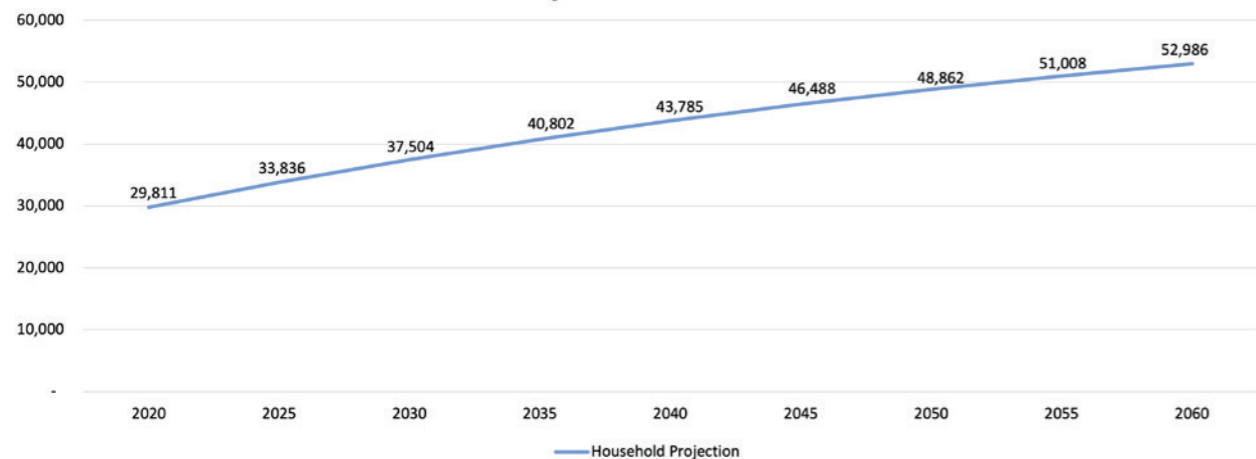


Figure 5 – Household projections 2020-2060

Economic Trends

There is so much uncertainty with the potential economic impacts on the Region as the global pandemic unfolds. The potential economic impacts on the Waikato Region as based on Waka Kotahi NZTA’s study October 2020 on the potential implications of COVID-19.

- The south of the Waikato district around Hamilton is expected to perform reasonably well due to relatively low reliance on international tourism (25% of total tourism spend), links to surrounding agriculture, and the city’s role as a hub for education, healthcare and other government services.
- The north of the Waikato district is expected to experience slower growth rates due to

lower business and population movements out of Auckland, with flow on impacts on the construction sector.

Significant infrastructure investment, and strategic location within the ‘Golden Triangle’ also provide the region with a solid base for growth.

Significant levels of uncertainty remain regarding the scale and duration of COVID-19 impacts, particularly in the medium-long term. We will continue to monitor and update as things change.

Under the Slower Recovery Scenario the Waikato region’s forecast fall in employment to 2021 (relative to BAU) is -5.6%, significantly lower than the national average of -6.7%.

- With the exception of the Waipa, Otorohanga and Waitomo districts, employment levels are forecast to return to pre-COVID-19 levels by 2025.
- Hamilton City is forecast to perform comparatively well, It is one of only two main urban centres (Wellington is the other) forecast to return to BAU employment levels by 2031.
- Population growth expected to slow, at least in the short to medium term, given the region’s reliance on net migration.
- Māori and Pasifika, and youth, are likely to experience the greatest impacts, particularly in smaller regional centres. An increase in youth not in employment, education or training (NEETs) is expected.

Employment relative to BAU, 2031, major industries, Slower Recovery Scenario

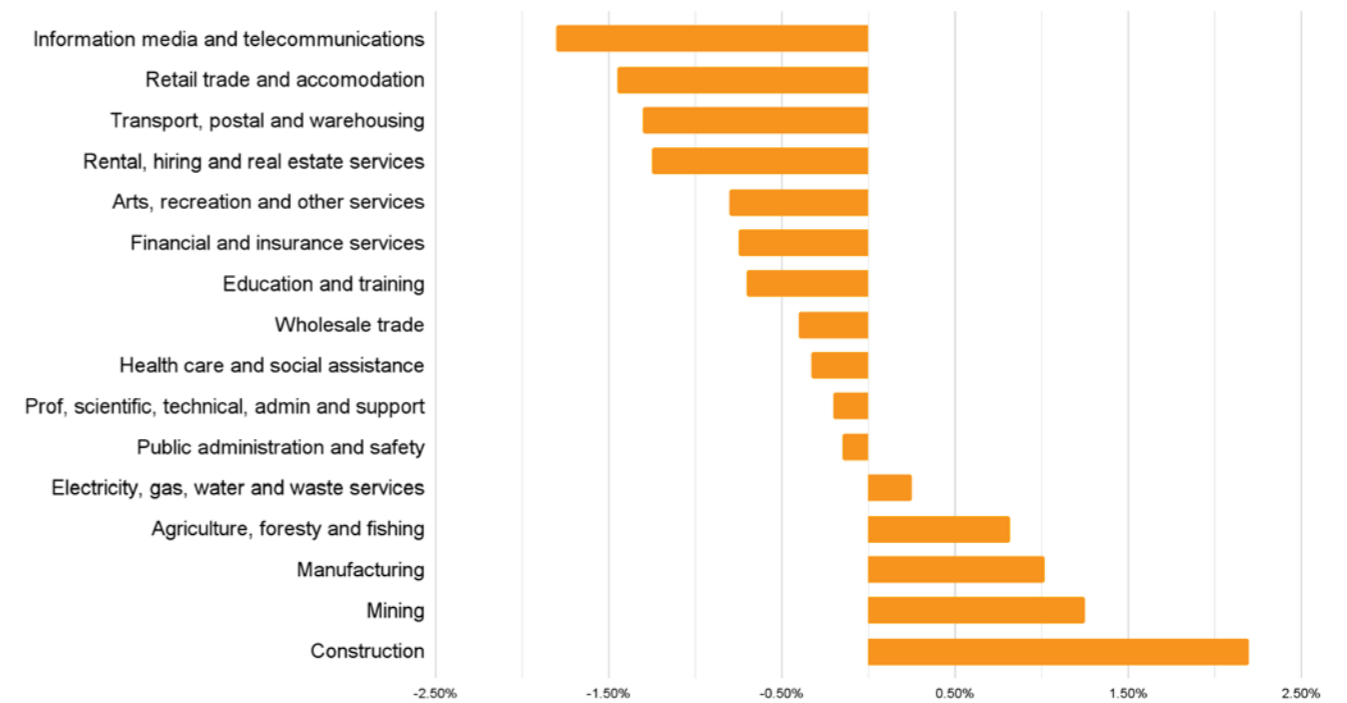


Figure 6 – Employment relative to BAU, 2031, major industries, Slower Recovery Scenario

INTERACTION WITH OTHER STRATEGIES

The Infrastructure Strategy is a key component in the high-level Council decision-making processes around the future of the district.

The Infrastructure Strategy interacts significantly with the following other strategies:

- Economic Development
- Growth
- Financial

Waikato 2070
 Waikato 2070 is The Waikato District Council Growth & Economic Development Strategy, developed to provide guidance on appropriate growth and economic development that will support the well-being of the district.

The document was prepared using the Special Consultative Procedure, Section 83, of the Local Government Act 2002 and adopted by Council in May 2020.

Waikato 2070 is a guiding document that the Council uses to inform how, where and when growth occurs in the district over the next 50 years. The growth indicated in Waikato 2070 has been informed by in-depth analysis and combines economic, community and environmental objectives to create liveable, thriving, and connected communities. The growth direction within Waikato 2070 will ultimately inform long-term planning and therefore affect social, cultural, economic, and environmental well-being.

The financial strategy is developed alongside the infrastructure strategy and both form part of the LTP.

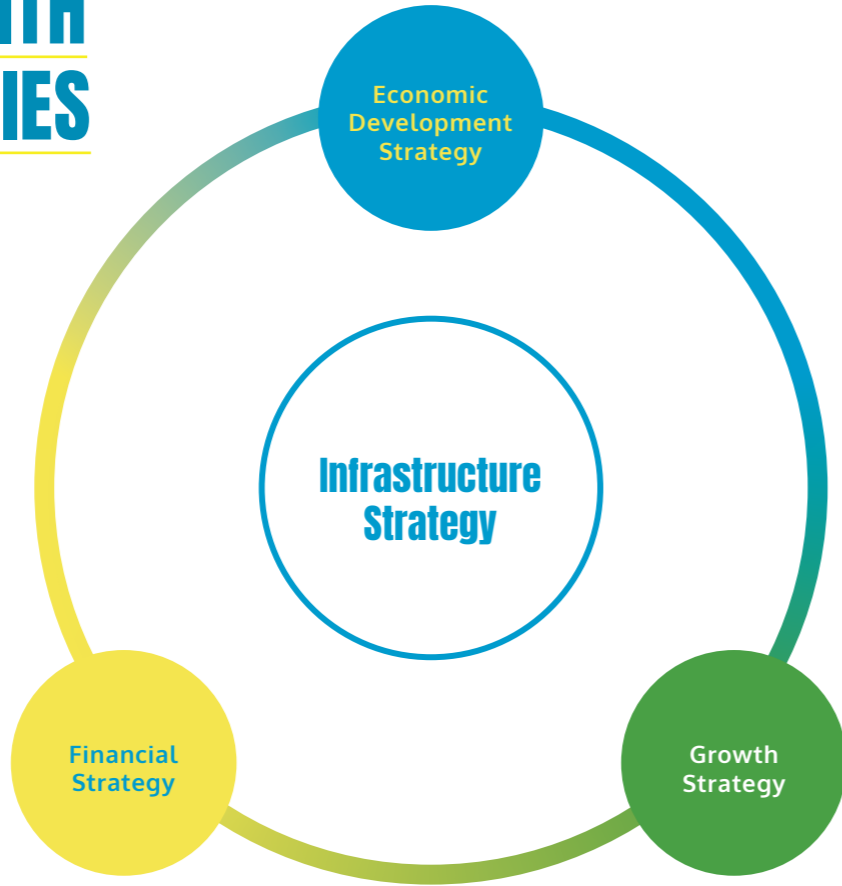


Figure 7

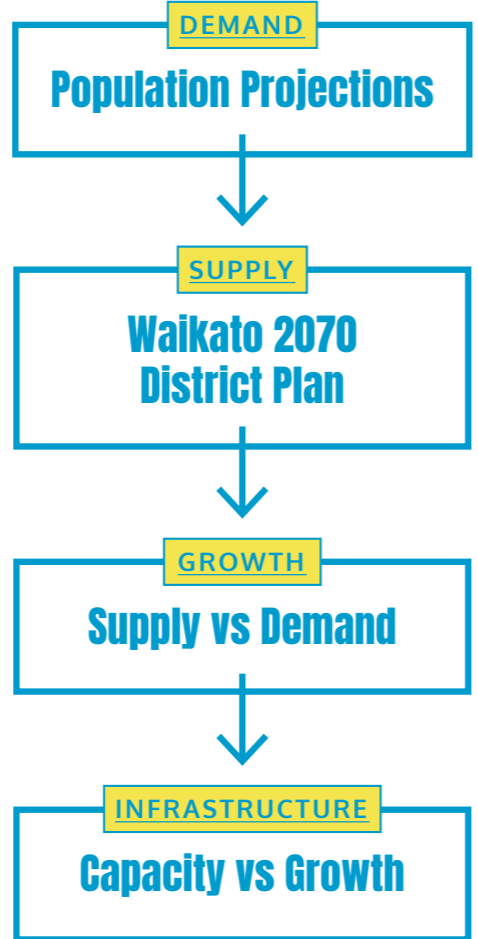


Figure 8

Aligning Growth and Infrastructure
 Growth forecasting and strategic infrastructure planning processes need to be connected and tightly aligned to facilitate growth and stimulate economic development in an efficient manner. Waikato 2070 is an integrated growth and economic development district level strategy to support effective development and infrastructure planning.

The interaction between the growth and the provision of infrastructure is complex and nuanced. Creating a long-term programme of the infrastructure required to facilitate growth requires a thorough assessment process. We have defined this process by the following phases to move from a population forecast to an infrastructure programme

1. Demand
2. Supply
3. Growth
4. Infrastructure

Assessment Phase	Data sets	Tasks
Demand	Population projections	1. District Wide Projections (med, high)
		2. Disaggregate population to towns (med, high)
		3. Available land size and timing
Supply	Land projections	4. Assessment of realistic proportion able to build on
		5. 20% over capacity target
		6. Compare demand and supply
Growth	Growth forecast	7. Identify supply side constraints or excess supply
		8. Inform District Plan to Identify additional blocks or reallocation
		9. Assess infrastructure capacity
Infrastructure	Infrastructure capacity	10. Demand Assessment based on Growth Forecast (not pop demand)
		11. Capital Programme development to meet demand, \$ and year

Core vs Community Infrastructure

- Not all infrastructure is created equal when it comes to servicing growth areas:
- Core infrastructure in the form of connector roads and main water networks need to be in place to open growth cells for development.
 - Other core infrastructure like water treatment plant capacity, or road network capacity can be planned to be delivered as the population grows.
 - Community infrastructure such as playgrounds and libraries can be delivered as populations grow or as levels of service gaps appear.

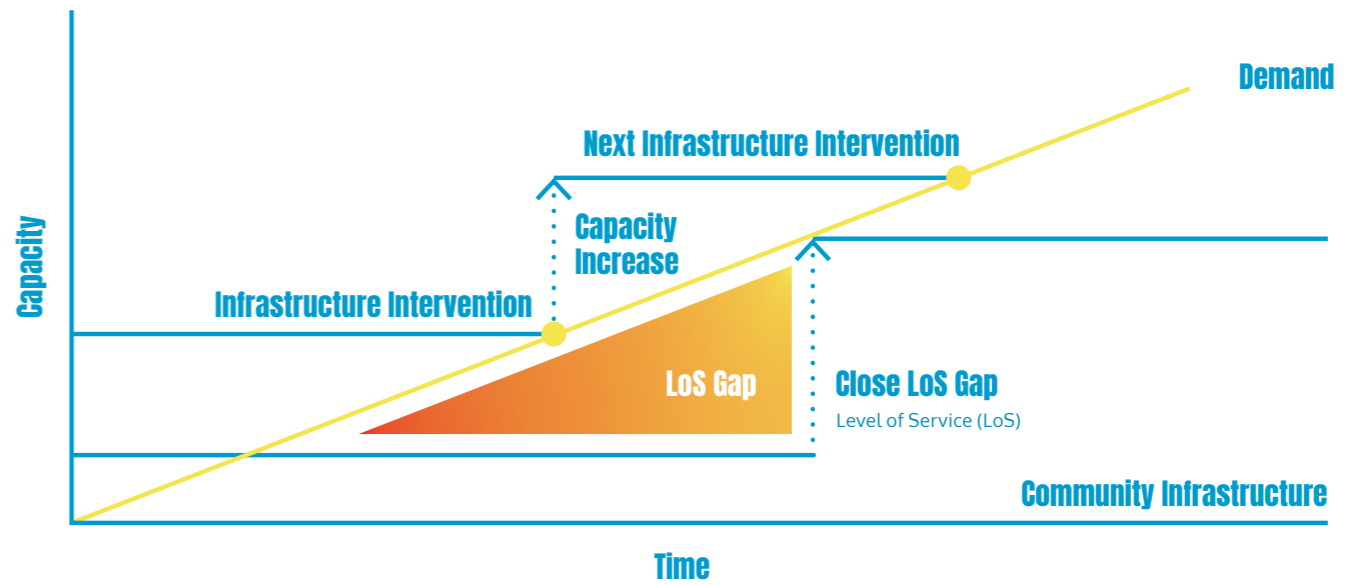


Figure 9

Predicting Demand for Infrastructure

Predicting the demand for infrastructure is a complex and nuanced multiple phase process with a significant set of assumptions for each phase of the assessment. Providing the right amount of infrastructure at the right time is a balancing act:

- Providing too much infrastructure, or providing it too soon, places a large financial burden on Council, ratepayers, and developers.
- Not provisioning enough infrastructure may restrict growth, and mean Council is forced to provide infrastructure at short notice, shortcutting the appropriate planning and funding processes.

Having a high level of certainty of

infrastructure need allows for more accurate financial forecasting, more robust delivery planning and better coordination with other works. The more accurate the growth predictions, the more accurate the infrastructure plan.

Development contributions cannot be forecast accurately or collected without capital works projects for growth being included in the 10 year plan.

Lead vs Lag Infrastructure

The timing of infrastructure interventions to satisfy demand needs to be planned carefully as some pieces of infrastructure have long lead times to procure, design, and build.

Infrastructure can be categorised as either:

- Leading Supply – built in advance of growth
- Leading Demand – built as growth advances
- Lagging Demand – built after growth has occurred

The following table describes some examples of our infrastructure and how the planning for their implementation relates to growth.

Activity	Infrastructure	Lead/Lag	Growth Parameter
Transport	New roads	Lead	Supply
	Network Capacity	Lead	Demand
3 Waters	Pipe Networks	Lead	Supply
	Treatment plants	Lead	Demand
Solid Waste	Collection capacity	Lead	Supply
	Processing capacity	Lead	Demand
Open Spaces	Parks and playgrounds	Lag	Demand
Community Facilities	Community Hubs	Lag	Demand

Uncertainty in Predicting Growth

Growth forecasts rely on projections of population growth, development, and land use change. These are based on a range of assumptions and need to be monitored over time to see whether actual growth is tracking along the same lines as the projections.

Times have potentially never been more uncertain than now. Undertaking long term planning during a pandemic is no small feat. Our underlying assumptions for the growth predictions cannot always be relied on in a fast-changing world.

To combat this uncertainty about the future we are proposing a much more frequent and robust process for reviewing actual growth, reforecasting growth projections and reassessing infrastructure demand.

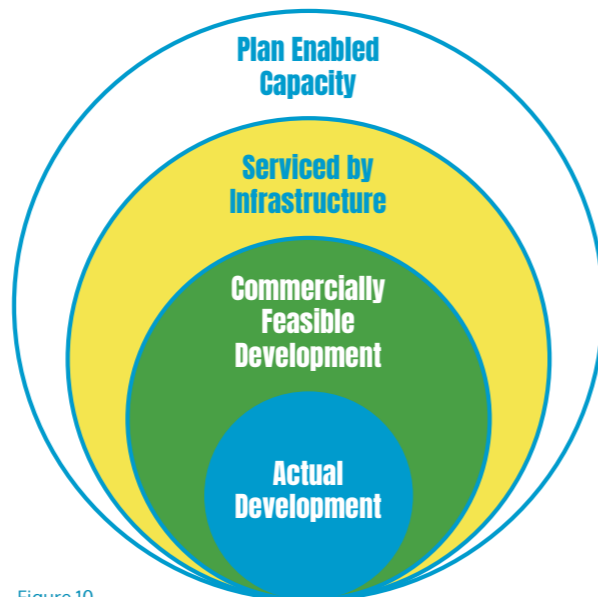


Figure 10

Monitoring Growth

The three-yearly LTP cycle is not frequent enough for our needs now, so we are proposing an annual review of actual versus planned growth to give early warning of changes in growth projections from our predictions and to allow for changes in the planning, and delivery cycles. The process will follow the steps outlined below:

- Assess actual growth against the projections.
- Growth models will be revised to meet any changes in the underlying models.

- Asset Management Plans will be updated annually based on a revised growth forecast.
- The annual plan will facilitate any changes needed, and any further consultation requirements.

If actual growth deviates from the forecast, then infrastructure projections need to be revised and infrastructure plans need to change to adapt to the revised projections.

Aligning Finance and Infrastructure

The Financial Strategy sets out the objectives and challenges the district faces from a financial perspective to balance affordability and service

delivery. Keeping rates within affordable limits and managing external debt levels while trying to support sustainable growth, providing better services, and maintaining our existing assets is an ongoing challenge.

From an infrastructure perspective, we need to balance investment in infrastructure with the financial impact that investment will have on debt levels, rates, and reserves.

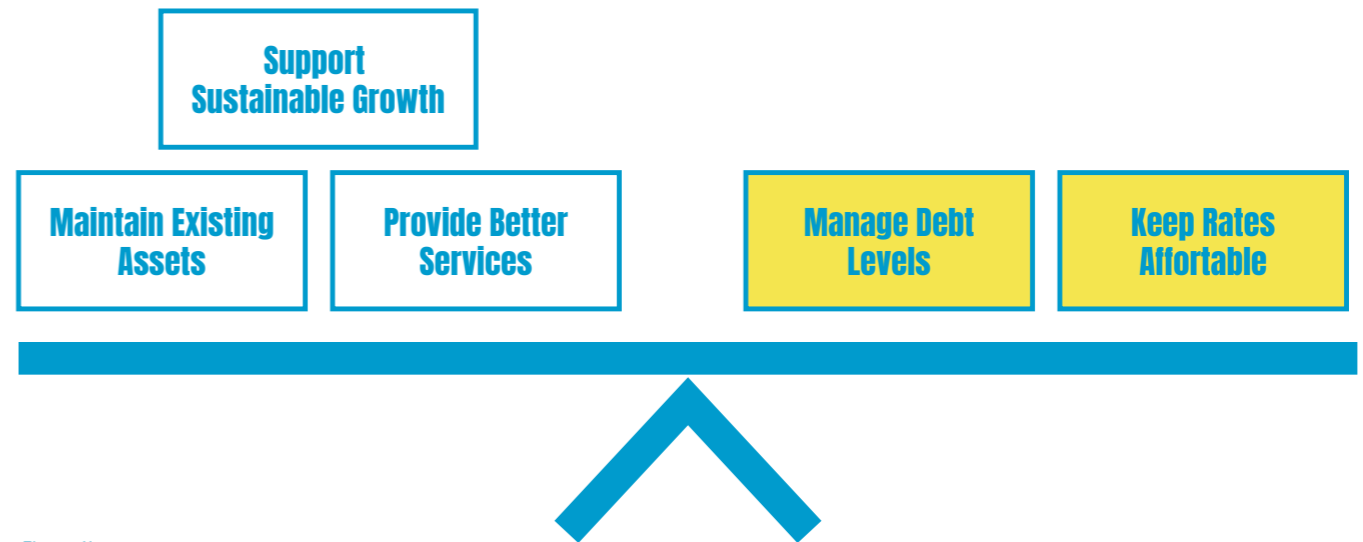


Figure 11

The following table aligns infrastructure investment categories to the:

- Financial objectives;
- Financial constraints (metrics which limit investment in infrastructure)

Financial Objectives	Financial Constraints *	Infrastructure Investment
Modernising infrastructure	Debt limit	Level of Service Capital
Supporting growth	Development Contributions	Growth Capital
Maintaining existing assets	Depreciation Reserves	Renewals
Moving costs of services to those who use them.	Rates limit	Operations and Maintenance
Doing more with existing budgets	Rates Increase limit	

* Most significant impact on financial constraint. The financial impact assessment is a complex analysis with nuanced relationships between these financial metrics. More detailed information about funding can be found in the Revenue and Financing Policy.

Funding mechanisms are discussed in detail in the Financial Strategy, but we have indicated in the following table the approximate breakdown by activity of funding for operational and capital investment.

Activity	Operational Funding Mechanism	Capital Funding Mechanism
Council Facilities 	<p>The Council facilities and open spaces (Sustainable Communities) activities are funded predominantly through general and UAGC rates.</p> <ul style="list-style-type: none"> • General, UAGC rates = 85% • Targeted rates = 1% • Fees and charges = 7% • Infringement fees etc = 7% 	<p>Capital investment in the Council facilities and open spaces (Sustainable Communities) activities is funded through a combination of sources:</p> <ul style="list-style-type: none"> • Subsidies and grants = 0% • Development contributions = 65% • External debt = 25% • Proceeds from sale of assets = 10%
Open Spaces 		
Solid Waste 	<p>The solid waste activity (Sustainable Environment) operations is funded roughly equally through rates and fees, broken down as below:</p> <ul style="list-style-type: none"> • General, UAGC rates = 35% • Targeted rates = 15% • Fees and charges = 35% • Infringement fees etc = 15% 	<p>Capital investment in the solid waste activity (Sustainable Environment) is funded through external debt.</p> <ul style="list-style-type: none"> • Subsidies and grants = 0% • Development contributions = 65% • External debt = 25% • Proceeds from sale of assets = 10%
Stormwater 	<p>The stormwater activity is funded predominantly through target rates.</p> <ul style="list-style-type: none"> • General, UAGC rates = 15% • Targeted rates = 85% 	<p>Capital investment in the stormwater activity is funded through:</p> <ul style="list-style-type: none"> • Subsidies and grants = 0% • Development contributions = 25% • External debt = 75%
Transport 	<p>The transport activity is jointly funded by Council and Waka Kotahi NZTA.</p> <ul style="list-style-type: none"> • General, UAGC rates = 65% • Subsidy from Waka Kotahi NZTA = 25% • Infringement fees etc = 10% 	<p>Capital investment in the transport activity is funded through:</p> <ul style="list-style-type: none"> • Subsidies and grants = 80% • Development contributions = 15% • External debt = 3% • Depreciation reserves = 2%
Wastewater 	<p>The wastewater activity is funded predominantly through target rates.</p> <ul style="list-style-type: none"> • General, UAGC rates = 2% • Targeted rates = 85% • Fees and charges = 13% 	<p>Capital investment in the wastewater activity is funded through:</p> <ul style="list-style-type: none"> • Subsidies and grants = 0% • Development contributions = 25% • External debt = 75%
Water Supply 	<p>The water supply activity is funded predominantly through target rates.</p> <ul style="list-style-type: none"> • General, UAGC rates = 2% • Targeted rates = 95% • Fees and charges = 3% 	<p>Capital investment in the wastewater activity is funded through:</p> <ul style="list-style-type: none"> • Subsidies and grants = 0% • Development contributions = 25% • External debt = 75%

INFRASTRUCTURE OVERVIEW

Infrastructure Summary

Activity	Infrastructure Summary	Replacement Value	
Council Facilities 	42 community centres/town halls 29 general properties 5 corporate properties 4 Housing for the Elderly Complexes 3 pool complexes Raglan Harbour assets	\$47m	2%
Open Spaces 	229 ha of sports and recreation 50 ha neighbourhood parks 7 ha Public garden 1,289 ha Natural reserves 63 ha of cultural heritage sites 172 ha of outdoor adventure reserves 13 ha of civic space 355 ha of recreation and ecological linkages 21 cemeteries 58 playgrounds 2 campgrounds 57 public toilets 34 boat ramps 2015 street trees	\$79m	4%
Solid Waste 	Kerbside rubbish and recycling collection contract for 20,500 properties Education programmes for schools and early childhood centres	\$50m	3%
Stormwater 	129km pipes 13km maintained open drains 10 ponds	\$80m	4%
Transport 	1,812km sealed roads 608km unsealed roads 198km footpaths, cycleways and walkways 203km of culverts 232 bridges 3,787 street lights 109 bus shelters	\$1,426m	70%
Wastewater 	10 schemes 9 treatment plants 297 km pipes 83 pump stations	\$186m	9%
Water Supply 	759km pipes 12 pump stations 28 reservoirs 7 treatment plants	\$171m	8%

Infrastructure Value

Infrastructure at the Council has a replacement value of just over \$2bn comprised of the infrastructure in each of the activities described in Figure 12.

The depreciated replacement value is compared in Figure 13 to replacement value which provides an indication of the asset life that has been consumed for each of the groups of infrastructure.

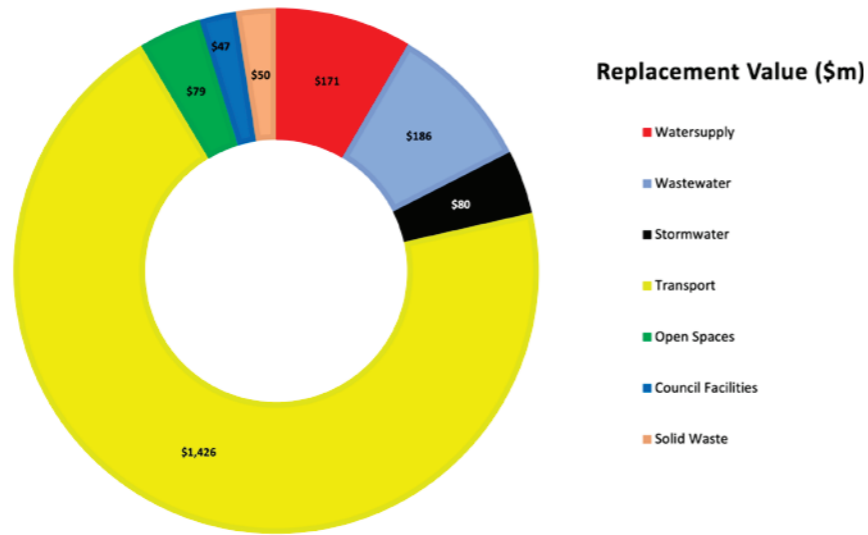


Figure 12

Depreciated Replacement Value Comparison

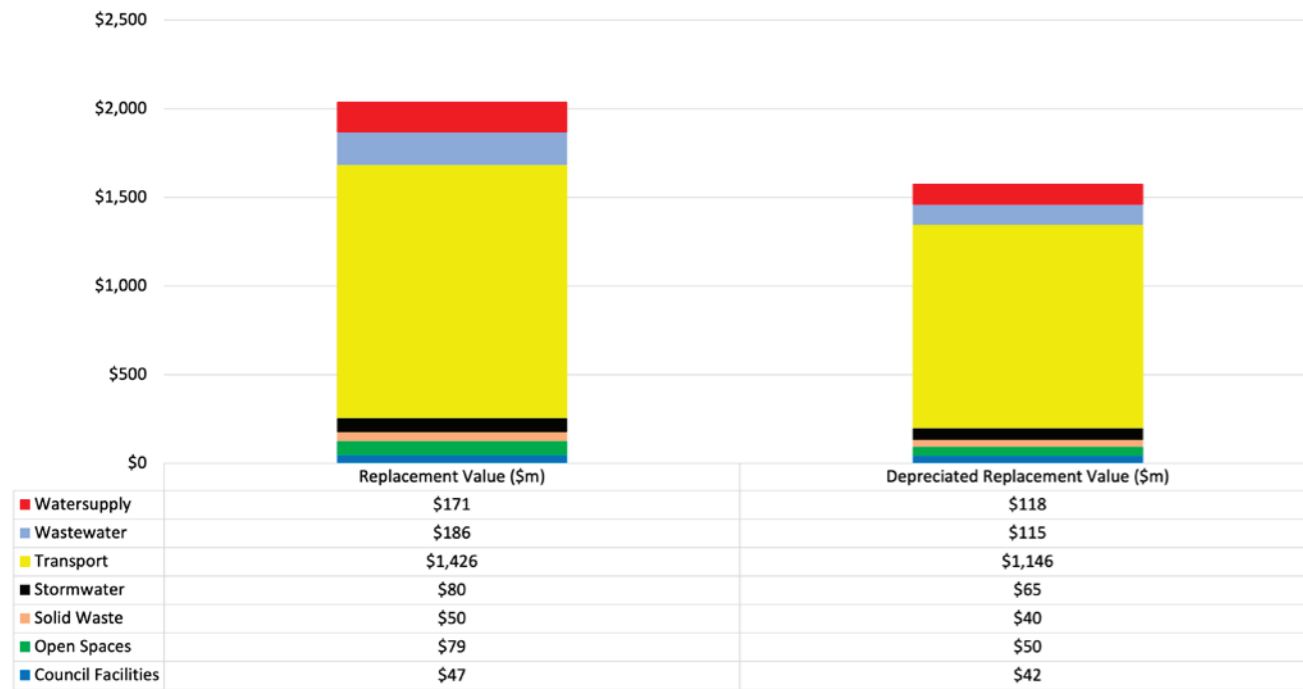


Figure 13

Activity	Replacement Value (\$m)	Depreciated Replacement Value (\$m)	% Value Remaining	% Value Consumed
Watersupply	\$171	\$118	69%	31%
Wastewater	\$186	\$115	62%	38%
Stormwater	\$80	\$65	81%	19%
Transport	\$1,426	\$1,146	80%	20%
Open Spaces	\$79	\$50	63%	37%
Council Facilities	\$47	\$42	91%	9%
Solid Waste	\$50	\$40	80%	20%
Total	\$2,039	\$1,576	77%	23%

Infrastructure Condition

We have worked hard to develop a consistent approach to describing asset condition across our infrastructure activities. We consider the condition of our infrastructure portfolio by the value of the infrastructure in each condition category. Overall, the condition of our infrastructure assets is relatively good but:

- 4% of our infrastructure is in Poor or Very Poor condition which generally means needs a renewal intervention.
- A significant portion (34%) of our infrastructure assets are in average or worse condition. This equates to approximately \$270million.
- For our Core Infrastructure the value of infrastructure assets in average or worse condition is close to \$240million.

Overall Infrastructure Condition Distribution

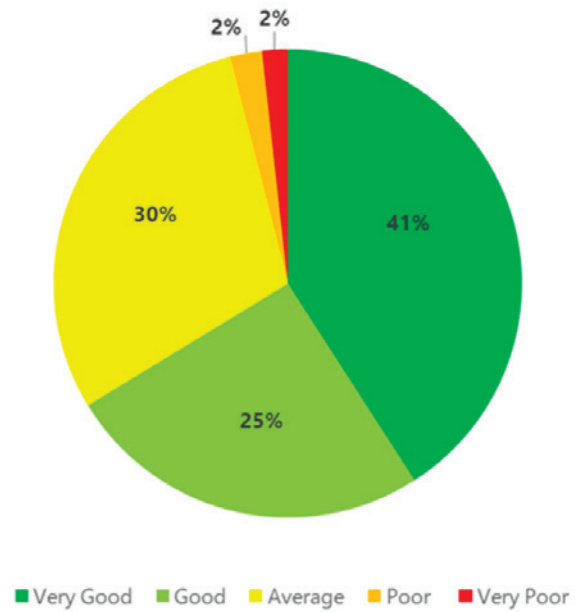


Figure 14

Data Reliability

We have a high level of information regarding our infrastructure asset condition, and we reduce risk of inaccuracy by constantly improving asset data and condition monitoring of our infrastructure assets.

This provides valuable information and the ability to respond to current and future capital work programmes and preventative maintenance to ensure our most critical assets continue to provide service and to better manage the risk of failure.

Proportion of Infrastructure Condition by Activity

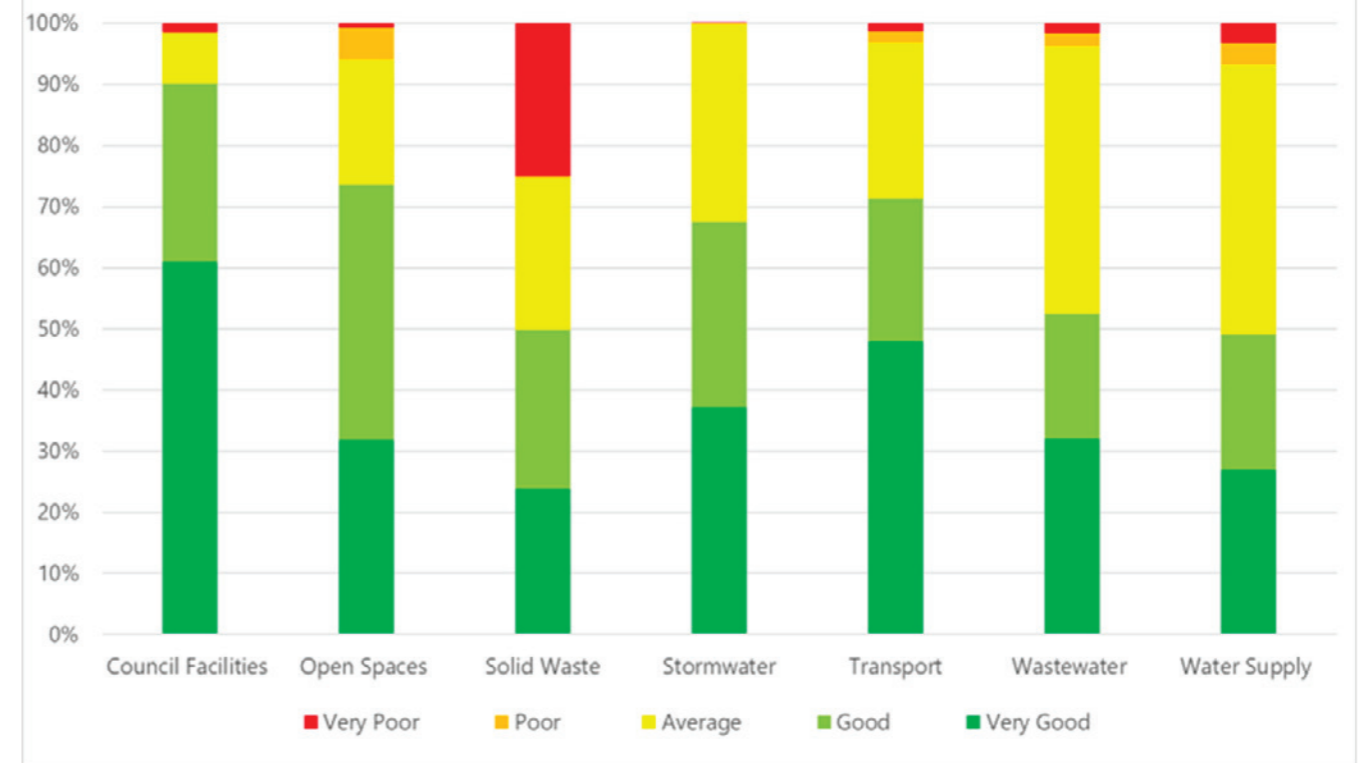


Figure 15

Infrastructure Age

Considering the age profile of our infrastructure can tell us a lot about the state of the asset portfolios.

Council Facilities is currently showing that the average age of their assets are above the expected useful life. This is because there is currently a combination of data gaps in the construction years of the componentry along with insufficient renewal funding sweating assets beyond their useful lives. There is currently a project underway to rectify the data gaps in the construction years to help reduce the average age. Investing sufficient funding to undertake the renewal programme would also help to improve this.

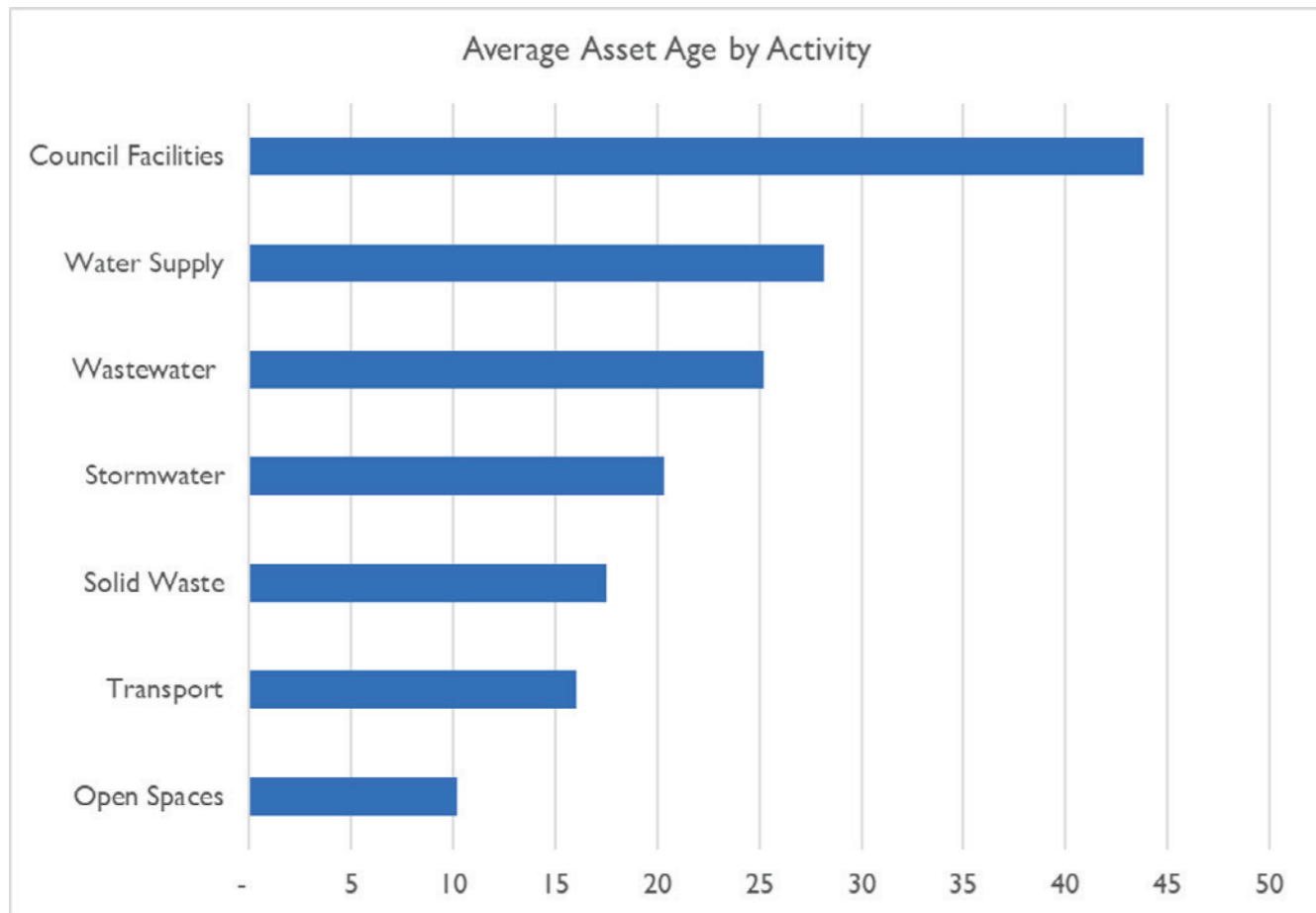


Figure 16

Critical Infrastructure

We have defined critical assets for our CORE infrastructure activities, Transport and the Three Waters.

