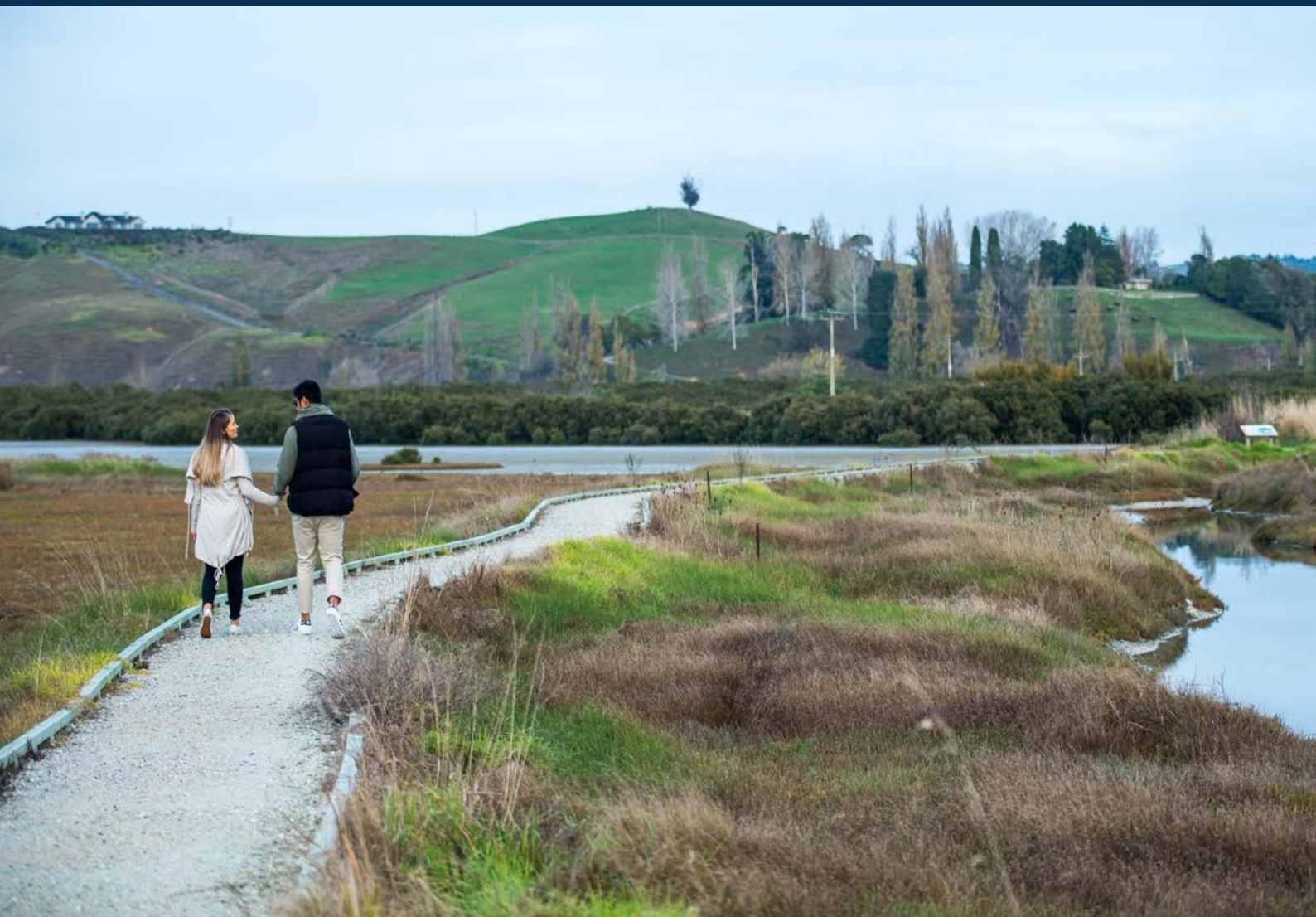




Hauraki District Council

# Pre-Election Report 2022



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## About this report

### He pitopito kōrero

On the 8th October 2022, the Hauraki District Community will vote for a new Council for the coming three years. This report, has been prepared by the Hauraki District Council Chief Executive, Langley Cavers to provide voters and potential Council candidates with a consolidated summary of the Council's past, current and future financial position and key priorities for the next three years.

You may be thinking of standing for the Council, or just want information prior to voting – either way, the intent of this document is to help promote discussion about how things are going within the Council and around the District.

Elected Members have had no involvement in the preparation of this report. This pre-election report is mandatory and must be politically independent. It has not been audited, however the 2021-31 Long Term Plan and all Council Annual Reports are audited by Audit New Zealand and these predominantly form the underlying basis of this pre-election report. Some information, relevant to the 2022/23 year has been updated since it was audited as part of the Long Term Plan process as part of the development of the 2022/23 Annual Plan<sup>1</sup>.

For further information, additional to what is detailed in this document, please refer to Council's other planning and reporting documents available on the Council website [www.hauraki-dc.govt.nz](http://www.hauraki-dc.govt.nz)

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<sup>1</sup> It is of note that in order to assist candidates in their considerations regarding standing for Council, this document has been prepared predominantly in June 2022, and therefore prior to the end of the 2021/22 financial year and prior to the audit of the 2021/22 Annual Report. Therefore, the information contained in this pre-election report for the 2021/22 year is forecast information only as per the Long Term Plan, rather than audited end of year information.

## A message from the Chief Executive He kōrero nā te Tumuaki

Thank you for taking the time to read the Hauraki District Council pre-election report for 2022. We enter the 2022 election period faced with the potential for the most change that the Local Government Sector has faced for 30 years. The substantive parts of this change will occur over the next triennium.

The Three Waters reform, Resource Management review and Future for Local Government review, if implemented, will fundamentally change the way that Council meets the wellbeing needs of our communities. We are faced with a change from our current focus of predominantly being an infrastructure service provider to possibly being predominantly focused on promoting the social, economic, environmental and cultural well-being of our communities.

Being involved in Local Government in these unprecedented times is an exciting opportunity as we have the opportunity to influence and shape what our role is in the future

In addition to the reforms our population is growing and homes continue to be built. We are seeing more people leave the cities to establish a friendlier work life balance for themselves and their families. This return to rural is going to be nothing but great for our district and is a contributing factor to the growth of our District.

Council will be expected to support the growth needs in our communities with investment in infrastructure, planning and through the choices of projects it invests in. The ever-increasing need to provide for growth within environmental limits and the need to plan for climate change will continue to provide challenges for Council and for our communities this coming term.

Covid-19 has and continues to change the way we all work, live and play, and although we have now moved to a phase of learning to live with Covid-19, we anticipate it will be some time before the impacts of the ongoing pandemic are no longer felt. There will continue to be a role to play for Council in supporting our community through some of these challenges.

The coming three year term is expected to be a busy one, there is no denying that. On top of all that is facing us with the reforms, the Long Term Plan for the 2024-2034 period will begin as soon as the new Council is on board. This is a significant project that drives the actions of Council over the coming years. Looking ahead, the next three years will be an exciting time in local government, and we want you to join us for the adventure. We are small, but we are strong, and we are definitely stronger when we stand together for what we believe in.

**Langley Cavers**

Chief Executive - Hauraki District Council



# Who are we?

Ko wai mātou?

## Our District

The Hauraki District is a relatively small territorial area covering a total of 1,269 square kilometres and is geographically very diverse. It stretches from the beaches of Kaiaua and Pūkoro/ Miranda along the Firth of Thames in Tikapa Moana (the Hauraki Gulf) to the Pacific Ocean at Whiritoa.

In between lies the rich dairy lands of the Hauraki Plains, the rugged beauty of the Karangahake Gorge and Kaimai/Coromandel ranges, and the rolling farmlands of the Golden Valley. Hauraki District sits within the rohe of the iwi of Hauraki which stretches from Matakana in the north to Matakana Island in the south.

The Hauraki District has a strong agricultural base, with three towns servicing this sector; it has a significant gold and silver mine in Waihi and is a growing provider of tourist related activities, especially since the development of the Hauraki Rail Trail.



# Key facts



Our **total area** is **1,269** square kilometres



**130,000** people visited the Karangahake Gorge in a year



The average **house value** in Hauraki is **\$682,700** against the national average of **\$1,035,200** (2022)



Our estimated **population** was **21,800** at June 2021



**23%** of people in Hauraki said they identified as **Māori\***, and nearly **5%** of our population speak **Te Reo Māori\***



The mean annual **household income** is **\$81,100** for Hauraki against the national average of **\$117,900** (2022)



**84%** of our population identified as **European\***



**18%** of our district is employed in **primary industries**, with Dairy Cattle Farming being the largest employing industry in the district (**11%** in 2021)



almost a **quarter** of our population is over **65 years\***

*\* taken from the 2018 census*



# Community Outcomes

## Putanga hāpori

Our community outcomes express in more detail what the community would like to see happen in our District. These outcomes continue to stay at the forefront of the decisions Council make.