Asset criticality is assigned based on a range of criteria and uses the scale to the right.

In practice, criticality is assigned at the asset component level. Figure 17 below shows the split of asset components by value that have been categorised into the five criticality bands for the core infrastructure activities.

Criticality Score	Asset Criticality
5	Very High
4	High
3	Moderate
2	Low
1	Very Low

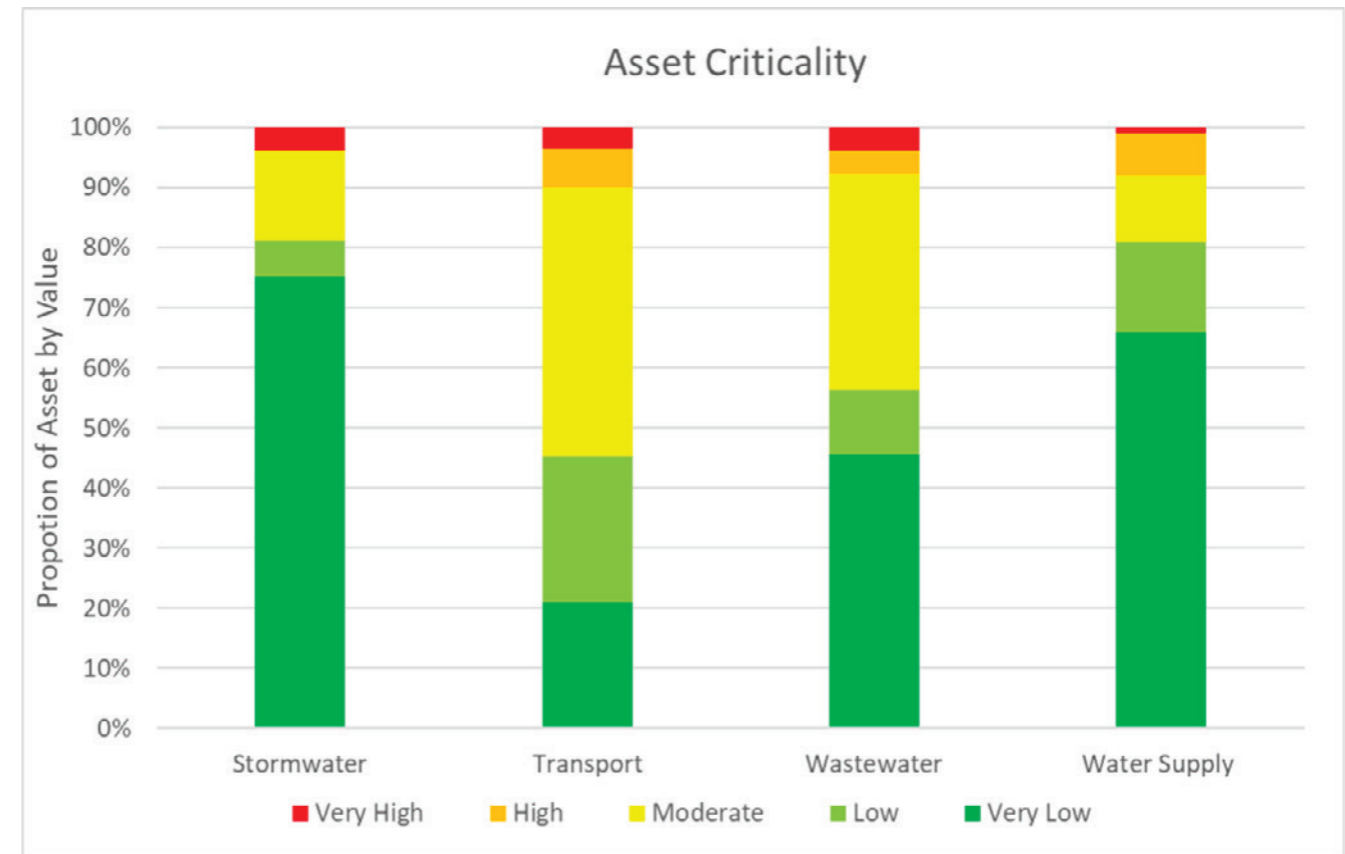


Figure 17

The table below has a high-level summary of the most critical asset types for each of the core activities.

Activity	Water Supply	Wastewater	Transport	Stormwater
Critical Assets	<ul style="list-style-type: none"> Treatment plants Pump stations Trunk Mains 	<ul style="list-style-type: none"> Treatment plants Pump stations Rising mains 	<ul style="list-style-type: none"> Bridges Regulatory signs Guardrail terminal ends Drainage assets Unsealed roads 	<ul style="list-style-type: none"> Catchpits Source treatment appliances

HOW WE MANAGE OUR INFRASTRUCTURE

Infrastructure is essential to providing community services in the Waikato district.

Investment Management

Waikato District Council has an investment management framework of processes and documents in place that govern the investment in infrastructure activities and supports the achievement of community outcomes through the provision of infrastructure.

The framework shown in Figure 18 describes the relationship between the:

- Council objectives and community outcomes;
- Council strategies including this infrastructure strategy;
- Activity Management Plans; and
- The Long Term Plan and long term financial forecast.

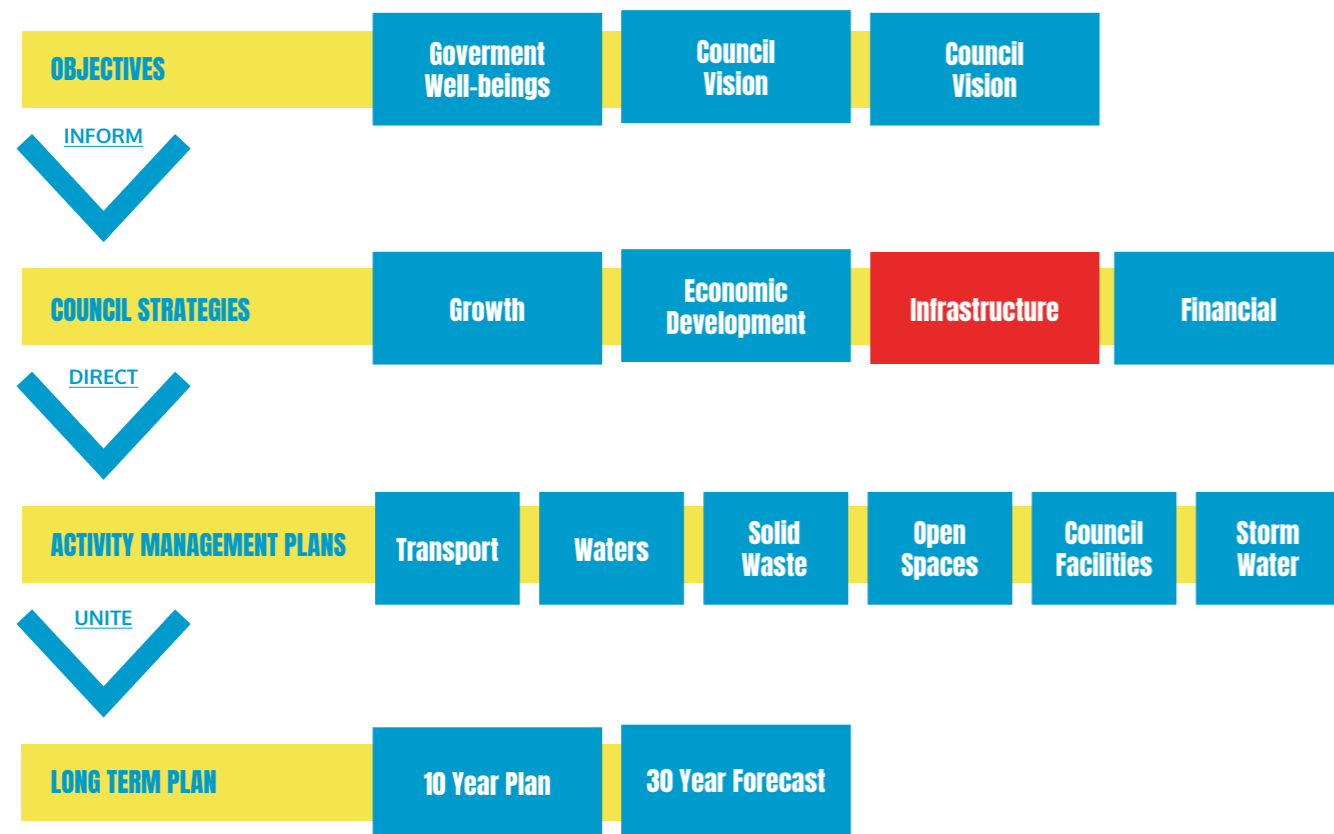


Figure 18 – Investment Management Framework

Level of Service Framework

Levels of Service (LoS) define the quality of delivery for a particular activity or service against which service performance can be measured and allow the relationship between the level of service and the cost of the service to be determined. This relationship is then evaluated in consultation with the community to determine the levels of service they are prepared to pay for.

We have developed a level of service framework which provides a structure to align the Council Vision and Community Outcomes to delivery of the services and contractual performance measures.

The level of service framework describes the contribution each activity makes toward these outcomes and are included in the Long Term Plan with the associated performance measures and the targets required for each activity.

The Levels of Service can then be used to:

- Identify the costs and benefits of the services offered;
- Inform customers and the community of the proposed LoS;
- Develop activity management strategies to deliver the LoS;
- Measure performance against the defined LoS;

We have mapped each of our LoS to the Community Outcomes so we can identify the contribution each activity makes.

Asset Management Approach

Waikato District Council has adopted an asset management approach to:

- Develop financially sustainable Activity Management Plans (AMPs) to an appropriate standard for the activity, assets and associated risks being managed;
- Ensure AMPs reflect the strategy and priorities of Council and are integrated with other relevant planning documents;
- Involve and consult with the community, Iwi and key stakeholders on determining the desired levels of service via the LTP or other means;
- Recognise the risks associated with the delivery of agreed levels of service and manage them appropriately; and
- Recognise the implications of changes in demand for services and actively manage this demand wherever practical.

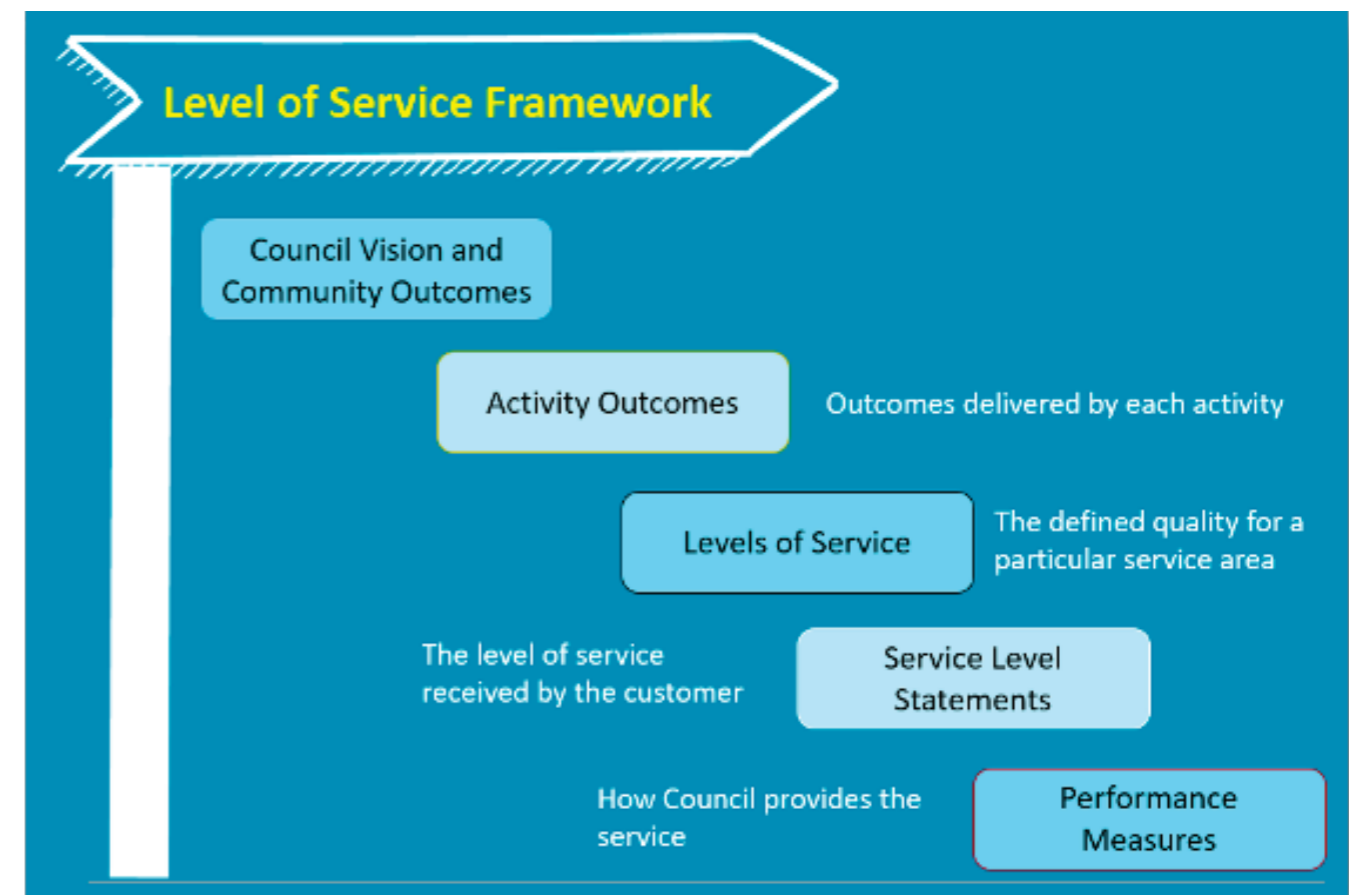


Figure 19

Asset Information Systems

We use asset information systems to store, retrieve and analyse.

Waikato District Council uses SPM Assets Ltd as the main asset information system for its open spaces, facilities and solid waste assets. The product is web-based and provides comprehensive life cycle analysis that is based on unit rates/ base and remaining lives. This provides robust reporting for the assets that have recently been condition graded. Processing of new or upgraded assets are being developed for each asset class as they are being entered into the SPM Assets database. The application provides seamless extraction of data and reporting but has no linkages to Council's present IT systems.

Currently, AssetFinda is the primary asset information system used for all three waters assets, this system includes an asset register of all utility assets which are represented spatially. In the future, all asset data is to be migrated to an enterprise asset management software developed by Infor. The new software will provide an integrated system of asset data storage, works request, asset planning, workflow management and asset performance monitoring.

Asset Lifecycle Management

Waikato District Council uses a lifecycle management approach to manage infrastructure assets for all activities, which includes four main categories.

- Operations and Maintenance - Work required for the day to day operation of the network whilst maintaining the LoS
- Renewal Works - Work that restores an existing asset to its original level of service
- Capital Works - The creation of new assets or work, which upgrade or improve an existing asset beyond its current capacity of performance
- Disposal - The cost of asset disposal which is incorporated within the capital cost of new works or asset renewals.

Condition Assessment

The condition of an asset is a measure of the physical integrity. Knowing the condition enables more accurate prediction of:

- Asset development
- Maintenance
- Renewal and replacement requirements

A condition assessment gives a clear understanding of the condition of assets and how they are performing. The condition and performance of solid waste, open spaces and facilities assets are assessed and monitored through SPM Assets Ltd. This is used to produce a long-term maintenance and renewal plan.

In 2020, Jacobs was approached to conduct asset condition assessments for all above ground water and wastewater assets owned by Council. As part of this condition assessment program, Jacobs along with Watercare staff conducted a site-based condition assessment in two phases; prioritised and discrete number of WDC assets (Phase one) and remaining unassessed WDC assets (Phase 2).

Risk Based Approach

Waikato District Council takes a comprehensive approach to risk management, including:

- Connecting risk to our level of service framework and identifying business risks that are managed by our improvement programme.
- Building risk into the forward works planning and decision making processes.
- Aligning the business case approach with our risk management approach.
- Defining asset criticality for all the transport asset groups.
- Connecting to the Council risk appetite statement to prioritise risk treatment.

Service Delivery

Waikato District Council uses a range of contract models are employed to deliver the appropriate level of service to the community.





Typically, in the infrastructure-based activities, the operations, maintenance and renewal planning and delivery are outsourced to a supply chain partner, whilst the strategic planning and the decision making around significant capital investments is retained by Council.

A range of partners deliver the core and community infrastructure-based services and contribute to the community outcomes.

The table describes the delivery model and contract type that is currently in place for each of the infrastructure activities.



Figure 21

Council Facilities	Outsourced Operations and Maintenance	Full Operational Contract
Open Spaces 	Outsourced Operations and Maintenance	Full Operational Contract
Solid Waste 	Outsourced Operations and Maintenance	Full Operational Contract
Stormwater 	Outsourced Operations and Maintenance, Renewals and Capital Delivery	Operation and management Contract
Transport 	Outsourced Operations, Maintenance, and Renewals	Alliance
Wastewater 	Outsourced Operations and Maintenance, Renewals and Capital Delivery	Operation and management Contract
Water Supply 	Outsourced Operations and Maintenance, Renewals and Capital Delivery	Operation and management Contract

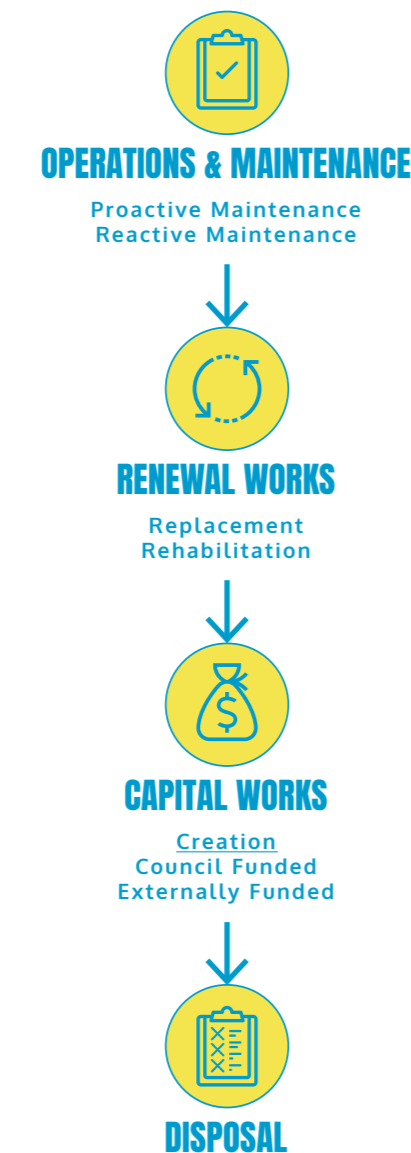


Figure 20

Capital Works Delivery

We realise it is crucial that we deliver our planned programme of capital works, and that we need to increase our capability to ensure we are successful in delivering a higher level of investment in the future.

We have recently established a Council wide Project Management Office (PMO) and appointed a PMO Manager to implement project management improvements and put in place additional project management, reporting and governance controls.

Council needs to make a step change in investment in core infrastructure, particularly for roading and wastewater. The LTP proposes a total spend of \$1,026 million on capital projects over the next 10 years. We have budgeted \$50.2 million (98.7%) more capital expenditure for 2021/22 compared to 2020/21, and it will be maintained at that level. We have confidence in our ability to deliver our capital works programme because of the following:

- The programme has been developed from an understanding of the condition of our assets, changing standards, district Blueprint desires and the speed of anticipated growth.
- From a physical delivery perspective, we are fortunate that we have agreements in place with Watercare and our Waikato District Alliance that we can use without adding significant delay to the delivery of our programme.
- We have improved our processes to ensure all site requirements are included in all contracts and our projects delivery and asset teams capabilities have increased to help us complete projects on time.

The following capital works delivery actions have been undertaken:

- A new procurement policy, templates and guideline

documents are being developed to align current practice with national standards and Councils objectives, simplify the process, and ensure consistency in decisions made.

- Implementation of a Capital Project Delivery and Procurement Strategy.
- A Procurement Governance Panel has been established to consider requests from project managers to approve procurement plans or proposals that are inconsistent with usual practice.
- The Project Management Framework and project management structure have been reviewed.
- Project Steering Groups have been set up to oversee the various programmes of work, assess risks and facilitate the resolution of issues encountered by Project Managers.
- Business owners have taken full ownership, responsibility and control of their portfolio's and have clarified what can be delivered this financial year, by whom and how Project plans and procurement plans are being developed for all projects and impediments to delivery are being identified and escalated where necessary.
- Our project management software has been updated and training rolled out across the organisation.

Climate Change

The New Zealand Climate Change Office indicates the Waikato district is likely to become warmer and wetter as a result of climate change with average temperatures increasing as much as 3°C over the next 70-100 years. This could result in longer, drier summers which will put extra demand on the water activity. Additionally, rising sea levels will limit growth along the coastal regions due to potential flooding and erosion, placing development pressure on inland areas and existing infrastructure.

Council has developed a Climate Response & Resilience Policy that is based on Local Government Position Statement on Climate Change, considers climate risks and actions that are relevant to our district, aligns with legislation (Zero Carbon Act), sets out our organisation's commitments, and describes the intended implementation methods. Our policy is aligned to the Local Government Position Statement on Climate Change within the context of our district.

In relation to our infrastructure, it means we will:

- Collaborate with other agencies, organisations, and the community.
- Ensure that low emission, climate-resilient development is adopted as a key tenet into development and land-use decisions, including our district plans, annual plans, and long term plans.
- Plan for and provide infrastructure which recognises and reduces the risk of hazards like floods, storms, and sea level rise
- Plan for the impacts of climate change on Council's three waters infrastructure and services
- Promote and encourage the conservation and enhancement of natural environments to aid in emissions reduction (mitigation) and climate change effects (adaptation).

The Activity Management Plans identify specific likely impacts on each activity when replacing or planning new assets.



SIGNIFICANT ISSUES

Significant Infrastructure Issues

Providing the infrastructure for the Waikato district community is a constant challenge of:

- Balancing affordability and sustainability;
- Maintaining rates at an affordable level;
- Keeping debt levels within the allowed levels; and
- Endeavouring to provide intergenerational equity.

The significant issues that exist while we do this are:

1. Facilitating growth
2. Affordability
3. Changing priorities and legislation
4. Sustaining our environment
5. Building resilience

Significant Issue	Link	Description
Facilitating growth		Residential growth particularly in the northern part of the district and surrounding Hamilton will result in increased demand for infrastructure. Additional capacity at water and wastewater treatment plants, and new assets such as roads and pipes will be needed to service growth. Providing infrastructure also allows new industries and businesses to locate to Waikato district and supports tourism. Libraries, halls, parks, service centres, and transfer stations are all needed to provide a liveable and sustainable community. Some of our growth areas do not have suitable facilities in place.
Affordability		Providing the infrastructure to sustain the community without increasing rates to an unaffordable level and managing debt levels is a significant challenge in the current environment.
Changing priorities and legislation		Changing government priorities and government led reform during the next LTP period will create system wide changes, particularly in the water sector.
Sustaining our environment		Delivering our services in a way that does not harm the natural environment and meets legislative changes such as the Healthy Rivers.
Building resilience		Being able to afford to build resilience into the infrastructure assets to meet climate change adaptation requirements.

Significant Issues by Activity

The significant issues for the district apply to our Infrastructure Activities in different ways. The following table connects each activity to each of our significant issues where applicable.

Significant Issue/Activity	Facilitating growth	Affordability	Changing priorities and legislation	Sustaining our environment	Building resilience
Council Facilities 	A high level of growth and changing demographics may lead to changes in community needs	Rationalisation of community halls	Divestment of Housing for the Elderly	Incorporating energy efficiencies into the renewal programme.	Performance of swimming pools and future district wide needs for aquatic facilities
Open Spaces 	With rapid growth in the district a shortage of land availability is impacting the level of service that can be provided.	Poor condition of assets has increased the renewal budget significantly to meet levels of service	Ensuring a more consistent service provision across the district in line with strategies	Using energy sustainably	Planning for and adapting to climate change
Solid Waste 	Growth in the northern part of the district is creating additional demand for transfer station/resource recovery and recycling facilities	Service delivery contracts expiring in 2021 may increase the cost of service but also provide opportunities to improve resource recovery			
Stormwater 	Inadequate capacity of existing stormwater networks to add runoff from new developments	Inadequate capacity of stormwater networks as storm events increase in intensity and frequency	Implementing stormwater source treatment infrastructure to meet legislative requirements e.g. Healthy Rivers is increasing cost		Managing the effects of climate change including overland flow paths to reduce the impacts of extreme weather events, more intense and frequent stormwater events
Transport 	Increasing traffic flows and infrastructure changes are leading to an increase in the network size resulting in an inability to meet future needs	Historic lack of investment is resulting in increased asset consumption, deteriorating asset condition, decreasing levels of service and customer satisfaction	Road to Zero strategy is increasing focus on reducing harm while deteriorating asset condition and an unforgiving road environment is resulting in increased risk of harm to our community	Poor communication and transparency leads to inefficient delivery and an erosion of community confidence and inefficient delivery	Challenging geology, topography and increasing intensity of weather events is adversely impacting network resilience
Wastewater 	Meeting future growth demands		Compliance with statutory obligations and meeting levels of service	Minimising the number of discharges to the environment, reduce environmental effects and optimise operational efficiency	Planning for and adapting to climate change
Water Supply 	Meeting future growth demands which is driven mainly from residential customers	Ensuring quality, efficient, and sustainable infrastructure	Ensuring the protection and improvement of public health and safety		

MOST LIKELY SCENARIO





The most likely scenario for infrastructure investment is the combination of our preferred options as described in the following section.


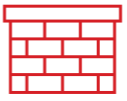









Principal Options

The principal options for solving the significant issues in each of the activities are described in the table below. The impacts of these options, including the estimated cost are discussed and the preferred option indicated. The cost estimate is for the capital investment required to deliver the option over the first 10 years of this strategy.

Our principal options take the form of comparing the status quo to meeting our statutory obligations or desired levels of service where they are not being met.

Activity	Significant Issue	Issue	Options	Implications	Cost (m)	Preferred Option
Council Facilities 	A high level of growth and changing demographics may lead to changes in community needs		1. Maintain the existing facilities portfolio	Not meet community needs and levels and service	\$0	2
			2. Upgrade and add to the existing facilities portfolio	Move toward meeting community needs and levels and service	\$19	
	Divestment of Housing for the Elderly		1. Keep existing portfolio	Increasing property management obligations	\$3	2
			2. Divest full portfolio	Remove management and maintenance burden	\$0	
	Incorporating energy efficiencies into the renewal programme.		1. Fully incorporate efficiencies into renewal programmes	Ongoing cost savings and reduce carbon emissions	\$2	2
2. Partially incorporate efficiencies into renewal programmes			Partial cost savings and reduced emissions	\$1		
Performance of swimming pools and future district wide needs for aquatic facilities		1. Maintain existing facilities	Do not meet community requirements	\$0	1	
		2. Create new facilities in line with growth projections	Meet demand and community requirements	\$8		
Open Spaces 	Rapid growth in the district and a shortage of suitable land is impacting the level of service that can be provided.		1. Land purchase programme to fully meet demand	Land available to meet LoS	\$20	2
			2. Partial land purchase programme	Land available to partially meet LoS	\$12	
	Poor condition of assets has increased the renewal budget significantly to meet levels of service		1. Fully fund renewal needs	Clear backlog of renewals, improved condition	\$58	1
			2. Partially fund renewal needs	Renewal backlog remains, condition stays the same	\$30	
	Ensuring a consistent level of service provision across the district in line with strategies		1. Full LoS achievement	Consistent open spaces provision	\$13	2
2. Partial LoS achievement			Partially consistent open spaces provision	\$10		
Using energy sustainably		1. Maintain existing energy consumption	No reduction in energy consumption	\$0	2	
		2. Incorporate energy efficient options into renewal programme	Some reduction in energy consumption	\$1		

Activity	Significant Issue	Issue	Options	Implications	Cost (m)	Preferred Option
Solid Waste 	Growth in the northern part of the district is creating additional demand for transfer station/resource recovery and recycling facilities		1. Upgrade resource recovery centres	Meet demand	\$5	1
			2. Maintain existing facilities	Do not meet demand	\$0	
	Service delivery contracts expiring in 2021 may increase the cost of service but also provide opportunities to improve resource recovery		1. New contracts	Enhanced service	\$64	1
			2. Extend existing contracts	Maintain current service	\$60.8	
Stormwater 	Inadequate capacity of existing stormwater networks to add runoff from new developments		1. Programme of capacity improvements	Meet demand from new developments	\$2.50	1
			2. Maintain existing portfolio	Under capacity network	\$0	
	Inadequate capacity of stormwater networks as storm events increase in intensity and frequency		1. Programme of network capacity improvements	Increase capacity	\$50	2
			2. Maintain existing infrastructure	No capacity increases	\$0	
	Implementing stormwater source treatment infrastructure to meet legislative requirements e.g. Healthy Rivers is increasing cost		1. Implement water quality improvement programme	Protect the environment from the effect of contaminated stormwater	\$22	1
2. No quality improvements			Current levels maintained	\$0		
Managing the effects of climate change including overland flow paths to reduce the impacts of extreme weather events, more intense and frequent stormwater events		1. Implement a programme of Resilience projects	Increased resilience	\$20	2	
		2. Maintain existing infrastructure	No change	\$0		
Transport 	Increasing traffic flows and growth in the district means Public Transport could become a more significant transport option if levels of service were increased		1. Programme of Public Transport improvements	Increase the capacity and quality of Public Transport to increase uptake	\$35	2
			2. Maintain existing infrastructure and Huntly upgrade	Do not increase capacity and quality	\$1	
	Historic lack of investment in our bridges means capacity for HPMV traffic is restricted in parts of the district.		1. A significant bridge upgrade and replacement programme	Increase network capacity for HPMV traffic	\$35	2
			2. Maintain existing infrastructure	Do not increase network capacity	\$5	
	Road to Zero strategy is focusing on reducing harm while deteriorating asset condition and an unforgiving road environment is resulting in increased risk of harm to our community		1. Fund an enhanced programme of safety improvements including the Safety Network Programme from Waka Kotahi NZTA	Reduce harm toward Road to Zero targets	\$78	2
2. Fund a reduced programme of safety improvements identified by Council			Reduce harm	\$35		
Poor connectivity of walking and cycling transport options is not encouraging Active Travel options		1. Programme of walking and cycling connectivity improvements	Encourage active travel options	\$22	2	
		2. Footpath improvement programme only	No encouragement of active travel options	\$10		

Activity	Significant Issue	Issue	Options	Implications	Cost (m)	Preferred Option
Transport 	Challenging geology, topography and increasing intensity of weather events is adversely impacting network resilience.		1. Resilience programme of stormwater capacity improvements	Resilience to climate change enhanced	\$5	2
			2. No resilience improvements	No improvement in climate change resilience	\$0	
Wastewater 	Meeting future growth demands		1. Upgrade of under capacity Wastewater infrastructure	Meet increasing demand	\$100	1
			2. Maintain existing portfolio	Do not meet increasing demand	\$0	
	Compliance with statutory obligations and meeting levels of service		1. Programme of infrastructure upgrades	Meet statutory obligations and levels of service	\$65	1
			2. Maintain existing infrastructure	Do not meet obligations and levels of service	\$0	
Minimising the number of discharges to the environment, reduce environmental effects and optimise operational efficiency		1. Programme of efficiency improvements	Reduced environmental impact and increased efficiency	\$300	2	
		2. Maintain existing infrastructure	No change	\$0		
Planning for and adapting to climate change		1. Climate change adaptation programme	Increase resilience	\$250	2	
		2. Maintain existing infrastructure	No change	\$0		
Water Supply 	Meeting future growth demands which is driven mainly from residential customers		1. Capacity improvement programme	Meet demand	\$82	1
			2. Maintain existing portfolio	Do not meet demand	\$0	
	Ensuring quality, efficient, and sustainable infrastructure		1. Programme of efficiency improvements	Reduced environmental impact and increased efficiency	\$200	2
2. Maintain existing infrastructure			No change	\$0		
Ensuring the protection and improvement of public health and safety		1. Programme of level of service improvements	Compliance with drinking water standards	\$37	1	
		2. Maintain existing infrastructure	Continued non-compliance	\$0		

Significant Capex Decisions

The Significance and Engagement policy provides guidance around which of the significant capital expenditure decisions will form part of the consultation process.

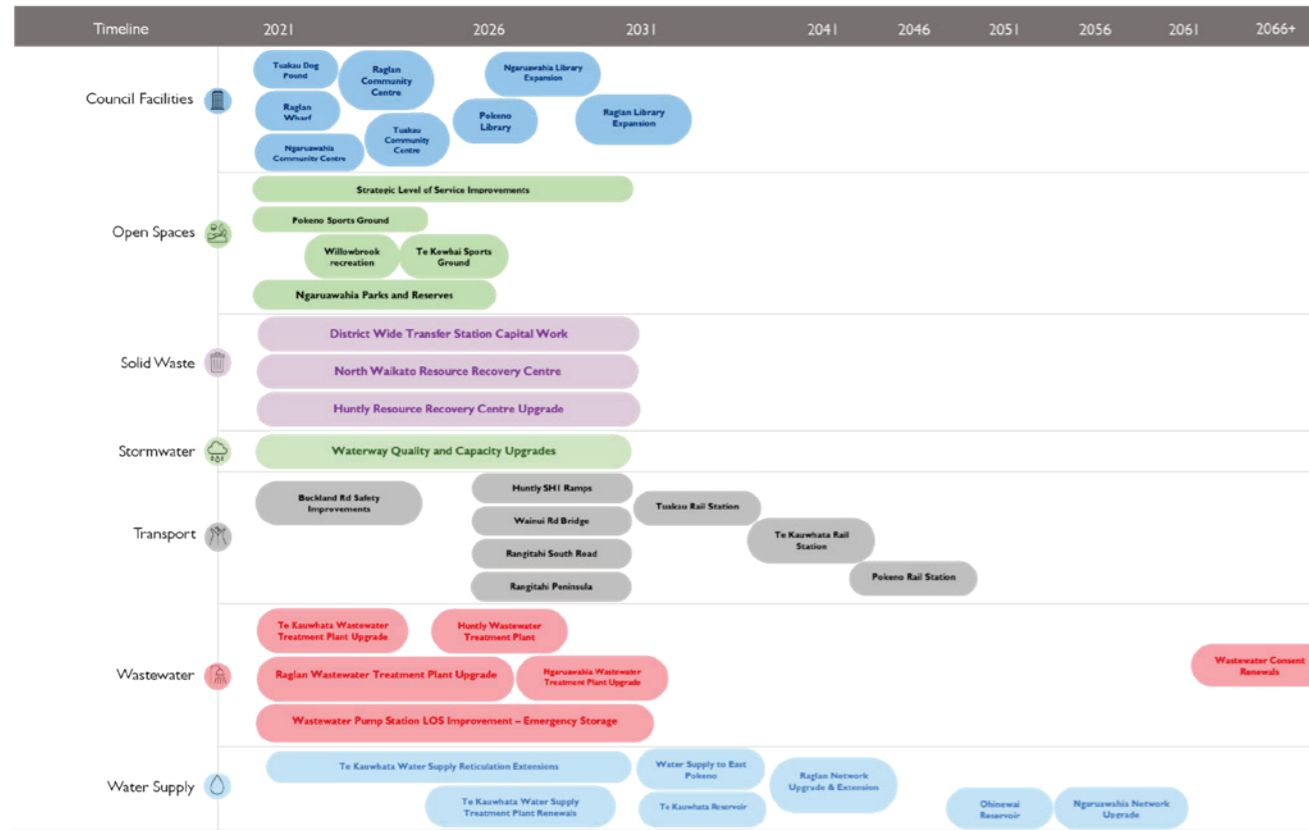
Not every significant infrastructure capex decision will require consultation. We have chosen to include capex projects with an estimated cost greater than \$5 million for the core infrastructure activities and greater than \$1m for community infrastructure activities. We have connected these projects to the significant issues as shown in the table below. Renewal projects are not included unless they are likely to also include a significant change to the level of service.