Council developed these community outcomes after speaking to our community about what they love about our District, and what they want to see in the future.



### Healthy environment

Te Mauri o te Taiao

- Ecosystems are protected, restored and respected.
- We minimise waste.
- Our rivers, streams and wetlands are healthy and we use water carefully.
- We reduce our carbon footprint to minimise climate change.



### Connected people

Tūhono

- We look after each other.
- We are partners with iwi.
- We collaborate with other local authorities, and central government.
- Youth are engaged and supported.
- We're proud to live here.



### Vibrant and safe communities

Te Oranga pai o te Hapori

- Public spaces are fun and inviting.
- Everyone has access to safe, healthy, and affordable homes.
- Roads and bridges are safe and well-maintained.
- We have a reliable drinking water supply.
- We plan for and adapt to the effects of climate change.



### Strong economy

Oranga Ōhanga

- Local business is supported – we can get what we need locally.
- There is opportunity for paid work and employment, and training.
- We are skilled and educated.



# What are we here to do?

## Hei aha tā matōu mahi?

### Our role

Council provides the residents and ratepayers of our communities with a wide range of services. Some services are provided as it is a requirement by law to do so. Others are elective services that Council believe contribute to the overall community well-being of the Hauraki District. The services you can expect us to provide are:



#### **Governance and Leadership**

*Kāwangatanga me te rangatiratanga*  
Democracy, Policy development, Iwi liaison



#### **Land Transport**

*Te Kawa o ngā waka whenua*  
Local roads, footpaths, bridges, road safety, amenities, contribution to public transport, cycleways



#### **Water Supply** *Te waipuna*

Collecting, treating, storing and distributing water to our communities and rural areas



#### **Wastewater** *Te wai ururu*

Collection, treatment and disposal of the wastewater from homes and businesses



#### **Stormwater** *Wai āwhātanga*

Collecting or channelling excess rainwater that runs off urban properties and roads



#### **Land drainage** *Te rerenga whenua*

*me te aukatinga ō ngā waipuke*  
Collecting water runoff from rural areas and redirecting it



#### **Waste Management** *Whakahaere*

Solid waste collection, recycling, waste minimisation education, closed refuse tips aftercare



#### **Community Services** *Ratonga Hapori*

Community recreation, community facilities, including libraries, pools, events centre, sports fields, reserves, halls, housing for the elderly, public toilets, cemeteries



#### **Manaaki Toiora**

Manaaki Toiora mean's to 'assist in wellbeing or to lift one's mana in the sense of wellbeing'. The Manaaki Toiora activity provides economic and social project assistance in a variety of forms



#### **Regulatory Services** *Ratonga whakahaere*

Resource management implementation, building control services, community protection, animal control



#### **Support Services** *Ngā ratonga tautoko*

Forestry, property, overheads, fleet management, subdivision, project operations



For more detail on the activities that Council provides, please refer to the [2021-31 Long Term Plan](#).



# What have we been working on?

Pēwhea a mātou pūtea? E mahi ana mātou i te aha?



## The past three years: 2019/20 to 2021/22

### What major projects have been completed?

The Council has had a busy three years, working on a number of major projects, as well as preparing for a number of initiatives that are programmed for this year and the next few years. The following are some of our most significant projects (above and beyond our day to day operations and maintenance) carried out in the last three years.

**Kaimanawa water supply upgrade:** 2020/21 marked the completion of a major upgrade of the water supplied to the Kaimanawa area. This \$5 million project supplies water to Kaimanawa from the Paeroa plant, and has been in progress for the last few years.

**Karangahake to Paeroa Wastewater Line:** A pressure wastewater line from Karangahake back to Paeroa to dispose of wastewater was installed.

**Karangahake Public Toilets:** Container toilets have replaced the existing portaloos near the Karangahake Hall, and are connected to the water and sewer mains.

**Emergency Road Works:** \$1.265 million was spent on emergency roading works, carried out as a result of the 2020 drought which caused significant damage to some of our road surfaces.

**Ngatea Main Street:** The upgrade was aligned with Waka Kotahi's road rehabilitation work and included kerb and channelling, stormwater replacement, footpath upgrade and replanting of the street gardens.

**Waihi Transfer Station:** The completed upgrade included the construction of two new concrete slabs on either side of the transfer station shed, construction of a new concrete pad for the steel recycling area, installation of CCTV cameras, and new waste oil bins. Sections of the road were also re-sealed and painting and electrical work was completed.

**Ngatea Northern Estate subdivision:** Stage two (15 sections) and three (20 sections) of the Ngatea Northern Estate subdivision have been completed.





**Manaaki Toiora:** Council combined our economic development and social development committees into one committee called Manaaki Toiora, which means to assist in the wellbeing of our communities or to lift one's mana in the sense of wellbeing. From this Committee the [Manaaki Toiora Strategy](#) was developed and adopted in 2022.

**Community Outcomes:** For inclusion in the 2021 Long Term Plan, the Community Outcomes were reviewed with input from the community and can be found on page (6) of this document.

**Hauraki District Plan Change 1:** On 16 September 2019 Plan Change 1 became operative. The purpose of the plan change was to remove impediments to affordable residential development and to provide for affordable housing options in Waihi, Paeroa and Whiritoa.

**Resource Consents:** Consideration of some publicly consulted resource consents including Longridge 65 lot retirement village development, Tirohia Landfill, Kaimai Windfarm and Protective Cropping Limited.

**Iwi Liaison:** Council increased our resourcing in the iwi liaison arena in preparation for the Te Tiriti o Waitangi (the Treaty of Waitangi) settlements to ensure we are in a position to monitor and implement individual settlements and co-governance arrangements in relation to the Waihou/Piako river catchments.

**Wharekawa Coast 2120:** Originally called the Kaiuaa Community Plan, the [Wharekawa Coast 2120](#) project is a jointly developed and community led plan with the purpose of collaboratively working together. The plan addresses expected issues over the coming 100 years in the Wharekawa Coast area and has continued to where recommendations for the future of the area are being considered.

**No Time to Waste | Tiakina a Papa! Mimiti te Para! (WMMP):** A new [WMMP](#) was adopted in 2022. The WMMP is our plan for reducing waste to landfill and minimising the harmful effects of waste in our district. The plan contains and overview if the waste issues we're facing in the district, and our goals, objectives and action plan to minimise waste in our district.

**Zero Carbon Promise | Me taurangi kit e whakaiti o te tapuwae waro:** This document is a commitment to get our own house in order before focusing on the bigger district wide- picture. The council adopted this [Zero Carbon Promise](#), which outlines where it can lower emissions caused by our business operations.

**Smokefree and vapefree policy:** In July 2019, Council adopted an educational [policy](#) to encourage people to refrain from smoking and vaping by promoting smokefree and vapefree public outdoor areas and public events. The aim of the policy is to help to achieve the long term goal of creating a smokefree Hauraki District.



# What's on the horizon?

## He aha nga āhuatanga kei mua i te aroaro?



### How are we looking for 2022/23

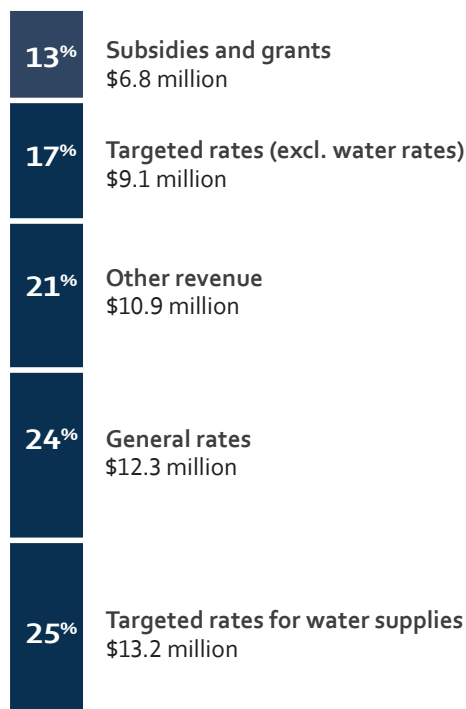
Council recently adopted the Annual Plan for 2022/23. This highlights our plan for the year from 1 July 2022 to 30 June 2023.

Many of the capital works programmes are continuations of large projects that have already started and include:

- Ongoing work with the community to develop the Wharekawa Coast 2120 community led strategy around coastal hazard risk
- The next phase in construction of the Waihi Extension of the Hauraki Rail Trail
- Renewal of the Kerepehi Raw Water Main
- Upgrading the Paeroa and Whiritoa Wastewater Treatment Plants
- Improvements to Waihi's main streets
- Wharf Street development to connect with work already done on the new Wharf in Paeroa
- Progressing with the Ngatea North Stage 4 and Ngatea Southern Estate Subdivision
- Progressing with the Ngatea community the development of the Ngatea Library and Service Centre.

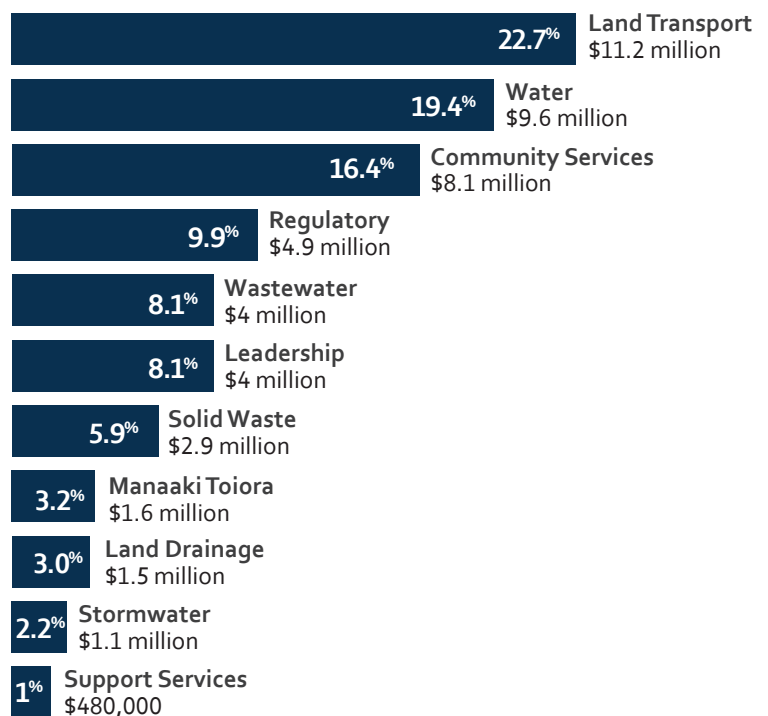
### Our income - \$52.3 million

This graph, 'Our income', shows the various sources of income that the Council's activities and services generate in 2022/23.



### Our expenditure - \$39.2 million

This graph, 'Our expenditure', shows the proportion of that income that the Council plans to spend on each activity for 2022/23.



# Where are we going?

## Kei te haere matōu ki whea?



### The next three years: 2023/24 to 2025/26

#### What challenges are we expecting?

##### Three Waters Reform

In July 2020, the Government launched the Three Waters Reform programme – a three-year programme to reform local government service delivery arrangements for drinking water, wastewater and stormwater. In October 2021 the Local Government Minister announced that government will proceed with its three waters service delivery reforms using a legislated 'all in' approach.

The reform involves the creation of four statutory water service entities that will own and operate three waters service delivery and infrastructure on behalf of councils. Under the new structure, the Hauraki District would be part of Entity B with 22 councils in total, including Waikato, Bay of Plenty, Taranaki and parts of Manawatu/Whanganui.

These entities will:

- be publicly-owned by councils on behalf of communities, with strong protections against any future privatisation
- have joint strategic direction and oversight through Regional Representative Groups made up of local government and mana whenua to ensure the entities are driven by community expectations and priorities
- be financially separate from councils with a greater ability to borrow to fund long-term infrastructure
- have independent competency-based boards that will run the day-to-day management of the entities and oversee the maintenance and renewal of this infrastructure.

Work is progressing at speed to set up these entities. The legislation will be before parliament at about the same time this document goes to print, (end of June 2022) with the law in effect by December 2022. Although there are still some unknowns, once legislated, we will no longer be responsible for the delivery and infrastructure of water supply, wastewater and stormwater from 1 July 2024.

To date our Council has played an active role in providing feedback during this process, with information available on our website at [Three Waters Reform » Hauraki District Council \(hauraki-dc.govt.nz\)](https://www.hauraki-dc.govt.nz).





## Resource Management Act Reform

After many years of smaller changes, the Government is overhauling the resource management system and will introduce three new pieces of legislation to achieve its objectives:

- **Natural and Built Environments Act** - the primary replacement for the Resource Management Act 1991. It will require outcomes-based planning and development within environmental limits and targets, give effect to the principles of Te Tiriti, create a single regional plan, to be overseen by a single regional committee and supported by a National Planning Framework.
- **Strategic Planning Act** – introduces mandatory 30 year regional spatial strategies that will set out, at high level, how regions and communities will develop integrating land use, major infrastructure and investment. It too is guided by the National Planning Framework and will be overseen by a regional committee.
- **Climate Adaptation Act** – this will deal with the complex policy, economic and legal issues around adapting to the effects of climate change, including managed retreat.

The Natural and Built Environments and Strategic Planning Bills will be introduced into Parliament around or shortly after the election period. The incoming council will need to consider whether and how it wishes to respond to these Bills very soon after it takes office. The Climate Adaptation Bill is likely to be introduced in 2023.

## Future for Local Government

In April 2021 an independent two-year Ministerial review on the Future for Local Government was established. The purpose of the review is to consider how New Zealand's system of local democracy and governance will need to evolve over the next 30 years to improve the wellbeing of New Zealanders, and actively embody the Treaty partnership. The review could result in significant changes to the form and function of local government.

The Future for Local Government Panel was formed to lead the review. After initial engagement, the Panel has identified five key shifts that it believes needs to occur:

- strengthened local democracy,
- authentic relationships with hapū/iwi/māori,
- stronger focus on wellbeing,
- genuine partnership between central government and local government,
- more equitable funding.

In March/April 2022 the Panel met with councils around New Zealand to discuss the review and receive feedback.

Our Council met with the Panel on 1 March 2022 to provide initial feedback as well as providing written feedback. The written feedback can be read on our website [Future for Local Government Review » Hauraki District Council \(hauraki-dc.govt.nz\)](#)

Given these changing times, we are preparing for what is ahead. The changes ahead as a result of the reforms will change the way Local Government operates.

What we already know is that our communities want to be healthy and well housed, they want to live in safe and vibrant places where we look after each other and they want for our local economy to be strong. As such in early 2022, a significant strategy, called the [Manaaki Toiora Strategy](#), was adopted for Council to use as a foundation to improve the economic and social wellbeing of our communities.

### **Waste legislation changes**

The Government is proposing new and more wide-ranging legislation on waste to replace the Waste Minimisation Act 2008 and the Litter Act 1979. This legislation will help create the tools to deliver the waste strategy they are working on and ensure the money generated by the waste disposal levy goes to good use. The legislation resets purposes, roles and responsibilities for waste minimisation and strengthen regulatory and enforcement powers.

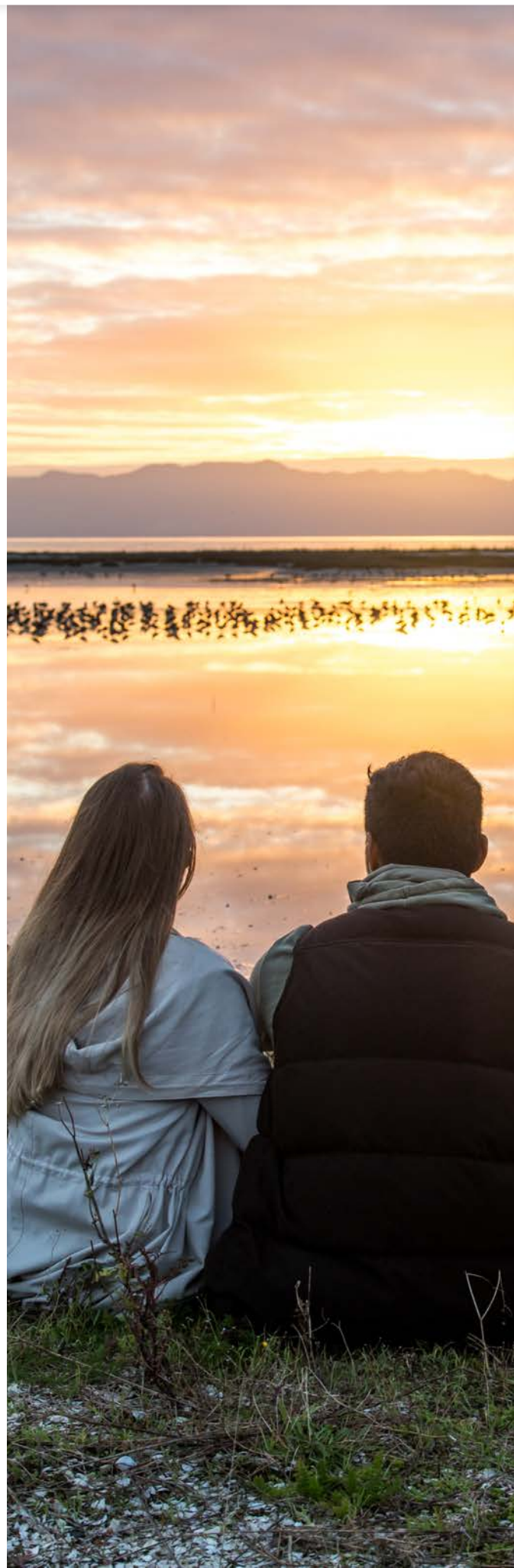
The Ministry for the Environment ran a public consultation on the document and proposals, which closed in December 2021. Based on the feedback they received and working with their advisory groups they aim to release a final waste strategy in mid-2022. More specific actions will be set out in action and investment plans every three years. With issues and options for new, more comprehensive waste legislation. The bill is expected to be developed and introduced to Parliament later in 2022.