Significant Decisions

Activity	Significant Issue	Preferred Option	Implications	Significant Decisions	Timing	Cost Estimate (m)	
Council Facilities 	A high level of growth and changing demographics may lead to changes in community needs	Upgrade and add to the existing facilities portfolio	Move toward meeting community needs and levels and service	Ngaruawahia Library expansion	2026-28	\$7.50	
				Raglan Library and Council Offices expansion	2028-30	\$3	
				Tuakau Dog Pound upgrade	2021	\$1.50	
				Raglan Wharf upgrade	2021	\$1.60	
	Rationalisation of community halls	Upgrade and add to the existing facilities portfolio	Move toward meeting community needs and levels and service	Ngaruawahia Community Centre	2021	\$1.50	
				Raglan Community Centre	2022	\$0.50	
				Tuakau Community Centre	2023	\$1.20	
				Pokeno Library upgrade	2024-25	\$7	
	Open Spaces 	Ensuring a consistent level of service provision across the district in line with strategies	Partial LoS achievement	Partially consistent open spaces provision	Strategic Level of Service Improvements	2021-30	\$12
					Whangarata Cemetery	2022	\$1
Pokeno Sports Ground					2021-24	\$6	
Te Kowhai Sports Ground					2024	\$1.50	
Ngaruawahia parks and reserves					2021-26	\$1.80	
Solid Waste 	Growth in the northern part of the district is creating additional demand for transfer station/ resource recovery and recycling facilities	Upgrade resource recovery centres	Meet demand	North Waikato Resource Recovery Centre upgrade	2031	\$3	
				Huntly resource recovery centre upgrade	2031	\$2	
Stormwater 	Implementing stormwater source treatment infrastructure to meet legislative requirements e.g. Healthy Rivers is increasing cost	Implement water quality improvement programme	Protect the environment from the effect of contaminated stormwater	Waterway quality and capacity upgrades	2021-31	\$22	
Transport 	Increasing traffic flows and growth in the district means Public Transport could become a more significant transport option if levels of service were increased	Maintain existing infrastructure and Huntly upgrade	Do not increase capacity and quality	Huntly SH1 South facing ramps McVie Rd	2028-30	\$11	
				Tuakau Rail Station	2031-35	\$8	
				Te Kauwhata Rail Station	2036-40	\$8	
				Pokeno Rail Station	2041-45	\$8	

Activity	Significant Issue	Preferred Option	Implications	Significant Decisions	Timing	Cost Estimate (m)
Transport 	Historic lack of investment in our bridges means capacity for HPMV traffic is restricted in parts of the district.	Maintain existing infrastructure	Do not increase network capacity	Wainui Rd Bridge	2031-35	\$10
				Rangitahi South New Roads	2031	\$13
	Road to Zero strategy is focussing on reducing harm	Fund a reduced programme of safety improvements identified by Council	Reduce harm	Market St - SH1 Overbridge/Underpass	2031-35	\$5
				Buckland Rd Safety Improvements	2021-25	\$11
				Highway 22 Safety Improvements	2021-25	\$8
Tahuna Rd Safety Improvements	2026-30	\$6				
Wastewater 	Meeting future growth demands	Upgrade of under capacity Wastewater Infrastructure	Meet increasing demand	Huntly Wastewater Treatment Plant Upgrade	2026-30	\$47
				Ngaruawahia Wastewater Treatment Plant Upgrade	2026-30	\$53
				Te Kauwhata Wastewater Treatment Plant Upgrade	2021-23	\$36
				Raglan Wastewater Treatment Plant Upgrade	2021-27	\$28
				Pokeno Wastewater Pump Station Upgrades	2021-25	\$26
	Compliance with statutory obligations and meeting levels of service	Programme of infrastructure upgrades	Meet statutory obligations and levels of service	Horotiu Wastewater Pump Station Upgrades	2021-25	\$14
				Wastewater Pump Station LOS Improvement	2021-30	\$8
				Tuakau Wastewater Pump Station Upgrades	2021-25	\$7
	Minimising the number of discharges to the environment, reduce environmental effects and optimise operational efficiency	Maintain existing infrastructure	No change	Wastewater Consent Renewal	2066-71	\$10
Water Supply 	Meeting future growth demands which is driven mainly from residential customers	Capacity improvement programme	Meet demand	Te Kauwhata Water Treatment Plant Upgrade	2026-30	\$36
				Hitchens Pump Station Upgrade	2021-25	\$10
				Raglan Network Upgrade and Extension	2021-30	\$6
	Ensuring the protection and improvement of public health and safety	Programme of level of service improvements	Compliance with drinking water standards	Water supply to East Pokeno	2031-35	\$8
				Te Kauwhata Reservoir Extension	2026-30	\$11
				Gordonton Reservoir and Pump Station	2026-30	\$5
Tuakau Reticulation Extension	2023-25	\$6				
Ngaruawahia Network Upgrades Stage 1B Onwards	2056-60	\$8				
Te Kauwhata Reticulation Upgrade and Extension	2021-30	\$17				
Raglan Reticulation Upgrade and Extension	2031-41	\$8				

Significant Capex Decision Timeline



FINANCIAL SUMMARY

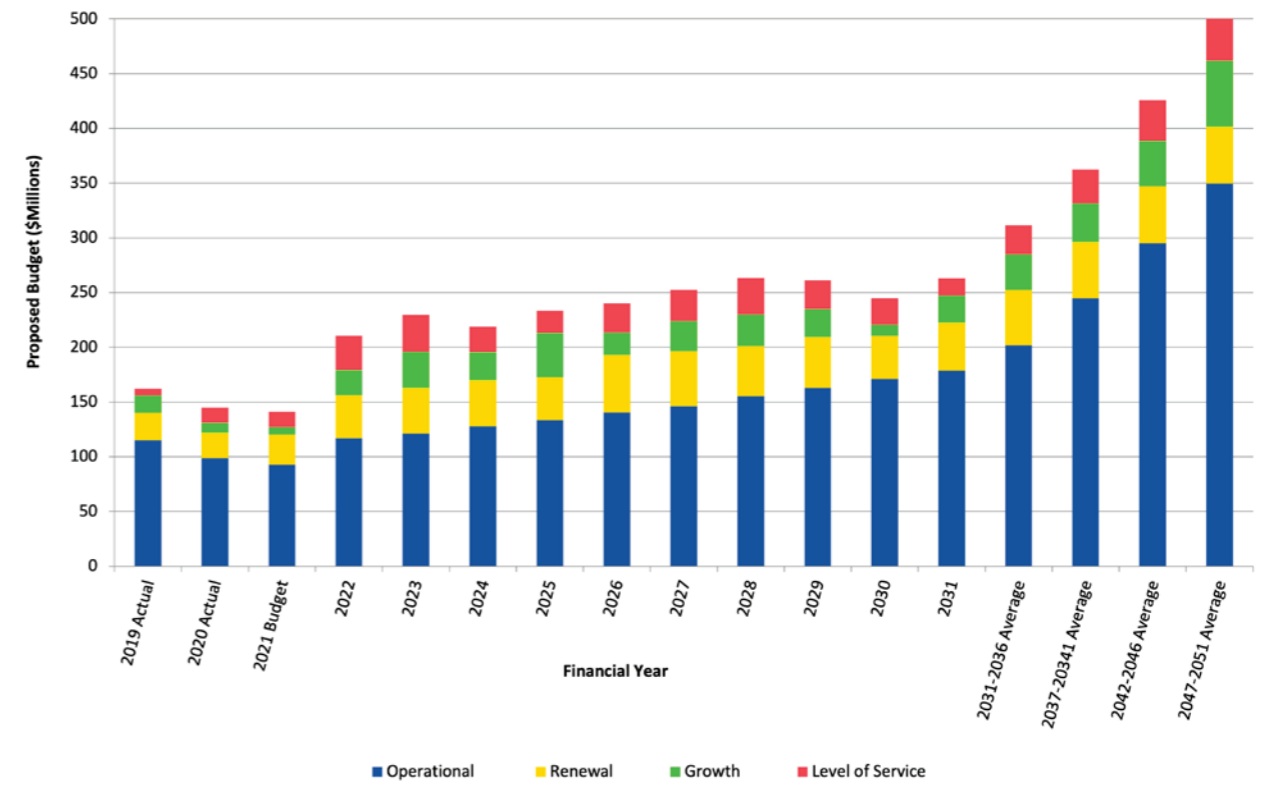
This section summarises the long-term financial investment profile for the infrastructure related activities.

Financial summaries are provided for the following:

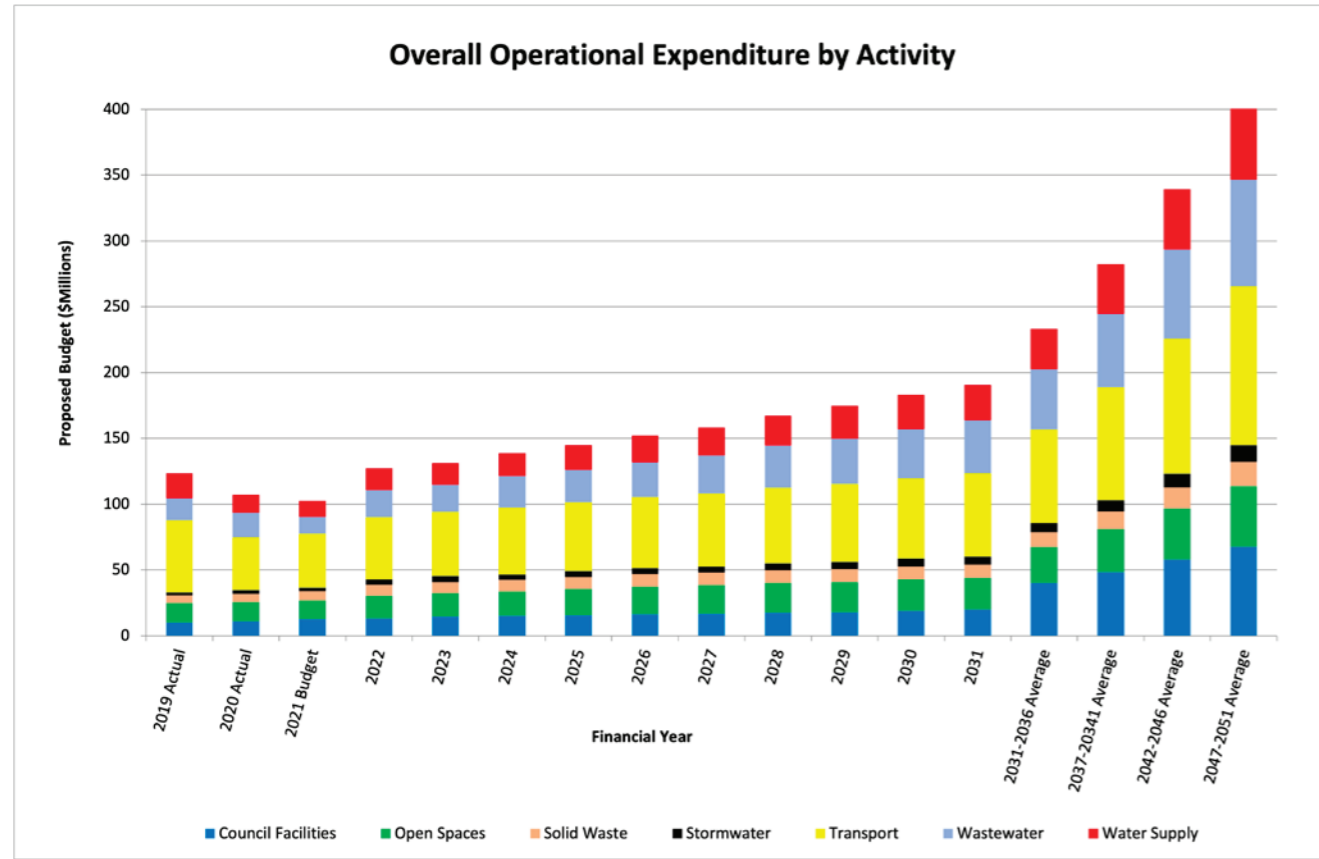
- Total Investment by Category
- Overall Operational expenditure by activity
- Overall Capital expenditure by activity
- Overall Renewal investment
- Overall Growth investment
- Overall Level of Service Capital Investment

The Financial Strategy discusses the impact on Debt Levels, Reserve Funds, and Rates as an outcome of the Infrastructure investment programmes.

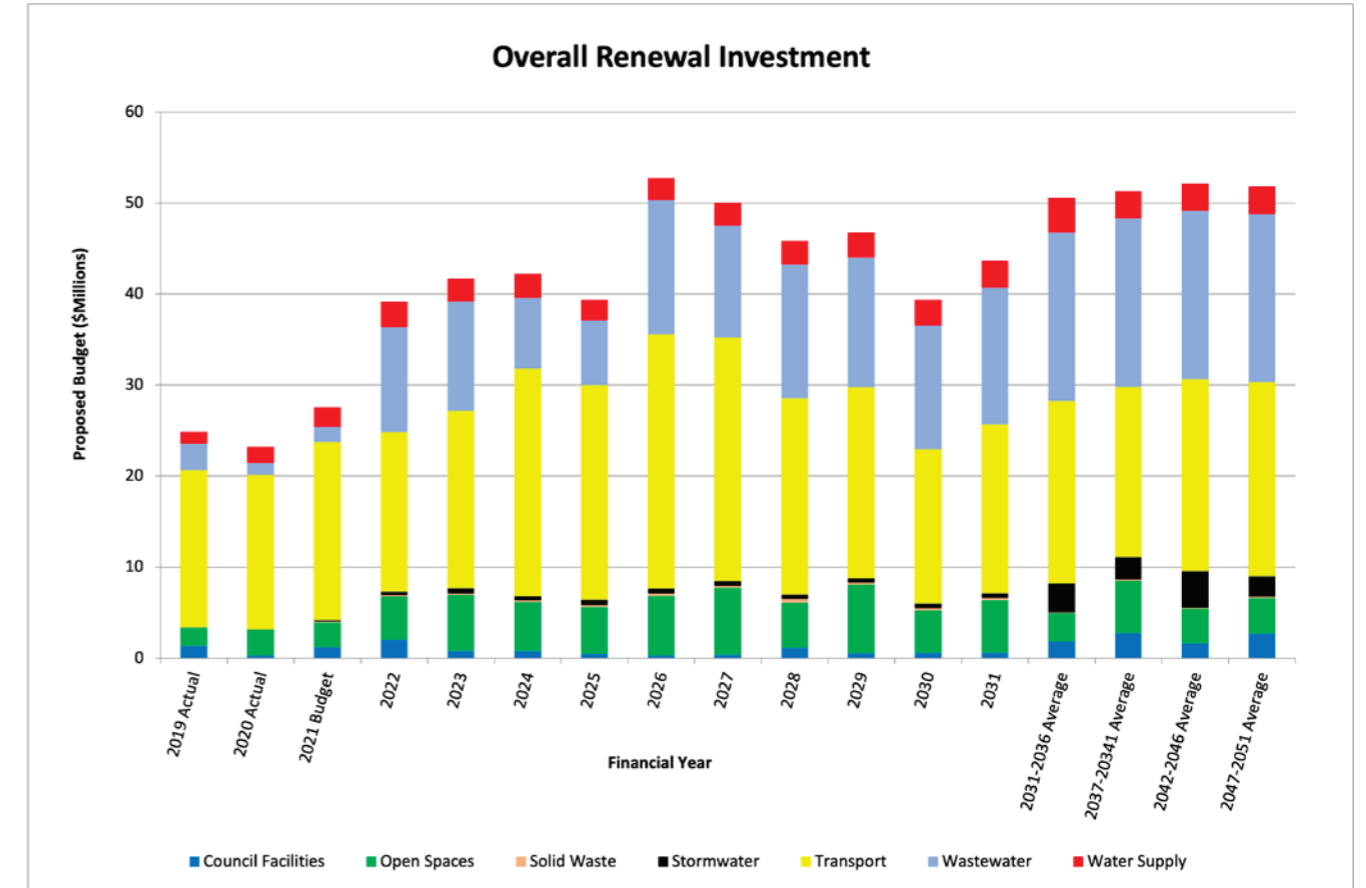
Total Investment by Category



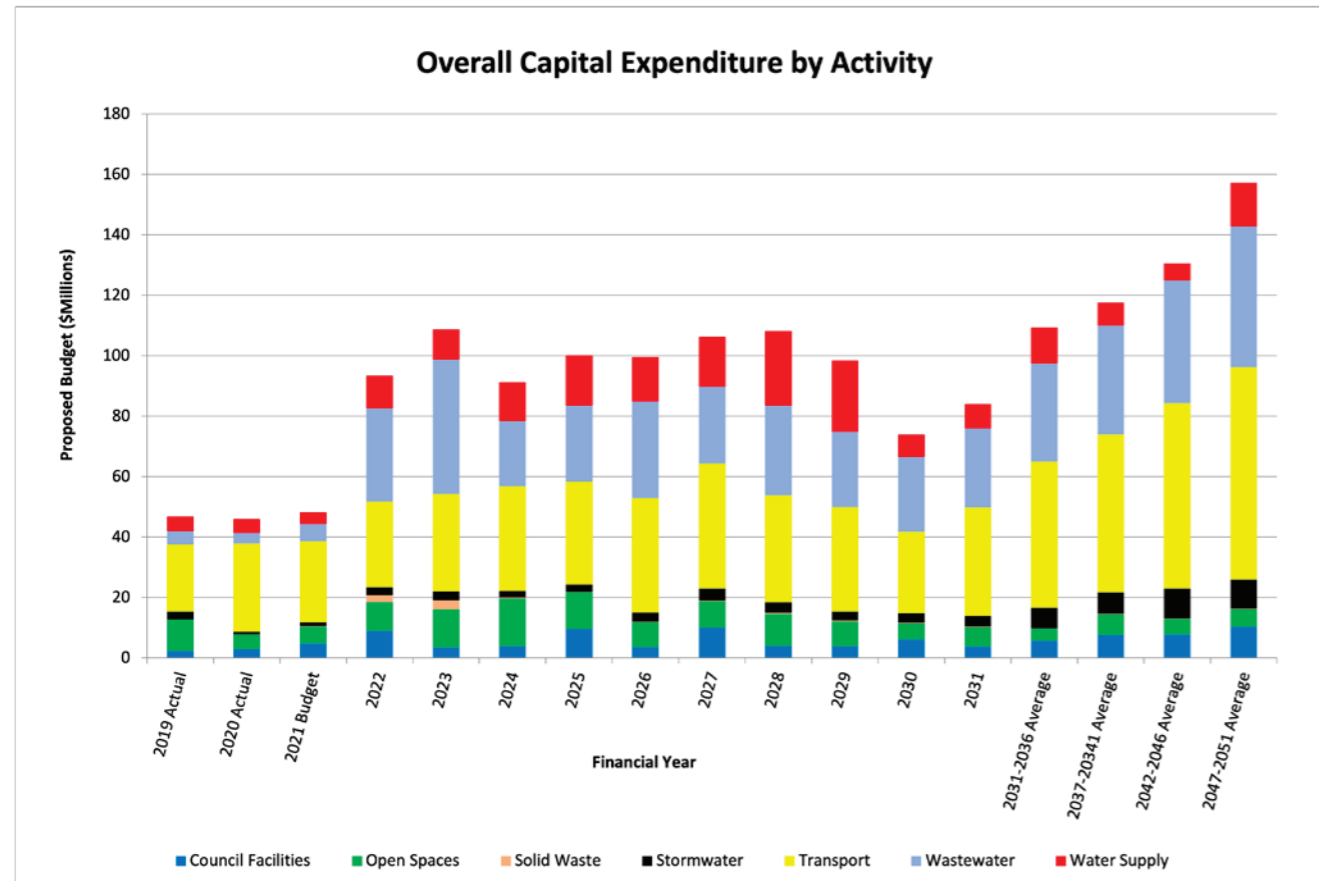
Operational Investment



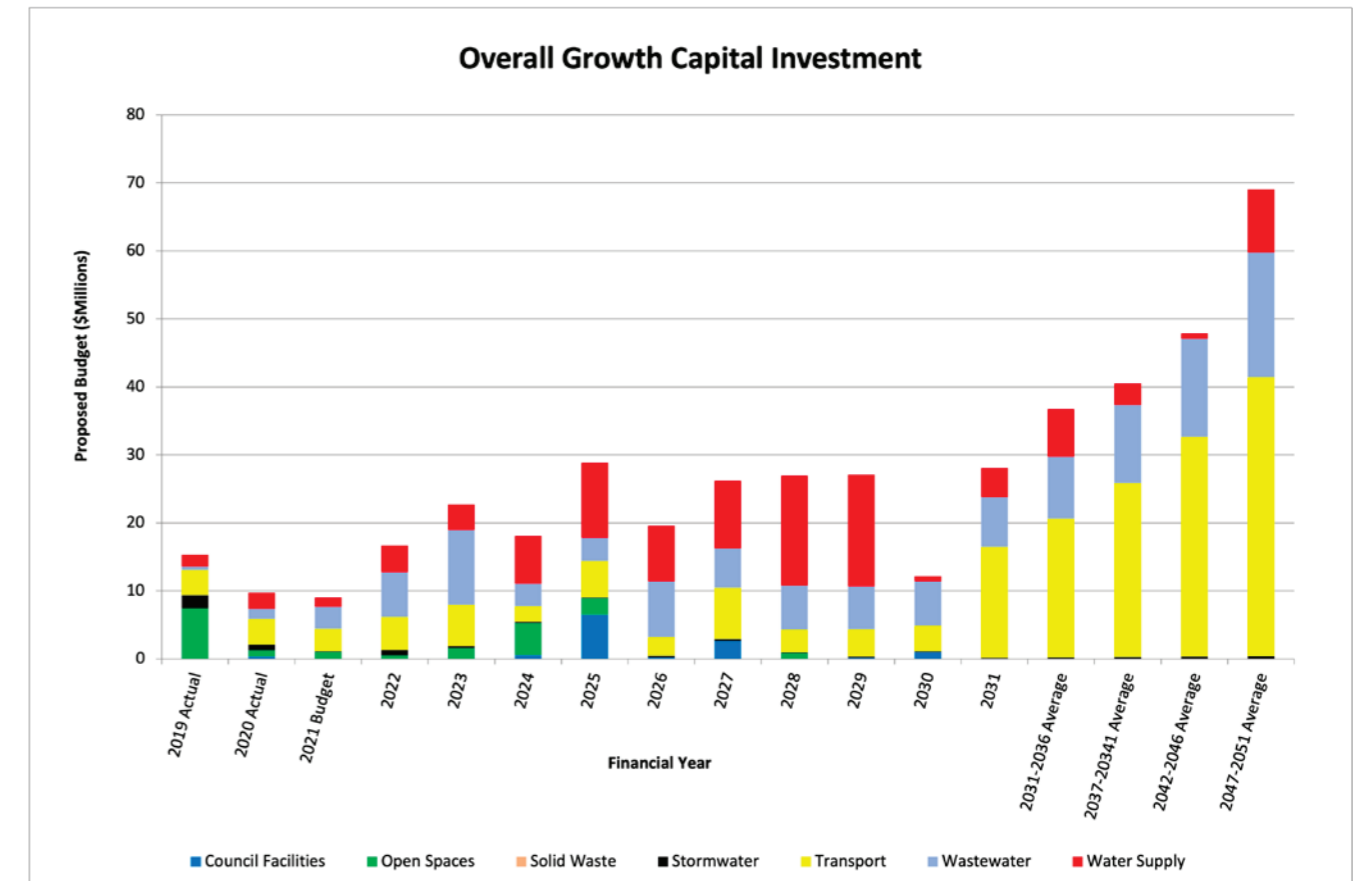
Renewal Investment



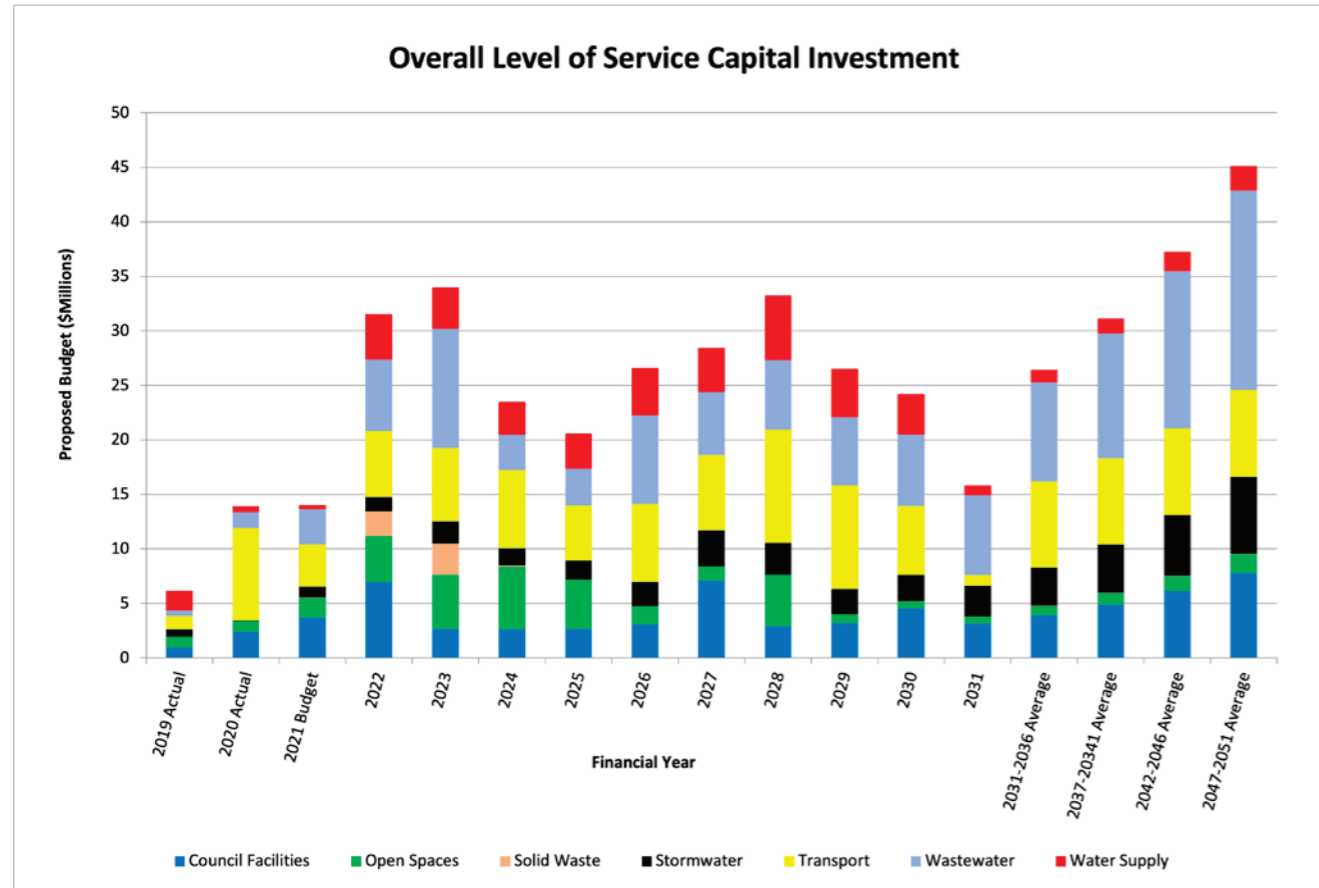
Capital Investment



Capital Investment for Growth



Capital Investment for Better Levels of Service



ASSUMPTIONS

The key assumptions that relate to the activities covered in this infrastructure strategy are outlined below.

Forecasting Assumption	Level of Uncertainty	Implications
No future legislation changes	Medium	Legislation changes relating to drinking water (e.g. Health Act) may occur due to the recommendations of the Havelock North enquiry. This may increase operational costs. Changes to the Resource Management Act could increase the cost of infrastructure construction projects.
Local Government Structure does not change	Low	Shared service and other joint arrangements may be affected resulting in increased operational costs.
Changing Weather patterns will not cause flooding or water shortages	Medium	Difficulty meeting levels of service for water supply and stormwater.
Development occurs in areas zoned in District Plan	Low	Development outside planned areas would be more expensive to service and could use up capacity provided for other developments.
Growth rates are medium as per NIDEA forecast	Low	Slower growth could result in excess infrastructure capacity and delays recovering infrastructure costs via development contributions. Faster growth could result in difficulty meeting levels of service.
Waikato and Waipa River CoManagement Arrangements do not change	High	The five yearly review could result in additional staff time to implement recommendations.
Useful Lives will not change	Medium	Insufficient budgets are available for renewals or renewals are undertaken prior to the end of asset life.
Waste Levy and Waka Kotahi NZTA subsidies will remain the same	Medium	Should Council not receive the level of income predicted, expenditure in these areas may need to be reduced
No changes in customer expectations for levels of service	Medium	If levels of service are significantly altered this could impact on operating and capital budgets
Natural Disaster/Emergency events can be funded out of normal budgetary provisions	Low	The scale and nature of the event will determine the effect on Council's financial position

SIGNIFICANT FORECASTING ASSUMPTIONS

The Council has made a number of assumptions in preparing this Long Term Plan. This is necessary as it ensures that all estimates and forecasts are made on the same basis throughout the 10 year period.

NOTES

- Any assumptions at the activity level are contained in the individual Activity Management Plans and Asset Management Plans.
- No assumption has been made in relation to currency variations, as the Council has no significant foreign currency exposure.

Forecasting Assumption	Level of Uncertainty	Risk	Possible Impact of Uncertainty
Economic Conditions Council has assumed that New Zealand will experience economic uncertainty for the first two years of the plan due to the impact and uncertainty of COVID-19. Delivery of historic works and new works that support delivery of those projects have been prioritised to keep new investment at a minimum during that period.	High	The impact of the COVID-19 pandemic continues for longer than assumed or has a bigger impact on ratepayer ability to pay.	If economic uncertainty impacts our district due to COVID-19 and it runs longer than anticipated, we will address work programmes through subsequent annual plan processes. Council has both rates remission and postponement policies to assist ratepayers who are experiencing financial hardship.
Legislative Changes This plan is based on current legislation and no adjustments have been made for future changes in legislation.	Medium	There are unexpected changes to legislation that alter the nature of services provided by the Council.	Most changes to legislation are known about in advance giving Councils the ability to prepare for implementation. Based on historic trends, additional services have been transferred from central government to local government, although it is noted that the management and operation of three waters is expected to be centralised over the coming 10 years. Council would have to consider the costs and user charges/rating required to fund any new services or divest from any existing services. Any financial uncertainty would relate to the speed and cost of implementing changes and training needs for staff. Council would adjust budgets through an Annual Plan or Long Term Plan process. It is expected that any changes would be made to encourage efficiencies in service delivery and/or improve outcomes for our communities.
Three Waters Reform As per SOLGM/Taituarua guidance, there will be no fully developed proposal that will inform the development of the Long Term Plan 2021-31. The Long Term Plan will therefore assume that Waikato District Council will deliver these services over the life of the Long Term Plan.	High	The Government proposes via the water reform programme that local authorities will no longer be responsible for delivering these services.	There would be an impact on finances relating to these services such as, but not limited to, operating revenues, direct costs of running the activities, and value of debt incurred to fund the activities. There would likely be second order impacts which Council would assess as part of the analysis of the proposal (once received).

Forecasting Assumption	Level of Uncertainty	Risk	Possible Impact of Uncertainty
Future for Local Government Review Reorganisation On 24 April the Minister of Local Government announced that a Ministerial Inquiry into the Future for Local Government had been established. The overall purpose of the review is to identify how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership. The review includes, but is not limited to, the following: <ul style="list-style-type: none"> roles, functions, and partnerships representation and governance and funding and financing The following are the key steps in the review <ul style="list-style-type: none"> April 2021: Inquiry begins 30 September 2021: an interim report will be presented to the Minister signalling the probable direction of the review and key next steps 30 September 2022: Draft report and recommendations to be issued for public consultation and 30 April 2023: Review presents final report to the Minister and Local Government New Zealand. Unless specifically stated otherwise, Council has prepared the plan on the assumption its existing role and functions will continue for the life of the plan.	High	Changes within local government that results in a change to the structure and/or services provided by our organisation.	While the review could recommend significant change to what local government is and does, there is no information available on the likely direction for the review at this time. Council considers it unlikely that any recommendations could take effect before 1 July 2024 – particularly for changes to roles or functions. Any changes that are made will be incorporated in the 2024-34 Long Term Plan.
Shared Services We will continue to pro-actively explore opportunities and participate in shared services as a way to provide such services cost-effectively.			
Changing Weather Patterns As per Ministry for the Environment climate projections, it is assumed that the Waikato could experience the following weather pattern changes over the next two decades and beyond: <ul style="list-style-type: none"> Higher temperatures Less frosts Variable rainfall by season rather than a significant change in the frequency of extreme rain days i.e., more rain in the winter less rain in the spring Some increase in storm intensity, wind extremes and thunderstorms but little change to the frequency of events A rise in sea levels More frequent droughts, increased flooding around river catchments and low-lying coastal areas, coastal erosion and higher risk of landslides have been factored into planning considerations as follows: <ul style="list-style-type: none"> Council encourages water conservation via a water metering programme Council has a water reservoir storage capacity of 48 hours for our main towns Council's roading programme includes preventative maintenance and drainage works each year A contingency budget for roading emergency works is available for storm related landslide events should they occur Council is working on a climate resilience plan with the Port Waikato community Investment in stormwater infrastructure reflects the adjustments required for changes to rainfall patterns Climate change is a national concern, and as such should a significant event take place in our district it is assumed that a multi-agency approach would be used to address the impacts	Medium	That the Council has not made sufficient provision for changing weather patterns and related climate events	If the drought related provisions the Council has made are insufficient, then the livelihoods of businesses reliant on Council water supplies could be compromised, and landowners could be required to provide their own water for non-potable purposes. Costs to restore usual services could be high and the time taken to rectify the situation might be lengthy and compromise the health and well-being of our communities. If a landslide event takes place, an application would be made to Waka Kotahi NZTA for subsidy. Should this exceed the contingency amount budgeted for local share, operational work programmes would be adjusted to enable emergency works to be completed. This would be dependent on the severity of the event and whether connectivity is compromised. If the works are not urgent a subsequent Annual Plan process will be utilised to address the financial implications.

Forecasting Assumption	Level of Uncertainty	Risk	Possible Impact of Uncertainty
<p>Waikato 2070 (Growth and Economic Development Strategy) and the District Plan The District Plan governs land use and can impact on the levels, type, and location of growth within the district. The Infrastructure Strategy and related Asset Management Plans have relied on the growth assumptions from Waikato 2070 and land-use provisions from the District Plan.</p>	Low	Timing of structure plans, spatial plans and on-the-ground growth is different to that proposed in this plan.	<p>If growth that is inconsistent with an agreed settlement pattern is permitted, then infrastructure will be under pressure and costs could escalate. The offsetting growth in rating income may not be sufficient to cover the cost of providing infrastructure and could increase the Council's borrowings and rating income required for repayments. This could result in planning for growth becoming uncoordinated and disjointed which could ultimately lead to undesirable planning outcomes.</p> <p>If growth is lower than anticipated, demand for services should be lower and budgets may be too high.</p>
<p>Growth Based on the National Institute for Demographic and Economic Analysis projections for the Waikato region, the district's population is expected to grow from the current 83,308 (2021) to 98,835 (2031).</p> <p>A key assumption is that the settlement pattern for the district and related growth will be as identified in Waikato 2070 and the Future Proof Growth & Development Strategy. The District Plan zoning rules determines where growth can occur.</p> <p>Most of the district's growth will occur in and around the existing settlements of Tuakau, Pokeno, Te Kauwhata, Huntly, Ngaruawahia (including Taupiri and Horotiu) and Raglan as opposed to the rural areas. Factored into this thinking are the effects of the growth of Auckland and Hamilton.</p>	Low	That the projections for population growth and likely location over the next 10 years vary significantly from the assumed rates.	<p>Should growth estimates be higher than projected and planned for in certain locations, there may be pressure for the Council to provide and maintain additional infrastructure than is currently provided for in this plan. The estimated financial impacts are difficult to quantify however Council would adjust its work programmes and/or enter into development agreements to ensure that growth continues to fund growth as much as is practicable.</p>
<p>Useful Lives of Council assets It is assumed that the useful life estimates of our assets and asset values will not change significantly for the duration of this plan. Useful lives are identified for each component of assets. They are assessed based on many factors including construction method, material, age, condition assessments, obsolescence and expected remaining economic potential. Useful lives are regularly reviewed at revaluation and during maintenance. Useful life estimates are used in the calculation of depreciation and forward works programmes.</p>	High	<p>Rising compliance requirements at National and Regional level requires significant investment in new or upgraded plant before useful life or capacity life has been reached.</p> <p>Useful life estimates change as a result of asset revaluations or through adjustments in Asset Management Plans.</p> <p>Renewal programmes do not align with the loss of economic potential of the asset.</p> <p>Funding for renewal programmes does not line up with renewal expenditure. Operating expenses could be under or overstated.</p>	<p>Council operates advanced asset management practices which requires the useful lives of the components assets to be reassessed at each revaluation and during maintenance.</p> <p>Changes to the useful lives of assets has a direct impact on the renewal profiles of assets, for example asset replacements could be delayed. The result of this is an increase in depreciation reserves for a period as this is the funding source for asset replacements.</p> <p>If the useful lives of our assets are inaccurate then:</p> <ul style="list-style-type: none"> Council may have insufficient funds to undertake renewal works. Council may be able to extend borrowing to complete work which may come at higher cost. Alternatively, services levels may have to reduce until funding is available. This scenario would also likely mean that rates are understated in the years leading up to the renewal. Council may have allocated excess funding to renewal programmes. This may result in other works not being undertaken at the preferred time resulting in the community dissatisfaction. This scenario likely means that rates were higher than the needed to be in the years prior the planned renewal. <p>Accurate assessment of useful lives a large impact on Council achieving its intergenerational equity principles.</p>
<p>Capital Expenditure The quantum and timing of capital expenditure is achievable.</p>	Medium – High	That despite Council's long term contractual arrangements with Downer and WaterCare, that market uncertainties (such as supply chain issues) cause delays in the capital works programme.	<p>Should Council run into market constraints on the delivery of Council work programmes, compliance and/or critical asset related projects would be prioritised and other work programmes would be adjusted. This would likely reduce the levels of debt, related interest expense and depreciation. Significant budget adjustments would be made via an Annual Plans/LTP amendment and changes consulted on with the community.</p>

Forecasting Assumption	Level of Uncertainty	Risk	Possible Impact of Uncertainty																						
<p>Revaluation Movements Provisions for revaluations have been budgeted on an 'at least once every three years' cycle with different classes valued on alternate years to spread the impact of changes in depreciation expenses.</p>	Low	The revaluation results in a higher or lower value of assets impacting depreciation costs.	<p>Asset values could increase by more or less than our estimate. This could impact on the level of operating costs for different activities. Large asset valuation changes could impact on Council's ability to fund asset renewals.</p>																						
<p>Dividend Income It is assumed that Council Controlled Organisations (CCOs) and Civic Assurance will not generate dividend income for the first two years of the plan. Not all CCOs are expected to provide a financial return, more information can be found with the financial strategy.</p>	Medium	The profitability targets are not met, and dividends are not received.	<p>The performance of the Council Controlled Organisations can be affected by market conditions and workloads. There is a risk that a series of financial performance targets may or may not be achieved, which could reduce or remove the amount of income the Council receives.</p> <p>If the income is lower than predicted other work programmes may need to be revised to fund any shortfall. The financial impact is deemed to be low as the amount of dividend income received is minor.</p>																						
<p>Inflation The Price Level Adjustors have been provided by Business and Economic Research Limited (BERL), based on work commissioned by the Society of Local Government Managers to specifically assist local government with the presentation of their Long Term Plans.</p>	Low	Inflation rates vary from those used in calculations of forecasts.	<p>If inflation factors are higher than what we have assumed, then we may not get sufficient income to cover our expenditure at the budgeted levels. Timing of expenditure may need to be altered.</p> <p>If the changes are significant this may impact the levels of service Council are able to provide or require rates to increase over and above the predicted levels in subsequent years.</p>																						
<p>Borrowing costs The Council will be a net borrower over the next 10 years and the cost of debt has been budgeted for as follows:</p>	Low	Interest rates vary from those used in calculations of forecasts.	<p>The Council's debt portfolio is increasing; movements in interest rates could affect the Council's financial position and have an impact on the amount within the Council's reserves. These reserves are used to fund capital works and other various programmes and could mean that funds are unavailable to progress works as budgeted.</p> <p>In the event interest rates are lower the Council intends to apply the savings to reduce debt or rates in accordance with the Council's prudent financial management philosophy.</p>																						
<table border="1"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>2022</td><td>4.36%</td></tr> <tr><td>2023</td><td>3.57%</td></tr> <tr><td>2024</td><td>3.48%</td></tr> <tr><td>2025</td><td>3.46%</td></tr> <tr><td>2026</td><td>3.62%</td></tr> <tr><td>2027</td><td>3.77%</td></tr> <tr><td>2028</td><td>3.86%</td></tr> <tr><td>2029</td><td>4.02%</td></tr> <tr><td>2030</td><td>4.09%</td></tr> <tr><td>2031</td><td>4.26%</td></tr> </tbody> </table>	Year	Percentage	2022	4.36%	2023	3.57%	2024	3.48%	2025	3.46%	2026	3.62%	2027	3.77%	2028	3.86%	2029	4.02%	2030	4.09%	2031	4.26%			
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<p>Subsidies <u>Waste Levy</u> The Council anticipates that the government will continue to provide waste levies using the population-based formula.</p> <p><u>Water/Wastewater</u> No subsidies are available.</p> <p><u>Waka Kotahi NZTA</u> The Council anticipates that the government will continue to provide Waka Kotahi NZTA subsidy for roading and transportation project, and that the overall funding envelope increases each year. Waka Kotahi NZTA subsidised work categories will not receive unsubsidised funding from Council. The basis of Waka Kotahi NZTA funding for the 10 years is assumed to be:</p>	Medium	<p><u>Waste Levy</u> That the Council does not get the predicted levels of waste levy income.</p> <p><u>Waka Kotahi NZTA</u> Waka Kotahi NZTA subsidy rates differ from the assumed rates. The overall funding envelope for Waka Kotahi NZTA subsidy remains static or declines.</p>	<p><u>Waste Levy</u> The Council utilises the levy income to fund waste minimisation schemes, educational programmes and other such projects as is the intent of the levy. Should the Council not receive the amount of income predicted, expenditure in these areas may need to be reduced. This would not support our zero waste initiatives.</p> <p><u>Waka Kotahi NZTA</u> Increase or decrease works in line with the One Network Road Classification (ONRC).</p> <p>The annual quantity of planned work would be reduced. Unforeseen and sudden funding required.</p> <p>Increased demand on the network and funding requirements.</p> <p>The Safety Network Programme projects did not form part of the scope of the Waka Kotahi NZTA approved and funded programme of work, currently advised by Waka Kotahi NZTA. In the event that Waka Kotahi NZTA indicate that they will not fully fund these projects, they will not go ahead.</p>																						
<table border="1"> <thead> <tr> <th>Financial Year</th> <th>Maintenance</th> <th>Improvements & replacement</th> <th>NZTA Safer Network Programme</th> </tr> </thead> <tbody> <tr> <td>2021/22</td> <td>52%</td> <td>52%</td> <td>100%</td> </tr> <tr> <td>2022/23 onwards</td> <td>51%</td> <td>51%</td> <td>100%</td> </tr> </tbody> </table>	Financial Year	Maintenance	Improvements & replacement	NZTA Safer Network Programme	2021/22	52%	52%	100%	2022/23 onwards	51%	51%	100%													
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Forecasting Assumption	Level of Uncertainty	Risk	Possible Impact of Uncertainty
<p>Local Government Funding Agency (LGFA) Guarantee Council has assumed that the Local Government Funding Agency guarantee will not be triggered for the duration of this plan.</p>	Low	LGFA cannot meet its obligations to lenders as a result of a default by a borrowing local authority on interest or principal payments to the LGFA.	Council guarantees 1.5% of any shortfall the LGFA may have in meeting its obligations to lenders as a result of a default by a borrowing local authority. The LGFA advise it is reasonable to assume that the guarantee will not be called. The LGFA has never made a call under the guarantee and its loans to councils are all performing, so there is nothing the LGFA or Council are aware of that makes a call under the guarantee likely.
<p>Levels of Service Changes in customer expectations regarding service levels will not alter significantly.</p>	Medium	There are significant changes in customer expectations regarding levels of service.	If through customer demand, levels of service are significantly altered, this could impact on operating and capital budgets and the resulting rates.
<p>Natural Disaster/Emergency Events In the event of a natural disaster the Council would have to fund 40% of the costs associated with damage to Council assets. The remaining 60% is assumed to be provided by the Government. Council's insurance of underground assets covers losses or unforeseen damage caused by earthquake, natural landslip, Flood, Tsunami, tornado, windstorm, volcanic eruption, hydrothermal and geothermal activity, or subterranean fire.</p>	Low	That there will be a natural disaster requiring emergency works that cannot be funded out of normal budgetary provisions. That the government will not provide any financial assistance.	The potential effect of a natural disaster on the Council's financial position is dependent upon the scale, duration and location of the event.
<p>Ownership of a significant asset It is assumed throughout this plan that Council will retain ownership of its significant assets and continue with the current CCOs. There is no opportunity to change the current CCOs.</p>	Medium	That the specified returns whether financial or nonfinancial of holding strategic assets/ CCOs are not forthcoming.	Should specified returns not be attainable, Council would review its investment. Such a review may have a financial impact as it would be prudent for it to be undertaken by an independent entity. The outcome of a review may recommend that the Council continues to hold, partially divest or sell in entirety its interest.
<p>State Highway Revocation It is assumed in this plan that we will receive a further section of state highway to manage with SH1B planned for transfer to Council from June 2022. This is due to the moving of the state highway to the new expressway, connecting Taupiri to Tamahere. We have assumed that these inherited roads will be at an acceptable standard and will attract Waka Kotahi NZTA subsidy going forward for maintenance.</p>	Low	The timing and costs/ values of assets associated with the revocation of state highways are different to that reflected in this plan.	The impact of not receiving funds for upgrades could mean that the cost for maintenance on those sections of road lies with Council. This may require additional loans to be raised to complete any essential works which would have an impact on the amount of rates needed to cover repayments in the future. Rather than choosing to raise loans, Council might defer replacement / renewal works on other local roads. This could require further rating income to carry out operational works to extend the life of those assets.
<p>Resource Consents Water Supply Within the next 10 years only one water supply consent will expire and any renewal is not expected to have significant issues. Waters reform may impact future consent conditions. Wastewater Within the next 10 years Raglan, Te Kauwhata, Ngaruawahia and Huntly wastewater discharge consents will expire. More stringent environmental outcomes and cultural considerations are expected to be required. Any form of disposal to the harbour or ocean and to Lake Waikare are not acceptable to some community groups. Finding suitable land for land-based disposal is challenging and very costly and have not been included in the forecasts. Newer treatment technology comes with higher technical skill requirements and increased operating costs. Waters reform may impact future consent conditions.</p>	High	Conditions of resource consents are altered significantly and without sufficient warning. Any new resource consents required are not approved or conditions imposed are not allowed for.	If the Council is faced with significant changes to resource consent conditions, this could have a significant impact on the Council's financial resources. If consent conditions change, the timing of the consent process may need to be extended, particularly if upgrade works are required in order to comply. No allowance has been made for pending changes under the three waters reform.