For more information on the proposals so far [Waste legislation and strategy under development | Ministry for the Environment](#).

### **Emergency Management 'Trifecta' Programme**

The National Emergency Management Agency (NEMA) has established a Regulatory Framework Review Programme (also known as the "Trifecta") to align three projects:

- the development of a new Emergency Management Act
- review of the National Civil Defence Emergency Management Plan Order 2015 and the accompanying Guide to the National CDEM Plan;
- and the development of the National Disaster Resilience Strategy Roadmap.





The Trifecta will be considering feedback received so far as well as rolling out additional stakeholder engagement in the development of this work. Council may have to provide input into the process shortly after the elections.

For further information on this programme can be found at [www.civildefence.govt.nz](http://www.civildefence.govt.nz)

### **Hauraki collective and individual iwi Treaty settlements**

The traditional Hauraki region is from Matakana in the North to Ngā Kuri ā Whārei (located near Bowentown), the Iwi of Hauraki within this area are: Ngāti Hako, Ngāi Tai ki Tāmaki, Ngāti Hei, Ngāti Maru, Ngāti Paoa, Ngāti Porou ki Hauraki, Ngāti Pūkenga, Ngāti Rāhiri Tumutumu, Ngāti Tamaterā, Ngāti Tara Tokanui, Ngāti Whanaunga and Te Patukirikiri.

The Iwi of Hauraki are collectively and individually in the process of negotiating treaty settlements with the Crown. These settlements will identify areas of land that have particular cultural, spiritual, historical and traditional association for iwi. Settlement legislation will require policy makers and consent authorities to acknowledge these associations and provide input from those affected iwi. Settlements will also trigger mechanisms, which allow iwi to be partners with Council in decision-making. Council will need to update policy protocols and consenting processes and procedures to be ready to incorporate Māori worldviews into decision-making.

### **Natural Hazards and Climate change**

Council will continue to look at what climate change and other natural hazards mean for our communities. More recent climate change forecasts anticipate the effects will be felt much earlier than previously thought. Over the next three years, Council will need to be looking at how vulnerable our communities will be and how effective our infrastructure will be. This will involve conversations with our communities about these topics.

Some of our services will be negatively affected by the forecasted sea level rise and will need to be upgraded or will have increased operating costs. The physical works needed to upgrade these assets fall outside the ten year life of the 2021-31 Long Term Plan. Other natural events like earthquakes and tsunami also pose risks. How big the problem is from these hazards are yet unknown but the responsible approach is to ensure Council are in a good financial position to deal with any new spend required once more information is available.

### **Rates affordability for our communities**

We know our residents' income levels are much lower than the national average, so their ability to pay for our services is

front of mind. Recent indicators of local deprivation in our communities suggest that it is more difficult for a larger proportion of our ratepayers to pay for our services (via rates or user fees) compared to New Zealanders in general.

The household income of ratepayers in our two largest towns, Paeroa and Waihi, is only slightly more than half of the national average. Research suggests that households will start to struggle to afford rates bills when they exceed 5% of the household's income. Our research suggests that more than 60% of the households in Paeroa and Waihi meet this threshold.

Cost of living increases across the country are also having a significant effect on families in our district and these are going to continue to play a role in our residents and ratepayers ability to afford the increasing costs of rates. We have looked at what we can do to help with these affordability issues and this will need to stay front of mind for the incoming Council.

### COVID-19 Pandemic

Council will need to continue to navigate and monitor the impacts of the Covid-19 on its business operations and in supporting the community recovery.

- **The economy:** Hauraki District economy has rebounded from the initial impacts of lockdowns seen in a 4.1% rise in economic activity (GDP) for district compared with the previous year. Hauraki District's growth was higher than the New Zealand average, which was declining during this period.  
With New Zealand's borders remaining closed to all but essential travellers, returning citizens and residents, tourism expenditure had continued to decline across New Zealand. The annual visitor spend in Hauraki was \$90 million in the year-end in 2020 with a further decline to \$77 million in 2021. The New Zealand border is due to open to all visitors again July 2022.
- **Employment:** The impact on jobs in our district from Covid-19 has been less severe than what we anticipated, with fewer job losses than forecast. Our district has also seen a decline in the number of people receiving Jobseeker support, 870 as of April 2022, which is 63 less people than the same time last year.
- **Capital works programmes:** The Council's ability to deliver capital works programmes continues to be a challenge as the industry is currently under stress. These include staff and material shortages, disrupted supply chains and increased capital expenditure across the industry. Our district is still yet to see the nationally expected slowing of construction activity as a result of Covid-19.





## What major projects are planned?

The following provides an overview of the major projects the Council has scheduled for the 2023/24, 2024/25 and 2025/26 years as detailed in its [2021-2031 Long Term Plan](#). The current Long Term Plan was adopted in June 2021, and is the Council's primary strategic planning document which guides the business for the ten-year period. Every three years Council must review its Long Term Plan and this will be a key focus for the incoming Council.

Over the next three years the Council will be aiming to ensure that its existing infrastructure continues to deliver the services expected, in the interests of striving to achieve a balance between maintaining levels of service and ensuring rates are affordable.

The Council has an annual renewal programme for these assets, and additional to these renewals are a number of other major projects programmed. We have broken this down to a Ward level so you can see what is happening at a local level for each of our areas.







# What's planned for the Plains Ward?



**Plains Ward population** is projected to be **6,818 by 2026** (an increase of 263 people from the 2018 census)



**\$220,000** is budgeted (2021-31) for the **renewal of footpaths**



We're anticipating an average of **33 new dwellings a year** in the **Plains Ward** between 2023-2026.



**\$244,000** is budgeted (2021-31) for **renewals on Elderly Persons housing units**.



Finalisation and implementation of the **Wharekawa Coast 2120 plan**, depending on the preferred options for adaptation programme.



**\$75,000** is budgeted for **painting the Ngatea Pool** in 2025/26



**Ngatea community planning**  
An additional community plan process will start in 2024/25 to consider the coastal margins of the Hauraki Plains, river flooding and long term viability of existing flood protection schemes.



Waikato Regional Council is raising a number of its stopbanks, and as a result the stopbanks are getting closer to the road. Previously there was a swale between the road and stopbank, and this needs to be tidied up with some **kerb and channel** which will be completed by 2025/26.



**Wastewater treatment plant upgrades:**

- **\$13.5 million** is budgeted for the upgrade of the **Kerepehi** wastewater treatment plant from 2023/24 onwards.
- **\$5.5 million** is budgeted for the upgrade of the **Turua** wastewater treatment plant from 2024/25 onwards.
- **\$3.6 million** is budgeted for a new **Ngatea pumpstation and new rising main** for completion by 2024/25.



**Some assumptions we're making around things we might need to face moving forwards:**

- **Farming practices** may change particularly on the Plains with the impact of climate change and in response to increasing environmental requirements.
- There will be greater reliance on pumping of **floodwaters** to remove **ponding** on paddocks for farming activities on the Plains, due to climate change impacts.
- The townships located on the Plains may need supplementary pumping to be drained of storm flows.



# What's planned for the Paeroa Ward?



**Paeroa Ward population** is projected to be **6,842 by 2026** (an increase of 542 people from the 2018 census)



**\$310,000** is budgeted (2021-31) for **renewals on Elderly Persons housing units.**



We're anticipating an average of **25 new dwellings a year** in the **Paeroa Ward** between 2023-2026.



**\$15.5 million** is budgeted for the **upgrade of the Paeroa wastewater treatment plant** which will be nearing completion in 2026.



**\$1.1 million** is budgeted (2021-31) for **maintaining footpaths** to an existing level of service.

An additional **\$250,000** is budgeted for **renewal of footpaths.**



**\$655,000** is budgeted for (2021-31) for **maintaining** the existing level of service for Paeroa Ward **kerb and channel for Stormwater control.**

**\$530,000** is budgeted for the **replacement of the Criterion Bridge Stormwater pump** by 2023/24.

Image: Artzentao Photography





# What's planned for the Waihi Ward?



**Waihi Ward population** is projected to be **8,744 by 2026** (an increase of 944 people from the 2018 census)



**\$770,000** is budgeted for the **upgrade of the Whiritoa wastewater treatment plant** from 2025/26 onwards.



We're anticipating an average of **48 new dwellings a year** in the **Waihi Ward** between 2023-2026.



**\$58,000** is budgeted for security lighting, ventilation fans and hot water cylinder replacement at the **Waihi Events Centre** in 2025/26.



Completion of the **Waihi main street improvements** in 2023. After consultation with the community, as part of the 2021-31 LTP, the proposed full streetscape project was scaled back to specific improvements.



**\$277,000** is budgeted (across 2021-31) for **renewals on Elderly Persons housing units**.

Land has also been set aside in the Waihi Ward for the provision of additional Elderly Persons housing to help reduce wait lists for housing.



**\$1.1 million** is budgeted (2021-2031) for **maintaining footpaths** to an existing level of service.

An additional **\$400,000** is budgeted for **renewal of footpaths**.

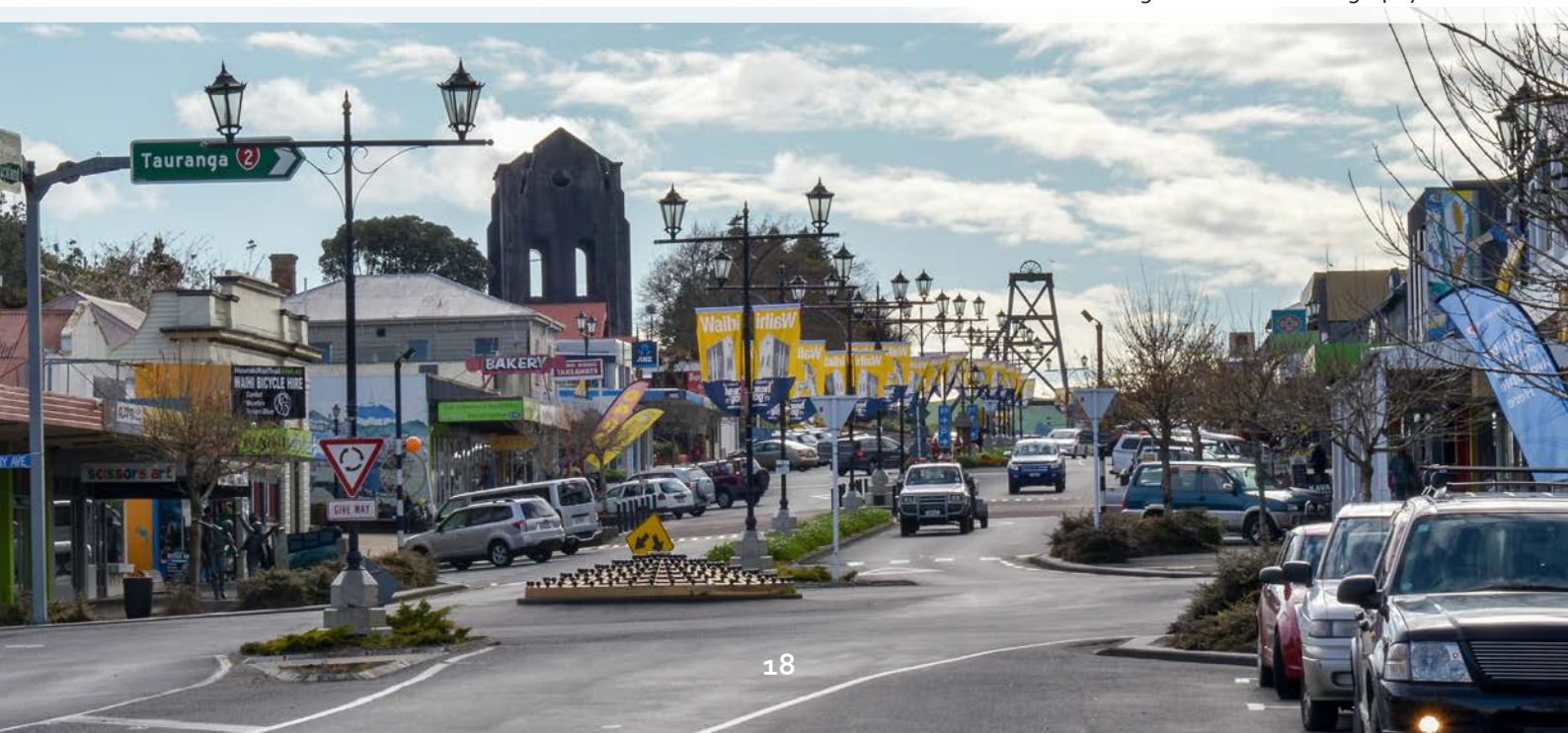


**\$57,000** is budgeted for the **new connection to pump leachate** from the Waihi landfill to Bulltown Road to reduce pump costs and impacts on the existing system from 2026.



**\$75,000** is budgeted for **painting the Waihi Pool** in 2023/24.

Image: Artzentao Photography



# Dollars and cents

## Ngā tāra me ngā hēneti

### What are our finances looking like?

Our ability to fund our responses to the challenges we face is affected by the incomes of our communities. The Hauraki District has a higher than average number of low-income households. Our communities need to be able to afford to pay to use our services and pay their rates bill, but we also need to be in a good financial position to cope with the changes and challenges ahead.

The other factor affecting our ability to respond to our challenges is our capacity to borrow and service debt. The cost of meeting increased environmental standards has the potential to exhaust our borrowing capacity. These costs will arrive at the same time as our communities are confronted with the need to renew ageing infrastructure and respond to climate change, both of which will also require funding.

There is a high degree of uncertainty for some of the expenditure that will be required to meet higher environmental standards and service level changes. There is also the likelihood that Council will no longer be providing the services of water supply, wastewater and stormwater in the future.



# How is Council's spending funded?



## Whole of Council funding impact statement as at 30 June

	Annual Report <sup>1</sup>		Estimate <sup>E2</sup>	Annual Plan <sup>2</sup>	2021-31 Long Term Plan <sup>1</sup>		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating funding</b>							
General rates, uniform annual general charges, rates penalties	11,005	11,830	11,962	12,454	12,550	13,816	14,369
Targeted rates	20,729	21,610	21,367	23,167	24,861	25,775	26,639
Subsidies and grants for operating purposes	3,235	4,176	3,685	3,660	3,355	3,733	3,836
Fees and charges	3,003	4,642	6,401	5,125	4,367	4,472	4,583
Interest and dividends from investments	167	140	5	0	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	225	219	213	4,348	4,857	178	181
<b>Total Operating Funding (A)</b>	<b>38,364</b>	<b>42,617</b>	<b>43,633</b>	<b>48,754</b>	<b>49,990</b>	<b>47,974</b>	<b>49,608</b>
<b>Application of Operating Funding</b>							
Payments to staff and suppliers	30,473	34,435	36,433	36,825	35,129	35,285	36,493
Finance Costs	1,901	1,493	1,300	1,260	1,836	1,863	1,999
Other operating funding applications	0	0	0	0	0	0	0
<b>Total Applications of Operating Funding (B)</b>	<b>32,374</b>	<b>35,928</b>	<b>37,733</b>	<b>38,085</b>	<b>36,965</b>	<b>37,148</b>	<b>38,492</b>
<b>Surplus/(Deficit) of operating Funding (A - B)</b>	<b>5,990</b>	<b>6,689</b>	<b>5,900</b>	<b>10,669</b>	<b>13,025</b>	<b>10,826</b>	<b>11,116</b>
<b>Sources of Capital Funding</b>							
Subsidies and grants for capital expenditure	2,783	3,563	3,409	3,182	2,396	5,094	3,444
Development and financial contributions	45	167	219	949	852	822	775
Increase (decrease) in debt	6,000	0	4,870	17,549	6,971	12,134	8,107
Gross proceeds from sale of assets	1,331	4,059	0	0	0		
Lump sum contributions	0	0	0	0			
Other dedicated capital funding	0	0	0	0			
<b>Total Sources of Capital Funding (C)</b>	<b>10,159</b>	<b>7,789</b>	<b>8,498</b>	<b>21,680</b>	<b>10,219</b>	<b>18,050</b>	<b>12,326</b>
<b>Application of Capital Funding</b>							
Capital Expenditure							
- to meet additional demand	0	1,744	0	0	0		
- to improve the level of service	6,093	3,942	7,789	12,052	8,251	15,576	11,186
- to replace existing assets	7,578	8,441	7,126	16,481	10,191	8,227	8,840
Increase (decrease) in reserves	2,478	351	(517)	3,816	4,802	5,073	3,416
Increase (decrease) of investments			0				
<b>Total Applications of Capital Funding (D)</b>	<b>16,149</b>	<b>14,478</b>	<b>14,398</b>	<b>32,349</b>	<b>23,244</b>	<b>28,876</b>	<b>23,442</b>
<b>Surplus/(Deficit) of Capital Funding (C-D)</b>	<b>(5,990)</b>	<b>(6,689)</b>	<b>(5,900)</b>	<b>(10,669)</b>	<b>(13,025)</b>	<b>(10,826)</b>	<b>(11,116)</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>E</sup> Estimate based on 30 June 2022 forecast