Forecasting Assumption	Level of Uncertainty	Risk	Possible Impact of Uncertainty																						
<p>Water Availability Water availability has been identified as a risk to specific individual schemes within the next 10 years; Council has identified strategies to mitigate/address these risks and accommodate the forecasted demands. It is assumed that Council or third-party suppliers who supply bulk water to Council will be able to alter existing consents and allocations to meet forecasted demands.</p>	Medium	Changes to allocations are not approved.	If Council or its third-party suppliers are unable to alter existing consents and allocations, this could have a significant impact on Council's ability to accommodate growth in specific areas of the district.																						
<p>Projected number of rating units as at 30 June:</p> <table border="1"> <thead> <tr> <th>Current</th> <th>31246</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>31581</td> </tr> <tr> <td>2023</td> <td>32338</td> </tr> <tr> <td>2024</td> <td>33079</td> </tr> <tr> <td>2025</td> <td>33834</td> </tr> <tr> <td>2026</td> <td>34588</td> </tr> <tr> <td>2027</td> <td>35339</td> </tr> <tr> <td>2028</td> <td>36075</td> </tr> <tr> <td>2029</td> <td>36796</td> </tr> <tr> <td>2030</td> <td>37506</td> </tr> <tr> <td>2031</td> <td>38202</td> </tr> </tbody> </table>	Current	31246	2022	31581	2023	32338	2024	33079	2025	33834	2026	34588	2027	35339	2028	36075	2029	36796	2030	37506	2031	38202	Medium	The number of new rating units does not meet or exceeds expectations.	Rating and development contribution income could be under or overstated. If this were to occur, both capital and operational expenditure would be adjusted to reflect actual demand. If projects have been progressed ahead of development which does not eventuate this could cause funding shortfalls. This in turn would raise the costs of development and/or increase the borrowing costs for existing ratepayers.
Current	31246																								
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<p>Sources of funding for future replacement of significant assets Sources of funding for the replacement of assets can be found in the Council's Revenue and Financing Policy. Waka Kotahi NZTA subsidy will continue to be available at the currently agreed percentage (see Waka Kotahi NZTA subsidy assumption). Ministry of Health (MoH) subsidies are not available for Wastewater (see Water and Wastewater assumptions). The bank will continue to cover loan facilities to the Council. External borrowing limits are covered within the Treasury Risk Management Policy.</p>	Medium	Sources of funds are inadequate to fund the replacement of significant assets	If funds are inadequate for the replacement of significant assets, work may not be progressed as per timing in the plan. Operational expenditure may rise as a result in an attempt to extend the life of the assets, which would potentially cost the ratepayer more as we would still need to build reserves to pay for the eventual replacement.																						
<p>Renewal of External Funding The Council is able to retain all external funding even if projects are delayed.</p>	Low	A project may be delayed, which would put the external funding at risk.	Some projects may not proceed if external funding is not available.																						

WHAT WE DO

As you've seen in the previous sections, we have developed a strong strategic direction for the next 10 years, with our principles and priorities a direct reflection of your feedback and the community outcomes developed as a result of that feedback.

A strategic direction is only as good as its implementation, and this is where our Groups of Activities (Governance, Sustainable Environment, Sustainable Communities, Roding, Stormwater, Wastewater, Water Supply, Organisational Support) come in. The following pages provide information about our work programme – the major projects and activities we have decided on for the next 10 years, our targets, how we'll measure them and their associated projects.

Our eight groups of activities contribute to keeping our district running, providing the services and facilities needed to meet our residents' needs. The Organisational Support group is internally focussed and is not an official group of activity as required under the Local

Government Act, however, it includes a significant amount of our activities and provides a complete picture of the activities we provide.

Many of the activities relate to legislation, for example the Building Act 2004 and the Resource Management Act 1991, and contribute to the community's social, cultural, environmental and economic well-being and therefore also contribute to the community outcomes in some way, either directly or indirectly.

You'll see that we've shown which outcome each group of activities primarily contributes to, and the other groups of activities they might also contribute to in a more minor way. And because the Council's strategic direction is driven by five key principles - Supporting our

communities, Building our economy, Sustaining our environment, Working together with you, and Providing value for money - we've also shown how our activities relate to these principles in the table below and therefore, contribute to the strategic direction.

Do keep reading and see what major projects are planned and how they might affect you. By doing all of the projects provided in the following sections we will be in a position to maintain our current levels of service throughout the 10 years. We will not only monitor and report based on the performance measures you see, but also on the progress of the capital programme. This section gives a good indication of the work we think will lead to a flourishing district, while still being financially prudent.

ACTIVITY	OUTCOME				
	Supporting Our Communities	Building Our Economy	Sustaining Our Environment	Working Together with You	Providing Value for Money
Governance	✓	✓	✓	✓	✓
Sustainable Communities	✓	✓	✓	✓	✓
Sustainable Environment	✓	✓	✓	✓	✓
Roding	✓			✓	✓
Stormwater	✓		✓	✓	✓
Wastewater	✓		✓	✓	✓
Water Supply	✓		✓	✓	✓
Organisational Support				✓	✓

✓ = Major Contribution ✓ = Minor Contribution

SERVICE LEVEL DEFINITIONS

Below are Council's generic timeframes for service requests (unless specifically stated otherwise against an individual measure in the LTP).

CATEGORY	TIME FOR COUNCIL PERSONNEL TO BE ONSITE	TIME FOR RESOLUTION OF ISSUE	DEFINITION OR CATEGORY
Urgent – Immediate response	1 hour	4 hours	Action is required urgently to mitigate an immediate and significant health & safety, or environmental issue; or significant event that presents immediate risk to a dwelling or infrastructure.
Urgent – Same day	4 hours	8 hours	Same day action is required to mitigate a potential health & safety, or environmental issue; or a significant event that presents potential risk to a dwelling or infrastructure.
Non Urgent – 5 day jobs	5 business days	5 business days	There is no imminent risk to people, property or infrastructure, and the work can be completed within a 5 day timeframe.
Non Urgent – Assessment Required	5 business days	To be determined following assessment	There is no imminent risk to people or property or infrastructure, and an assessment is required before a completion date can be confirmed. This might involve any remedy becoming part of a scheduled maintenance programme.

GOVERNANCE

Governance includes the work of the elected Council and its committees, the community boards and committees, Maaori Liaison and Elections. Strong leadership is required for the district to progress and prosper. The Council and community boards and committees work in partnership with the community to make the key decisions for the district's long-term future, responding to the differing needs of diverse communities, through plans and strategies, and by facilitating progress against Council's goals.

Key for the Council is its relationship with Iwi, with the joint management agreement with Waikato Tainui and other partnership agreements. The governance group also supports the three-yearly elections, with the organisation providing support through the electoral Officer and organisation of the election process.

Key Projects

The following key projects are planned for 2021-31:

PROJECTS	LOCATION	BUDGET ((\$000))			
		2021/22	2022/23	2023/24	2024/31
Local Government Elections	District Wide	146	194	-	1,013

Potential Significant Negative Effects

POTENTIAL NEGATIVE EFFECT	HOW WE ARE ADDRESSING THIS
Iwi and Community Partnerships	
Monitored discharge of wastewater into Lake Waikare	Working with iwi group to mitigate problems
Puke-i-ahua Kumara Pits	Working with all parties for a positive and an agreeable outcome

Levels of Service, Performance Measures and Targets: Governance

Rationale - Governance includes the work of the elected Council and its committees, the community boards, and the strategic planning and community relationships activities.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
To ensure that our diverse community is represented in a democratically accountable and respectful manner.	Elected members represent their ward and act in the best interests of the district.	Percentage of customers satisfied with the availability of their Councillor	NEW	80%	80%	80%	80%
To provide our customers and partners with opportunities for engagement thereby providing input to the decision making process.	Opportunities are provided for public participation in decision making	Percentage of customers satisfied that Council engages with the community regarding the right issues	40%	50%	50%	50%	50%
	Opportunities for public participation in decision making are accessible, informative and understood	Percentage of customers satisfied with the ease of access and clarity of information regarding key community issues	48%	50%	50%	50%	50%
To ensure that decisions and processes take into account both short and long term impacts on our customers and partners.	Council holds regular public meetings where information on the decisions made is accessible to the public	Percentage of agendas and minutes of all open meetings that are made publicly available via the Council's website within legislative timeframes	99%	98%	98%	98%	98%
To ensure that our diverse community is represented in a democratically accountable and respectful manner.	Council meets obligations to iwi under formal agreements	Number of formal hui held with iwi, mana whenua and hapu groups	NEW	9	9	9	9

Waikato District Council: Prospective Funding Impact Statement: Governance

A forecast for the 10 years ending 30 June 2031:

	ANNUAL PLAN 2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	6,495	6,884	6,625	6,837	6,996	7,003	7,313	7,458	7,452	7,737	7,969
Targeted rates	268	268	272	275	278	282	285	288	291	294	297
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	1,617	1,570	1,532	1,558	1,593	1,628	1,664	1,696	1,735	1,778	1,826
Local authorities fuel tax, fines, infringement fees, and other receipts	5	2	157	2	2	175	2	2	194	2	2
Total operating funding	8,385	8,724	8,586	8,672	8,869	9,088	9,264	9,444	9,672	9,811	10,094
Applications of operating funding											
Payments to staff and suppliers	3,422	3,471	3,288	3,134	3,355	3,458	3,348	3,577	3,688	3,518	3,810
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	4,920	5,221	5,271	5,510	5,486	5,599	5,884	5,837	5,953	6,264	6,256
Other operating funding applications	2	2	2	2	2	2	2	2	2	2	2
Total applications of operating funding	8,344	8,694	8,561	8,646	8,843	9,059	9,234	9,416	9,643	9,784	10,068
Surplus (deficit) of operating funding	41	30	25	26	26	29	30	28	29	27	26
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	41	30	25	26	26	29	30	28	29	27	26
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	41	30	25	26	26	29	30	28	29	27	26
Surplus (deficit) of capital funding	(41)	(30)	(25)	(26)	(26)	(29)	(30)	(28)	(29)	(27)	(26)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information											
Depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-

SUSTAINABLE ENVIRONMENT

This group of activities includes animal control, building quality, strategic and district planning, solid waste and environmental health. We provide these services to both community and Council.

STRATEGIC FOCUS

To have an integrated approach to providing sustainable, attractive, affordable and safe options for living, in a way that's in tune with what ratepayers want. This needs to result in more streamlined processes that cost less while still providing required results for both community and the Council.

Animal control

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

Building quality

Responsible for ensuring that buildings in our district comply with legislation, including fencing of swimming pools, process building consent applications and carry out construction inspections (protecting the community).

Strategic and district planning

Land use and growth management planning is done so that the district can grow and develop in a sustainable manner and in accordance with the principles contained in the Resource Management Act (RMA) 1991.

Environmental health

provides a range of services to ensure food outlets maintain high food safety standards, alcohol outlets are appropriately licenced, and that noise and nuisance complaints, hazardous substances and contaminated sites are all managed.

Solid waste

As set out in the Waste Minimisation and Management Plan (WMMP), Council has adopted an aspirational vision of 'Working towards zero waste for the Waikato district.'

The goals of the WMMP are summarised as:

- Working more closely with our communities in managing waste;
- Working more closely with the growing waste management industry in the district and the other councils around us;
- Improving our kerbside recycling collections;
- Considering ways to reduce the amount of rubbish we collect and how much it costs; and
- Improving transfer stations to recover and recycle more material than we do now.

Key Projects

The following key projects are planned for 2021-31:

PROJECTS	LOCATION	BUDGET (\$000)			
		2021/22	2022/23	2023/24	2024/31
Huntly resource recovery centre upgrade	Huntly	1,500	103	-	-
North Waikato Resource Recovery Centre	North Waikato	-	2,472	106	-
Raglan food waste collection	Raglan	120	-	-	-
Raglan transfer station capital renewals	Raglan	250	258	-	-
Huntly transfer station capital renewals	Huntly	250	-	-	-

Potential Significant Negative Effects

POTENTIAL NEGATIVE EFFECT	HOW WE ARE ADDRESSING THIS
Animal Control	
Injury to Animal Control Officers from attack by dog owners, dogs, and livestock	Continue to provide ongoing training and ensure the correct and required personal protection equipment is provided. Review to take place into processes and procedures post a bow-tie critical analysis in late 2020.
Dog owners disgruntled by enforcement action taken against them	Professional and courteous enforcement utilising the 3E model
Members of the public are at risk from dog attack	Ensure animal control services are maintained at a level to ensure stray dogs are impounded and current cases of aggression are attended promptly
Dog control activity is predominantly paid for through registration of known dogs which may not target those that use the service	Implement cost recovery options where possible
Building Quality	
Legislation is requiring more Council input into plan review and building inspection, which increases costs.	Council has to react to new legislation, but tries to limit the cost increase as much as possible
Non-compliance requires Council to take offenders before the Courts.	Prosecution of blatant offences against the Building Act is necessary to reinforce compliance, maintain equity for those who obtain consents and fulfil statutory duty
Leaky or defective homes are identified.	More thorough vetting of the drawings, inspections by better trained highly skilled inspectors, will assist in reducing the incidence of leaky or defective homes
Losing staff to the private sector	Insure we create a workplace and culture where the staff feel valued and respected
Building Quality	
Consultation fatigue / confusion in the community	Considering this in the timing our work programme, and providing clear communication
Over-regulation stifling growth and development	Applying an economic development lens to our work and ensuring a wide range of views are provided
Solid Waste	
	The Council is legislated to reduce waste through the adoption of the Waste Management and Minimisation Plan.
Increase in the amount of waste that is landfilled and or not recovered as population increases over time	Ensure Council services and facilities enable waste reduction and recovery. The Council also supports education initiatives and provides education material for its customers.
Environmental impacts caused by the discharge of contaminants to land and water from closed landfills	Compliance with resource consent conditions that stipulate the frequency and parameters to be monitored
Ease of disposal, through convenient waste management services, encourages increased quantities of material to be sent to waste by customers. Continue to offer disposal services over other diversion alternatives	Education and programmes to build awareness and foster waste minimisation within the community
Potential impacts on customer satisfaction due to service failure /delays /responsiveness	Monitor and report on Levels of Service and in-service provider contracts. Seek to resolve customer complaints "close the loop"
Health and safety risks associated with the operation, maintenance, or construction of solid waste infrastructure	Ensure compliance with legislation and health & safety management plans. Maintain an incidents register.
Under-provision of recycling and diversion facilities fails to promote a positive shift in the community's attitude to waste	Our communities in our district have access to appropriate services and facilities
Waste entering the water bodies affect the mauri of the environment	Each main urban community in our district has greenwaste and/or recycling facilities
Environmental Health	
No potential significant effects have been identified for this activity	N/A

Levels of Service, Performance Measures and Targets: Animal Control

Rationale - To ensure our community is safe from the nuisance and potential hazard of dogs and stock.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
We promote responsible dog ownership and stock management practices to keep our communities safe from harm	Animal control services and staff ensure that public places are free from uncontrolled dogs and wandering stock	The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that has Council personnel on site within 1 hour	100%	95%	95%	95%	95%
		The percentage of complaints regarding currently straying stock that have Council personnel on site within 1 hour	100%	95%	95%	95%	95%
	Animal Control raises awareness of dog behaviour and responsible dog ownership through the education program, community events and ensuring dogs in our area are registered.	Complete Engagement and Education visits throughout the district	76	120 per annum / 10 per month	120 per annum / 10 per month	120 per annum / 10 per month	120 per annum / 10 per month
		The percentage of known dogs currently registered	NEW	95%	95%	95%	95%

Levels of Service, Performance Measures and Targets: Building Quality

Rationale - As an accredited Building Consent Authority and a territorial authority, we have a responsibility for people's safety and well-being in the buildings they live and work in.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
To ensure that building regulations and standards are met so that people living and working in buildings are safe.	The Council ensures that buildings comply with building regulations.	The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually	31%	33%	33%	33%	33%
		The percentage of buildings that provide sleeping care or paid accommodation that are audited for compliance annually	95%	100%	100%	100%	100%
		The Council ensures that swimming pools comply with fencing of swimming pools act requirements	The percentage of swimming pools that are inspected for compliance annually	28.28%	33%	33%	33%
To ensure that timely and accurate information and efficient processes are provided to people planning to build on or purchase a property	The Council ensures that a timely building consenting process is provided.	The percentage of building consent applications that are processed within 20 working days	99.84%	98%	98%	98%	98%

Levels of Service, Performance Measures and Targets: Strategic and District Planning

Rationale - Land use and growth management planning is done so that the district can grow and develop in a sustainable manner and in accordance with the principles contained in the Resource Management Act (RMA) 1991.

Corporate planning is undertaken to ensure that Council's internal planning processes are accountable to our local communities. Corporate planning and reporting assistance expertise is provided by the Unit to ensure that the organisation and staff are supported to achieve agreed work programmes and goals to the expected standard.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
To ensure that development enhances the well-being and safety of the community, and that people have the opportunity to participate in the strategic and district planning process.	Resource consents are processed on time and within statutory requirements	The percentage of resource consent applications which are processed within statutory timeframes	99.42%	98%	98%	98%	98%
To ensure that development enhances the well-being and safety of the community, and that people have the opportunity to participate in the strategic and district planning process.	Our plans and our monitoring and enforcement activities ensure compliance with legislation and the protection of people, properties and landforms.	The percentage of current land use consents that are older than 2 years which have been monitored in the last 2 years.	78%	75%	80%	80%	80%
To ensure that development enhances the well-being and safety of the community, and that people have the opportunity to participate in the strategic and district planning process.	Parking patrols are carried out in communities that have parking controls under the bylaw.	The number of parking patrols which are carried out in individual communities under the Public Places Bylaw.	139	168	168	168	168
Documents encourage decisions to be made in a manner that are consistent and represent Councils overall strategic objectives.	Decision making documents are kept up to date and consistent	The percentage of bylaws and policies, that are required by legislation, are reviewed within their statutory timeframes	NEW	95%	95%	95%	95%
We work collaboratively with our communities, our colleagues and our partners to develop plans that ensure the best possible outcomes for our people and our environment, now and into the future.	Adequate land supply (right type in right location) is zoned and serviced to cater for the growth and development of the district.	Adequate land supply (right type in right location) exists to cater for the growth and development of the district. Sufficient development capacity (as required by the National Policy Statement - Urban Development) is provided to meet expected short and medium term demand	NEW	100% = compliance with NPS-UD land supply requirements	100% = compliance with NPS-UD land supply requirements	100% = compliance with NPS-UD land supply requirements	100% = compliance with NPS-UD land supply requirements

Levels of Service, Performance Measures and Targets: Solid Waste

Rationale - The disposal of solid waste in a way that protects the health of the community and the environment is a fundamental requirement for community well-being. However, Council does not have to be directly involved in the delivery of solid waste services to achieve this outcome.

Council is seeking to position itself in the district to provide leadership in the solid waste activity while ensuring it provides costs effective services. The balance that Council currently maintains is to provide residential kerbside collections for urban and some rural areas and to maintain influence of the residential solid waste space. However, Council does not currently operate landfill disposal sites because it cannot do so cost effectively.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
To ensure our waste and recycling services are efficient and effective and help protect our natural environment	Compliance	Meet actions set within Waste Minimisation Management Plan (WMMP)	NEW	30%	60%	90%	90%
That solid waste services are managed and maintained providing cost effective, reliable, that meets the needs of our customers.	Customer Satisfaction	Customer Satisfaction with Waste Collection services.	NEW	75%	75%	75%	75%

Levels of Service, Performance Measures and Targets: Environmental Health

Rationale - We do this to ensure that community expectations are met in terms of food safety standards and addressing public health issues; improve, promote, and protect public health within the district; control the effects of noise in the environment; and control the sale and supply of alcohol so that it is undertaken safely and responsibly.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
To ensure that activities are managed so that our communities are healthy and safe, legislative requirements are met and nuisance is managed	The district has safe food operations.	The percentage of food operations that are required to be verified annually that are verified	NEW	95%	95%	95%	95%
	Alcohol licensing is managed to minimise alcohol abuse in the community and meet legislative requirements.	The percentage of medium or higher risk category licensed premises inspected annually.	NEW	95%	95%	95%	95%
	Noise complaints are responded to in a timely fashion to ensure community well-being	Percentage of excessive noise complaints responded to within agreed timeframes	83%	85%	85%	85%	85%
	Nuisance complaints are responded to in a timely fashion ensuring community health and safety	The percentage of hazardous land use information (Hail) reports that will be completed within 10 working days.	99.5%	90%	90%	90%	90%

Waikato District Council: Prospective Funding Impact Statement: Sustainable Environment

A forecast for the 10 years ending 30 June 2031:

	ANNUAL PLAN 2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	8,672	9,111	9,726	9,913	10,027	10,316	10,326	10,344	10,392	10,578	10,441
Targeted rates	5,029	4,790	5,055	5,317	5,614	5,923	6,240	6,593	6,945	7,306	7,671
Subsidies and grants for operating purposes	-	80	-	-	-	-	-	-	-	-	-
Fees and charges	6,995	9,303	9,491	9,492	10,105	10,738	11,394	12,068	12,766	13,488	14,230
Internal charges and overheads recovered	564	615	628	644	663	683	698	709	724	742	765
Local authorities fuel tax, fines, infringement fees, and other receipts	3,368	4,335	4,529	4,728	5,014	5,313	5,629	5,959	6,310	6,683	7,072
Total operating funding	24,628	28,234	29,429	30,094	31,423	32,973	34,287	35,673	37,137	38,797	40,179
Applications of operating funding											
Payments to staff and suppliers	18,389	23,545	23,406	23,243	23,277	23,987	25,400	25,949	26,629	27,392	26,412
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	5,961	6,509	7,040	7,513	8,029	8,391	8,569	8,568	8,721	8,910	9,163
Other operating funding applications	44	56	57	59	61	63	65	67	69	71	73
Total applications of operating funding	24,394	30,110	30,503	30,815	31,367	32,441	34,034	34,584	35,419	36,373	35,648
Surplus (deficit) of operating funding	234	(1,876)	(1,074)	(721)	56	532	253	1,089	1,718	2,424	4,531
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	2,265	2,848	122	16	17	17	18	18	19	19
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	-	2,265	2,848	122	16	17	17	18	18	19	19
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	52	2,265	2,848	122	16	17	17	18	18	19	19
- to replace existing assets	68	135	139	174	211	217	223	405	235	242	249
Increase (decrease) in reserves	114	(2,011)	(1,213)	(895)	(155)	315	30	684	1,483	2,182	4,282
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	234	389	1,774	(599)	72	549	270	1,107	1,736	2,443	4,550
Surplus (deficit) of capital funding	(234)	1,876	1,074	721	(56)	(532)	(253)	(1,089)	(1,718)	(2,424)	(4,531)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information											
Depreciation and amortisation	84	93	153	228	236	243	249	256	268	275	283

SUSTAINABLE COMMUNITIES

This group of activities includes economic development, open spaces (i.e. parks and reserves), property and facilities, emergency management and customer and partnership focus. We provide these services to address those social and economic well-beings that ensure “communities” are developed rather than just discrete sets of towns and villages. It’s about the provision of leisure options and the protection of enduring communities.

STRATEGIC FOCUS

To support economic growth, rather than spatial growth, to enrich our communities through employment, improved quality of life, rather than simply encouraging population growth.

Economic and community development

We are continually providing infrastructure to support businesses and residents, updating the District Plan to attract industry to our district along with many other initiatives. The goal is to ensure our district has longevity by bringing more employment opportunities. The unit leads, supports and co-ordinates economic development activities, plans and initiatives across the district’s growth nodes to help build a local environment that attracts and

sustains new and existing business investment, residential development and visitor experiences.

Open spaces and facilities

We provide many parks and reserves, playgrounds and public facilities including aquatic centres and six libraries, walkways and sports grounds, providing the facilities and amenities needed for a healthy and thriving community.

Community venues and events

We support and assist event organisers to host commercial and non-commercial events in Waikato District Council reserves. We encourage people to come together by facilitating and promoting events and activities that create a sense of community.

Emergency management

Community resilience and emergency management activities are fundamental in supporting our communities to prepare for, respond to, and recover in the event of an emergency. As an organisation we need to be resilient and prepared to manage an emergency. We work with our communities to increase their resilience through education and community planning.

Customer and Partnership focus

This is one of the key ways residents can contact us about the issues and questions regarding the services we provide. This includes staff in our libraries and service centres, and our call centre. In order for our customer to feel supported outside of normal working hours, an afterhours service is provided by Hamilton City Council.

Key Projects

The following key projects are planned for 2021-31:

PROJECTS	LOCATION	BUDGET (\$000)			
		2021/22	2022/23	2023/24	2024/31
Pokeno Community Facility	Pokeno	150	155	528	6,506
Ngaruawahia Community Facility	Ngaruawahia	1,214	-	159	7,575
Raglan Community Facility	Raglan	-	-	-	2,833
Sports ground	Pokeno	1,500	1,562	3,188	-
Sports ground	Te Kowhai	-	-	1,513	-
Skate park	Pokeno	-	-	486	-
Dog pound	Tuakau	1,500	-	-	-
Raglan wharf	Raglan	1,500	-	-	-
Whangarata Cemetery	Tuakau	-	989	-	-
Tuakau neighbourhood parks	Tuakau	110	396	448	-
Ngaruawahia walkways	Ngaruawahia	-	-	-	550
Destination Park - The Point	Ngaruawahia	110	416	486	-
Huntly walkways	Huntly	-	-	-	483
Kiingitanga Reserve Improvements	Ngaruawahia	-	-	-	135
Ngaruawahia Hall (seismic strengthening)	Ngaruawahia	1,500	-	-	-
Tuakau Hall (seismic strengthening)	Tuakau	-	-	1,057	-
Raglan Hall (seismic strengthening)	Raglan	-	515	-	-

Potential Significant Negative Effects

POTENTIAL NEGATIVE EFFECT	HOW WE ARE ADDRESSING THIS
Economic and community development	
Without a targeted and holistic approach to business investment growth a negative impact could be that growth takes place with much reduced benefits to our communities. For example, businesses locate into the district but do not employ local people or the skills of the local people do not meet the new business requirements.	The team is working with Regional and National partners to promote high value investors into our district. Business investors will be provided with a specific “one stop” programme to encourage local investments into communities and our people. Partnerships with government agencies to increase skills training for our people is being worked through and partnerships will look to design and deliver to specific investors.
The expectations from both communities and the Council for more co-led projects will fall short of delivery and outcomes if the capability of our communities is not supported and encouraged.	The demand for community led development programmes are increasing across the district and to support this increase the team is working with partners to share community led development training outcomes for our communities.
Emergency management	
No potential significant effects have been identified for this activity	N/A
Customer and partnership focus	
Inappropriate books/magazines/material in the collection (i.e. Adult material, or offensive to cultures, religion, or in general)	Acquire items in accordance with the Collections Policy and catalogued as per the nature of the material. Items deemed unsuitable for public display are housed back of house and available on request from the catalogue.
An environmental impact in the travel required to static library sites and carbon cost of importing materials from overseas.	Developing libraries in areas where there is sufficient density of population to justify their development. Continue to promote the use of e-resources as an alternative to physical items.
Open spaces, property and facilities	
Chemical Spill Accidents at aquatic facilities.	Pools managed to Pool Safe certification standards.
Disability access to facilities.	Development of the disabilities access policy. Design and manoeuvrability for wheelchair access, or mobility scooter. New facilities to be designed in accordance with the Council’s HCC development manual.
Congregation of undesirable groups with the potential to vandalise equipment.	Maintenance regimes in place to rectify any issues, installation of CCTV as appropriate. Use CPTED design principles.
Noise and disorderly behaviour issues from events at reserves, and general use of reserves	Events managed in line with the Council’s terms and conditions of hire. Any disturbance will be handled by local police or noise control if required.
Herbicides impacting environment	Working in conjunction with Hazardous Substances and New Organisms (HSNO) standards for handling agri-chemicals. Enforcing appropriate conduct and use of wash down facilities and hard stands. Ensuring pest and weed control activities are within guidelines.
Damages to property and harm to people from falling trees and branches	Tree maintenance programme according to industry standards. Focus on higher risk areas such as walkways, playgrounds, higher use reserves, and power networks. Responsive to customer requests and cyclical maintenance.
Reserves can create a fire hazard for properties	Management of a firebreak to prevent this effect.
Hazardous chemicals used to keep bio hazards under control, can be harmful if mishandled	Staff training to identify, and handle emergency events and safety standards strictly adhered to. Sodium hypochloride used which is safer alternative than traditional chemicals
Isolation/location of public toilets leading to safety concerns	Ensure toilets are designed appropriately and located in areas that are easily visible and accessible. Use CPTED design principles.
Toilets can present a sanitary risk to the community	Included in Water & Sanitary services assessments (three yearly).
Considered to have a negative aesthetic effect	Use of eco design, strategic locations, planting to minimise the impact, environmentally complimentary plain colour.
Noise and disorderly behaviour issues from events at cemeteries and general use of cemeteries	Restricted opening hours.
Potential pollution of waterways from cemetery activities	Maintain an adequate separation distance between human remains and the highest seasonal ground water table. Maintain an adequate buffer zone around cemeteries, and plant with deep rooting trees.
Community venues and events	
The community does not comply with required health and safety.	Working with applicants to wrap support around applications to ensure that applicants are educated and empowered.
Negative environmental impacts to reserves due to non-compliant or non-authorized events and volunteer works	Working with Councillors, community engagement, and community development teams to ensure that community groups are engaged with and informed as their requests arise.

Levels of Service, Performance Measures and Targets: Economic development

Rationale - Leads, supports and co-ordinates economic development activities, plans and initiatives across the district’s growth nodes to help build a local environment that attracts and sustains new and existing business investment, residential development and visitor experiences.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
Tourism in the district is enhanced and Council’s processes and infrastructure support and facilitate new and existing business.	Sustainable business growth is supported by efficient processes, available land and accessible infrastructure.	The business perception survey average rating is above target	8.7	8.5	8.5	8.5	8.5

Levels of Service, Performance Measures and Targets: Community venues and events

Rationale - We support and assist event organisers to host commercial and non-commercial events in Waikato District Council reserves. We encourage people to come together by facilitating and promoting events and activities that create a sense of community.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
Encourage and support event organisers and volunteer work throughout our district to ensure community connectiveness and sense of place within our open spaces.	Events workshops to educate and support communities who are wanting to hold an event in collaboration with wider Waikato District Council teams for example, Zero Harm, funding and engagement	The number of events workshops held each year to support event organisers	NEW	2	2	2	2

Levels of Service, Performance Measures and Targets: Open spaces

Parks are provided by local government to deliver a range of benefits including:

- Open space within urban areas
- Visual relief from the built environment
- Beautification and amenity enhancement
- Opportunities for recreation and sport
- Protection of the natural environment and open space
- Habitat for wildlife
- Community pride
- Children’s play
- Conservation of cultural heritage
- Protection of access to the coast and waterways

These benefits are specifically or generally believed to enhance the community’s health and well-being.

Due to limited commercial opportunity and benefit, the private sector will not provide a comprehensive range of parks and recreation activities. Therefore provision by local government, as a public good, is required.

Parkland is generally highly valued by the community and many of the Waikato parks have significant history associated with them. Many of the parks are protected and managed through legislation and their ownership status.

Through protecting, enlarging, and enhancing this network we will, over time, create significant ecological, amenity, recreation and economic value.

Council provision and support for quality parks enhance the district as a place to live and visit.

The provision of cemeteries is managed as part of the parks activity and meets Council’s obligations under the Burial and Cremation Act 1964 to make provision for burials within the district.

This investment and value of the various services to the community justifies careful and good quality management of these assets. The community expects reserves, recreation facilities, public toilets and internment facilities to be managed in such a way that costs are minimised while providing the levels of service that the community desires.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
	Public toilets are accessible, clean and fit for purpose	Percentage of customers who are satisfied in the annual satisfaction survey (Public Toilets)	78%	75%	75%	75%	75%
Open spaces are maintained to provide a sustainable and environmental focus	Parks are appropriate for the needs of the community, safe and well maintained	Percentage of customers who are satisfied with Parks and Reserves, including sports fields and playgrounds	88%	85%	85%	85%	85%
		Percentage of customers who are satisfied with the presentation of Waikato District Council cemeteries	91%	85%	85%	85%	85%

Levels of Service, Performance Measures and Targets: Property and Facilities

Rationale - To ensure our Council-owned facilities are well-maintained and representative of Council values.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
Council Facilities are managed sustainably with a focus on reducing the environmental impact of the activity	Energy Efficiency	Waikato District Council Carbon road map shows an improving trend in energy efficiency / emission reduction	NEW	5% reduction / per annum	5% reduction / per annum	5% reduction / per annum	5% reduction / per annum

Levels of Service, Performance Measures and Targets: Emergency Management

Rationale - Community resilience and emergency management activities are fundamental in supporting our communities to prepare for, respond to, and recover in the event of an emergency. As an organisation we need to be resilient and prepared to manage an emergency. We work with our communities to increase their resilience through education and community planning.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
To ensure Council and our communities are resilient and have the capability to respond, manage and recover from emergencies.	The Council is resilient and ready to respond in the event of an emergency.	The evaluation of annual exercise as a measure of effectiveness of training delivery	NEW	50%	70%	90%	90%
		Council maintains a minimum number of trained staff to Intermediate level, to fulfil core Emergency Operations Centre roles.	30	50	50	50	50

Levels of Service, Performance Measures and Targets: Customer and Partnership Focus

Rationale - Customer Delivery is responsible for representing all of Council as the first point of contact. To do so professionally, with skilled customer service professionals, sees an outward approach aligned to our values. Everything we do is to assist our customers in reaching timely resolution of their enquiry.

Within our libraries, Customer Delivery aims to create vibrant and valuable community hubs that engage, inspire and inform by providing community centre library services that reflect Waikato people.

This relates to the Community Outcome 'Supporting our Communities': the community has access to safe and well maintained recreation and leisure facilities, and have up-to-date library stock and technology.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
To ensure that a seamless, consistent quality service is provided to our customers via a range of channels	Satisfied with the overall service received when you contacting Council offices	The percentage of customers satisfied with the overall service received when contacting the Council	NEW	70%	70%	72%	72%
	It is easy for customers to access Council staff and information to meet their needs	Average level of effort to conduct business with Council. (On a scale of 1 - 5 (5 being high effort) how much effort did it take to conduct your business with Council?)	2.2	Less than 2.6	Less than 2.6	Less than 2.5	Less than 2.5
Our district libraries are to be at the heart of our district: inspiring curiosity, enriching lives and connecting communities	Our library spaces and our staff facilitate opportunities for people to connect with ideas, knowledge, stories, and other people.	Net Promoter Score (level of likelihood that library users will recommend to friends and family their library as a place to go) – as measured in a bi-annual inhouse customer survey	90% (97.9%)	90%	90%	90%	90%
		Level of customer satisfaction that the quality of libraries resources meets their needs - as measured in a bi-annual inhouse customer survey	90% (97.2%)	90%	90%	90%	90%

Waikato District Council: Prospective Funding Impact Statement: Sustainable Communities

A forecast for the 10 years ending 30 June 2031:

	ANNUAL PLAN 2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	22,209	25,386	27,068	28,217	29,846	31,320	32,389	33,326	34,654	36,117	37,164
Targeted rates	822	817	839	856	872	889	906	922	939	955	970
Subsidies and grants for operating purposes	60	127	130	133	136	139	142	146	149	152	156
Fees and charges	1,830	1,388	1,097	1,075	1,099	1,123	1,148	1,172	1,206	1,233	1,260
Internal charges and overheads recovered	1,894	2,443	2,488	2,506	2,553	2,583	2,704	2,786	2,875	2,984	2,965
Local authorities fuel tax, fines, infringement fees, and other receipts	1,868	3,409	2,985	3,056	3,127	3,201	3,274	3,353	1,404	1,430	1,455
Total operating funding	28,683	33,570	34,607	35,843	37,633	39,255	40,563	41,705	41,227	42,871	43,970
Applications of operating funding											
Payments to staff and suppliers	17,881	21,464	21,870	22,275	22,695	23,295	23,669	24,320	24,258	24,966	25,514
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	6,191	6,216	6,608	6,974	7,715	8,363	8,729	9,028	9,362	9,615	9,870
Other operating funding applications	632	633	632	647	663	680	692	709	726	734	751
Total applications of operating funding	24,704	28,313	29,110	29,896	31,073	32,338	33,090	34,057	34,346	35,315	36,135
Surplus (deficit) of operating funding	3,979	5,257	5,497	5,947	6,560	6,917	7,473	7,648	6,881	7,556	7,835
Sources of capital funding											
Subsidies and grants for capital expenditure	400	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	2,730	1,311	2,803	1,359	3,261	3,349	3,436	3,522	3,631	3,733	3,833
Increase (decrease) in debt	3,228	14,488	8,407	11,631	9,502	7,328	7,004	7,463	6,072	3,706	3,813
Gross proceeds from sale of assets	522	3,914	550	564	579	594	610	1,379	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	6,880	19,713	11,760	13,554	13,342	11,271	11,050	12,364	9,703	7,439	7,646
Applications of capital funding											
Capital expenditure											
- to meet additional demand	1,037	490	1,562	4,744	2,400	-	-	820	-	-	-
- to improve the level of service	4,214	11,260	7,647	8,346	7,226	4,603	4,142	7,638	3,766	3,706	3,813
- to replace existing assets	4,582	8,654	7,468	7,609	6,165	7,433	8,255	6,246	8,338	5,660	6,427
Increase (decrease) in reserves	1,026	4,566	580	(1,198)	4,111	6,152	6,126	5,308	4,480	5,629	5,241
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	10,859	24,970	17,257	19,501	19,902	18,188	18,523	20,012	16,584	14,995	15,481
Surplus (deficit) of capital funding	(3,979)	(5,257)	(5,497)	(5,947)	(6,560)	(6,917)	(7,473)	(7,648)	(6,881)	(7,556)	(7,835)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information											
Depreciation and amortisation	4,231	5,043	5,181	5,597	5,966	6,325	6,903	7,025	7,396	8,305	8,343

ROADING

This group of activities includes roading, corridor maintenance, bridges, footpaths, passenger transport, road safety, network development and maintenance.