<sup>1</sup> Audited

<sup>2</sup> Unaudited

## Statement of Financial Position

	Annual Report <sup>1</sup>		Estimate <sup>E2</sup>	Annual Plan <sup>2</sup>	2021-31 Long Term Plan <sup>1</sup>		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	7,633	12,844	3,500	2,203	586	337	862
Exchange transaction receivables	3,604	3,051	3,431	3,215	3,647	3,723	3,746
Non-exchange transaction receivables	6,109	5,458	5,843	5,474	6,209	6,340	6,379
Derivative financial Instruments	0	0	0	0	0	0	0
Other financial assets	97	140	87	141	87	87	87
Prepayments	0	0	0	0	0	0	0
Inventories	5,460	2,074	2,074	306	306	306	306
Non-current assets held for sale	2,055	0	0	0	0	0	0
<b>Total current assets</b>	<b>24,958</b>	<b>23,567</b>	<b>14,935</b>	<b>11,339</b>	<b>10,835</b>	<b>10,793</b>	<b>11,380</b>
<b>Non-current assets</b>							
Derivative financial Instruments	0	0	0	0	0	0	0
Investments in associates	0	0	0	0	0	0	0
Other financial assets							
- Investments in CCO's and similar entities	113	126	126	0	0	0	0
- Community loans	109	96	96	96	5	5	5
- Borrower notes	624	620	796	621	645	645	645
- Investments in joint ventures					0	0	0
- Investments in other entities	59	61	61	187	101	101	101
Total other financial assets	905	903	1,079	904	751	751	751
Property, plant and equipment	597,879	630,461	664,515	676,767	689,955	705,823	734,885
Intangible assets	414	622	568	584	568	568	568
Forestry assets	1,074	1,373	1,311	1,373	1,311	1,311	1,311
Investment properties			0	0	0	0	0
<b>Total non-current assets</b>	<b>600,272</b>	<b>633,359</b>	<b>667,473</b>	<b>679,628</b>	<b>692,585</b>	<b>708,453</b>	<b>737,515</b>
<b>Total assets</b>	<b>625,230</b>	<b>656,926</b>	<b>682,408</b>	<b>690,967</b>	<b>703,420</b>	<b>719,246</b>	<b>748,895</b>
<b>Current liabilities</b>							
Payables and deferred income	9,379	9,526	4,196	4,533	4,734	4,704	4,923
Derivative financial instruments	990	846	759	759	759	759	759
Borrowings and other financial liabilities	5,000	8,000	7,000	10,000	3,000	4,000	4,000
Employee entitlements	1,837	1,914	2,393	2,804	2,429	2,471	2,520
Provisions	46	44	340	340	340	340	340
<b>Total current liabilities</b>	<b>17,252</b>	<b>20,330</b>	<b>14,688</b>	<b>18,436</b>	<b>11,262</b>	<b>12,274</b>	<b>12,542</b>
<b>Non-current liabilities</b>							
Derivative financial instruments	3,568	1,727	1,727	1,727	2,808	2,808	2,808
Borrowings and other financial liabilities	39,000	36,000	36,000	46,000	66,000	72,000	77,000
Employee entitlements	358	262	479	479	486	494	504
Provisions	1,013	941	202	202	202	202	202
Deferred tax liability	0	0	0	0	0	0	0
<b>Total non-current liabilities</b>	<b>43,939</b>	<b>38,930</b>	<b>38,408</b>	<b>48,408</b>	<b>69,496</b>	<b>75,504</b>	<b>80,514</b>
<b>Total liabilities</b>	<b>61,191</b>	<b>59,260</b>	<b>53,096</b>	<b>66,844</b>	<b>80,758</b>	<b>87,778</b>	<b>93,056</b>
<b>Net assets (assets minus liabilities)</b>							
	<b>564,039</b>	<b>597,666</b>	<b>629,312</b>	<b>624,123</b>	<b>622,662</b>	<b>631,468</b>	<b>655,839</b>
<b>Represented by:</b>							
<b>Equity</b>							
Accumulated funds	407,920	417,075	418,721	421,664	419,915	424,843	428,115
Other reserves	2,747	2,810	2,810	3,095	3,311	3,454	3,597
Asset revaluation reserve	153,372	177,781	207,781	199,364	199,436	203,171	224,127
<b>Total Equity</b>	<b>564,039</b>	<b>597,666</b>	<b>629,312</b>	<b>624,123</b>	<b>622,662</b>	<b>631,468</b>	<b>655,839</b>

<sup>E</sup> Estimate based on 30 June 2022 forecast

<sup>1</sup> Audited

<sup>2</sup> Unaudited

# Progress on Financial Strategy

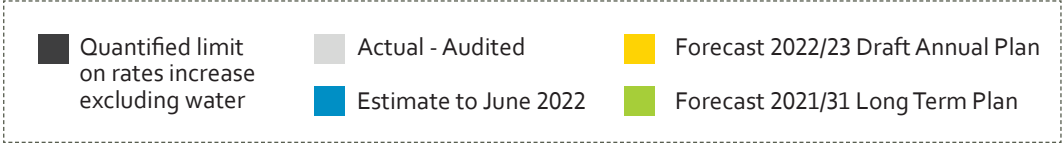
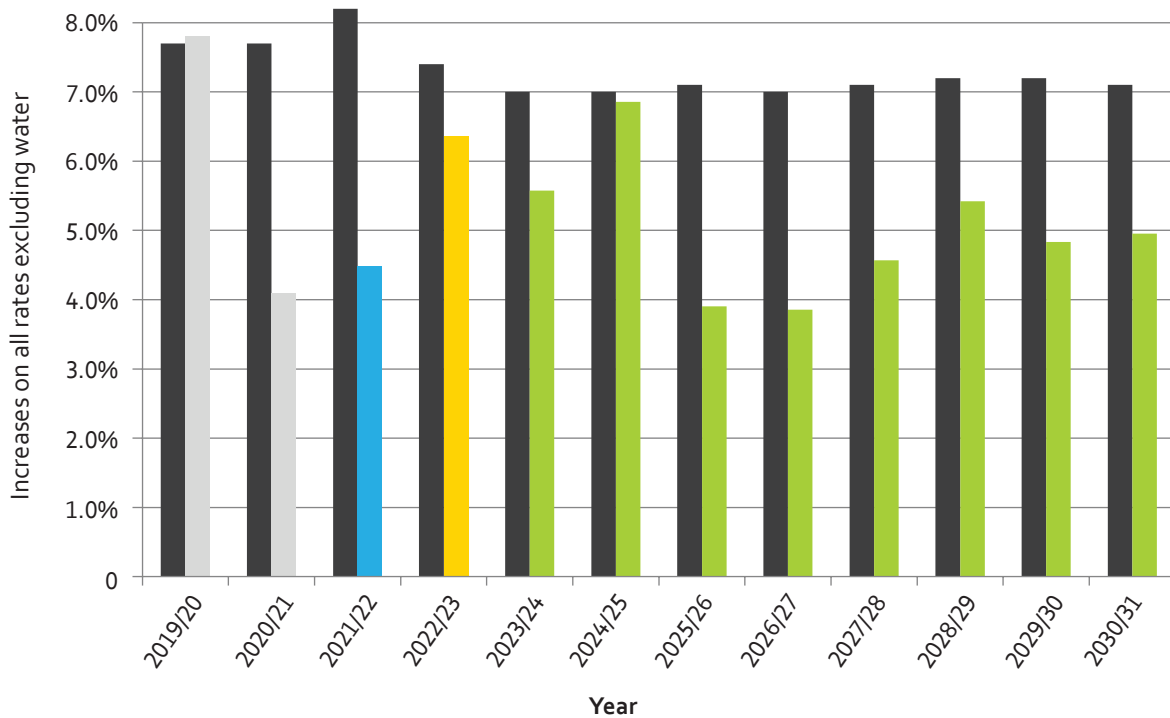
The financial strategy presented in the Long Term Plan 2021-2031 consists of carefully reducing debt levels, minimising and smoothing rates increases and ensuring the Council is well-managed. Council has three caps set out in the financial strategy, one which limits the amount of debt that can be held, and two that limit the rates that can be set.

It is too soon to accurately report on our performance regarding these caps for the 2021/22 year, given the financial year closes the same week this Pre Election Report is published. The following graphs show how we performed against our Financial Strategy Limits in the three years before the 2022 election plus the forecasts out until 2031. The 2021/2022 results are estimated.

For more information on the Financial Strategy, see the [2021-31 Long Term Plan](#) or the [Annual Plan 2022/23](#).

## Non-Water Rates increase limits

Our Financial Strategy caps rates increases each year (excluding water) at the forecast Local Government Cost Index (LGCI) plus 4.5%

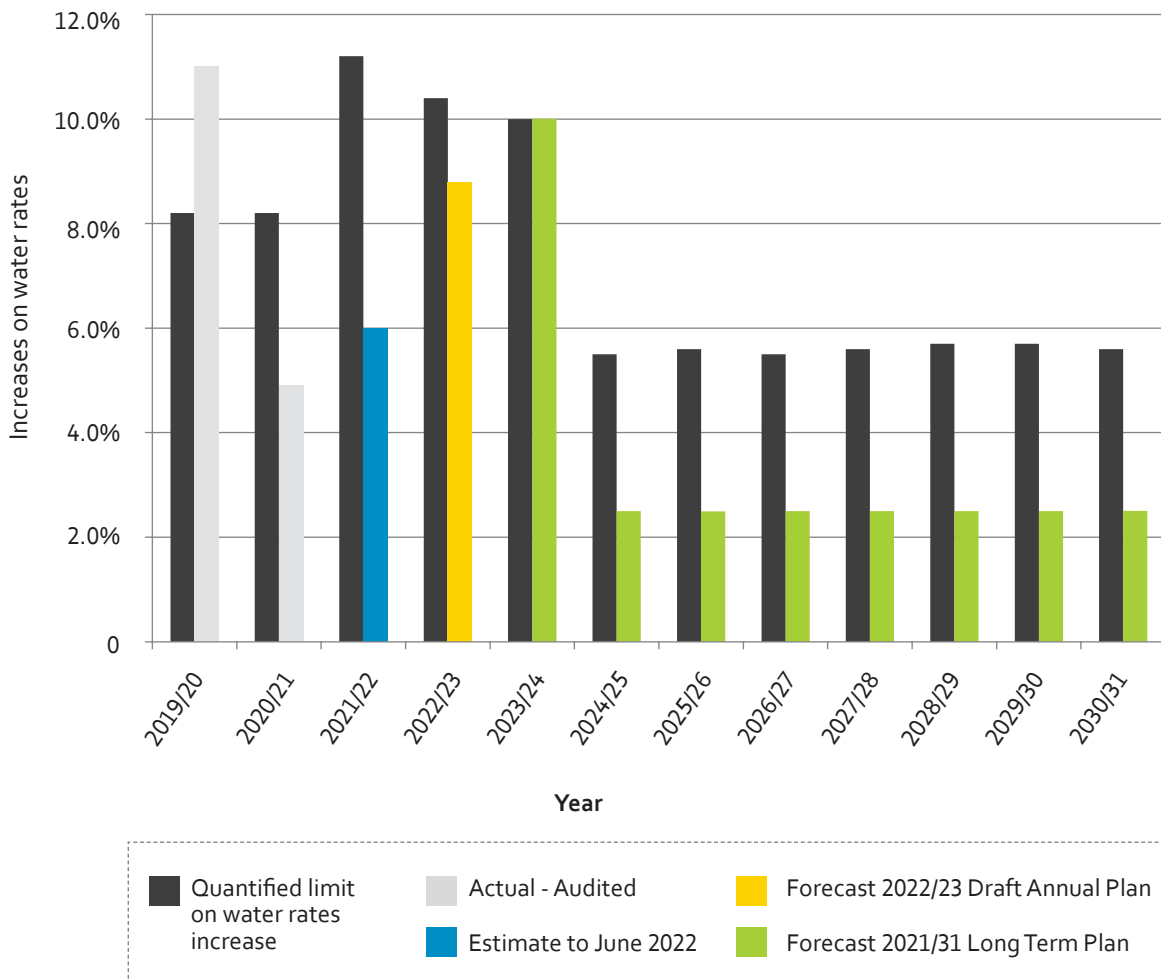


## Water Rates increase limits

Council has faced a number of challenges in the provision of water across the District. These include meeting regularly increasing drinking water standards, as well as having to remove manganese from the Plains water supply which causes discolouration. Responding to these challenges brings with it increased costs.

The Council has set a limit on the percentage that water rates can increase. Increases are to cover changes in inflation as well as the replacement of essential infrastructure.

- The percentage increase in water rates should not exceed the Local Government Consumer Index (LGCI) plus 7.5% per annum for the first three years of the Long Term Plan, and
- the LGCI plus % per annum for the last seven years of the Long Term Plan.

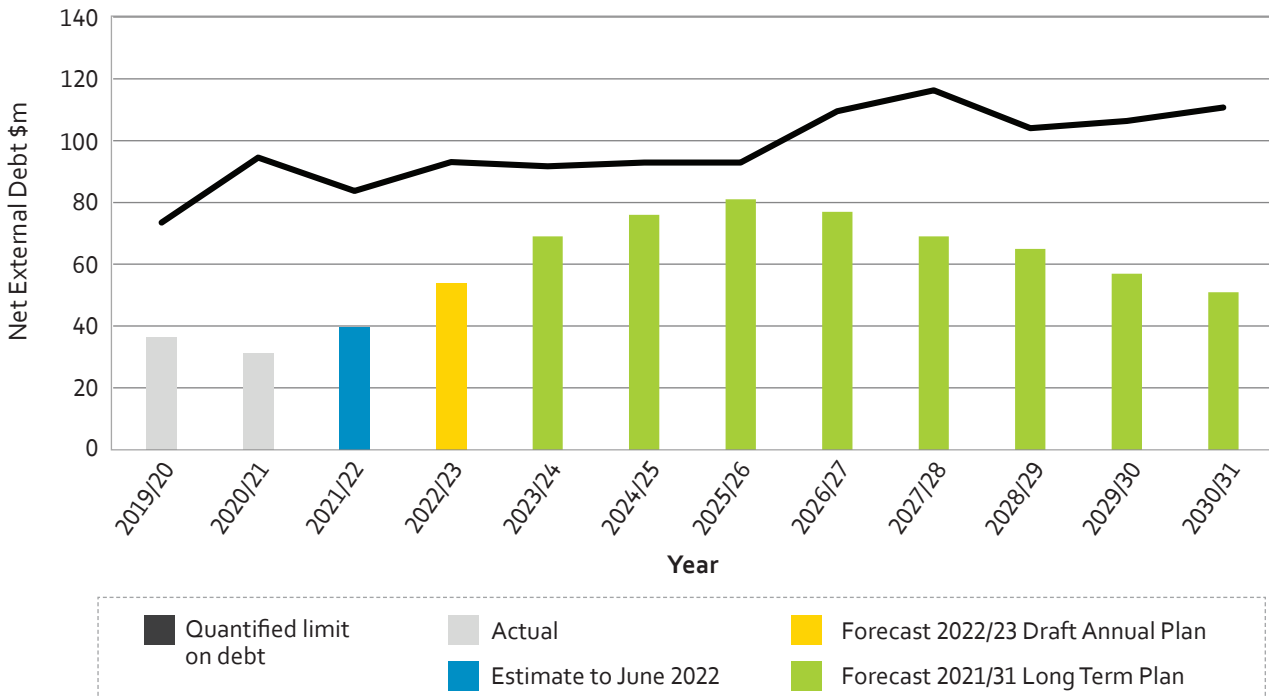




## Debt Caps

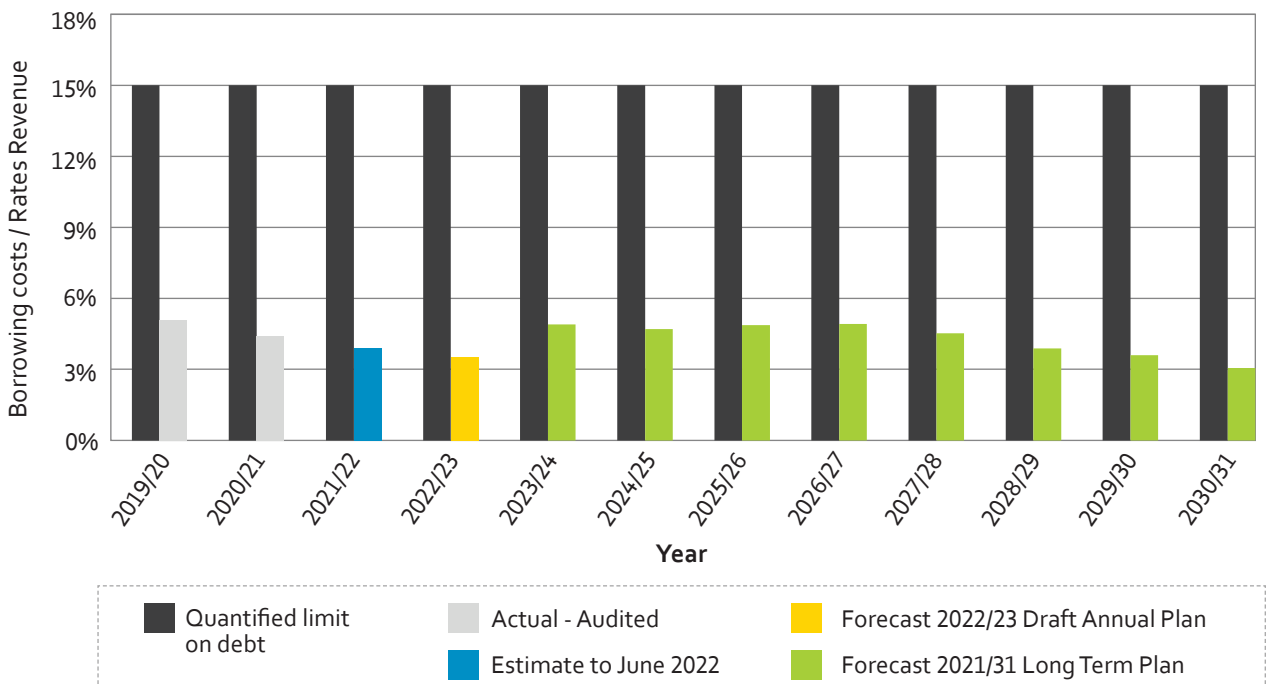
As part of the Long Term Plan process, Council determined what was believed to be prudent debt levels and have set these as caps to ensure borrowing stays within prudent levels. Four different debt cap measures were identified as are shown below. To arrive at an overall debt cap, the four measures are calculated and the lowest value from these four becomes our overall debt cap.