STRATEGIC FOCUS

To concentrate on maintaining the current road network and projects which are mostly growth driven. Waikato District Council is responsible for the following Transportation asset groups:

- Pavements
- Sealed and Unsealed Roads
- Bridges
- Bridges, Large culverts, Retaining walls and Guardrails
- Footpaths, Walkways and Cycle ways
- Concrete footpaths, AC footpaths or cycle lanes
- Drainage Facilities
- Culverts, Surface Water Channels, Sumps, Manholes and cesspits
- Street Lighting
- Traffic Facilities
- Road Lighting, under veranda and Flag Lighting
- Signs, Traffic Controls, Road Marking and Sight Rails, traffic signals
- Minor Structures.
- Bus Shelters

Key Projects

The following key projects are planned for 2021-31:

PROJECTS	LOCATION	BUDGET (\$000)			
		2021/22	2022/23	2023/24	2024/31
Sealed Pavement Maintenance (Waka Kotahi NZTA)	District wide	4,000	4,124	4,248	33,391
Unsealed Road Maintenance (Waka Kotahi NZTA)	District wide	2,710	2,799	2,888	23,874
Drainage Maintenance (Waka Kotahi NZTA)	District wide	2,300	2,403	2,505	27,547
Environmental Maintenance (Waka Kotahi NZTA)	District wide	1,964	2,042	2,121	20,870
Walking & cycling facilities	District wide	1,000	1,031	1,062	7,050
Te Huia rail service	-	220	227	234	0
Te Kauwhata rail amenities	Te Kauwhata	0	102	0	0
District Wide Road Safety Upgrades (LCLR)	District wide	0	1,340	3,345	10,584
Buckland Road minor improvements	-	0	0	212	0
Saulbrey Road roundabout	-	0	206	0	2,083
Pokeno Road - Bridge to Munro Road	-	0	1,340	0	0
Bow Street minor improvements	-	0	0	637	0
New Roads	District wide	2,000	2,062	2,124	16,695
Great South Road/Pokeno Road	-	0	2,062	0	0
New Bridges and large culverts	District wide	1,272	1,437	1,646	0
Road Safety Education (Waka Kotahi NZTA)	District wide	306	319	333	3,698
Gordonton Road improvements	-	4,250	0	0	3,825
Port Waikato Tuakau Bridge Road	-	0	0	2,634	0

Potential Significant Negative Effects

POTENTIAL NEGATIVE EFFECT	HOW WE ARE ADDRESSING THIS
Road and environmental factors can contribute to crashes, particularly those that involve loss of control.	Waka Kotahi NZTA monitors and records through the Crash Analysis System (CAS) the percentage of accidents cause by loss of control. Undertake crash reduction studies (CRS). Maximise funding for minor safety works
Increased traffic congestion on existing transport network.	Roading contributions imposed under consent conditions contribute to road upgrading.
The particular needs of cyclists and pedestrians and their conflicts with other forms of traffic	Implement the recommendations of the Walking and Cycling Strategy
Speed restrictions impose on inappropriate locations causing speed limits to be ignored.	Speed limit surveys carried out and resulting recommendation in accordance with Speed Limit NZ and Transport Agency rules.
If effect is not given to the livestock Movement Bylaw 2011 then existing crossings will remain with resulting traffic hazards and public nuisance.	Monitor to ensure the appropriate and safe crossing of cattle as per bylaw.
Economically, the cost of desired infrastructure improvements may exceed the community's ability to pay.	Consult with the community on all costs and options for levels of service through the LTP process.
The quality of surface runoff from roads that discharges into adjacent coastal or other waters.	Compliance with resource consents and the Council's engineering standards and guidelines. Environmental controls.
Dust nuisance.	Track and record complaints and comply with resource consent conditions during construction activities.
Danger to people and property and high social cost from crashes	Continuing the programme of road safety improvements
Main roads can divide communities	Continuing to advocate for by-passes around urban centres
Potential for negative impacts from traffic noise and vibration to properties adjoining roads	High use roads are usually surfaced with asphalt to improve useful life and level of service. Traffic calming will avoid use of speed humps. Specific issues will be investigated and mitigation measures undertaken as appropriate.
Potential for air pollution from traffic fumes to affect health	Continuing to advocate for by-passes around urban centres
Heavy traffic volumes can lead to loss of amenity in urban areas	Continuing to advocate for by-passes around urban centres
Provides easier access to sites that are culturally sensitive	Continuing to better identify sites of cultural significance
Potential for road construction to disturb sites of cultural significance, including wahi tapu	Continuing to invest in good relationships with tangata whenua

Levels of Service, Performance Measures and Targets: Roading

Rationale - The services provided by our teams ensure that Council's significant roading asset base is operated and maintained to be safe, effective and efficient.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
Provide a safe transport network that encourages healthy travel modes and reduces harm	Footpath Condition	The percentage of footpaths that fall within the level of service or service standard for the condition of footpaths that is set out in the LTP.	96.4%	95%	95%	95%	95%
	Safe Travel	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	+1	reduction by 2 on the previous year	reduction by 2 on the previous year	reduction by 2 on the previous year	reduction by 2 on the previous year
Our transport network activities are transparent, transitioning to sustainable transport solutions, and protect our natural environment	Response and Resolution	The percentage of customer service requests relating to roads and footpaths responded to within the time frame specified in the LTP.	96%	95%	95%	95%	95%
Our transport network is able to meet the needs of economic activity to support thriving communities and provide employment opportunities	Smooth Travel	The average quality of ride on a sealed local road network, measured by smooth travel exposure.	97%	96%	96%	96%	96%
To ensure that the Road network is well maintained and negative environmental effects are mitigated	The network is well maintained and managed	The percentage of the sealed local road network that is resurfaced.	5.3%	Min 5%	Min 5%	Min 5%	Min 5%

Waikato District Council: Prospective Funding Impact Statement: Roading

A forecast for the 10 years ending 30 June 2031:

	ANNUAL PLAN 2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	22,403	23,435	24,290	25,147	25,649	26,405	27,261	28,153	29,133	30,027	31,011
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	8,295	9,800	9,989	10,273	10,523	10,780	11,083	11,392	11,712	12,045	12,388
Fees and charges	175	296	296	296	302	307	313	318	324	329	334
Internal charges and overheads recovered	741	751	739	756	772	800	829	859	890	924	962
Local authorities fuel tax, fines, infringement fees, and other receipts	1,708	2,009	2,051	2,086	2,118	2,155	2,202	2,250	2,301	2,365	2,421
Total operating funding	33,322	36,291	37,365	38,558	39,364	40,447	41,688	42,972	44,360	45,690	47,116
Applications of operating funding											
Payments to staff and suppliers	18,629	22,616	23,393	24,063	24,427	25,026	25,728	26,451	27,196	27,967	28,760
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	4,890	4,017	3,989	4,409	4,929	5,405	5,716	6,052	6,284	6,429	6,803
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	23,519	26,633	27,382	28,472	29,356	30,431	31,444	32,503	33,480	34,396	35,563
Surplus (deficit) of operating funding	9,803	9,658	9,983	10,086	10,008	10,016	10,244	10,469	10,880	11,294	11,553
Sources of capital funding											
Subsidies and grants for capital expenditure	12,915	15,875	17,650	20,938	20,419	25,465	24,474	22,465	21,256	15,595	19,547
Development and financial contributions	1,048	1,133	3,441	1,443	2,399	2,463	2,527	2,591	2,671	2,746	2,820
Increase (decrease) in debt	817	2,097	2,504	1,856	2,343	992	3,061	2,290	2,191	2,502	445
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	14,780	19,105	23,595	24,237	25,161	28,920	30,062	27,346	26,118	20,843	22,812
Applications of capital funding											
Capital expenditure											
- to meet additional demand	2,013	4,854	6,072	2,354	5,359	2,766	7,532	3,340	4,034	3,699	16,311
- to improve the level of service	2,990	6,014	6,716	7,185	5,048	7,134	6,918	10,381	9,469	6,296	966
- to replace existing assets	19,566	17,534	19,469	24,980	26,005	30,359	29,298	24,089	23,565	19,549	21,239
Increase (decrease) in reserves	14	361	1,321	(196)	(1,243)	(1,323)	(3,442)	5	(70)	2,593	(4,151)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	24,583	28,763	33,578	34,323	35,169	38,936	40,306	37,815	36,998	32,137	34,365
Surplus (deficit) of capital funding	(9,803)	(9,658)	(9,983)	(10,086)	(10,008)	(10,016)	(10,244)	(10,469)	(10,880)	(11,294)	(11,553)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information											
Depreciation and amortisation	15,517	18,879	19,567	20,311	21,030	21,762	22,519	23,337	24,173	25,024	25,850

STORMWATER

This group of activities applies to urban stormwater schemes and Council maintained open drains and associated assets within the Waikato district. It does not include roading drainage, which is covered in the Transportation AMP, or rural drainage schemes operated by the Waikato Regional Council.

Under the Land Drainage Act 1908, both the Regional and District Councils are responsible for drainage issues on land that is not part of a drainage district. Urban stormwater networks are maintained and managed by Council with rural land drainage largely being managed by Regional Council.

STRATEGIC FOCUS

To maintain our current stormwater infrastructure to protect our environment from storm damage and run off, and address any growth-driven projects.

The Service Delivery Group is responsible for the efficient management of all Council’s stormwater infrastructure at Ngaruawahia, Huntly, Te Kauwhata urban and district, Raglan, Meremere, Taupiri, Horotiu, Te Kowhai, Port Waikato, Pokeno, Tuakau and Tamahere District.

A central government led Water Reform process is underway and the way in which water, wastewater and stormwater services will be delivered in future will change. Announcements on the shape and construct of the reform are pending at the time of

writing. The Waters Governance Board are focused on reform and ensuring services are uninterrupted to the communities we serve while any integration with a new water entity is undertaken.

Watercare Services currently deliver the bulk of the operations, maintenance and capital delivery for the Council under a long term contract.

Key Projects

The following key projects are planned for 2021-31:

PROJECTS	LOCATION	BUDGET (\$000)			
		2021/22	2022/23	2023/24	2024/31
Consent reapplications	District wide	-	-	-	1,923
Stormwater reticulation extensions	District wide	166	164	172	1,441
Stormwater reticulation upgrades	District wide	775	1,583	1,060	9,403
Stormwater capacity upgrades	District wide	1,364	891	735	6,646
Stormwater network renewals	District wide	208	218	229	1,921

Potential Significant Negative Effects

SIGNIFICANT NEGATIVE EFFECT	HOW WE ARE ADDRESSING THIS
Discharges to land and waterways not complying with resource consents	Improving processes (may be capital related) and continuing to monitor runoff and discharges.
Discharge of contaminants to waterways and streams impacting upon public health and the environment (includes but not limited to wastewater overflows and stormwater runoff containing sediments, oils, greases and heavy metals)	Improving processes. Ensuring compliance with the Council’s consents, Stormwater Strategy, associated CMP’s, the Regional Infrastructure Technical Standards (RITS) and the Waikato Regional Council Stormwater Management Guidelines, for new developments.
Erosion of streams and river beds	Implementing RITS and the Waikato Regional Council Stormwater Management Guidelines and the Council’s consents, Stormwater Strategy, associated CMP’s.
Chemical spills affecting waterways	Establishing procedures and emergency response plans together with the Waikato Regional Council.
Health and safety risks associated with the operation, maintenance, or construction of stormwater infrastructure.	Ensuring compliance with legislation and health and safety management plans.
Potential impacts on customer satisfaction due to service failure/delays/responsiveness	Monitoring customer requests for service and report on Levels of service. Ensuring all customer complaints are resolved.
Disruption during the implementation of works.	Works will be implemented under resource consent and contract conditions dictating how the service will be maintained (case by case basis).
Individuals can affect the stormwater network and neighbouring properties by altering natural flowpaths	Ensuring natural flowpaths are maintained in any new developments’ stormwater designs. Monitor new developments to ensure natural flowpaths are maintained. Ensuring compliance with the Council’s consents, Stormwater Strategy, associated CMP’s, the Regional Infrastructure Technical Standards (RITS) and the Waikato Regional Council Stormwater Management Guidelines, for new developments.
Flooding can affect public health and safety	Continuing to advise land owners of potentially flood-prone areas when new flood mapping is developed. Ensuring all flood mapping is made publically available online and is referenced in the LIMs. Proactively addressing areas of high flood risk through capital works.
Stormwater can cause public health issues through bacterial contamination of beaches	Establishing procedures and emergency response plans together with the Waikato Regional Council.
Contamination of the receiving environment is unacceptable to tangata whenua	Continuing to better identify sites of cultural significance and continual consultation with Iwi.

Levels of Service, Performance Measures and Targets: Stormwater

Rationale - The existing stormwater system has been developed and built up over many years as a public system to serve the needs of the community for the protection from flooding and for the collection and drainage of stormwater. The Council's stormwater portfolio is retained, managed and operated in a strategic leadership role that the Council takes in supporting economic growth and sustainable communities in the district.

The legislative justification for asset ownership is covered under the following Acts and Sections:

- Section 130 LGA 2002, which requires that Council must continue to provide stormwater services and may not divest its ownership or other interest in the stormwater service except to another local government organisation; and
- Section 23 Health Act 1956, which states it shall be the duty of every local authority to improve, promote, and protect public health within its district.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
To ensure that the Council's stormwater infrastructure supports safe and healthy conditions and conforms to established public health standards.	The Stormwater system is reliable and safe	The number of flood events that occur in the territorial authority district.	0	Less than 5 events per annum	Less than 5 events per annum	Less than 5 events per annum	Less than 5 events per annum
		For each flooding event, the number of habitable floors affected. (Expressed per 1,000 properties connected to the territorial authority's stormwater system).	0	0.3 affected per 1,000 properties per event	0.3 affected per 1,000 properties per event	0.3 affected per 1,000 properties per event	0.3 affected per 1,000 properties per event
To ensure that the stormwater infrastructure networks are managed and maintained to ensure it is both cost effective and reliable, and meets water industry best practices	The Stormwater system is reliable, efficient and effective	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site	0	Less than or equal to 2 hours	Less than or equal to 2 hours	Less than or equal to 2 hours	Less than or equal to 2 hours
		The total number of complaints received by the territorial authority about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system.	1.69 per 1,000 properties	Less than 4 per 1,000 properties per year	Less than 4 per 1,000 properties per year	Less than 4 per 1,000 properties per year	Less than 4 per 1,000 properties per year
To ensure that the water infrastructure network is managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment	The Stormwater System is environmentally responsible	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of Abatement Notices, Infringement Notices, Enforcement Orders and successful prosecutions received by the territorial authority in relation to those resource consents	1	0	0	0	0

Waikato District Council: Prospective Funding Impact Statement: Stormwater

A forecast for 10 ten years ending 30 June 2031:

	ANNUAL PLAN 2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	105	195	202	209	216	223	230	237	242	247	252
Targeted rates	1,897	2,226	2,556	2,918	3,327	3,791	4,320	4,918	5,594	6,356	7,216
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	302	378	282	293	313	355	401	445	498	587	730
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding	2,304	2,799	3,040	3,420	3,856	4,369	4,951	5,600	6,334	7,190	8,198
Applications of operating funding											
Payments to staff and suppliers	1,082	2,556	2,729	2,184	2,323	2,408	2,186	2,291	2,416	2,486	2,569
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	534	312	325	418	482	564	647	750	830	908	1,018
Other operating funding applications	6	7	7	8	9	9	10	11	13	14	15
Total applications of operating funding	1,622	2,875	3,061	2,610	2,814	2,981	2,843	3,052	3,259	3,408	3,602
Surplus (deficit) of operating funding	682	(76)	(21)	810	1,042	1,388	2,108	2,548	3,075	3,782	4,596
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	354	155	888	325	948	973	998	1,023	1,055	1,085	1,114
Increase (decrease) in debt	986	1,339	2,040	1,572	1,751	2,225	3,293	2,886	2,343	2,423	2,815
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	1,340	1,494	2,928	1,897	2,699	3,198	4,291	3,909	3,398	3,508	3,929
Applications of capital funding											
Capital expenditure											
- to meet additional demand	100	784	316	149	103	227	328	142	148	154	161
- to improve the level of service	986	1,339	2,040	1,572	1,751	2,225	3,293	2,886	2,343	2,423	2,815
- to replace existing assets	166	410	588	475	608	582	487	523	496	554	540
Increase (decrease) in reserves	770	(1,115)	(37)	511	1,279	1,552	2,291	2,906	3,486	4,159	5,009
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	2,022	1,418	2,907	2,707	3,741	4,586	6,399	6,457	6,473	7,290	8,525
Surplus (deficit) of capital funding	(682)	76	21	(810)	(1,042)	(1,388)	(2,108)	(2,548)	(3,075)	(3,782)	(4,596)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information											
Depreciation and amortisation	752	1,086	1,158	1,240	1,319	1,400	1,490	1,595	1,697	1,798	1,902

WASTEWATER

This group of activities includes all wastewater systems owned and managed by Council. This includes wastewater treatment plants, pump stations and the reticulation network.

STRATEGIC FOCUS

To ensure wastewater is suitably collected, treated and disposed of to protect our environment and the public's health.

The Service Delivery Group is responsible for the efficient management of all Council's wastewater infrastructure at Ngaruawahia, Hopuhopu, Huntly, Te Kauwhata, Raglan, Tuakau, Pokeno, Meremere, Rangiriri, Taupiri, Horotiu, Matangi, Te Kowhai Road, Maramarua, Te Ohaaki and Tauwhare Pa. Management includes network development, maintenance, and

disposal of network components such as pipes, manholes, pump stations and treatment plant equipment.

There are five main wastewater schemes; Huntly, Central District, Raglan, Mid Waikato and North Waikato servicing the urban areas of the district. There are five smaller village schemes; Te Kowhai, Meremere, Matangi, Tauwhare Pa and Maramarua.

Approximately 45% of rateable properties are connected to a Council scheme.

A central government led Water Reform process is underway and

the way in which water, wastewater and stormwater services will be delivered in future will change. Announcements on the shape and construct of the reform are pending at the time of writing. The Waters Governance Board are focused on reform and ensuring services are uninterrupted to the communities we serve while any integration with a new water entity is undertaken.

Watercare Services currently deliver the bulk of the operations, maintenance and capital delivery for the Council under a long term contract.

Key Projects

The following key projects are planned for 2021-31:

PROJECTS	LOCATION	BUDGET (\$000)			
		2021/22	2022/23	2023/24	2024/31
Wastewater treatment plant upgrades	Ngaruawahia	-	-	-	53,001
Wastewater treatment plant upgrades	Raglan	510	4,935	6,873	15,978
Wastewater treatment plant upgrades	Te Kauwhata	14,560	21,840	-	-
Wastewater treatment plant upgrades	Huntly	-	-	-	46,611
Pump stations	District wide	7,072	11,990	9,279	30,740
Reticulation renewals	District wide	2,600	328	344	-
Consent reapplications	District wide	1,924	764	229	4,299
Wastewater Treatment Plant upgrades	District wide	1,144	1,420	1,833	6,725

Note - Waikato District Council is working with Hamilton City Council and Waipa District Council on a sub-regional initiative to have a new centralised wastewater treatment

plant in the Southern Hamilton-Waikato metropolitan area. Waikato has not allowed for any costs in its Long Term Plan but notes an unbudgeted provisional sum of

\$4 million towards upfront investment in land acquisition, designation and consenting processes to signal a commitment to delivering sub-regional solutions.

Potential Significant Negative Effects

SIGNIFICANT NEGATIVE EFFECT	HOW WE ARE ADDRESSING THIS
Discharges to land and waterways not complying with resource consents	Improving processes (may be capital related) and continuing to monitor discharges through improved telemetry.
Odour from manholes, pump stations and at treatment plants	Manholes and pump stations sealable lids and activated carbon odour control devices; to be reviewed and deployed as appropriate.
Surcharges from manholes	Investigating causes and look to undertake remedial works if needed. E.g. disjointed joint or broken pipe. Jetting and cleaning of main and routine CCTV of the network.
Health and safety risks associated with the operation, maintenance, or construction of wastewater infrastructure	Ensuring compliance with legislation and health and safety management plans, Contractors required to comply with both Watercare and their own H&S plans. Maintaining an incidents register.
Pump station overflows (could also be weather related)	Investigating causes, upgrading pumps where required. Pumps routinely (monthly) checked and cleaned (external washdowns and high- pressure hose)
Chemical spills at treatment plants	Ensuring procedures are in place for correct identification, storage and handling of chemicals to ensure compliance with the recent changes in legislation. Ensuring appropriate bunded areas and storage facilities are in place, as well as appropriate personal protective equipment (PPE).
The cost of providing, operating and maintaining the schemes is high due to energy requirements	Commissioning an internal energy saving study to investigate possible ways and methods for energy provision that are less costly than our current operation.
Unless properly maintained there can be problems with foul odour at treatment plants	Continuing to investigate alternative solutions for the sustainable local management of sewage sludge. Reviewing boundary planting of the buffer zone.
Creates an ongoing need for the disposal of sewage sludge	Developing a biosolids strategy to address historic accumulation in ponds, reviewing local solution and considering a centralised biosolids treatment facility.

Levels of Service, Performance Measures and Targets: Wastewater

Rationale - The Council's wastewater portfolio is retained, managed and operated as a strategic leadership role that the Council takes in supporting economic excellence and sustainable communities in the district.

Economic excellence in the district is retained through ensuring that wastewater is collected and delivered to centralised facilities for treatment in a safe and reliable manner. Discharged water quality is more easily controlled, business overheads are lowered through economies of scale of not having to provide localised solutions.

Similarly, communities are more sustainable through centrally managing our wastewater collection and treatment. Direct benefits of providing a wastewater collection service to entire communities include reduced costs and safer, more reliable treatment than areas without a scheme. The quality of the immediate groundwater is protected, thus resulting in healthy communities. These benefits are of strategic importance as the Council seeks to lead the district in supporting sustainable communities.

The legislative justification for asset ownership is covered under the following Acts and Sections:

- Section 130 (Local Government Act 2002) states the obligation of local government to continue to maintain existing water services to communities within the district or region.
- Sections 23, 25, 28 and 29 of the Health Act 1956 imply an underlying obligation to provide wastewater services because of its essential nature to public health. The Act provides guidance to the local authority to provide sanitary works which covers a range of areas from water supply to cemeteries and includes sewerage works.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
To ensure that Council's wastewater infrastructure supports safe and healthy conditions and conforms to established public health standards	The Stormwater system is reliable and safe	Number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1,000 sewerage connections to the sewerage system.	1.66 per 1,000 connections	Less than or equal to 3 per 1,000 connections	Less than or equal to 3 per 1,000 connections	Less than or equal to 3 per 1,000 connections	Less than or equal to 3 per 1,000 connections
		Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, median response - Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site.	34 minutes	Less than or equal to 1 hour (60 minutes)	Less than or equal to 1 hour (60 minutes)	Less than or equal to 1 hour (60 minutes)	Less than or equal to 1 hour (60 minutes)
To ensure that the wastewater infrastructure networks are managed and maintained to ensure it is both cost effective and reliable, and meets water industry best practice.	The wastewater system is reliable, efficient and effective	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, median response - resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	123 minutes	Less than or equal to 4 hours (240 minutes)	Less than or equal to 4 hours (240 minutes)	Less than or equal to 4 hours (240 minutes)	Less than or equal to 4 hours (240 minutes)
		The total number of complaints received by the territorial authority about sewerage odour, sewerage system faults, sewerage system blockages and the territorial authority's response to issues within the sewerage system, expressed per 1000 connections to the territorial authority's sewerage system.	9.45 per 1,000 connections	Less than or equal to 10 per 1,000 connections	Less than or equal to 10 per 1,000 connections	Less than or equal to 10 per 1,000 connections	Less than or equal to 10 per 1,000 connections
To ensure that the wastewater infrastructure is managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment	Wastewater treatment and disposal minimises harm to the environment	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of Abatement Notices, Infringement Notices, Enforcement Orders and successful prosecutions received by the territorial authority in relation to those resource consents	0	Equal or less than 2	Equal or less than 2	Equal or less than 2	Equal or less than 2
		Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of convictions received by the territorial authority in relation to those resource consents.	0	0	0	0	0

Waikato District Council: Prospective Funding Impact Statement: Wastewater

A forecast for 10 ten years ending 30 June 2031:

	ANNUAL PLAN 2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	244	388	396	408	421	433	446	459	469	478	489
Targeted rates	11,819	12,860	14,492	16,222	18,153	20,295	22,626	25,279	28,242	31,513	35,130
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,319	3,792	3,820	3,848	3,889	3,935	3,979	4,380	4,417	5,293	5,329
Internal charges and overheads recovered	41	225	219	256	293	319	322	329	297	292	333
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding	13,423	17,265	18,927	20,734	22,756	24,982	27,373	30,447	33,425	37,576	41,281
Applications of operating funding											
Payments to staff and suppliers	4,691	7,198	11,995	13,085	12,728	13,003	13,310	15,160	15,604	16,980	17,953
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	4,964	2,667	3,148	4,059	4,443	5,003	5,923	6,633	7,522	8,138	8,995
Other operating funding applications	347	372	402	434	469	507	547	592	642	696	754
Total applications of operating funding	10,002	10,237	15,545	17,578	17,640	18,513	19,780	22,385	23,768	25,814	27,702
Surplus (deficit) of operating funding	3,421	7,028	3,382	3,156	5,116	6,469	7,593	8,062	9,657	11,762	13,579
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	904	4,013	3,981	3,389	5,138	5,196	5,254	5,310	5,383	5,450	5,516
Increase (decrease) in debt	3,237	11,793	21,586	9,313	9,415	19,075	13,968	15,801	10,888	11,356	12,311
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	4,141	15,806	25,567	12,702	14,553	24,271	19,222	21,111	16,271	16,806	17,827
Applications of capital funding											
Capital expenditure											
- to meet additional demand	814	12,731	21,323	10,685	14,680	8,938	7,341	8,629	4,390	4,693	3,886
- to improve the level of service	3,237	6,581	10,959	3,242	3,394	8,154	5,768	6,433	6,287	6,557	7,306
- to replace existing assets	1,691	11,546	12,052	7,781	7,110	14,835	12,336	14,727	14,289	13,636	15,000
Increase (decrease) in reserves	1,820	(8,024)	(15,385)	(5,850)	(5,515)	(1,187)	1,370	(616)	962	3,682	5,214
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	7,562	22,834	28,949	15,858	19,669	30,740	26,815	29,173	25,928	28,568	31,406
Surplus (deficit) of capital funding	(3,421)	(7,028)	(3,382)	(3,156)	(5,116)	(6,469)	(7,593)	(8,062)	(9,657)	(11,762)	(13,579)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information											
Depreciation and amortisation	2,019	3,624	4,098	4,851	5,321	5,875	6,433	6,941	7,479	7,968	8,500

WATER SUPPLY

This group of activities applies to all drinking water supplies owned and managed by Council. This includes all water treatment plants, pump stations, reservoirs and the reticulation network.

STRATEGIC FOCUS

To maintain our present network, addressing specific health issues and projects that are predominantly growth driven.

The Service Delivery Group is responsible for the efficient management of all Council's water supply infrastructure at Ngaruawahia, Horotiu, Huntly, Raglan, Hopuhopu, Taupiri, Te Kauwhata, Meremere, Whangamarino, Rangiriri, Tuakau, Pokeno, Southern Districts (Tamahere, Matangi, Eureka, Newstead, Puketaha, Gordonton) and Western Districts (Te Kowhai Road and Stonebridge), Onewhero,

Port Waikato and Te Akau South. Management includes network development, maintenance, and disposal of network components such as pipes, valves, hydrants, pumps and treatment plant equipment.

There are five main water schemes; Central District, Huntly, Raglan, Mid Waikato and North Waikato servicing primarily the urban areas of the district. The other remaining schemes service villages and rural areas.

Approximately 50% of rateable properties are connected to a Council scheme.

A central government led Water Reform process is underway and the way in which water, wastewater and stormwater services will be delivered in future will change. Announcements on the shape and construct of the reform are pending at the time of writing. The Waters Governance Board are focused on reform and ensuring services are uninterrupted to the communities we serve while any integration with a new water entity is undertaken.

Watercare Services currently deliver the bulk of the operations, maintenance and capital delivery for the Council under a long term contract.

Key Projects

The following key projects are planned for 2021-31:

PROJECTS	LOCATION	BUDGET (\$000)			
		2021/22	2022/23	2023/24	2024/31
Water Supply reticulation renewals	District wide	400	328	344	2,882
Reservoir renewals	District wide	520	1,256	2,463	6,435
Reservoir extensions	District wide	3,224	1,638	2,291	12,216
Pump Station upgrades	District wide	291	-	-	1,255
Pump Station renewals	District wide	156	164	57	2,059
Water Treatment Plant upgrade	Te Kauwhata	-	-	-	35,613
Water Treatment Plant upgrades	Raglan, Ngaruawahia, Huntly	1,229	-	-	938
Reticulation extensions	District wide	1,171	1,856	3,723	24,111
Reticulation renewals	District wide	1,040	1,092	1,146	9,607
Reticulation upgrades	District wide	1,508	2,839	1,764	12,730

Potential Significant Negative Effects

SIGNIFICANT NEGATIVE EFFECT	HOW WE ARE ADDRESSING THIS
Potential contamination of the raw water supply	Emergency response plans, operational procedures and monitoring of the raw water supply quality. Ensuring all Water Safety Plans (formerly known as Public Health Risk Management Plan, PHRMP) are developed from the Water Safety Plan Guides for Drinking Water Supplies, 2014, and are kept up to date.
Discharge of backwash water from treatment plants and chlorinated water from maintenance activities or pipe failures	Ensuring compliance with resource consents and the RITS, establishing and implementing a maintenance programme with activities effectively planned and coordinated.
Effects on river ecology caused by river water extraction during low flows	Ensuring compliance with resource consents, keeping up to date with Waikato Regional Council's river level and flow data.
Depletion of aquifer resources	Ensuring compliance with resource consents.
Health and Safety risks associated with the operation, maintenance, or construction of water supply infrastructure	Ensuring compliance with legislation and health and safety management plans, Contractors required to comply with both Watercare and their own H&S plans. Maintaining an incidents register.
Insufficient water supplies during times of drought and emergency	Ensuring water sources security and capacity to supply future growth projections. Identifying potential new sources and back up supplies. Implementation of conservation measures.
Drinking water not meeting the Drinking Water Standard 2005	Improving water quality monitoring capacity and processes. Activities may include more test points.
Inadequate pressure and flow to fight fires	Ensuring compliance with SNZ PAS 4509:2008 New Zealand Fire Service Firefighting Water Supplies Code of Practice. Carrying out modelling/pressure testing and implement remedial works.
Water abstraction from streams and rivers can have an adverse effect on the mauri of the water body	Continuing to better identify cultural significance of water catchments through early engagement with iwi and comply with all resource consent conditions.
Insufficient water available during times of drought and emergencies	Implementing conservation measures and prioritising use for public health requirements

Levels of Service, Performance Measures and Targets: Water Supply

Rationale - The Council's water supply portfolio is retained, managed and operated as a strategic leadership role that the Council takes in supporting economic excellence and sustainable communities in the district.

Economic excellence in the district is retained through having a reliable water source. Water dependent processes are more easily controlled, the acute effects of droughts on supply markets are tempered, and business overheads are lowered through economies of scale.

Similarly, communities are more sustainable through centrally managing our water supply resources. Direct benefits of providing water to entire communities include reduced costs and safer, more reliable water supply than areas without a scheme. These benefits are of strategic importance as the Council seeks to lead the district in supporting sustainable communities.

The Local Government Act 2002 requires that local government organisations that provide water services must continue to do so, the Act states there is an obligation to maintain water services (Section 130).

Under the Health (Drinking Water) Amendment Act 2007, the requires suppliers of drinking water to take all practicable steps to ensure that an adequate supply of drinking water is provided to each point of supply that the supplier provides for (Section 69S).

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
To ensure that the Council's water infrastructure supports safe and healthy conditions and conforms to established public health standards.	The water supply is safe to drink.	The extent to which the local authority's drinking water supply (zones) complies with Part 4 of the drinking water standards (bacteria compliance criteria)	18 zones	18 (no. of zones that comply out of 18)	18 (no. of zones that comply out of 18)	18 (no. of zones that comply out of 18)	18 (no. of zones that comply out of 18)
		The extent to which the local authority's drinking water supply (zones) complies with Part 5 of the drinking water standards (protozoal compliance criteria)	NEW	15 (no. of zones that comply out of 18)	15 (no. of zones that comply out of 18)	15 (no. of zones that comply out of 18)	15 (no. of zones that comply out of 18)
		Where the local authority attends a call out in response to a fault or unplanned interruption to its networked reticulation system, median response time - attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	40 minutes	Less than or equal to 60 mins	Less than or equal to 60 mins	Less than or equal to 60 mins	Less than or equal to 60 mins
To ensure that the waters infrastructure networks are managed and maintained to ensure it is both cost effective and reliable, and meets water industry best practice	The water supply is reliable and water is received at a good flow/pressure	Where the local authority attends a call out in response to a fault or unplanned interruption to its networked reticulation system, median response time - resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	103 minutes	Less than or equal to 240 minutes	Less than or equal to 240 minutes	Less than or equal to 240 minutes	Less than or equal to 240 minutes
		Where the local authority attends a call out in response to a fault or unplanned interruption to its networked reticulation system, median response time - attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	1 day	Less than or equal to 5 days	Less than or equal to 5 days	Less than or equal to 5 days	Less than or equal to 5 days
		Where the local authority attends a call out in response to a fault or unplanned interruption to its networked reticulation system, median response time - resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	1 day	Less than or equal to 5 days	Less than or equal to 5 days	Less than or equal to 5 days	Less than or equal to 5 days
		The total number of complaints received by the local authority on drinking water clarity, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of Supply, the local authority's response to any of these issues, expressed per 1000 connections to the local authority's networked reticulation system.	19.35 per 1,000 connections	Less than or equal to 25 per 1000 connections	Less than or equal to 25 per 1000 connections	Less than or equal to 25 per 1000 connections	Less than or equal to 25 per 1000 connections
		The average consumption of drinking water per day per resident within the territorial authority district.	210L	250L	250L	250L	250L
To ensure that the water infrastructure network is managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment.	Water extraction and use for potable water supply shall be managed in an efficient and sustainable manner.	The percentage real water loss from the local authority's networked reticulated system (including a description of the methodology used to calculate this).	32.9%	28%	28%	28%	28%

Waikato District Council: Prospective Funding Impact Statement: Water Supply

A forecast for 10 ten years ending 30 June 2031:

	ANNUAL PLAN 2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	185	338	351	363	377	389	401	414	423	433	443
Targeted rates	10,873	11,158	12,421	13,895	15,576	17,539	19,764	22,402	25,415	28,937	33,052
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	97	108	113	118	123	128	134	140	148	155	163
Internal charges and overheads recovered	203	402	287	278	300	354	398	422	502	589	806
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding	11,358	12,006	13,172	14,654	16,376	18,410	20,697	23,378	26,488	30,114	34,464
Applications of operating funding											
Payments to staff and suppliers	4,593	9,558	9,388	9,668	10,273	10,789	11,142	11,336	12,320	12,355	13,018
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	4,315	2,502	2,609	2,890	3,212	3,589	3,870	4,230	4,902	5,160	5,201
Other operating funding applications	38	66	69	71	74	76	79	83	87	92	96
Total applications of operating funding	8,946	12,126	12,066	12,629	13,559	14,454	15,091	15,649	17,309	17,607	18,315
Surplus (deficit) of operating funding	2,412	(120)	1,106	2,025	2,817	3,956	5,606	7,729	9,179	12,507	16,149
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,357	1,659	2,213	1,619	2,955	3,015	3,074	3,132	3,206	3,275	3,343
Increase (decrease) in debt	359	3,875	3,822	3,087	3,262	4,373	4,122	5,966	4,501	3,800	2,207
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	124	199	208	216	226	237	248	261	275	290	305
Total sources of capital funding	1,840	5,733	6,243	4,922	6,443	7,625	7,444	9,359	7,982	7,365	5,855
Applications of capital funding											
Capital expenditure											
- to meet additional demand	1,398	3,917	3,767	7,039	11,116	8,214	9,971	16,206	16,432	745	4,244
- to improve the level of service	359	4,135	3,767	3,030	3,202	4,310	4,056	5,898	4,430	3,726	886
- to replace existing assets	2,116	2,756	2,512	2,635	2,279	2,384	2,491	2,600	2,715	2,832	2,953
Increase (decrease) in reserves	379	(5,195)	(2,697)	(5,757)	(7,337)	(3,327)	(3,468)	(7,616)	(6,416)	12,569	13,921
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	4,252	5,613	7,349	6,947	9,260	11,581	13,050	17,088	17,161	19,872	22,004
Surplus (deficit) of capital funding	(2,412)	120	(1,106)	(2,025)	(2,817)	(3,956)	(5,606)	(7,729)	(9,179)	(12,507)	(16,149)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information											
Depreciation and amortisation	2,696	3,244	3,522	3,814	4,160	4,583	4,993	5,441	6,032	6,629	6,985

ORGANISATIONAL SUPPORT

This group of activities is essentially the Council’s engine room and includes communications, business improvement, human resources, health and safety, finance and treasury, rates, information management, legal counsel and corporate property.

STRATEGIC FOCUS

To put into action the initiatives to take the organisation forward; making services more efficient and cost effective for ratepayer and continually reviewing how we can improve.

Communications

The Communications team is responsible for the Council’s corporate communication and public relations activities.

Our portfolio includes strategic communications, crisis and issues management, media liaison, internal communications, stakeholder relations, reputation and corporate brand management, marketing communication, design, online communication and management of significant Council events.

We are legislated to support Civil Defence emergency Public Information Management (PIM) requirements. We are the guardians of the Council’s reputation; responsible for the development and positive positioning of the Council’s image and reputation. We support projects (as appropriate) across the business.

Business improvement

Business improvement will focus on delivering demonstrable dollar savings to the Council and to do this, we will provide all staff with the support and tools to make change. Significant opportunities will also be projected to ensure that benefits are achieved.

People and Capability

The business plan outlines the environment, challenges, opportunities and priorities for the People and Capability team over the next two years. This plan will act as the route marker to indicate if we are

on the right path or to allow us to explain why we have chosen a new path. We believe our efforts will be congruent with our customers’ needs if we focus on building organisational trust within and between all levels of our employees. This will build stronger and more respectful relationships, create opportunities to establish dialogue, increase levels of employee engagement and result in a more productive workforce. This approach will also create the foundation upon which we can build more meaningful performance tools, development plans and succession strategies.

The results of these efforts will be projects, training and services that will align values and support decision making. Our goal is that all employees will have clarity in how their contribution supports the vision, managers will have the tools that they require to be effective in support and developing their staff, and together we will foster a culture of service that earns the trust, respect and confidence of our community.

Zero Harm (Health, Safety and Well-being)

Council is committed to providing a safe and healthy working environment for our staff, elected members, contractors, volunteers and communities. Council will pursue a culture of Zero Harm by eliminating or managing health, safety and well-being risks. In order for Council to deliver on this commitment we will:

- Foster an environment of collaboration and innovation on all matters relating to health, safety and well-being
- Design, construct, operate and maintain our assets to provide a healthy and safe working

environment for our people and communities

- Align our health and safety objectives with Council’s strategies and risk profiles
- Monitor and review health and safety performance to ensure our objectives are being met.

Finance and treasury

Undertakes financial planning activities and prepares financial information to facilitate good decision making. Ensures there are effective and efficient financial and rating systems in place, in line with policy and legislation. Manages Council’s funds in accordance with the treasury risk management policy. Manages the day-to-day financial operations of Council (accounts payable, credit control, bank management, and payroll). Produces key financial documents of the Council.