### Measure 1 - Net external Debt will not exceed 175% of total revenue

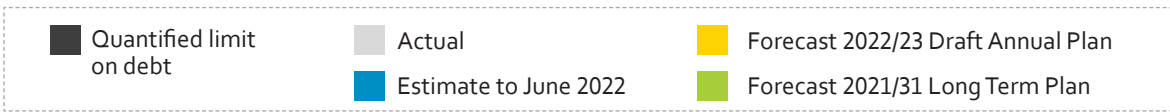
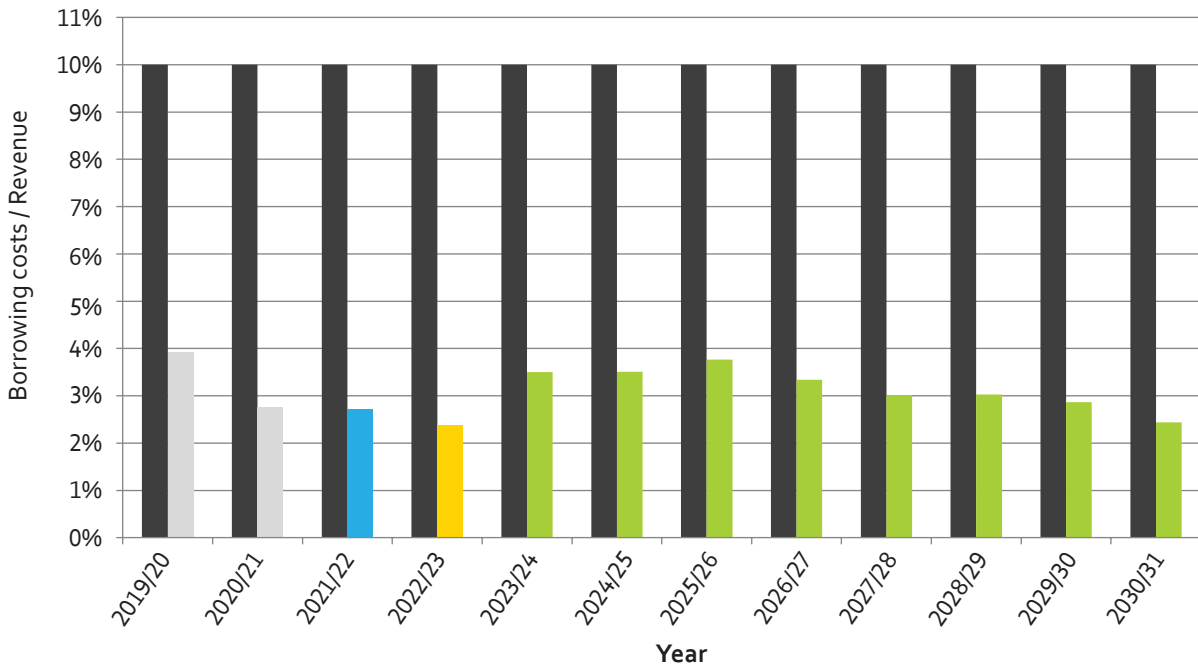


Net external debt is external debt (the amount that the Council owes to its external lenders such as banks) less the Council's cash and other similar liquid assets.

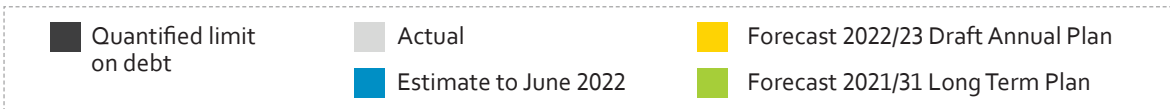
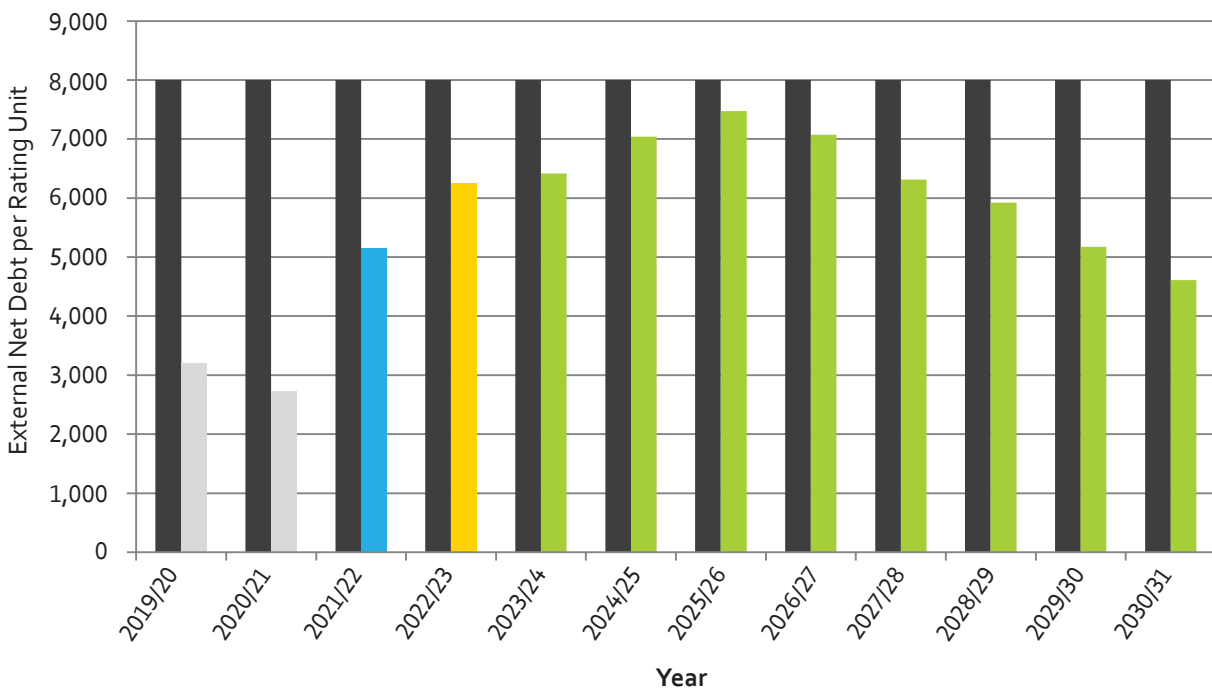
### Measure 2 - Net interest expense is ≤ 15% of rates revenue in any year



**Measure 3 - Net interest expense is  $\leq$  10% of total revenue in any year**



**Measure 4 - Net external debt per rating unit is  $\leq$  \$8,000 in any year.**



## Returns on Investments

Council do not currently hold equity securities (shares) for the primary purpose of earning return on our investments. Nor will there be for the period covered in this Pre-Election Report. Council made no plans to invest in equity securities during the term of the 2021-31 Long Term Plan. The companies in the table below are those in which Council currently hold shares. There's no rate of return for these investments and the objectives for investment are noted in the table below.

Company	Objective of holding equity	Target rate of return
New Zealand Local Government Funding Agency (LGFA) (0.4% shareholding)	To ensure that the LGFA has sufficient capital to remain viable so that it continues as a source of debt funding.	≥ 0%
Waikato Local Authority Shared Services (LASS) (1.9% shareholding)	To ensure that the LASS has sufficient capital to remain viable so that it continues as a provider of shared services to the Council.	≥ 0%
Civic Financial Service Ltd (0.5% shareholding)	To ensure the Council can obtain superannuation and financial services.	≥ 0%

## Key election campaign dates:

Nominations open/roll open	Friday 15 July 2022
Nominations close/roll closes	noon Friday 12 August 2022
Delivery of voting mailers	from Friday 16 September 2022
Close of voting	noon Saturday 8 October 2022
Declaration of votes	Progress and preliminary results publish 8 October 2022 Final results announced 14 October – 19 October 2022

## How to find out more

Further information about Council can be found on Council's website [www.hauraki-dc.govt.nz](http://www.hauraki-dc.govt.nz).

If you would like a copy of any particular documents, call 07-862 8609 or 0800 734 834 (from within the District), or email [info@hauraki-dc.govt.nz](mailto:info@hauraki-dc.govt.nz).



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