Rates

Ensures there are effective, efficient and accurate rating systems in place, in line with policy and legislation.

Information management

Manages the support & delivery of ICT infrastructure, enterprise applications, business intelligence (BI), geographic information system (GIS), and information & record management services.

Legal counsel

To provide legal services, and risk management support to the organisation, manage all legal proceedings taken by or against Council, including enforcement action, initiate or provide input into the strategic direction of Council, i.e. bylaws, policies, processes and promote a legal compliance culture within the organisation.

Levels of Service, Performance Measures and Targets: Organisational Support

Rationale - To put into action the initiatives to take the organisation forward; making services more efficient and cost effective for ratepayer and continually reviewing how we can improve.

OUR OBJECTIVE	WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	LATEST RESULT (2019/20)	TARGETS			
				2021/22	2022/23	2023/24	2024-2031
Disciplined Management Systems	Reduce work related injuries	The number of total recordable injuries (TRI) at Waikato District Council.	NEW	2	2	2	2

Waikato District Council: Prospective Funding Impact Statement: Organisational Support

A forecast for 10 ten years ending 30 June 2031:

	ANNUAL PLAN 2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	7,019	7,757	8,201	9,188	10,316	11,037	12,151	13,622	14,309	14,749	16,156
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	7,229	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	36,375	25,407	33,862	36,854	39,760	42,602	45,142	47,034	49,525	51,472	53,628
Local authorities fuel tax, fines, infringement fees, and other receipts	1,066	727	741	787	802	816	830	844	857	871	884
Total operating funding	44,460	41,120	42,804	46,829	50,878	54,455	58,123	61,500	64,691	67,092	70,668
Applications of operating funding											
Payments to staff and suppliers	25,609	23,383	24,171	24,065	24,299	24,226	24,859	25,052	25,785	26,261	27,099
Finance costs	5,497	4,506	5,463	7,064	8,468	10,046	11,490	12,866	14,164	14,564	14,688
Internal charges and overheads applied	8,486	9,072	9,105	9,395	9,931	10,388	10,713	11,026	11,264	11,683	12,543
Other operating funding applications	1,596	1,699	1,739	1,930	1,823	1,862	2,059	1,941	1,975	2,176	2,045
Total applications of operating funding	41,188	38,660	40,478	42,454	44,521	46,522	49,121	50,885	53,188	54,684	56,375
Surplus (deficit) of operating funding	3,272	2,460	2,326	4,375	6,357	7,933	9,002	10,615	11,503	12,408	14,293
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	7,034	11,014	19,936	14,489	11,720	(5,711)	(2,278)	(8,002)	(11,106)	(35,235)	(40,140)
Gross proceeds from sale of assets	-	-	257	408	460	340	220	250	250	250	250
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	7,034	11,014	20,193	14,897	12,180	(5,371)	(2,058)	(7,752)	(10,856)	(34,985)	(39,890)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	528	6,506	212	2,605	-	145	994	-
- to improve the level of service	2,768	1,318	904	27	28	374	4,280	31	249	1,523	33
- to replace existing assets	2,704	4,335	4,188	3,037	2,624	3,111	2,950	3,285	3,110	4,058	4,247
Increase (decrease) in reserves	(4,745)	7,112	16,536	14,947	8,753	(1,585)	(3,334)	(886)	(3,107)	(29,029)	(29,640)
Increase (decrease) of investments	9,579	709	891	733	626	450	443	433	250	(123)	(237)
Total applications of capital funding	10,306	13,474	22,519	19,272	18,537	2,562	6,944	2,863	647	(22,577)	(25,597)
Surplus (deficit) of capital funding	(3,272)	(2,460)	(2,326)	(4,375)	(6,357)	(7,933)	(9,002)	(10,615)	(11,503)	(12,408)	(14,293)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information											
Depreciation and amortisation	1,403	1,341	1,900	2,352	2,794	3,165	3,148	3,213	3,094	3,315	3,554



FUNDING IMPACT STATEMENT

DEFINITIONS

Residential - General

Properties for which the permitted activity in the District Plan is related to residential zone, village zone, country living zone, rural zone, paa, education, recreation, and conservation use.

Residential - Wastewater

Residential is defined as any part of a rating unit that is used primarily for residential purposes.

Commercial

Properties for which the permitted activity in the District Plan is related to business, industrial, transportation use and other network utilities.

Commercial – Wastewater

Commercial (commercial) is defined as any part of a rating unit that is not categorised as residential, commercial (non-rateable) or commercial (assistance for the elderly).

Commercial (non-rateable) is defined as organisations classified by the Act as fully non-rateable or organisations that are not-for-profit as determined by the Council.

Commercial (assistance for the elderly) is defined as organisations that are supportive of the elderly, including retirement homes, rest homes and

Council-owned pensioner flats, as determined by the Council.

Separately used or inhabited part of a rating unit (SUIP)

A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner, or a person other than 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 or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the purposes of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'. This includes any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

For the purpose of this definition, where the use or inhabitation is an accessory one or is ancillary to another property or part thereof, it is not a separately used or inhabited part. For example:

- Not separately used or inhabited parts of a rating unit.
- A residential sleep-out or granny flat without independent kitchen facilities.
- A hotel room with or without kitchen facilities.
- Motel rooms with or without kitchen facilities.
- Individual storage garages/sheds/partitioned areas of a warehouse.
- Individual offices/premises of partners in a partnership.

The following are examples of where there may be application of multiple charges because a rating unit is comprised of more than one separately used or inhabited part:

- Houses/flats/apartments.
- Flats that share kitchen/bathroom.

As a minimum, the land or premises intended to form a separately used or inhabited part of the rating unit must be capable of actual habitation or actual separate use.

The Council proposes to set the following rates for the financial year commencing 1 July 2021 and ending 30 June 2022. All amounts (except where otherwise stated) are inclusive of GST.

undertake the work programme outlined in the first year of the Long Term Plan 2021-31 is proposed to be \$0.0020692 in the dollar of

capital value. This work programme covers Animal Control, Community and Safety, Corporate and Council Leadership, Environmental Health,

Community Liaison, Libraries, Parks and Reserves, Resource Management, Roading, Solid Waste management, Stormwater, Wastewater and Water Supply.

Uniform Annual General Charge (UAGC)

The Council proposes to set a UAGC of \$417.63 per rating unit in the 2021/2022 year.

The Council considered and agreed on a range of services, which a UAGC

might fund. The appropriate services are viewed as people-related, rather than property-related, including libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental health, resource management planning, environmental consents planning, area offices and democracy/local government.

At \$417.63 the UAGC along with other fixed charges will contribute approximately 18% of the total rates revenue expected to be collected by the Council. The legislative maximum for rates revenue collected from the UAGC and targeted rates set on a uniform basis is 30% as per the Local Government (Rating) Act (LGRA). The Council considered that the amount of the UAGC was fair and equitable and took into account the needs of our diverse community.

TARGETED RATES

Community facilities rates

The Council proposes to set targeted rates for the purpose of covering the costs of maintenance and operation of community facilities in the respective defined rating areas of Huntly (urban), Ngaruawahia and Raglan. This rate is a fixed amount per rating unit on all rating units within the catchment area.

www.waikatodistrict.govt.nz/maps

Hall or Community Centres

The Council proposes to set targeted rates for the purpose of covering the costs of maintenance and operation of halls, other facilities and community centres in the respective rating areas. This rate is a fixed amount per separately used or inhabited part of a rating unit (SUIP) within the defined hall/community centre area (except for the Te Kohanga rate which is an amount in dollar of land value). The targeted rates are specific to individual areas.

www.waikatodistrict.govt.nz/maps

Tamahere Recreation Reserve

The Council proposes to set a targeted rate for the purpose of covering the costs of loan interest and additional operational costs for the above average level of service of Tamahere Recreation Reserve. This rate is a fixed amount per separately used or inhabited part of a rating unit (SUIP) used for residential purposes within the defined catchment area of the Tamahere Ward.

www.waikatodistrict.govt.nz/maps

Huntly Pool (Rural)

The Council proposes to set a targeted rate for the purpose of covering part of the costs of maintenance and operation of the Huntly Pool. This rate is a fixed amount per rating unit on all rating units within the catchment area

www.waikatodistrict.govt.nz/ltmaps

REFUSE & RECYCLING

District wide refuse and recycling collection

The Council proposes to set a targeted rate for household refuse collection, recycling and disposal where the refuse collection service is provided. The rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area.

www.waikatodistrict.govt.nz/maps

Raglan Recycling Collection

The Council proposes to set a targeted rate for the purpose of covering the costs of recycling and waste minimisation where the service is provided in Raglan. This rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area.

www.waikatodistrict.govt.nz/maps

Te Mata/Te Uku Recycling Collection Point

The Council proposes to set a targeted rate for the purpose of covering the costs of recycling

collection points for the Te Mata and Te Uku area. This rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area.

www.waikatodistrict.govt.nz/maps

Tuakau Refuse And Recycling Collection

The Council proposes to set a targeted rate for refuse collection, recycling and disposal in the Tuakau area. The rate is a fixed amount per wheelie bin supplied to each rating unit within the serviced area.

www.waikatodistrict.govt.nz/maps

Glen Murray Recycling Collection Point

The Council proposes to set a targeted rate for the purpose of covering the costs of recycling collection points for the Glen Murray area. This rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area.

www.waikatodistrict.govt.nz/maps

RATES

General Rate

The Council proposes to set a General Rate on the capital value of rateable land within its district. The General Rate required to

WATER SUPPLY

The Council proposes to set targeted rates to fund expenditure on water activities.

Availability

The rate is a fixed amount of \$293.81 per rating unit for availability/ serviceability of a water supply service to a rating unit (available or serviceable means a rating unit situated within 100 metres of any part of the water network).

Metered – Connection charge

The rate is a fixed amount of \$293.81 per separately used or inhabited part of a rating unit (SUIP). The Council also proposes to set rates per cubic metre of water supplied to rating units (see below).

Water by meter

The Council proposes to set targeted rates to fund expenditure on water activities for metered water supply. The rates are an amount per unit of water (cubic metre) consumed or supplied as measured or controlled by a meter. The rate for 2021/2022 is \$2.10 per cubic metre.

Wastewater

The Council proposes to set a District Wide targeted rate to fund expenditure on wastewater activities for those properties that receive the wastewater service.

The rates are differentiated by residential or commercial use.

Properties in the residential differential are further differentiated by connection or availability of the service. For the purposes of this rate:

- Residential is the base differential. The rate is set and assessed as an amount per separately used or inhabited part of a rating unit (SUIP) for connected rating units.
- Availability is defined as any rating unit situated within 30 metres of a public wastewater drain to which it is capable of being effectively connected - set

as 50% of the fixed amount for connected properties and set and assessed as an amount per rating unit for residential properties.

- Commercial (commercial) - The rates are set and assessed as:
 - An amount per separately used or inhabited part of a connected rating unit (SUIP) for the first two pans (equivalent to 100% of the residential connected differential); and
 - An amount per pan for the third and subsequent pans in any connected separately used or inhabited parts of a rating unit (SUIP; equivalent to 50% of the residential connected differential).
- Commercial (non rateable) - The rates are set and assessed as:
 - An amount per separately used or inhabited part of a connected rating unit for the first two pans (SUIP; equivalent to 100% of the residential connected differential); and
 - An amount per pan for the third and subsequent pans in any connected separately used or inhabited parts of a rating unit (SUIP; equivalent to 10% of the residential connected differential).
- Commercial (Assistance for the elderly) - The rates are set and assessed as
 - An amount per separately used or inhabited part of a connected rating unit for the first two pans (SUIP; equivalent to 100% of the residential connected differential) and
 - An amount per pan for the third and subsequent pans in any connected separately used or inhabited part of a rating unit (SUIP; equivalent to 20% of the residential connected differential).

Urban stormwater

The Council proposes to set a targeted rate to fund expenditure on stormwater activities for stormwater catchments in Horotiu, Huntly, Matangi, Meremere, Ngaruawahia, Pokeno, Port Waikato, Raglan, Taupiri, Te Kauwhata and Tuakau based on the availability of drainage to land as a fixed amount per rating unit.

www.waikatodistrict.govt.nz/maps

Tamahere Rural Stormwater – Availability and Land drainage

The Council proposes to set a targeted rate to fund expenditure on rural stormwater activities for the Tamahere stormwater rating area based on the availability of drainage to land. This targeted rate is a fixed amount per rating unit across the scheme.

In addition to this targeted rate, ratepayers in the Tamahere stormwater rating area will also be liable for a Land Drainage targeted rate to fund expenditure on drainage activities received from the Tamahere drainage system. This charge is an amount per hectare of land.

www.waikatodistrict.govt.nz/maps

Community board targeted rate

The Council proposes to set a targeted rate for the purpose of covering the direct costs of operating all the community boards within the district. This rate is a fixed amount per rating unit for all rating units within the Onewhero-Tuakau, Huntly, Taupiri, Ngaruawahia and Raglan areas.

www.waikatodistrict.govt.nz/maps

Capital works targeted rates

The Council proposes to set targeted rates for the purpose of funding the capital cost and interest charges of specific capital work. The rates are a fixed charge per connection for connected properties within the relevant scheme catchment area.

Council initially provided ratepayers with an option on whether to pay for the cost of the capital work by a single payment over three instalments in a year or via targeted rates over an expected period of 10 years.

Council annually provides ratepayers with an option to pay off the balance of the rating unit’s anticipated liability for future years for these targeted rates.

The targeted rates only apply to those rating units for which liability has not been discharged.

Pokeno wastewater scheme

A charge of \$13,619 per rating unit was made for the purpose of covering the capital cost of the wastewater system. For rating units that have not discharged their liability, the Council will set a targeted rate as:

- a fixed amount per connection of \$1,654.35 (inclusive of GST) (comprising \$1,361.90 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

LUMP SUM CONTRIBUTIONS

Wahaanga Coast wastewater scheme contributions

A charge of \$15,390 per rating unit was made for the purpose of covering the capital cost of the wastewater system. For rating units that have not discharged their liability, the Council will set a targeted rate as:

- a fixed amount per connection of \$1,689.22 (inclusive of GST) (comprising \$1,539.00 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

Lump sum contributions generally

The Council will not accept lump sum contributions in respect of any targeted rate, except where stated explicitly in this Funding Impact Statement.

EARLY PAYMENT POLICY

Per resolution WDC05/105/1/2 Council will accept payment in advance of any applicable rate instalment both in the current or future years. No discount will be given or interest paid in relation to any payments on this basis.

Any such payments made in advance will be credited against the appropriate rate instalment as directed by the ratepayer.

DUE DATES

The Waikato District Council due dates for rate payments for the 2021/22 year (excluding water by meter rates) shall be due in three equal instalments as follows:

First Instalment
20 September 2021

Second Instalment
20 January 2022

Third Instalment
20 May 2022

A penalty of 10% on so much of any rates instalment that has been assessed after 01 July 2021 and which is unpaid after the due date for payment, will be applied on the penalty dates as follows:

First instalment
21 September 2021

Second instalment
21 January 2022

Third instalment
23 May 2022

The Waikato District Council water by meter rates shall be invoiced separately and payable in two instalments each year. For the 2021/22 financial year, the meter reading dates and the payment due dates of instalments for each area are:

AREA	READING DATE 1	PAYMENT DUE DATE 1	READING DATE 2	PAYMENT DUE DATE 2
Ngaruawahia	July 2021	3 September 2021	January 2022	4 March 2022
Taupiri	July 2021	3 September 2021	January 2022	4 March 2022
Horotiu	July 2021	3 September 2021	January 2022	4 March 2022
Huntly	August 2021	1 October 2021	February 2022	1 April 2022
North Waikato	September 2021	5 November 2021	March 2022	6 May 2022
Pokeno	September 2021	5 November 2021	March 2022	6 May 2022
Port Waikato	October 2021	3 December 2021	April 2022	3 June 2022
Onewhero	October 2021	3 December 2021	April 2022	3 June 2022
Tuakau	October 2021	3 December 2021	April 2022	3 June 2022
Southern Districts	November 2021	7 January 2022	May 2022	1 July 2022
Western Districts	November 2021	7 January 2022	May 2022	1 July 2022
Raglan	December 2021	4 February 2022	June 2022	5 August 2022
Te Akau	December 2021	4 February 2022	June 2022	5 August 2022

A penalty of 10% on so much of any water by meter instalment that has been assessed after 1 July 2021 and which is unpaid after the due date for payment will be applied on the following dates:

AREA	PENALTY DATE 1	PENALTY DATE 2
Ngaruawahia	7 September 2021	7 March 2022
Taupiri	7 September 2021	7 March 2022
Horotiu	7 September 2021	7 March 2022
Huntly	4 October 2021	4 April 2022
North Waikato	8 November 2021	9 May 2022
Pokeno	8 November 2021	9 May 2022
Port Waikato	6 December 2021	7 June 2022
Onewhero	6 December 2021	7 June 2022
Tuakau	6 December 2021	7 June 2022
Southern Districts	10 January 2022	4 July 2022
Western Districts	10 January 2022	4 July 2022
Raglan	7 February 2022	8 August 2022
Te Akau	7 February 2022	8 August 2022

A penalty of 10% on so much of any rates or metered water rates assessed before 30 June 2021 which remain unpaid on 1 July 2021. The penalty date is 1 July 2021.

A further penalty of 10% on any rates or metered water rates to which a penalty has been added on 1 July 2021 if the rates remain unpaid. The penalty date is 1 January 2022.

RATING BASE INFORMATION

Rates for the financial year commencing 1 July 2021 to 30 June 2022 (All figures are inclusive of GST):

SOURCE	CATEGORY	FUNDING	BASIS OF RATING	LTP 2021/22 (\$)	ESTIMATED REVENUE (\$000)
General Rate		Work program as highlighted in the long term plan including Animal Control, Community and Safety, Corporate and Council Leadership, Environmental Health, Community Liason, Libraries, Parks and Reserves, Resource Management, Rooding, Solid Waste management, Stormwater, Wasterwater and Water Supply	Uniform rate in the dollar of capital value	0.0020692	70,571
Uniform annual general charge (UAGC)	All rateable land in the district	People related activities including but not limited to libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental health, resource management planning, environmental consents planning, area offices and democracy/ local government.	Fixed amount per rating unit	417.63	12,912
	Te Kohanga		Uniform rate in the dollar of land value	0.000026	3
	Aka Aka			55	11
	Eureka			35	9
	Glen Murray			50	6
	Gordonton			26	15
	Horsham Downs			35	16
	Karioitahi			55	3
	Mangatangi			34.5	6
	Mangatawhiri			58.5	16
	Maramarua			24	9
	Matangi			30	34
	Meremere			24	4
	Naike			40.89	4
	Ohinewai			24	3
	Opuatia			32	3
	Orini			26	5
	Otaua	Covers the cost of maintenance and operation of halls, other facilities and community centres.	Fixed amount per separately used or inhabited part of a rating unit	55	11
	Pokeno			23	37
	Port Waikato			125	57
	Pukekawa			40	19
	Puketaha			38	13
	Ruawaro			29	7
	Tamahere			70	113
	Taupiri			24	14
	Tauwhare			30	10
	Te Akau/Waingaro			32	7
	Te Hoe			30	4
	Te Kowhai			50	44
	Te Mata			24	6
	Tuakau			46.13	94
	Whangarata			46	4
	Waikaretu			50	2
	Whitikahu			53	9

SOURCE	CATEGORY	FUNDING	BASIS OF RATING	LTP 2021/21 (\$)	ESTIMATED REVENUE (\$000)
Targeted community facilities rates (apply to all rating units within each ward catchment area).	Huntly Community Facilities (urban catchment)			42	129
	Ngaruawahia Community Facilities	Covers the cost of maintenance and operation of community facilities.	Fixed amount per rating unit	25	69
	Raglan Community Facilities			25	53
Huntly pool rural	Based on location of rating unit in catchment area	Covers the cost of maintenance and operation of community facilities.	Fixed amount per rating unit	16	3
Tamahere Recreation Reserve	Based on location of rating unit within the Tamahere Ward	Covers the cost of loan interest and additional operational costs for the above average level of service of the Tamahere Recreation Reserve	Fixed amount per SUIP	38	84
Tuakau refuse and recycling collection	Rating units within serviced areas		Fixed amount per wheelie bin.	209.46	412
Glen Murray refuse and recycling collection	Rating units within serviced areas		Fixed amount per separately used or inhabited part of a rating unit	61.24	16
Raglan recycling collection	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit	143.41	292
Raglan food waste collection	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit	84.08	-
Te Mata/Te Uku recycling collection points	Residential rating units within serviced areas.	Covers the cost of refuse and recycling collection where the service is provided.	Fixed amount per separately used or inhabited part of a rating unit	57.01	42
District wide refuse and recycling collection	Residential rating units within serviced areas. (Eureka, Glen Afton/Pukemiro, Gordonton and surrounds, Horotiu, Horsham Downs, Huntly and surrounds, Meremere, Ngaruawahia and surrounds, Pukekawa, Rangiriri and surrounds, Rotokauri, Tamahere and surrounds, Taupiri and surrounds, Te Kauwhata and surrounds, Te Kowhai, Whatawhata)		Fixed amount per separately used or inhabited part of a rating unit	209.46	4,746
Water Supply - Non metered	Serviceable properties in the urban centres of Huntly, Ngaruawahia, Pokeno and Raglan.		Fixed amount per rating unit	293.81	236
Water Supply - Metered	Metered rating units in serviced areas	District wide water activities as per the long term plan.	Fixed amount per separately used or inhabited part of a rating unit	293.81	5,026
			Charge Per cubic metre of water consumed (as measured by meter).	2.10	7,570

SOURCE	CATEGORY	FUNDING	BASIS OF RATING	LTP 2021/22 (\$)	ESTIMATED REVENUE (\$000)		
Wastewater	Wastewater activities	Residential - connected	Fixed amount per separately used or inhabited part of a rating unit	1157.11	13,544		
		Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)	Fixed amount per rating unit	578.56	743		
		Non residential/ commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected	Fixed amount per separately used or inhabited part of a rating unit for the first two pans.	1157.11	-		
		Non residential/ commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected	Additional fixed amount per pan for the third and any subsequent pans.	115.71	107		
		Non residential/ commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected	Fixed amount per separately used or inhabited part of a rating unit for the first two pans.	1157.11	-		
		Non residential/ commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected	Additional fixed amount per pan for the third and any subsequent pans.	231.42	14		
		Non residential/ commercial - Commercial - Connected	Fixed amount per separately used or inhabited part of a rating unit for the first two pans.	1157.11	-		
		Non residential/ commercial - Commercial - Connected	Additional fixed amount per pan for the third and any subsequent pans.	578.56	281		
		Urban Stormwater	District wide stormwater activities as per the long term plan.	Rating units within the stormwater catchment areas for which the service is available (Horotiu, Huntly, Matangi, Meremere, Ngaruawahia, Pokeno, Port Waikato, Raglan, Taupiri, Te Kauwhata and Tuakau).	Fixed amount per rating unit	193.4	2,523
		Tamahere rural stormwater	Tamahere rural stormwater activities	Rating units within the Tamahere stormwater catchment area.	Fixed amount per rating unit	29.11	27
Tamahere land drainage	Land drainage activities.	Rating units within the Tamahere land drainage catchment area.	Amount per hectare of land area	6.59	10		

SOURCE	CATEGORY	FUNDING	BASIS OF RATING	LTP 2021/22 (\$)	ESTIMATED REVENUE (\$000)
Community Boards	Huntly ward	Direct costs of operating all the community boards within the district	Fixed amount per rating unit	23.12	70
	Ngaruawahia ward			23.12	66
	Onewhero-Tuakau ward			23.12	109
	Raglan ward			23.12	57
	Taupiri ward			23.12	6
Pokeno Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work	Loan instalments -Fixed amount per connection.	1,654.35	12.75
Wahaanga Coast Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work	Loan instalments – Fixed amount per connection.	1,689.22	16.708

Rates Breakdown Indicator Properties

These are the indicated rates, inclusive of GST:

	RESIDENTIAL - AWAROA KI TUAKAU		RESIDENTIAL - HUNTLY		RESIDENTIAL - NGARUAWAHIA		RESIDENTIAL - RAGLAN		RESIDENTIAL - TAMAHERE	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Rating Valuation	600,000	650,000	320,000	400,000	395,000	485,000	610,000	860,000	610,000	770,000
Capital Value Rates	1,341.84	1,344.97	715.65	827.67	883.38	1,003.55	1,364.20	1,779.50	1,364.20	1,593.27
UAGC	383.15	417.63	383.15	417.63	383.15	417.63	383.15	417.63	383.15	417.63
Fixed Targeted Rates	2,209.73	2,364.03	2,205.60	2,359.90	2,188.60	2,342.90	2,102.08	2,276.85	581.42	587.66
Total Rates	3,934.72	4,126.63	3,304.40	3,605.20	3,455.13	3,764.08	3,849.43	4,473.98	2,328.77	2,598.56
Total % increase (over 2020/21)		4.88%		9.10%		8.94%		16.22%		11.59%
Total \$ increase (over 2020/21)		191.91		300.81		308.96		624.55		269.79

	LIFESTYLE		COMMERCIAL		INDUSTRIAL	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Rating Valuation	880,000	1,110,000	1,520,000	2,200,000	7,600,000	8,100,000
Capital Value Rates	1,968.03	2,296.80	3,399.33	4,552.21	16,996.64	16,760.40
UAGC	383.15	417.63	383.15	417.63	383.15	417.63
Fixed Targeted Rates	971.90	1,012.27	1,965.89	2,133.44	1,607.84	1,554.84
Total Rates	3,323.08	3,726.70	5,748.37	7,103.28	18,987.63	18,732.87
Total % increase (over 2020/21)		12.15%		23.57%		-1.34%
Total \$ increase (over 2020/21)		403.61		1,354.91		-254.76

	RURAL LOW		RURAL MID		RURAL HIGH	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Rating Valuation	680,000	1,030,000	1,480,000	1,550,000	2,580,000	2,920,000
Capital Value Rates	1,520.75	2,131.26	3,309.87	3,207.24	5,769.91	6,042.02
UAGC	383.15	417.63	383.15	417.63	383.15	417.63
Fixed Targeted Rates	903.90	944.72	245.83	232.58	245.83	248.95
Total Rates	2,807.80	3,493.61	3,938.85	3,857.45	6,398.89	6,708.60
Total % increase (over 2020/21)		24.43%		-2.07%		4.84%
Total \$ increase (over 2020/21)		685.81		-81.40		309.71

Note 1:

Individual rate increases will vary depending on the property type, value and location, and services available. You can see what the impact is for your own property if you go to our Rating Information Database at www.waikatodistrict.govt.nz/rid

Note 2:

Average Capital Value for 2021/2022 is per the 2020 rating valuation.

Note 3:

Fixed Targeted Rates reflect the range of services available for each property example. These do not include water-by-meter charges.

FINANCIAL PLANNING

Waikato District Council: Prospective Funding Impact Statement: Whole of Council

A forecast for the 10 years ending 30 June 2031:

	ANNUAL PLAN 2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	67,330	73,494	76,857	80,283	83,847	87,125	90,516	94,012	97,072	100,367	103,925
Targeted rates	30,709	32,119	35,636	39,484	43,820	48,718	54,140	60,401	67,425	75,360	84,336
Subsidies and grants for operating purposes	8,355	17,236	10,120	10,406	10,659	10,919	11,225	11,538	11,861	12,197	12,544
Fees and charges	10,415	14,887	14,817	14,829	15,518	16,232	16,967	18,079	18,860	20,498	21,315
Interest and dividends from investments	130	50	50	82	83	84	85	86	87	88	89
Local authorities fuel tax, fines, infringement fees, and other receipts	7,885	10,432	10,413	10,577	10,980	11,574	11,852	12,322	10,979	11,263	11,746
Total operating funding	124,824	148,218	147,893	155,661	164,907	174,652	184,785	196,438	206,284	219,773	233,955
Applications of operating funding											
Payments to staff and suppliers	92,818	118,516	118,295	119,742	121,355	124,170	127,536	131,978	135,689	139,663	142,971
Finance costs	5,497	4,506	5,463	7,064	8,468	10,046	11,490	12,866	14,164	14,564	14,688
Other operating funding applications	2,664	2,834	2,909	3,150	3,099	3,198	3,453	3,405	3,514	3,784	3,737
Total applications of operating funding	100,979	125,856	126,667	129,956	132,922	137,414	142,479	148,249	153,367	158,011	161,396
Surplus (deficit) of operating funding	23,845	22,362	21,226	25,705	31,985	37,238	42,306	48,189	52,917	61,762	72,559
Sources of capital funding											
Subsidies and grants for capital expenditure	13,315	15,875	17,650	20,938	20,419	25,465	24,474	22,465	21,256	15,595	19,547
Development and financial contributions	6,393	8,271	13,326	8,134	14,700	14,996	15,289	15,578	15,945	16,287	16,627
Increase (decrease) in debt	15,661	46,871	61,143	42,070	38,009	28,299	29,187	26,422	14,907	(11,429)	(18,530)
Gross proceeds from sale of assets	521	3,914	807	972	1,039	934	830	1,629	250	250	250
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	124	199	208	216	226	237	248	261	275	290	305
Total sources of capital funding	36,014	75,130	93,134	72,330	74,393	69,931	70,028	66,355	52,633	20,993	18,199
Applications of capital funding											
Capital expenditure											
- to meet additional demand	5,361	22,777	33,040	25,498	40,161	20,357	27,778	29,137	25,148	10,285	24,601
- to improve the level of service	14,607	32,912	34,882	23,524	20,665	26,817	28,473	33,284	26,560	24,251	15,838
- to replace existing assets	30,893	45,370	46,434	46,690	45,003	58,920	56,040	51,875	52,748	46,530	50,656
Increase (decrease) in reserves	(581)	(4,276)	(887)	1,590	(77)	625	(401)	(187)	844	1,812	(100)
Increase (decrease) of investments	9,579	709	891	733	626	450	444	435	250	(123)	(237)
Total applications of capital funding	59,859	97,492	114,360	98,035	106,378	107,169	112,334	114,544	105,550	82,755	90,758
Surplus (deficit) of capital funding	(23,845)	(22,362)	(21,226)	(25,705)	(31,985)	(37,238)	(42,306)	(48,189)	(52,917)	(61,762)	(72,559)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Waikato District Council: Prospective Statement of Comprehensive revenue and expense

A forecast for the 10 years ending 30 June 2031:

	ANNUAL PLAN 2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Revenue											
Rates	98,039	105,613	112,494	119,766	127,668	135,843	144,656	154,413	164,497	175,728	188,261
Development and financial contributions	6,393	8,271	13,326	8,134	14,700	14,996	15,289	15,578	15,945	16,287	16,627
Subsidies and grants	21,670	33,111	27,770	31,344	31,079	36,385	35,699	34,002	33,118	27,792	32,092
Finance revenue	130	50	50	50	50	50	50	50	50	50	50
Other revenue	19,665	84,665	26,051	26,270	28,613	30,036	31,173	32,965	30,151	32,090	33,404
Total revenue	145,897	231,710	179,691	185,564	202,110	217,310	226,867	237,008	243,761	251,947	270,434
Expenses											
Depreciation and amortisation expense	26,702	33,311	35,578	38,393	40,827	43,354	45,735	47,808	50,139	53,313	55,417
Personnel expenses	36,041	37,975	38,589	38,788	39,887	40,677	41,568	42,517	43,739	44,872	46,081
Finance costs	5,497	4,506	5,463	7,064	8,468	10,046	11,490	12,866	14,164	14,564	14,688
Other expenses	59,441	82,459	82,611	84,144	84,735	86,826	89,507	93,072	96,017	98,931	100,766
Total operating expenses	127,681	158,251	162,241	168,389	173,917	180,903	188,300	196,263	204,059	211,680	216,952
Surplus (deficit)	18,216	73,459	17,450	17,175	28,193	36,407	38,567	40,745	39,702	40,267	53,482
Other comprehensive revenue and expense											
Gain (loss) on property revaluations	37,964	51,193	70,122	59,716	61,439	108,521	68,786	72,659	161,502	81,566	85,271
Total other comprehensive revenue & expense	37,964	51,193	70,122	59,716	61,439	108,521	68,786	72,659	161,502	81,566	85,271
Total comprehensive revenue and expense	56,180	124,652	87,572	76,891	89,632	144,928	107,353	113,404	201,204	121,833	138,753
Note 1: Reconciliation of total comprehensive revenue and expense with net operating funding per prospective whole of Council funding impact statement											
Total prospective revenue and expense wholly attributable to Waikato District Council	56,179	124,652	87,572	76,891	89,631	144,926	107,352	113,403	201,204	121,832	138,752
Surplus (deficit) of operating funding per prospective whole of Council funding impact statement	23,845	22,362	21,226	25,705	31,985	37,238	42,306	48,189	52,917	61,762	72,559
Difference	32,334	102,290	66,346	51,186	57,646	107,688	65,046	65,214	148,287	60,070	66,193
The difference is due to											
Capital income	19,832	24,345	31,184	29,288	35,345	40,699	40,011	38,304	37,477	32,173	36,479
Vested assets	1,240	59,147	613	616	1,856	1,959	2,071	2,267	-	-	-
Revaluation of assets	37,964	51,193	70,122	59,716	61,439	108,521	68,786	72,659	161,502	81,566	85,271
Gain (loss) on sale of assets	-	916	5	(41)	(167)	(137)	(87)	(208)	(553)	(356)	(140)
Depreciation and amortisation	(26,702)	(33,311)	(35,578)	(38,393)	(40,827)	(43,354)	(45,735)	(47,808)	(50,139)	(53,313)	(55,417)
Total explained difference	32,334	102,290	66,346	51,186	57,646	107,688	65,046	65,214	148,287	60,070	66,193

	ANNUAL PLAN 2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Note 2: Exchange and non-exchange revenue											
Revenue from non-exchange transactions											
Revenue from rates	90,663	99,030	105,531	112,383	119,854	127,556	135,916	145,142	154,717	165,396	177,333
Vested & found assets	1,240	59,147	613	616	1,856	1,959	2,071	2,267	-	-	-
Regulatory revenue	1,690	1,835	1,862	1,893	1,958	2,027	2,102	2,177	2,257	2,341	2,428
Infringements and fines	241	176	176	176	194	214	236	261	288	318	350
Waka Kotahi NZTA government subsidies	21,597	25,659	27,624	31,195	30,926	36,228	35,539	33,838	32,950	27,620	31,916
Petrol tax	499	550	561	572	583	594	604	615	625	636	646
Other subsidies and grants	333	7,811	513	524	535	545	556	566	577	588	598
Other fees and charges - Council	419	555	719	573	586	770	609	620	831	652	664
Other non-exchange revenue	481	514	514	264	265	265	265	265	266	266	266
Total revenue from non-exchange transactions	117,163	195,277	138,113	148,196	156,757	170,158	177,898	185,751	192,511	197,817	214,201
Revenue from exchange transactions											
Water billing charges	7,376	6,583	6,963	7,383	7,814	8,287	8,740	9,271	9,780	10,332	10,928
Development & financial contributions	6,393	8,271	13,326	8,134	14,700	14,996	15,289	15,578	15,945	16,287	16,627
Other fees and charges - Council	10,722	14,209	14,646	15,144	15,995	16,873	17,772	17,950	16,869	17,790	18,723
Finance income	130	50	50	50	50	50	50	50	50	50	50
Dividends	-	-	-	32	33	34	35	36	37	38	39
Other exchange revenue	4,113	7,320	6,593	6,625	6,761	6,912	7,083	8,372	8,569	9,633	9,866
Total revenue from exchange transactions	28,734	36,433	41,578	37,368	45,353	47,152	48,969	51,257	51,250	54,130	56,233
Total revenue	145,897	231,710	179,691	185,564	202,110	217,310	226,867	237,008	243,761	251,947	270,434

Waikato District Council: Prospective Statement of Financial Position

A forecast for 10 ten years ending 30 June 2031:

	ANNUAL PLAN 2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
ASSETS											
Current assets											
Cash and cash equivalents	9,940	9,955	9,948	9,933	9,923	9,932	9,963	9,926	9,988	10,046	10,086
Recoverables from non-exchange transactions	6,935	9,048	9,184	9,296	9,814	10,316	10,542	10,769	10,945	11,054	11,609
Receivables from exchange transactions	7,198	9,647	9,792	9,910	10,463	10,999	11,240	11,481	11,668	11,785	12,376
Non-current assets held for sale	-	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256
Biological assets - cattle	94	103	103	103	103	103	103	103	103	103	103
Other financial assets	45	46	-	-	-	-	-	-	-	-	-
Prepayments	870	1,372	1,412	1,339	1,389	1,401	1,442	1,464	1,435	1,357	1,415
Total current assets	25,082	31,427	31,695	31,837	32,948	34,007	34,546	34,999	35,395	35,601	36,845
Non-current assets											
Property, plant and equipment	2,060,125	1,991,570	2,139,023	2,254,829	2,382,287	2,555,011	2,691,885	2,831,446	3,046,657	3,155,208	3,275,422
Intangible assets	6,129	5,482	6,720	7,552	7,187	6,613	6,237	6,254	6,060	6,220	6,564
Investment property	560	560	560	560	560	560	560	560	560	560	560
Investments in CCO's and other similar organisations	16,095	17,414	17,414	17,414	17,414	17,414	17,414	17,414	17,414	17,414	17,414
Other financial assets	3,307	3,446	4,383	5,116	5,742	6,191	6,636	7,071	7,321	7,198	6,961
Total non-current assets	2,086,216	2,018,472	2,168,100	2,285,471	2,413,190	2,585,789	2,722,732	2,862,745	3,078,012	3,186,600	3,306,921
Total assets	2,111,298	2,049,899	2,199,795	2,317,308	2,446,138	2,619,796	2,757,278	2,897,744	3,113,407	3,222,201	3,343,766

	ANNUAL PLAN 2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
LIABILITIES											
Current liabilities											
Payables under exchange transactions	17,177	30,470	31,536	30,132	31,152	31,482	32,288	32,798	32,242	30,588	31,743
Taxes and transfers payable	1,050	1,436	1,486	1,420	1,468	1,483	1,521	1,545	1,519	1,441	1,496
Employee entitlements	3,845	4,391	4,455	4,475	4,588	4,670	4,762	4,861	4,987	5,105	5,230
Provisions	187	467	467	467	467	467	467	467	467	467	467
Borrowing	12,989	33,656	48,941	59,459	68,961	76,036	83,333	89,938	93,665	90,808	86,175
Total current liabilities	35,248	70,420	86,885	95,953	106,636	114,138	122,371	129,609	132,880	128,409	125,111
Non-current liabilities											
Provisions	1,261	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708
Employee entitlements	193	276	277	282	291	295	301	308	314	319	326
Derivative financial instruments	15,667	21,615	21,615	21,615	21,615	21,615	21,615	21,615	21,615	21,615	21,615
Borrowing	126,472	100,966	146,824	178,376	206,883	228,107	249,997	269,814	280,994	272,422	258,525
Total non-current liabilities	143,593	125,565	171,424	202,981	231,497	252,725	274,621	294,445	305,631	297,064	283,174
Total liabilities	178,841	195,985	258,309	298,934	338,133	366,863	396,992	424,054	438,511	425,473	408,285
Net assets/equity	1,932,457	1,853,914	1,941,486	2,018,374	2,108,005	2,252,933	2,360,286	2,473,690	2,674,896	2,796,728	2,935,481
NET ASSETS/EQUITY											
Accumulated comprehensive revenue and expense	1,211,908	1,203,176	1,244,781	1,280,049	1,326,696	1,363,930	1,404,207	1,445,722	1,482,922	1,495,288	1,520,604
Other reserves	720,549	650,738	696,705	738,325	781,309	889,003	956,079	1,027,968	1,191,974	1,301,440	1,414,877
Total net assets/equity	1,932,457	1,853,914	1,941,486	2,018,374	2,108,005	2,252,933	2,360,286	2,473,690	2,674,896	2,796,728	2,935,481

Waikato District Council: Prospective Statement of Changes in Net Assets/Equity

A forecast for 10 ten years ending 30 June 2031:

	ANNUAL PLAN 2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Balance at beginning of year											
Accumulated comprehensive revenue & expense	1,191,632	1,112,313	1,203,176	1,244,778	1,280,048	1,326,696	1,363,930	1,404,207	1,445,724	1,482,921	1,495,288
Other reserves											
Revaluation	744,196	604,798	655,991	726,113	785,829	847,268	955,789	1,024,575	1,097,234	1,258,736	1,340,302
Restricted	194	200	200	198	195	192	189	185	181	177	170
Council created	22,989	23,487	27,069	27,789	30,647	35,643	41,780	48,326	57,829	65,838	74,331
Special rates and user pays	(14,281)	(12,284)	(18,694)	(23,792)	(26,656)	(27,203)	(25,795)	(21,660)	(15,700)	(8,164)	4,756
Capital replacement funds	8,805	24,324	24,006	23,042	23,601	27,930	28,043	29,167	30,709	31,222	36,697
Development contributions	(89,845)	(37,703)	(51,961)	(70,772)	(89,418)	(116,648)	(125,130)	(138,641)	(156,412)	(169,962)	(168,943)
Fair value through other comprehensive revenue and expense	12,587	14,127	14,127	14,127	14,127	14,127	14,127	14,127	14,127	14,127	14,127
Total net assets/equity at beginning of year	1,876,277	1,729,262	1,853,914	1,941,483	2,018,373	2,108,005	2,252,933	2,360,286	2,473,692	2,674,895	2,796,728
Comprehensive revenue and expense for the year											
Accumulated comprehensive revenue & expense	18,216	73,459	17,450	17,175	28,193	36,407	38,567	40,745	39,702	40,267	53,482
Other reserves											
Revaluation	37,964	51,193	70,122	59,716	61,439	108,521	68,786	72,659	161,502	81,566	85,271
Revaluation (landfill)	-	-	-	-	-	-	-	-	-	-	-
Fair value through other comprehensive revenue and expense	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive revenue and expense for the year	56,180	124,652	87,572	76,891	89,632	144,928	107,353	113,404	201,204	121,833	138,753

	ANNUAL PLAN 2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Transfers to (from) accumulated comprehensive revenue & expense											
Accumulated comprehensive revenue & expense	2,060	17,404	24,155	18,096	18,455	827	1,710	770	(2,504)	(27,900)	(28,166)
Other reserves											
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	(2)	(3)	(3)	(3)	(4)	(4)	(4)	(7)	(7)
Council created	1,627	3,582	720	2,858	4,996	6,137	6,546	9,503	8,009	8,493	11,984
Special rates and user pays	93	(6,410)	(5,098)	(2,864)	(547)	1,408	4,135	5,960	7,536	12,920	18,676
Capital replacement fund	(560)	(318)	(964)	559	4,329	113	1,124	1,542	513	5,475	3,306
Development contributions	(3,220)	(14,258)	(18,811)	(18,646)	(27,230)	(8,482)	(13,511)	(17,771)	(13,550)	1,019	(5,793)
Total transfers to (from) accumulated comprehensive revenue & expense	-	-	-	-	-	-	-	-	-	-	-
Net assets/equity at end of year											
Accumulated surplus (deficit)	1,211,908	1,203,176	1,244,781	1,280,049	1,326,696	1,363,930	1,404,207	1,445,722	1,482,922	1,495,288	1,520,604
Other reserves											
Revaluation	782,160	655,991	726,113	785,829	847,268	955,789	1,024,575	1,097,234	1,258,736	1,340,302	1,425,573
Restricted	194	200	198	195	192	189	185	181	177	170	163
Council created	24,616	27,069	27,789	30,647	35,643	41,780	48,326	57,829	65,838	74,331	86,315
Special rates and user pays	(14,188)	(18,694)	(23,792)	(26,656)	(27,203)	(25,795)	(21,660)	(15,700)	(8,164)	4,756	23,432
Capital replacement funds	8,245	24,006	23,042	23,601	27,930	28,043	29,167	30,709	31,222	36,697	40,003
Development contributions	(93,065)	(51,961)	(70,772)	(89,418)	(116,648)	(125,130)	(138,641)	(156,412)	(169,962)	(168,943)	(174,736)
Fair value through other comprehensive revenue and expense	12,587	14,127	14,127	14,127	14,127	14,127	14,127	14,127	14,127	14,127	14,127
Total net assets/equity at end of year	1,932,457	1,853,914	1,941,486	2,018,374	2,108,005	2,252,933	2,360,286	2,473,690	2,674,896	2,796,728	2,935,481

Waikato District Council: Statement of Reserve Funds

A forecast for 10 ten years ending 30 June 2031:

RESERVE	PURPOSE	RELATED ACTIVITIES	FORECAST BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	BALANCE
			1-JUL-21 (\$000)	2022-2031 (\$000)		30-JUN-31 (\$000)
Conservation fund	To fund expenditure items for conservation purposes.	Sustainable environment	599	234	-	833
Raglan Harbour reserve	Council took over assets from the Raglan Harbour Board. Any revenue or expense on these properties is kept separate from general funds.	Sustainable communities	(511)	500	(6,361)	(6,372)
Housing for the elderly	Income from housing for the elderly is put aside for use on the properties involved.	Sustainable communities	(296)	1,526	2,828	4,058
Plant reserve	Reserve used for control of expenditure and sale proceeds for vehicle and other plant running and maintenance costs.	Org Supp	402	20,192	(20,924)	(330)
Lake Hakanoa Caravan Park reserve	Revenue and expense for the Lake Hakanoa Caravan Park at Huntly is kept separate. The camp operation is self funding.	Sustainable communities	181	2,259	(2,563)	(123)
Raglan Kopua Holiday Park reserve	Revenue and expense for Kopua Camp at Raglan is kept separate. The camp operation is self funding.	Sustainable communities	1,762	12,772	(14,238)	296
Wainui Reserve farm	Revenue and expense for Wainui Reserve farm operations is kept separate. The farm operation is self funding and surpluses are used towards projects at Wainui Reserve.	Sustainable communities	334	1,912	(1,812)	434
Hillary Commission grants	These funds are committed to a club development programme for the future.	Sustainable communities	22	-	-	22
Creative NZ grant	The balance from Creative Communities New Zealand to be re-distributed as grants to suitable candidates.	Sustainable communities	53	-	-	53
Disaster recovery fund	Fund set aside for use in the event of a disaster.	Org Supp	1,593	4,417	-	6,010
Hillary Commission loans	Remaining funds and interest credits built up from Council's contribution to match Hillary Commission loans used in the past to assist sporting organisations. All loans have been repaid.	Sustainable communities	65	25	-	90
North Waikato development reserve	Remaining funds with interest credits from the Department of Corrections for use to assist the local community.	Sustainable communities	392	153	1	546
Hamilton East property proceeds	Proceeds from the sale of the Hamilton East property held separate for property related purposes.	Org Supp	2,308	-	-	2,308
Hakarimata Restoration Trust	A restricted reserve for Hakarimata Hills Reserve Trust to record all trust operations.	Sustainable environment	18	7	-	25

RESERVE	PURPOSE	RELATED ACTIVITIES	FORECAST BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	BALANCE
			1-JUL-21 (\$000)	2022-2031 (\$000)		30-JUN-31 (\$000)
Development fund (ex shares sold)	Reserve originally representing the share of the Auckland Airport Shares received by the former Franklin District Council and transferred to Waikato District Council on part amalgamation in 2010.	Org Supp	-	-	-	-
LTCCP contribution reserve	Reserve created on amalgamation of part of the Franklin District Council with Waikato District Council to assist with operational funding.	Org Supp	-	-	-	-
Landfill aftercare contribution	Reserve created on amalgamation of part of the Franklin District Council with Waikato District Council to assist with aftercare costs for closed landfills transferred.	Sustainable environment	82	-	(6,489)	(6,407)
Structure plan non-growth reserve	Reserve to provide funding for the non growth element of Structure Plan development.	Org Supp	1,743	4,743	-	6,486
Waste minimisation reserve	To manage waste minimisation grants and qualifying expenditure.	Sustainable environment	646	8,383	(8,161)	868
Huntly College jubilee award	A restricted reserve; the interest income from which is to be used for educational sponsorship.	Sustainable communities	14	5	1	20
Frances Paki Trust	A restricted reserve in memory of Francis Paki of Huntly. Interest income to be used as sponsorship for educational purposes.	Sustainable communities	1	1	-	2
Mungall Scholarship Trust	A restricted reserve in memory of Agnes Simpson Mungall. Interest income to be used for educational sponsorship.	Sustainable communities	1	-	-	1
Huntly Social Services	A restricted reserve created by the transfer of funds from the former Huntly Social Services Co-ordinating Committee Inc when it was wound up in 2015.	Sustainable communities	166	48	(97)	117
Sundry reserves	Sundry reserves for township development and other operational purposes.	Sustainable communities	22,240	85,066	(23,498)	83,808
Targeted rate reserves – operational	Reserves to monitor operational costs in relation to special rates and user pays.	Stormwater, Sustainable communities, Wastewater, Water supply	(12,284)	543,061	(507,345)	23,432
Replacement funds	Reserves where amounts equivalent to funded depreciation are held for use on capital renewals work.	All	24,325	326,063	(310,388)	40,000
Revaluation reserves	Non-cash reserves representing the increases or decreases in the value of infrastructural assets that are periodically revalued.	All	604,798	820,775	(2)	1,425,571
Capital rates and contributions	Reserves for structure plans, development contributions, financial contributions and capital targeted rates.	All	(31,705)	187,380	(322,546)	(166,871)
Total			616,949	2,019,522	(1,221,594)	1,414,877

Waikato District Council: Prospective cash flow statement

A forecast for 10 ten years ending 30 June 2031:

	ANNUAL PLAN 2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Cash flows from operating activities											
Receipts											
Receipts from rates revenue	90,412	98,696	105,271	112,109	119,555	127,248	135,581	144,773	154,334	164,969	176,856
Subsidies received	22,398	25,944	28,105	31,556	31,619	36,472	36,293	34,689	33,747	28,799	32,309
Contributions received	6,384	8,115	12,906	8,565	14,155	14,972	15,265	15,554	15,915	16,259	16,598
Receipts from other revenue	25,570	37,757	32,500	32,465	33,910	35,674	37,167	39,233	39,364	41,636	43,587
Interest received	130	50	50	50	50	50	50	50	50	50	50
Dividends received	50	-	-	-	32	33	34	35	36	37	38
Payments											
Employee costs	(36,081)	(37,761)	(38,521)	(38,768)	(39,766)	(40,591)	(41,470)	(42,413)	(43,605)	(44,749)	(45,949)
Suppliers	(60,174)	(81,370)	(82,678)	(83,979)	(84,529)	(86,513)	(89,195)	(92,580)	(95,248)	(98,315)	(100,456)
Interest paid	(5,497)	(4,506)	(5,463)	(7,064)	(8,468)	(10,046)	(11,490)	(12,866)	(14,164)	(14,564)	(14,688)
Goods and services tax (net)	-	-	-	-	-	-	-	-	-	-	-
Net cash flows from operating activities	43,192	46,925	52,170	54,934	66,558	77,299	82,235	86,475	90,429	94,122	108,345
Cash flows from investing activities											
Purchase of property, plant and equipment	(56,918)	(95,381)	(111,376)	(95,338)	(103,730)	(104,801)	(110,399)	(112,493)	(103,923)	(81,359)	(90,123)
Proceeds from sale of property, plant and equipment	522	3,914	807	972	1,039	934	830	1,629	250	250	250
Community loans repayments received	-	-	-	-	-	-	-	-	-	-	-
Purchase of intangible assets	(2,242)	(1,614)	(1,859)	(1,920)	(1,262)	(1,271)	(1,378)	(1,636)	(1,351)	(1,648)	(139)
Community loans granted	-	-	-	-	-	-	-	-	-	-	-
Acquisition of investments	(598)	(789)	(1,211)	(893)	(946)	(530)	(662)	(1,144)	(1,141)	(770)	(709)
Proceeds from sale of investments	400	80	320	160	320	80	218	709	891	893	946
Net cash flows from investing activities	(58,836)	(93,790)	(113,319)	(97,019)	(104,579)	(105,588)	(111,391)	(112,935)	(105,274)	(82,634)	(89,775)
Cash flows from financing activities											
Proceeds from borrowings	40,661	51,871	81,143	52,070	58,009	33,299	42,787	70,722	70,607	44,370	40,570
Repayment of borrowings	(25,000)	(5,000)	(20,000)	(10,000)	(20,000)	(5,000)	(13,600)	(44,300)	(55,700)	(55,799)	(59,100)
Net cash flows from financing activities	15,661	46,871	61,143	42,070	38,009	28,299	29,187	26,422	14,907	(11,429)	(18,530)
Net increase(decrease) in cash and cash equivalents	17	6	(6)	(15)	(12)	10	31	(38)	62	59	40
Cash and cash equivalents at the beginning of the year	9,923	9,949	9,954	9,948	9,935	9,922	9,932	9,964	9,926	9,987	10,046
Cash and cash equivalents at 30 June	9,940	9,955	9,948	9,933	9,923	9,932	9,963	9,926	9,988	10,046	10,086

LONG TERM PLAN DISCLOSURE STATEMENT

For the 10 years commencing 1 July 2021:

What is the purpose of this statement?

The purpose of this statement is to disclose 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 definition of some of the terms used in this statement.

Rates affordability benchmark

Council meets the rates affordability benchmark if:

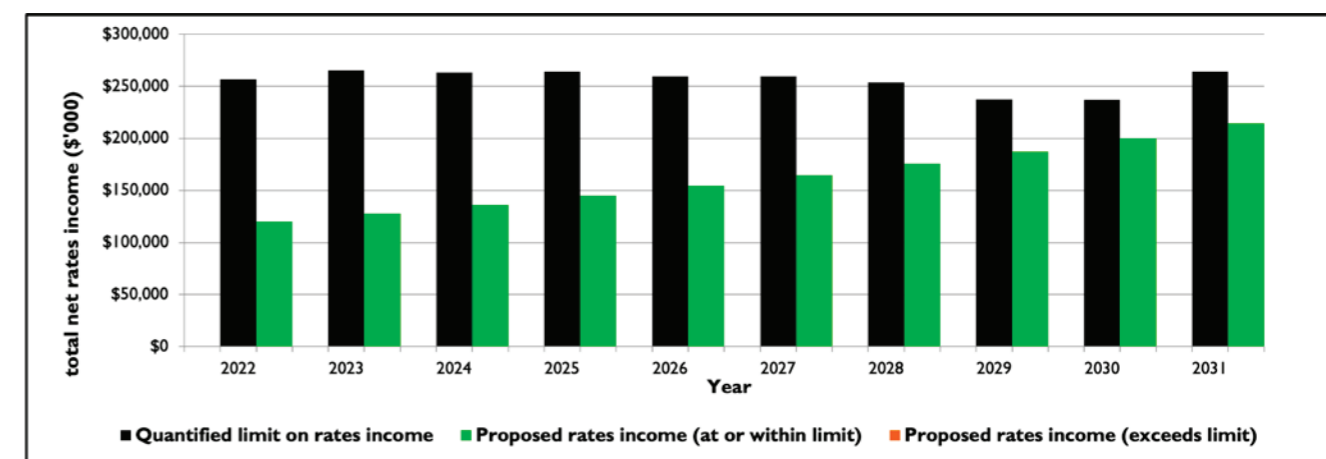
- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The following graph compares Council’s planned rates with a quantified limit on rates contained in the financial strategy included in this Long Term Plan.

The quantified limits for total rates (\$000) are:

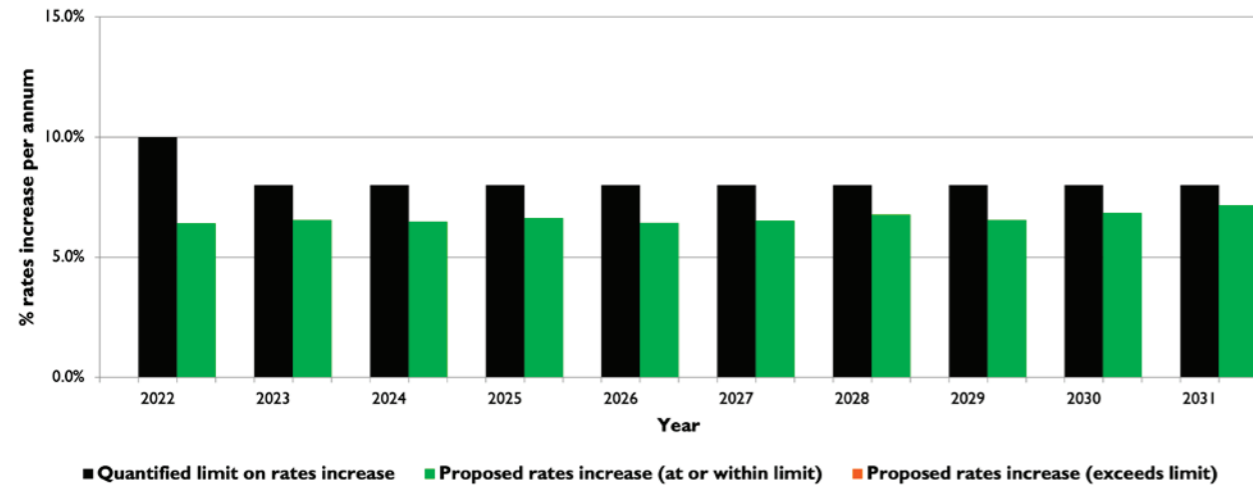
Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Quantified limit on rates income	256,766	265,427	263,245	264,043	259,354	259,392	253,970	237,394	237,030	264,142



Rates (increases) affordability

The following graph compares Council’s planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this Long Term Plan. The quantified limits for rates increases are:

YEAR	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Proposed rates increases (%)	6%	7%	6%	7%	6%	7%	7%	7%	7%	7%
Limit on rates increases (%)	10%	8%	8%	8%	8%	8%	8%	8%	8%	8%

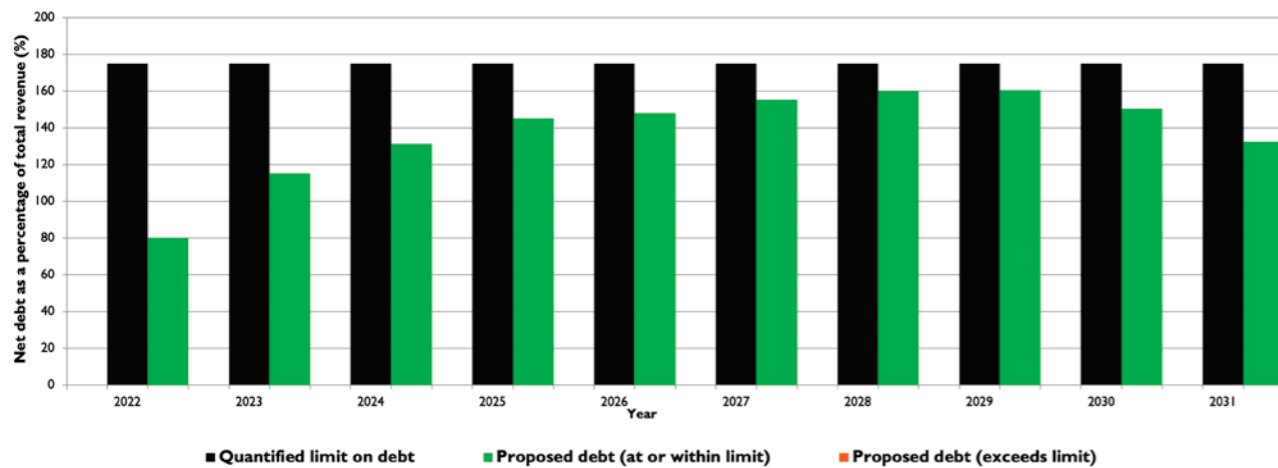


Debt affordability benchmarks

Council meets the debt affordability benchmark if its planned borrowing is within the quantified limit on borrowing.

The following graph compares Council’s planned debt with the quantified limit on borrowing contained in the financial strategy included in this Long Term Plan. The quantified limit is: Net debt as a percentage of total revenue will not exceed 175%.

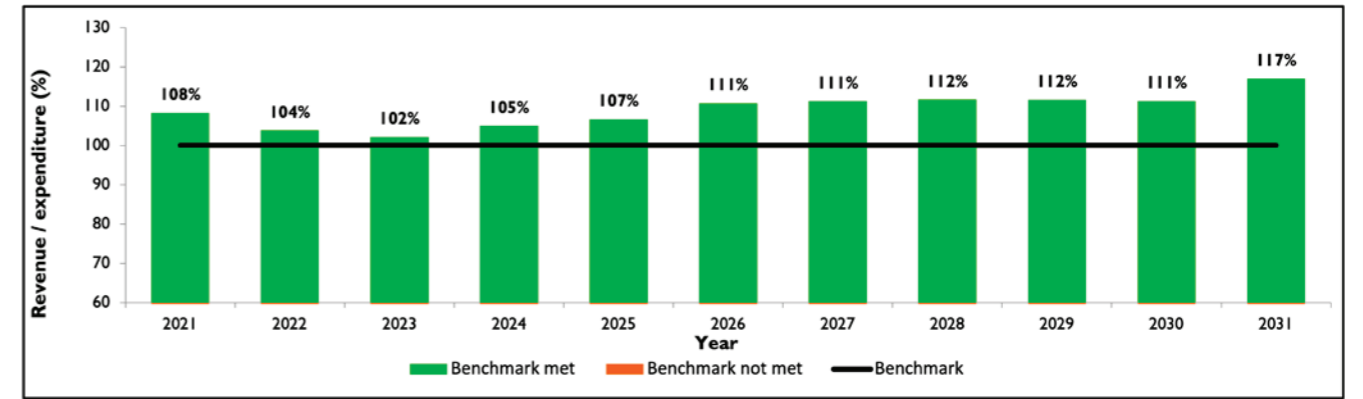
YEAR	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Proposed debt	80%	115%	131%	145%	148%	155%	160%	160%	150%	132%
Quantified limit on debt	175%	175%	175%	175%	175%	175%	175%	175%	175%	175%



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).

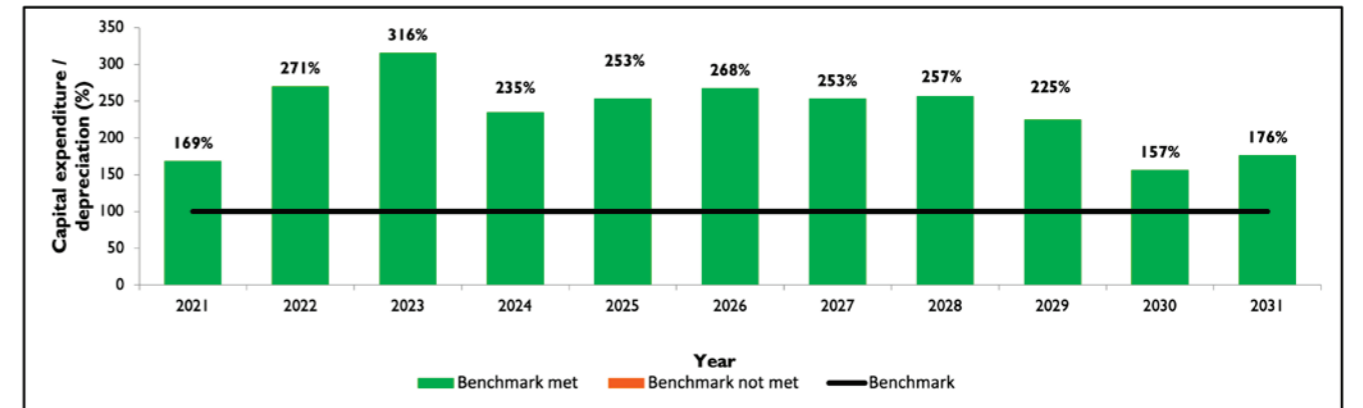
Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

The following graph displays Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services.

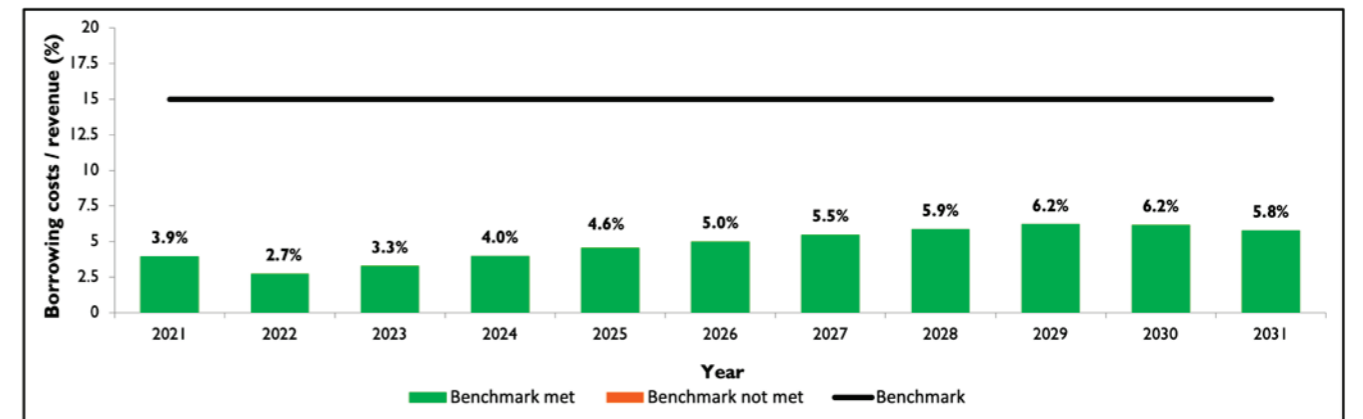
Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

The following graph displays 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).

As Statistics New Zealand projects that Council’s population will grow faster than the national population is expected to grow, Council meets the debt servicing benchmark if its planned borrowing costs are equal or less than 15% of its planned revenue.



STATEMENT OF ACCOUNTING POLICIES

For the 10 years ending 30 June 2031:

REPORTING ENTITY

Waikato District Council (Council) is a territorial authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing Council's operations includes the LGA and the Local Government (Rating) Act 2002 (LG(R)A).

The Waikato District Council Group (the Group) consists of the ultimate parent Waikato District Council (Council), its 100% owned subsidiaries Strada Corporation Limited (Strada) and the Waikato District Community Wellbeing Trust (WBT).

Strada previously operated as a civil engineering and contracting services business until the Board of Directors resolved to cease trading, sell all of its operational assets and extinguish

all liabilities during the year ended 30 June 2017. As a result of this decision, Strada became a Council-Controlled Organisation rather than the Council-Controlled Trading organisation it had been previously (see Section 6 Local Government Act 2002). While Strada has remained open in order to receive the final settlement payments in relation to the disposal of its previous interest in the joint venture (Waikato Quarries Limited), it is no longer a going concern.

As Strada is no longer trading, management has elected to file a non-active declaration with Inland Revenue.

All the companies in which Council has an interest, either directly or through Strada, are incorporated and domiciled in New Zealand.

The principal activity of Council is the provision of local infrastructure, local public services and the performance of regulatory functions to the community. Council does not operate to make financial return.

Council has designated itself and the Group as public benefit entities (PBE's) for financial reporting purposes.

The prospective financial statements are for the 10 years ending 30 June 2031. They were authorised for issue by Council on 28 June 2021. Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

Council's prospective financial statements have been prepared in accordance with the requirements of LGA and the Local Government (Financial Reporting and Prudence Regulations 2014 (LG(FRP)R) which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These prospective financial statements (with the exception of the Funding Impact Statement) have been prepared in accordance with and comply with Tier 1 PBE accounting standards; including PBE FRS 42 Prospective Financial Statements.

Included in this plan are three types of financial information:

1. the usual NZ GAAP regulated statements of financial position, comprehensive revenue and expense and the like;
2. funding impact statements (FIS); and,
3. a Long Term Plan disclosure statement.

The key difference between these three types of information is that FISs and the disclosure statement are not required by NZ GAAP.

The FIS is intended to make the sources and applications of Council funds more transparent to its stakeholders than might be the case if only the usual NZ GAAP financial statements were provided. The FIS format is prescribed by LG(FRP)R and is required by the LGA.

The purpose of the Long Term Plan disclosure statement is to disclose 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.

MEASUREMENT BASE

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

The actual results for the 2019/2020 financial year and the Annual Plan financial performance and cash flows for the 2020/2021 financial year, as modified by known changes, have been used to arrive at the opening balances for the plan as at 1 July 2021.

FUNCTIONAL AND PRESENTATION CURRENCY

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

IMPLEMENTATION OF NEW AND AMENDED STANDARDS

Standards and amendments issued but not yet effective which have been early adopted are:

Financial instruments

The NZASB has issued PBE IPSAS 41 after the IPSASB issued its own financial instruments standard. PBE IPSAS 41 Financial Instruments will supersede PBE IFRS 9 and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IPSAS 41 establishes requirements for the recognition and measurement of financial instruments for public benefit entities. PBE IPSAS 41 is effective from 1 January 2022, early adoption permitted. Council has elected to early adopt PBE IPSAS 41 Financial Instruments. Accounting policies have been updated to comply with PBE IPSAS 41. PBE IPSAS 41 provides users of financial statements with more useful information by:

- applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held. There is no change to the measurement of Council's financial instruments, the only amendment being the reclassification from 'Loans and receivables' and 'Held to maturity investments' to 'Financial assets at amortised cost'; and
- applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing. Council has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

It is noted that other than the above amendment to Council's accounting policy document, there have been no other changes to the group's financial statements as a result of the early adoption of PBE IPSAS 41. The adoption of these amendments

is expected to result in an immaterial impact on the financial statements.

Service performance reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022. Council believes the application of PBE FRS 48 will not have any significant impact on its statement of performance as Council has well established service performance reporting processes. Council will adopt the standard for the reporting period of 2022/23.

All other standards, interpretations and amendments approved but not yet effective in the current year are either not applicable to Council or are not expected to have a material impact on the financial statements of the Council and therefore, have not been disclosed.

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

Council has not consolidated the prospective financial statements to include its subsidiaries Strada and the Waikato District Community Wellbeing Trust as a group because Council believes that consolidation would not enhance an understanding of Council's core activities and services.

REVENUE

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable.

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognised. An asset acquired through a non-exchange transaction is initially measured at its fair value at the date of acquisition.

Specific revenue items are recognised as follows:

- General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the year to which the rates resolution relates. They are recognised at the amounts due. Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Revenue from water-by-meter rates is recognised on an accrual basis. Unbilled usage, because there are unread meters at year-end, is accrued on an average usage basis.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.

- Council receives government grants from Waka Kotahi NZTA, which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.
- Revenue from the sale or provision of goods is recognised when a product is sold to the customer. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
- Fees and charges revenue is recognised when the service is provided.
- Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease.
- Traffic and parking infringement income is recognised when the infringement notice is issued.
- Found and vested assets are recognised at fair value at the time Council obtains control of the asset. The fair value is recognised as revenue and the amount is determined by reference to the costs of purchase and/or construction.
- Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged.
- Interest income is recognised using the effective interest method.
- Dividends receivable are recognised when the right to receive the payment has been established.

CONSTRUCTION CONTRACTS

Contract revenue and contract costs are recognised as revenue and expense respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts and costs that are specifically chargeable to the customer under the terms of the contract.

An expected deficit on construction contracts is recognised immediately as an expense in surplus or deficit.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised deficits and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses less deficits, the net amounts are presented as a liability.

BORROWING COSTS

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; they are recognised as

expenditure when an application that meets the specified criteria for the grant has been received.

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

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in surplus or deficit.

LEASES

Operating Leases

An operating lease is a lease which does not transfer substantially all the risks and rewards incidental to ownership. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities. The carrying amount of cash and cash equivalents approximates their fair value.

Recoverables from non-exchange transactions and other receivables

Short-term receivables are recorded at the amount due, less any provision for uncollectability. The provision is calculated by applying an expected credit loss model.

A receivable is considered to be uncollectable when there is

evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

CATTLE

Cattle on Council's reserves are revalued annually at fair value less estimated costs to sell. Fair value is determined based on market price at balance date.

Gains and losses from a change in fair value less estimated costs to sell are recognised in the surplus or deficit. The costs incurred in relation to the cattle are included in the surplus or deficit.

OTHER FINANCIAL ASSETS

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit.

Classification

Council classifies its financial assets into the following categories:

- Amortised cost
- Fair value through surplus or deficit
- Fair value through other comprehensive revenue and expense for the following two subcategories:
 - Investments in Equity
 - Other financial assets that are not investments in equity.

The classification depends on Council's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at amortised cost

Council classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business

model whose objective is to collect the contractual cash flows, and

- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost include the following:

- Cash and cash equivalents
- Receivables from exchange and non-exchange transactions
- Term deposits
- Community Loans, and
- LGFA Borrower notes

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains or losses when the asset is impaired or derecognised are recognised in surplus or deficit.

Loans to community organisations made by Council at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in surplus or deficit as a grant.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management.

Council's derivatives are categorised as held for trading. Assets in this category are classified as current assets. After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. Investments in Equity that are not held for trading and are held for long-term strategic purposes are subsequently measured at fair value through other comprehensive revenue and expense.

They are included in non-current assets unless management intends to dispose of the investment within 12 months of balance date. They comprise of the following:

- investments that it intends to hold long term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to surplus or deficit.

Council's shareholding in Civic Financial Services Limited and Waikato Regional Airport Limited fall within this category.

Financial assets at cost

Investments in Equity that are held at cost are those that as per PBE

IPSAS 41 para. AG140 states that investments in equity instruments and contracts on those instruments must be measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Council's shareholding in Waikato Local Authority Shared Services Limited (LASS) and Strada are held at cost as the fair value cannot be reliably measured.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in surplus or deficit.

Financial assets at amortised cost

Impairment is established when there is objective evidence that Council and the group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired.

Cash and cash equivalents have not been impaired due to investments being held in high credit rated banks (BNZ, WPT, ASB and ANZ) and impairment is immaterial.

For receivables from exchange and non-exchange transactions, Council has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to surplus or deficit.

Impairment losses recognised in surplus or deficit on equity investments are not reversed through surplus or deficit.

DERIVATIVE FINANCIAL INSTRUMENTS

Council uses derivative financial instruments to manage exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The associated gains or losses of derivatives are recognised in surplus or deficit. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

- **Operational assets:** These include land, buildings, improvements, landfill post closure, library books, plant and equipment, furniture, computers and motor vehicles.
- **Restricted assets:** These are parks and reserves owned by Council which provide a benefit or service to the community, and can only be disposed of after following a rigorous legal and public consultation process.
- **Infrastructure assets:** These are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function. For example, wastewater reticulation includes reticulation piping and wastewater pump stations.

Council's pensioner housing and other non-commercial rental properties, which are held for service delivery objectives rather than for rental income or capital appreciation,

are accounted for as property, plant and equipment.

Land (operational and restricted) is measured at fair value; buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the Group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at cost. Where an asset is acquired through a nonexchange transaction it is recognised at its fair value as at the date of acquisition.

Assets under construction (work in progress)

Assets under construction are recognised at cost less impairment and not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

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 reported net in surplus or deficit. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

DESCRIPTION	USEFUL LIFE (YEARS)	DEPRECIATION RATE
Audiovisual materials and electronic games Libraries	5	20%
Buildings	15 – 100	1 – 6.7%
Vehicles / moveable plant	4 – 20	5 – 25%
Library books	8	12.5%
Computers	4 – 7	14 – 25%
Office equipment	3 – 15	6.67 – 33.3%
Furniture and fixtures	10	10%
Water supply	4 – 100	1 – 25%
Wastewater	3 – 100	1 – 33.3%
Urban stormwater	5 – 100	1 – 20%
Roading pavement sealed	2 – 100	1 – 50%
Pavement (basecourse)		
sealed	65 – 105	0.95 – 1.5%
unsealed metal	20	5%
Surface water channel	20 – 80	1.25 – 5%
Culverts	50 – 80	1.25 – 2%
Guardrails / barriers	40 – 80	1.25 – 2.5%
Drainage	50 – 80	1.25 – 2%
Retaining walls	50 – 100	1 – 2%
Footpaths	15 – 80	1.25 – 6.67%
Street lighting	20	5%
Bridges		
timber	50	2%
all other	100	1%
Parks & reserves	1 – 100	1 – 100%
Solid waste		
refuse transfer stations	10 – 80	1.25 – 10%
landfills	5 - 90	1.11 - 20%
Signs	20	5%

The residual value, depreciation method and useful life of an asset are reviewed, and adjusted if applicable, at each balance date.

Revaluation

Land and buildings (operational and restricted); parks and reserves; and infrastructural assets (except land under roads) are revalued on a regular basis to ensure that their carrying amounts do not differ materially from fair value, and at least every three years. All other asset classes are stated at depreciated historical cost.

The carrying values of the revalued assets are assessed at each balance date to ensure that they do not differ materially from the assets' fair value. If there is a material difference, the off-cycle asset classes are revalued.

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in surplus or deficit will be recognised first in surplus or deficit up to the amount previously expensed, with any remainder recognised in other comprehensive revenue and expense.

Impairment of property, plant and equipment

Items of property, plant and equipment having a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount the entire loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

INTANGIBLE ASSETS**Software acquisition and development**

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. This asset class, which is amortised on a straightline basis, has a finite useful life of three to seven years and the amortisation rates are between 14% and 33%.

Consents

Consent costs for capital works are recognised at cost, and amortised over the life of the consents - between 10 and 35 years. The amortisation charge for each period is recognised in surplus or deficit.

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually

for impairment. Intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in surplus or deficit.

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.

INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

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

CREDITORS AND OTHER PAYABLES

Short term creditors and other payables are recorded at their face value.

EMPLOYEE ENTITLEMENTS

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service 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 to, 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 absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences.

Long-term employee entitlements

Entitlements that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculation is based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information; and
- The present value of the estimated future cash flows.
- The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of

employee entitlements

Employee entitlements expected to be settled within 12 months of balance date are classified as current liabilities. All other employee entitlements are classified as non-current liabilities.

SUPERANNUATION SCHEMES

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in surplus or deficit when incurred.

PROVISIONS

A provision is recognised for future expenditure of uncertain amount or timing when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

Provision has been made for future environmental obligations in respect of closed landfills and contract completion costs.

BORROWING

Borrowing is initially recognised at fair value net of transaction costs. After initial recognition, all borrowing is measured at amortised cost using the effective interest method.

Borrowing is classified as a current liability unless Council or the Group has an unconditional right to defer settlement of the liability at least 12 months after the balance date.

NET ASSETS/EQUITY

Net assets/equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Net assets/equity is disaggregated and classified into the following components:

- Accumulated comprehensive revenue and expense
- Other reserves
 - asset revaluation
 - restricted
 - Council-created
 - special rates and user pays
 - capital replacement funds
 - development contribution
 - fair value through other comprehensive revenue and expense.

Asset revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those subject to specific conditions accepted as binding by 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 specified purposes or when certain specified conditions are met.

Council-created reserves

Council-created reserves are reserves established by Council decisions. 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.

Fair value through other comprehensive revenue and expense

This reserve comprises the cumulative net change in the fair value of financial instruments at fair value through other comprehensive revenue and expense.

GOODS AND SERVICES TAX (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

COST ALLOCATION POLICY

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using cost drivers such as actual usage, staff numbers and floor area.

CAUTIONARY NOTE FOR PROSPECTIVE FINANCIAL STATEMENTS

The purpose for the preparation of the prospective financial statements is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cash flows of Council for the 10 years ending 30 June 2031. The information contained in these statements may not be appropriate for purposes other than that as previously described.

The preparation of prospective financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from these estimates and the variations may be material.

SIGNIFICANT FORECASTING ASSUMPTIONS

The significant forecasting assumptions and risks underlying the financial estimates are identified on pages 47-51.

POLICIES AND PLANS

SIGNIFICANCE AND ENGAGEMENT POLICY

Council adopted its Significance & Engagement Policy (SEP) in December 2020. The SEP is a device for letting the public know what decisions or matters the Council and the community consider being

important, how the Council will assess the importance of those matters, and how and when the community can expect to be consulted on both. The SEP will guide the Council’s assessment of

significance in decision-making and the level of engagement applied to those decisions. The full SEP can be viewed on our policies page at www.waikatodistrict.govt.nz/your-Council/plans-policies-and-bylaws/policies

REVENUE AND FINANCING POLICY

OVERVIEW

The Council has reviewed each individual activity with a view to determining an equitable funding policy. In doing so Council considered the nature of the service and the benefits and beneficiaries for each service. Items taken into account during that deliberation were:

- Community outcomes to which an activity contributes
- The distribution of benefits between the community as a whole, identifiable parts of the community and individuals
- The period during which the benefits are expected to occur
- The extent to which actions, or inactions, of individuals or groups contribute to the need to undertake the activity

- Costs and benefits of funding the activity distinctly from other activities.

The list of activities and the funding mechanisms used for each service are included in the table below, along with some explanation of the terminology used.

The funding of operating expenditure and capital expenditure are in accordance with the sources listed in section 103 (2) of the Local Government Act 2002.

FUNDING OF OPERATING EXPENSES

The Council sets its long-term revenue to fund its on-going operation and asset maintenance programme as outlined within this plan. The sources

used depend on the Council’s analysis of individual services and are outlined in the table below.

The table outlines the funding mechanism used for individual activities. These mechanisms fall under three headings: General rates (including uniform annual general charges), targeted rates and fees & subsidies. In addition to these sources, the Council receives revenue from investments. The details of the investment activity are included separately within this plan. Within this plan, the net revenue from investments is projected to be used to reduce the requirement for general rates.

GROUP	ACTIVITY	FUNDING SOURCE		
		GENERAL RATES	TARGETED RATES	FEES
Water Supply	Water Reticulation	Residual	Majority	Fees
	Water Treatment and Supply	Residual	Majority	
Wastewater	Wastewater Reticulation	Residual	Majority	Fees
	Wastewater Treatment and Disposal	Residual	Majority	Fees
Stormwater	Stormwater	Residual	Majority	
Roading	Passenger Transport	Residual		Subsidies
	Road Safety	Residual		Subsidies
	Corridor Maintenance	Residual		Subsidies
	Network Development and Maintenance	Residual		Subsidies
	Bridges	Residual		Subsidies
Council Leadership	Footpaths	Full		
	Governance (Council and Chief Executive)	Full		
	Maaori Liaison	Full		
	Council	Full		
	Elections	Full		
	Committees and Community Boards	Residual	Partial	
Organisational Support	Council Support	Full		
	Communications	Full		
	Business Improvement	Full		
	Human Resources	Full		
	Health and Safety	Full		
	Finance and Treasury	Full		
	Rates	Full		
	Information Management	Residual		Fees
	Legal Counsel	Full		
	Corporate Property and Plant	Full		
Sustainable Environment	Management, Infrastructure Planning, Infrastructure Design and Operations	Residual		Fees
	Animal Control	Residual		Fees
	Building Quality	Residual		Fees
	Consents	Residual		Fees
	Environmental Health and Liquor licensing	Residual		License Fees
	Monitoring and Enforcement	Residual		Enforcement fees
	Regulatory Support	Residual		Fees
	Emergency Management (civil defence and rural fire)	Full		
	Waste Minimisation and Refuse	Residual	Majority	Fees
Sustainable Communities	Economic Development	Residual	Partial	
	Strategic and District Planning (includes Structure Planning, Resource Management Act policy etc.)	Full		
	Customer Delivery	Full		
	Leisure Facilities (Aquatic Centres, Libraries and Parks & Reserves)	Residual	Partial	Availability
	Community Facilities (Cemeteries, Property, Toilets, Pensioner housing, halls etc.)	Residual	Partial	Market
Grants and Donations	Full			

[Explanation of notations made in the table](#)

- 1. Full** means that all, or almost all, of the cost of the activity is funded from that particular source. If the comment is made in the rates column it does not preclude making minor charges for the service but indicates that the charges are a negligible part of the total funding.
- 2. Availability** means that the cost of having the service available is met from that funding source. For these services Council believes that charges can be a major barrier to access for some members of the community. Revenue in these services reflects revenue from programmes, hire of the facility and added value services.
- 3. Subsidy** means that a portion of the activity is funded from a government subsidy. In some instances the subsidy makes a relatively minor contribution, but in others, such as roading, the subsidy is a substantial contributor to the cost of the activity. Those subsidies are identified within the individual plan of the activity.
- 4. Petrol tax** is a local government share of the petrol tax levied by central government. It is used to contribute to the costs of road maintenance.
- 5. Majority** means the majority of the service is funded from this source. When used in the fees and charges column it reflects the view that the services should be recovered from users but that legislation imposes some constraints which may mean that full recovery is not possible.
- 6. Market** means that the Council attempts to set its charges at a level that is affordable for the users and competitive with similar services either within the district or outside the district. It is

used where market rates are not sufficient to meet the full costs of the service. The balance is funded from rates.

- 7. Residual** indicates that a portion of funds comes from this source. It reflects that in some circumstances there are constraints on Council charges, or that the alternative revenue source may include enforcement revenue which is imposed to achieve compliance and may not always cover the costs of enforcement.
- 8. Licence** and enforcement fees can be charged for some services. Licence fees may be set by the Council or by regulation, and may not always cover the full costs of the service. Enforcement fees are charged to achieve compliance and do not necessarily meet the full costs of the enforcement activity
- 9. Partial** reflects that the service will be partially funded from targeted rates.

[Bases for selection of mechanisms to fund operating expenses](#)

- 1. User charges** are used for services where there is a benefit to an individual. If it is possible to efficiently impose a charge, the Council does so, on the basis of either recovering the full cost of the service, the marginal cost added by users, or a rate that the market will pay.

The market rate becomes an issue to limit the potential for charging. It applies in circumstances where the Council believes that a charge set too high will reduce use and therefore, diminish the value of the facility to the community, and impose a greater cost on ratepayers. In selecting market rate the Council has made a judgement that the community values the existence of the facility and would rather fund it from rates than for it to close.

- 2. General rates** is used to fund those services where the Council believes there is a public benefit even though it may not be to the whole community. It typically funds "public goods" for which there is no practical method for charging individual users as the benefit is wider than just specific users. An analysis of benefits indicates that there is no difference in incidence between multiple targeted rates and a differentiated general rate.

General rates fund a range of services which are used by individual ratepayers to varying extents. The Council uses the general rate rather than a number of targeted rates in order to achieve a simpler rating structure. That simpler structure makes it easier for ratepayers to understand how they are being rated and it is also simpler and cheaper to administer. Rates are regarded as a tax which funds the collective community benefit, rather than being any form of proxy for use of a service.

The general rate is applied on a uniform basis on the capital value of all rateable property across the district in accordance with the generally accepted principles of taxation.

- 3. Uniform annual general charges** are used to fund people-related, rather than property-related services, including libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental consents planning, area offices, democracy/local government, environmental health and resource management planning.
- 4. Targeted rates** are also used to fund community benefits and

wider public goods. A targeted rate means a rate to be used exclusively to pay for that operating expense. It is used in circumstances where the Council believes that the benefits from the services are such that the principles of a general rate approach (noted above) are not sufficient and that they should be targeted to a particular beneficiaries group or groups.

It is also used where the Council considers that the level of charge is outside the Council's control and the extent of the impost should be clear to the community.

- 5. Grants and subsidies** are used where they are available. This includes petrol tax.
 - 6. Borrowing** is not generally used to fund operating expenses, but is used as a tool to smooth out major lumps in the capital replacement and acquisitions programme.
- The Council may choose to borrow for an operating expense to give a grant to a community organisation that is building a community facility.
- 7. Income from dividends, interest and net rental income** is used to offset the cost of provision of other services. Income from interest and dividends is included as revenue in the Finance & Treasury activity. This revenue is applied to the Council's general purposes. Income from rental of property is applied to the activity which is the primary user of a facility.

- 8. Licence fees** are charged where they are available as a mechanism. They are set as for user charges but may have constraints on the level of the fee. These constraints are established under various legislation.

- 9. Enforcement fees** are charged when possible. The purpose of the fee is to promote compliance

rather than to raise revenue. At times enforcement fees will recover the full cost and at other times it will not depending on the level of compliance and also the extent to which the charges are limited by statute or the courts.

[Predictability of rates and rate increases](#)

The Council is aware that the public needs to be able to predict their rates if they are to have confidence in the rates system. While it is not possible to provide absolute predictability in all years within the three year planning cycle, it is possible to provide greater stability and predictability in the years when properties are not re-valued.

The Council considers the benefit splits (amounts recovered from ratepayers for services through the general and targeted rates) within the Revenue & Financing Policy is robust.

However, the Council is always conscious of the impact of applying different increases to individual rates. This can mean that rates rises for individual ratepayers vary significantly to the average expected rates rise. In this case, the Council may determine in any given year, which is not a revaluation year, that it will apply increases in individual rates to achieve a more even distribution of rates rises. This is done in the interests of predictability and affordability for the ratepayer, which is an underlying goal of both the Long Term Plan and the Revenue & Financing Policy.

[Funding of capital](#)

- 1. Rates** in all forms will be used to fund an on-going replacement programme and may be used to fund a portion of capital acquisition work. This will be balanced against the affordability for the current ratepayers and the extent to which a capital replacement or acquisitions programme is even over the

period of the plan. Over the period of the plan the Council will get to the point where asset renewals are being met from operating revenue, and also a contribution is being made to levels of service and growth capital.

- 2. Borrowing** can be applied to all capital works subject to the preceding statement on the use of rates. The Council views debt as a smoothing mechanism and a means of achieving equity between time periods. However, the Council does not have an unlimited capacity to borrow and the community does not have unlimited capacity to service those loans into the future. Therefore, the Council adopts a prudent approach to debt and its capital programme to ensure that the burden of debt and the interest cost does not place an impossible burden on the community. In doing so the Council is conscious of its peak debt and its on-going funding stream for debt servicing and work programme.
- 3. Grants and subsidies** are used where they are available.
- 4. User charges** are used for connection services where there is a benefit to an individual. If it is possible to efficiently impose a charge, the Council does so, on the basis of either recovering the full cost of the infrastructure, the marginal cost added by users, or a rate that the market will pay.
- 5. Proceeds from asset sales** may be used to fund capital works or repay debt. The preferred option will be for debt repayment with any new works funded from new debt draw down. This method is favoured due to its transparency and the neutral effect it has on rating. There is no major planned asset sales programme over the period of this plan, but assets which are no longer required for strategic or operational purposes may be sold.

6. Development and Financial contributions The district's community is growing. That growth drives a significant portion of our capital work requirement to maintain levels of service to a growing community. As the cost of growth is driven by development the Council considers that it is equitable that a development should make a contribution to the costs that are being imposed. Otherwise, existing ratepayers would subsidise new ratepayers and this is inconsistent with

Council's principles. An exception might occur if development contributions would impose an excessive burden on developers and new ratepayers and this conflicted with Council's overall development objectives for the district. In this case, the principle of affordability may mean that some degree of subsidisation is appropriate.

The Council has a Development Contributions Policy and a Financial Contributions Policy

to obtain contributions to fund the infrastructure required due to district growth. The infrastructure includes roading, water, wastewater, stormwater and community infrastructure (i.e., parks & reserves, libraries, etc). Further details about development and financial contributions and the projects they are used to fund can be found in Council's Development Contributions Policy and Financial Contributions Policy.

RATE REMISSION AND POSTPONEMENT POLICIES

REMISSION OF PENALTIES

Objective

To enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the due date.

Conditions and criteria

In this part of this policy, the term 'individuals' means ratepayers who are natural persons. Penalty remissions will be considered where an applicant meets any of the following criteria:

- a. Individuals on benefits or other low-incomes or who have been made redundant/unemployed, have no other means, and who have exhausted all other avenues of relief.
- b. Individuals suffering significant family disruption, eg serious illness or accident of self or a close family member, death of a close family member or separation/divorce.
- c. Individuals in cases of extenuating circumstances, e.g. loss of records by fire or theft.
- d. Individuals who contact the Council prior to a penalty date to advise that they will not have funds available to pay the rates instalment until after the due date, and payment is made within fourteen (14) days of the due date. (Limited to one penalty within any two (2) year period for any particular ratepayer).
- e. Where the Council accepts an agreed payment arrangement, penalties added subsequent to the commencement of the payment arrangement may be remitted at the end of the relevant rating year, provided that the payment arrangement is being honoured.
- f. Where the Council accepts an agreed payment arrangement to clear accumulated arrears and current rates, penalties may be remitted at the end of each rating year provided the payment arrangement is being honoured and the payments have the effect of reducing the arrears. The penalty remitted may include either instalment penalties, arrears penalties or both.

- g. The ratepayer has a good payment history (being 2 clear years without incurring penalties).
- h. Penalties may be remitted in other situations where, in the opinion of the Council, it would be just and equitable to do so. All applications for remission of penalties must be in writing and must be made by the ratepayer of the rating unit concerned. Decisions under this policy are delegated to officers as set out in the Council's delegations manual.

REMISSION & POSTPONEMENT POLICY: MAAORI FREEHOLD LAND

Objective

To provide for the fair and equitable collection of rates from all sectors of the community, while recognising that certain Maaori-owned land has particular characteristics, features or ownership structures, or there are other circumstances which may make it appropriate to provide relief from rates.

Specifically, the policy is intended to:

1. Recognise situations where there is no occupier or no persons gaining an economic or financial benefit from the land.
2. Set aside land that is better left unused because of its natural features.
3. Recognise matters related to the physical accessibility of the land.
4. Recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.
5. Facilitate development or use of the land where the Council considers rates based on actual land value make the actual use of the land uneconomic.
6. Where only a part of the block is occupied, grant remission for the unoccupied part of the land.

Approach

In establishing this policy, regard has been had to the following matters:

1. In terms of section 91 of the Local Government (Rating) Act 2002, Maaori freehold land is liable for rates in the same manner as if it were general land.
2. The Council is required to consider whether it should have a policy on rates relief on Maaori freehold land.

3. The Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.
4. Applications for relief meet the criteria set by the Council.
5. The policy does not provide for the permanent remission or postponement of rates in respect of the property concerned.

Conditions

The Council will consider rate remission for land if the following conditions and criteria are met:

1. Application for remission of rates must be made by the owners or trustees of the land for which the remission is sought.
 - a. Maaori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maaori Land Court. Only land that is the subject of such an order may qualify for remission under this policy.
 - b. Owners or trustees making application must include the following information in their applications:
 - i. The details of the property for which remission is being sought
 - ii. The objectives (as outlined under 'Objectives' above) that will be achieved by providing a remission, together with an explanation as to how the land fits within the objectives
 - iii. Documentation that proves the land which is the subject of the application is Maaori freehold land, as defined at 2. above.

- c. Where after due enquiry the owners of an unoccupied block cannot be found, the Council may apply a remission without the need for a request.
- d. Decisions as to remission of rates, and the extent of any remission, are at the sole discretion of the Council, and apply only to the rating year for which the application is made.

Criteria

Rates will be remitted where the land meets any or all of the following criteria:

1. The land is unoccupied and no income is derived from that land.
2. The land is better set aside for non-use because of its natural or cultural features.
3. The land is inaccessible and is unoccupied.
4. The land carries a best potential use value that is significantly in excess of the economic value arising from its actual use.
5. Maaori freehold land that exceeds 2 hectares and on which a Maaori meeting house is erected.
6. The land is only partially occupied (Note that in this case the Council may remit rates of the unoccupied part only).

POSTPONEMENT POLICY: FINANCIAL HARDSHIP

Objective

To give ratepayers whose financial circumstances affect their ability to pay their rates an option to postpone the whole or part of their rates for an agreed period of time.

Postponements in cases of financial hardship conditions and criteria

1. When considering whether financial hardship exists, all of the ratepayer’s personal circumstances will be taken into consideration including the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust, the ratepayer’s age, physical or mental disability, injury, illness and family circumstances.
2. If after due enquiry the Council is satisfied that financial hardship exists (or would exist if the rates or a portion of the rates were not postponed), the Council may postpone part or all of the rates.
3. An application will only be considered where the following criteria are met:
 - a. The application must be made on the prescribed form.
 - b. Only the person registered as the owner of the rating unit or their authorised agent may make an application for postponement
 - c. The applicant must be a natural person
 - d. The owner must have owned a residential property in the Waikato District for not less than five years.
 - e. The rating unit must be the owner’s permanent place of residence.
 - f. The rating unit is used solely for residential purposes
 - g. The owner has not less than

- 25% equity in the property as determined by Council.
- h. The owner must not own any other rating units, investment properties or other realisable assets in the Waikato District or any other district.
 4. The owner must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
 5. The Council will charge an annual postponement fee of 10% on the postponed rates for the period between the due date and the date they are paid. This fee will cover the Council’s administration and financial costs and may vary from year to year.
 6. Any postponement will apply from the beginning of the rating year in which the application is made.
 7. Where an application is granted, the rates will be postponed until the earlier of:
 - a. The death of the ratepayer(s); or
 - b. Until the ratepayer(s) ceases to be the owner of the rating unit; or
 - c. Until the ratepayer(s) ceases to use the property as his/her permanent place of residence; or
 - d. Until a date as determined by the Council in the postponement agreement or
 - e. Until the property is no longer used solely for residential purposes;
 - f. The ratepayer no longer meets the qualifying criteria as set out in the prescribed declaration form which must be completed and returned to Council every two years for review. All rates that have been postponed will become payable when qualification of postponement ceases.

8. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
9. Postponed rates will be registered as a charge on the certificate of title of the rating unit, under the Statutory Land Charges Registration Act 1928. All costs incurred by Council associated with registering the statutory land charge will be borne by the applicant. No dealings with the land may be registered by the ratepayer while the charge is in place except with the consent of the Waikato District Council.
10. When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the applicant and Council that contains the following terms:
 - a. The amount of rates postponed
 - b. The timeframe and conditions upon which the postponed rates will become payable.
 - c. Arrangements for the payment of future rates
 - d. Acknowledgement that the postponed rates will be registered as a first charge against the land
 - e. Requirement that the applicant seeks legal or other professional advice prior to signing the agreement
 - f. Signature of both parties.
11. When postponed rates have been paid by the ratepayer the Council will remove the land charge registered on the title of the rating unit.

Decisions under this policy are delegated to officers as set out in the Council’s Delegation Manual

REMISSION RATING OF COMMUNITY, SPORTING AND OTHER ORGANISATIONS POLICY

Objectives of the policy

- To facilitate the operation of charitable groups, non-profit sporting and other community facilities which meet the needs of Waikato district residents.
- To assist the organisation’s survival.
- To make membership of the organisation more accessible to the general public, in particular young persons and disadvantaged groups.

Conditions and criteria

Organisations applying for a rates remission must meet the following criteria:

1. The organisation must operate on a non-commercial basis. Community facilities which are operated for private pecuniary profit of any members of the organisation do not qualify for any rates remission.
2. Any application for rates remission must be made to the Council prior to the commencement of the rating year; rates remissions will not be applied during the rating year or retrospectively.
3. An application for rates remission must include the following information in support of the application:
 - a. Objectives of the organisation
 - b. Funding and financial information
 - c. Information on activities and programmes
 - d. Membership or client details.

Decisions under this policy are delegated to officers as set out in the Council’s Delegation Manual.

A full remission of the General Rate and Uniform Annual General Charge may be applied to land which is owned or used by community, sporting and other organisations for the purposes of providing community facilities accessible to the general public. Such organisations include all sports clubs (except horse and greyhound racing clubs), arts clubs, scouts and youth clubs, St John/Red Cross, community and church halls, whether they are charitable organisations or not, and the Hamilton Zoo.

A 100% remission of the General Rate and Uniform Annual general Charge may be applied to land owned or used by charitable institutions and groups which provide care of the aged and disadvantaged persons. These charitable institutions or groups are currently limited to the Tamahere Eventide Home, Assisi Home and Hospital and the Tamahere Hospital and Healing Centre. The remission applies only to the common land that provides the care and does not relate to the land owned privately within the boundaries of these institutions. 50% remission of the General Rate and Uniform Annual General Charge will be granted to Tainui Awhiro and the Auckland/Waikato Fish and Game Council

Note: A mandatory remission of 50% applies to land owned or used by Agricultural and Pastoral Societies incorporated under the Agricultural and Pastoral Societies Act 1908, art clubs and sports clubs (whether incorporated or not) but excluding horse and greyhound racing clubs.

LAND PROTECTED FOR HISTORIC OR CULTURAL CONSERVATION PURPOSES OR LAND PROTECTED FOR NATURAL CONSERVATION PURPOSES POLICY

A full remission of all rates may be applied to land used to preserve its natural features.

Objectives of the policy

- To protect the historic or cultural significance of certain land in the Waikato district
- To protect the natural beauty and conservation values of certain land in the Waikato district
- To preserve the natural character of the coastal environment
- To protect significant indigenous vegetation and fauna
- To encourage land owners to leave certain land undisturbed in order to prevent erosion.

Conditions and criteria

1. The land must not be used for grazing, farming, residential or commercial purposes and must have discernible historical cultural or natural features.
2. If only part of the land is to be protected, whether or not identified by a registered conservation or heritage covenant, the following aspects will be taken into account to determine whether a remission should be granted:
 - a. The size of the area to be protected in relation to the size of the rating unit

- b. The significance of the features to be protected.
- c. Where land is to be protected for natural conservation purposes that are not under covenant, the minimum aggregate conservation area shall be 10 hectares.
3. If a remission for a natural conservation area is granted under Clause 2, the remission shall be calculated on the relevant land value as determined by Council's Valuation Service Provider. Any rates remission applies as long as the land meets the criteria stipulated in Clauses 1 to 2 above. If the land is no longer used for conservation purposes, the ratepayer will be advised that full rates are again payable.

4. In granting remissions under this policy the Council may specify certain conditions before remission will be granted, such as arrangements for monitoring and access to the property. Such conditions have to be agreed to by the ratepayer in writing. Non-compliance with any condition will result in remissions being stopped.

5. Any applications for remission under this policy must be made before 1 July of the year of the initial remission. Remissions will not be granted retrospectively.

Decisions under this policy are delegated to officers as set out in the Council's Delegation Manual.

REMISSION OF UNIFORM ANNUAL GENERAL CHARGE ON RATING UNITS WITH EXCEPTIONAL CIRCUMSTANCES

A full remission of the uniform annual general charge may be applied to rating units with the following exceptional circumstances:

- Uneconomic, multiple owned Maaori rating units that are being leased by neighbouring landowners and being used as one
- Unformed or closed roads (as gazetted) owned by the Council whether or not a licence to occupy has been granted to neighbouring landowners.

Objective

To allow the Council to act fairly and reasonably where:

- Multiple owned Maaori rating units are being leased by adjoining owners and are being used as part of their land, but do not qualify for contiguous classification in terms of the Local Government (Rating) Act 2002; or
- The Council has allowed adjoining property owners to occupy unformed roads and use the Council-owned land as part of their properties, but does not qualify for contiguous classification in terms of the Local Government (Rating) Act 2002.

Conditions and criteria

1. The rating units must be:
 - a. Multiple owned Maaori freehold land or closed/unformed roads owned by the Council for which permission to occupy has been granted;
 - b. The rates notices are sent to and the rates are paid by the lessee
 - c. Used jointly as a single unit with neighbouring land owned by the ratepayer
 - d. The rating unit is of an uneconomic size.
2. If circumstances change in respect of the rating unit, the Council will review whether this remission policy is still applicable to the rating unit;

Decisions under this policy are delegated to officers as set out in the Council's Delegation Manual.

REMISSION OF RATES: OTHER CATEGORIES

This part of the policy is prepared pursuant to sections 102 and 109 of the Local Government Act 2002 and Section 85 of the Local Government (Rating) Act 2002.

Objective

- To enable the Council to grant full rates relief for land that has a capital value of less than \$1,500, whether or not contiguous with other properties.
- To remit rates in respect of cemeteries of an area exceeding two hectares and not being used for any other purpose than as a cemetery (cemeteries less than two hectares are non-rateable)

Conditions and criteria

1. Full remission of the general rates is granted where the registered capital value of the rating unit is \$1,500 or less.
2. Full remission of the general rates is granted in respect of on land used or set aside for cemetery purposes that has an area greater than two hectares. If circumstances change in respect of the rating unit, the Council will review whether rates remission should still be granted.
3. This policy does not apply to land owned or used by any person or corporation operating a utility of any description on the land.

Decisions under this policy are delegated to officers as set out in the Council's Delegation Manual.

SUBDIVISION DEVELOPMENT REMISSION

Objective of the policy

To facilitate subdivision development in the Waikato district.

Remission for unsold lots of a new subdivision

Developers may apply for remission on the second and subsequent lots of a new subdivision that remain unoccupied or unsold after the end of the rating year in which they are first charged rates. The remission applies to the Uniform Annual General Charge and targeted rates.

Conditions and criteria

1. The subdivided new lots must be unsold and unoccupied after the end of the rating year in which they are first charged rates.
2. The land must be vacant land.
3. Rates remission will apply to the second and subsequent lots of the subdivision.
4. The owner must apply for rates relief and provide reasons why rates relief should be granted and supporting evidence.
5. Each application will be considered on its merits, taking into account the following factors:
 - a. The landholdings of the owner within the Waikato district
 - b. The extent of the subdivision
 - c. The impact of the request on development in the district
 - d. The anticipated sales process of the subdivided lots
 - e. The rating account must be up to date prior to application.
6. The term rates include penalties payable on unpaid rates.

Decisions under this policy are delegated to officers as set out in the Council’s Delegations Manual.

POSTPONEMENT OF RATES FOR A NEW SUBDIVISION ON THE GROUNDS OF FINANCIAL HARDSHIP

Objective

- To assist developers.
- A postponement of part of the rates may be granted in respect of a subdivision development on the grounds of financial hardship. This policy applies to all classes of land (including Maaori freehold land).

Conditions and criteria

1. Rates will be postponed until the new lots have been sold or leased.
2. The owner/developer must apply for postponement of rates in writing, provide reasons why rates should be postponed and supply supporting evidence.
3. Each application will be considered on its merits, taking into account the following factors:
 - a. The landholdings of the owner within the Waikato district
 - b. The extent of the subdivision
 - c. The impact of the request on development in the district
 - d. The anticipated sales process of the subdivided lots.
4. Postponement of rates will be granted to the extent that the owner still pays the quantum of rates which were payable before the property was developed.
5. If rates postponement is granted, a postponement fee will be charged which will be treated as part of the rates. The postponement fee will cover the Council’s administration and financial costs.
6. Postponed rates will be registered as a statutory land charge on the certificate of title for the land concerned.

7. Any postponement will be for a maximum period of five years.
8. The term ‘rates’ includes penalties payable on unpaid rates.

Decisions under this policy are delegated to officers as set out in the Council’s delegations manual.

REMISSION POLICY ON UNCOLLECTIBLE RATES

Objectives

To allow for situations where all practicable methods of enforcing rates collection have been exhausted and it is in the Council’s financial interests to remit such rates.

Conditions and criteria

1. All rates both arrears and current including any targeted rates will be remitted where Council considers the objective will be achieved in so doing. This policy will be applied at Council instigation.
2. Properties receiving a remission under this policy must be reviewed every year.

Decisions under this policy are delegated to officers as set out in the Council’s delegation manual

POLICY ON MAAORI PARTICIPATION IN DECISION MAKING

Introduction

The Local Government Act (LGA) 2002, Section 81 (1), requires councils to:

- a. establish and maintain processes to provide opportunities for Maaori to contribute to the decision-making processes of the local authority; and
- b. consider ways in which it may foster the development of Maaori capacity to contribute to the decision-making processes of the local authority; and
- c. provide relevant information to Maaori for the purposes of paragraphs (a) and (b).

Section 82 (2) of the LGA further requires that a local authority ensures that it has processes in place for consulting with Maaori.

Council has obligations under the Waikato-Tainui Raupatu Claims (Waikato River) Settlement 2009 and the Nga Wai o Maniapoto (Waipa River) Act 2012 to enhanced and meaningful working relationships with Waikato-Tainui and the Maniapoto Maaori Trust Board to ensure the enhancement of the health and well-being of these tuupuna awa.

Policy

In order to meet its statutory obligations and in recognition of the principles of Te Tiriti o Waitangi, Waikato District Council will strive to ensure the following in its decision-making activities:

1. Recognise the cultural significance of the Waikato and Waipaa Rivers and their tributaries by ensuring meaningful engagement in decision-making and the co-management of these awa.
2. Maintain and enhance the social, cultural, environmental and economic well-being of Maaori by ensuring that the values and aspirations of iwi, hapuu and Marae are understood and taken into account.
3. Work actively with iwi / Maaori to develop arrangements and protocols that will ensure that they are included in Council decision-making.
4. Work actively with iwi / Maaori to foster the development of capacity to participate in Council decision-making.

WATER AND SANITARY SERVICES ASSESSMENT AND WASTE MANAGEMENT PLAN STATEMENT

The Council is required under the Local Government Act 2002 to identify any significant variations between the proposals outlined in its LTP and its:

1. Assessment of Water and Other Sanitary Services.
2. Waste Management and Minimisation Plan.

Assessment of Water and Other Sanitary Services

The Water and Sanitary Services Assessment details all water and sanitary services across the district's boundaries.

The assessment focuses on protection of public health and well-being of the community.

Waste Management and Minimisation Plan

Under the Waste Minimisation Act 2008, Council has a legal responsibility to promote effective and efficient waste management and minimisation. Council's 2018 Waste Management and Minimisation Plan (drafted under the Waste Minimisation Act) provides a strategic framework for how this will be achieved.

Council began a review of its solid waste services in 2019 and is currently realigning its municipal waste contracts with the National Waste Strategy and Waste Management and Minimisation Plan commitments. As part of this work, the provision of an inorganic kerbside collection service was reviewed and subsequently discontinued as it is inconsistent with the above mentioned strategies. In conjunction with this decision, work has begun to upgrade the resource recovery facilities in the district to allow our communities to responsibly manage waste in our district.

Statement of Significant Variation
Council's 'Water and other Sanitary Services' Assessment was adopted in 2008. It includes all services

relating to water supply, wastewater and storm water services, public toilets, cemeteries and interments and solid waste. This assessment is required by the Local Government Act 2002 and aims to determine whether public health in the district is adequately protected through the provision of these services, both now and in the future. No further assessments have been undertaken since the Long Term Plan 2009-19 was adopted.

The proposals contained in Council's Long Term Plan 2021-31 have been reviewed against the Assessment of Water and Other Sanitary Services. There are no significant variations between the proposals outlined in this plan and the current assessment contained in the Long Term Plan 2018-28.



STATEMENT OF COUNCIL CONTROLLED ORGANISATIONS

The Council operates four Council Controlled Organisations (CCOs). These organisations independently manage facilities and deliver services, with the exception of Strada Corporation Limited which wound up activities during the 2016/17 financial year. The following information explains what the organisations do and how their performance is measured.

STRADA CORPORATION LIMITED

Strada Corporation Limited (formerly Tanlaw Corporation prior to 1 July 2009) was established in 1992 as a wholly owned Council Controlled Organisation (CCO). The Council wished to separate the planning and development of its work programme from the physical works. Strada was established to achieve this and to operate as a profitable business for the Council's benefit, and ultimately Waikato District ratepayers'.

The company generally traded profitably and provided significant dividends that supplemented the Council's income. However, in recent years in a more competitive market Strada had difficulty securing maintenance contract work and when the opportunity arose during 2015/16 to sell Strada's joint venture

the decision was made to wind up operations.

The operational assets were sold during 2016/17 and liabilities extinguished. While Strada has remained open in order to receive the final settlement payments in relation to the disposal of its previous interest

in the joint venture (Waikato Quarries Limited), it is no longer a going concern.

As Strada is no longer trading, Council management have elected to file a non-active declaration with Inland Revenue.

WAIKATO REGIONAL AIRPORT LIMITED

In December 1995, the Council along with four other local authorities purchased the Crown's 50% shareholding in the Waikato Regional Airport Limited. The purchase increased the Council's shareholding to 15.625%. At the time the Council considered the airport to be a significant infrastructural asset for the region and important to economic growth and development. The Council's shareholding is considered a strategic asset. The airport also operates a tourism subsidiary which aims to promote the region to tourists. The Council contributes separately to this entity.

The Airport has the following core purpose and key objectives for the business:

Core Purpose

1. Enabler of air services to the region.
2. Operate a first class, safe and compliant regional airport.
3. Strategic positioning of the business to enhance capital value.

Key Objectives of the Group (incorporating Titanium Park Limited & Hamilton Waikato Tourism Limited)

1. Operate an efficient and compliant airport.
2. Enhance the traveller experience.
3. Maintain a viable aeronautical business.
4. Maximise revenue diversification through non-aeronautical business opportunities.

5. Develop and optimise the land holdings of the Group to generate a long-term property income from a diversified property portfolio.
6. To promote the Hamilton & Waikato region as an appealing destination to international and domestic visitors.

AGREED MEASURES	2021/22	2022/23	2023/24
Shareholders funds to total assets	70%	70%	70%
Earnings before interest, taxation and depreciation (EBITDA) excluding land sales	\$5,200,000	\$5,400,000	\$5,600,000
Earnings before interest, taxation and depreciation (EBITDA) including land sales	\$5,700,000	\$6,100,000	\$6,200,000
Net profit after tax no less than	\$1,200,000	\$1,800,000	\$2,200,000
Net operating cash flow (excluding land sales)	\$3,600,000	\$3,500,000	\$4,000,000
Total debt excluding design build property not exceeding	\$29,000,000	\$32,000,000	\$32,000,000
Percentage of non-landing charges revenue at least	60%	60%	60%
Land sales	\$2,000,000	\$4,000,000	\$3,000,000
Interest cover at least	4.0x	4.0x	4.0x

WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED

Local authorities of the Waikato region established the Waikato Local Authority Shared Services (WLASS) Limited during 2005/2006, the 12 local authorities of the region, being Environment Waikato; Hamilton City Council; Hauraki District Council; Matamata-Piako District Council; Otorohanga District Council; Rotorua District Council; South Waikato District Council; Taupo District Council; Thames-Coromandel District Council; Waikato District Council; Waipa District Council and Waitomo District Council, jointly own the company.

These local authorities have worked closely together over the years on mutually beneficial joint projects. The Councils believe the company will generate saving through economies of scale and through additional purchasing power and the ability to recover costs.

The objectives of WLASS are:

- enable the Waikato Councils to collectively be more effective as a region on the national stage
- contribute to building central government’s confidence in the Waikato region, and to encourage central government investment
- achieve effectiveness and efficiency gains
- reduce duplication of effort and eliminate waste through repetition
- make it easier for customers to engage with Councils in the Waikato region
- promote and contribute to the development of best practice
- promote business transformation to improve customers’ experiences.

The WLASS transformation

In the 2019 SOI WLASS asked shareholding councils to commit to transforming the company into a service delivery agent to allow it to better serve those councils. That transformation had three key elements:

- Establishing in-house resources: WLASS has since employed a small core team (a Chief Executive, Business Analyst and Executive Assistant);
- Changing the WLASS governance structure: The Board has reduced to six members - an independent Chair and five Council Representative Directors; and
- Thought leadership: By providing these structural changes it will better enable the company to explore ways in which councils can operate better for the benefit of their communities.

Performance reporting

Transforming the company into a service delivery agent and a true strategic partner to councils, means the company has two fundamental roles:

1. It is a laboratory for developing opportunities that create value to councils, either by improving the experience of their communities or by making the councils themselves, collectively, more efficient and effective; and
2. It is a provider of services to councils where a business case to do so has been established (recognising that it may make sense for some services to be provided by someone other than WLASS).

Given the evolution of the company, WLASS has revisited the way that it measures its success to reflect these roles. A performance framework has been established (see Figure 1).

FIGURE 1

OUR VISION	Waikato Councils are working together in the best way possible, for the collective benefit of them and their communities - which means less burden on ratepayers, happier communities and council staff and more effective councils.				
OUTCOMES WE ARE SEEKING	Council costs are reduced / performance is improved, without increased cost	The experience of councils' communities are improved	Central government investment into and engagement with Waikato is increased		
OUR SPECIFIC OBJECTIVES	<ul style="list-style-type: none"> • Achieve effectiveness and efficiency gains • Reduce duplications of effort and eliminate waste through repetition • Helping the councils achieve an appropriate balance in risk and return 	<ul style="list-style-type: none"> • Promote and contribute to the development of best practise • Make it easier for communities to engage with councils in the Waikato region on a consistent basis • Promote business transformation to improve communities' experiences 	<ul style="list-style-type: none"> • Enable the Waikato councils to collectively be more effective as a region on the national stage • Contribute to building central government's confidence in the Waikato region, and to encourage central government investment 		
PRIORITIES- HOW WE WILL ACHIEVE OUR OUTCOMES	Investigate the right opportunities	Develop opportunities on time and within budget	Ensure opportunity benefits are realised	Provide services that meet the need of council	Foster cross-council collaboration
WHAT WE MUST MANAGE WELL	Our relationships	Our services	Our projects	Our people	Our resources Our reputation

Priorities and Performance Measures

Strategic priorities will be tracked using the following performance measures:

PRIORITY	PERFORMANCE MEASURE	TARGET
Prioritise and develop opportunities that add value to councils by achieving one or more of our objectives	Business cases will include measurable benefits linked to one or more of the outcomes sought	Projected savings to councils of \$300k+
Linked Impact(s)	Opportunity assessments are supported by councils (evidenced by Board minutes)	75% of councils
Develop opportunities and deliver projects within agreed budgets and timelines ¹	Opportunities / projects are developed / delivered within agreed timelines	80%
Linked Impact(s)	Opportunities / projects are developed / delivered, within approved budget	90%
Ensure projects realise their expected benefits	Measurable benefits are actively monitored and reported against	Six-monthly
Linked Impact(s)	Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	\$200k+ Projects Within 15 months 90% of projected quantifiable benefits are realised
Ensure existing services are meeting the needs of councils	The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey):	80% of councils
Linked Impact(s)	<ul style="list-style-type: none"> • RATA – roading & waters • Waikato Building Cluster • Regional Infrastructure Technical Specifications • Energy & Carbon Management • Professional Services Panel • Health & Safety pre-qualification 	
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice	Across these groups, ideas for future consideration and/or initiatives are identified each year	Six per annum
Linked Impact(s)		

¹ Budgets and timelines for opportunity development will be those established following discovery and/or opportunity assessment. A business case will refine these parameters with respect to project delivery.

The targets noted above are for the three-year forecast period as stated in WLASS Statement of Intent for the year ended 30 June 2021.

WAIKATO DISTRICT COMMUNITY WELLBEING TRUST

In 2010, the Waikato Foundation Trust proposed to distribute its capital fund to projects or trusts to fund projects of a community nature which would result in long term benefits to as many people as possible within the geographical area of the three constituent territorial authorities namely the Hamilton City Council, the Waikato District Council and the Waipa District Council. The Waikato District Community Wellbeing Trust was established to receive funds from the Waikato Foundation Trust which wound up in 2010. \$2.56 million was transferred to the Waikato District Community Wellbeing Trust during 2011/12.

The trust distributes funds that:

- Promote the social, environmental and cultural well-being of the Waikato district and its communities; and
- Deliver on the aspirations and community outcomes of the Waikato district identified

TARGET	METHOD	MEASURE
Government		
The Trust will be governed in accordance with the terms of the Trust Deed.	To comply with the terms of the Trust Deed and in particular with the duties of the Trust as set out in clause 11 of the Deed;	Undertake an annual legal review of compliance with the Trust Deed no later than two months after the end of each financial year.
Investment		
The Trust will, in accordance with the Trust Deed, invest or reinvest part or parts of the Trust Fund not immediately required for the purposes of the Trust (whether income or capital) in investments or securities, as the Trust Board considers beneficial to the Trust Fund. The Trust will also seek other opportunities and avenues for growing the Trust fund. The intention of the Trustees is that the real value of the Trust Fund is preserved.	To adhere to the Trust's Management of Investment Portfolio and Distribution Policy. To review, on an annual basis, the investment mandate and the performance of the portfolio manager.	At each quarterly meeting review compliance with the Trust's Management of Investment Portfolio and Distribution Policy during that quarter.
Funds Disbursement		
The Trust will, as appropriate, disburse funds towards projects that meet the Trust's criteria and that meet the objectives of the Trust Deed.	As per the Management of Investment Portfolio and Distribution Policy, to distribute total grants that do not exceed 50% of the accumulated net income after allowing for accumulated expenses, inflation movements and prior year distributions.	A distribution process is undertaken that distributes the annual fund to eligible recipients in accordance with funding targets set by the Trustees in accordance with the Management of Investment Portfolio and Distribution Policy. Six-monthly reports are received from all successful applicants within the required timeframes.

Each Council Controlled Organisation has both financial and non-financial performance deliverables. More detail can be found in the individual statements of intent of these organisations.



AUDIT OPINION

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

TO THE READER:

Independent auditor's report on Waikato District Council's Long Term Plan 2021-31.

I am the Auditor General's appointed auditor for Waikato District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's Long term Plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 28 June 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long term, integrated decision making and co ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 109 to 111 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following disclosures.

Uncertainty over three waters reforms

Page 46 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

Uncertainty over the delivery of the capital programme

Page 32 outlines that the Council is proposing to spend \$1,026 million on capital projects over the next 10 years. Although the Council is taking steps to deliver its planned capital programme, there is uncertainty over the delivery of the programme due to the significant constraints in the construction market as described on page 48. If the Council is unable to deliver on a planned project, it could affect intended levels of service.

Basis of opinion

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, which is available on the External Reporting Board's website. 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, which are available on the International Auditing and Assurance Standards Board's website that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the 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 the preparation of 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 preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality control

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 (Amended) 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 or any of its subsidiaries.



Clarence Susan, Audit New Zealand
On behalf of the Auditor General, Tauranga, New Zealand

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