

LONG TERM PLAN

2021-2031



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Message from the Mayor | Kōrero nā te Koromatua

We are now ready to bring you our final Long Term Plan for 2021-31. We are proud to have finalised a plan that meets our community's needs. We always wished we could 'do it all' but we also were mindful of what ratepayers can afford. We would like to thank everybody that helped us with their ideas in getting our consultation document ready for public viewing and then to all those that provided feedback; it is always helpful for councillors to make the best decisions we can.

Looking to the next ten years, we've prioritised projects we think will increase resiliency and help to vitalise our towns, making our District an even greater place to live and do business. While this includes providing and improving services like wastewater, water supply, roads and footpaths, we've also focused on other areas that support wellbeing. This includes community focused projects such as a refresh of Waihi's town centre, building the Ngatea library, and the completion of the Mackay and Wharf Street upgrades in Paeroa. We're also building on the success and scenic beauty of the Hauraki Rail Trail by extending a scenic route along the Ōhinemuri River into Waihi from the railway station. In the first year of our plan we're developing a new Manaaki Toiora Strategy, which will be focused on what we can do as a Council to lift our sense of community wellbeing.

We have a number of resiliency projects in the water space in the first few years of our plan, including addressing the sometimes discoloured water (caused by manganese) in the Plains water supply, and investigating an alternative raw water source for Waihi. We'll be continuing our search for water leaks, and replacing pipes to improve our water loss.

As becoming more visible to the public in the media recently, the local government landscape is changing. The three waters, regulatory and local government reforms are all likely to change how we conduct our business on a daily basis in the not too distant future. On top of this we'll need to meet environmental standards set by the government. To do this we've included capital works of \$41 million over the next ten years to again upgrade our wastewater treatment plants. In the past we've received subsidies for wastewater treatment improvements to meet government standards. We believe that without a financial contribution of approximately 50% from a source other than rates, these upgrades may be unaffordable for our communities. The Office of the Auditor General (OAG) and Audit NZ disagree with our assumption that we will receive a subsidy, and have qualified the audit opinion of our long term plan to note this. We believe our decision to continue with the assumption that we'll be receiving funding from elsewhere is the right one for our communities. It is however likely that the reform of water, wastewater and stormwater delivery will go ahead, and the Council will no longer be responsible for these services. This means the full extent of these costs won't be required of Hauraki District ratepayers.

We have certainly tried to develop a plan for the future that is well-rounded, resilient, and that reflects the best possible way forward for the Hauraki District. I hope you'll read more of this plan to hear all of the projects we have in store for you.

No reira, tika tau te whakatauki; "Whaia te Pae Tāwhiti kia tata, Whaia te Pae tata kia mau".
Nei rā te mihi ki a koutou katoa. Nā tātou mā katoa e marumaru nei ki tēnei rohe o Hauraki.
Manaaki mai, Manaaki atu. Whaia te oranga, Puawai te aroha. Tēnā Koutou, tēnā koutou, tēnā koutou katoa.

Let us all ensure we focus towards those issues in distance whilst we continue to work on strengthening those key issues that allow our communities and district to grow strong and flourish. Therefore greetings to you all. Everybody who lives within our Hauraki region. May we all work towards assisting each other to live well. May good health prosper as we nurture the aroha amongst us all. Greetings, greetings, greetings to you all.

Mayor Toby Adams

Overview | Tiro whānui

Every three years we must prepare a long term plan. It's our key strategic planning document that sets out our priorities, what we intend to do, and how much it will cost, for the next ten year period (or 30 years for our infrastructure assets). However, most of the detail is for the first three years of the plan.

Your feedback | Tōu urupare

Before adopting this plan, we sought feedback from our local communities during March, April and May 2021 on our proposed approach. Our 'Alice in Our Place' campaign included a wide range of opportunities for you to let us know what you thought about our plans; either by attending an event, joining our Facebook conversation, telling us in person, writing to us about what you thought, or providing online feedback via our interactive 'we need to talk' website. The key issues we presented included:

- A review of visitor information services across the district.
- A proposed Hauraki Rail Trail scenic route into Waihi.
- The revitalisation of Waihi town centre.
- The finalisation of upgrades to Mackay and Wharf Streets in Paeroa.

We also sought feedback on our:

- Rates remission and postponements policies
- 2021/22 fees and charges
- Revenue and financing policy
- Development contributions policy.

We received feedback from 263 submitters who raised 869 points. The Council considered all feedback received and in summary, some of the key decisions made were:

- We will provide \$65,000 each for the provision of information services in Paeroa and Waihi, and \$20,000 for the Plains for each of the next three years. A review of these services will be undertaken at the end of 2021/22.
- We will fund \$12,000 per ward for each of the town promotional organisations, and employ one district events coordinator.
- We will fund an additional \$500,000 to complete the upgrade of Mackay Street, Paeroa, and the development of Wharf Street, Paeroa.
- We have allowed a total of \$1.2 million to refresh the Waihi town centre.
- We will invest \$1.47 million to develop a Hauraki Rail Trail scenic route into Waihi township, creating a clearer and safer link into Seddon Street, that may in the future link up to the Waihi to Waihi Beach trail (if developed). Additionally, we will work with the Hauraki Rail Trail Charitable Trust to secure funding options for the resurfacing of the Hauraki Rail Trail, as the trail's current surface is reaching the end of its useful life.

As a result of all feedback received we have updated our plans including our financial strategy and infrastructure strategy to reflect the decisions made.

Our long term plan was adopted on 23 June 2021, and is effective at 1 July 2021. That means that our work programme for the 2021-2024 is largely set. However, each year following the adoption of the long term plan (years two and three) we produce an annual plan. The annual plan is an opportunity to check in, and make any minor amendments that may be required. If we need to make a significant change from the direction of our long term plan, we will seek feedback from the community, or those affected, regarding that matter.

Audit Opinion | Whakaaro o ngā Kaiarotake

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the reader:

Independent Auditor's report on Hauraki District Council's 2021-31 long-term plan

I am the Auditor-General's appointed auditor for Hauraki 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 23 June 2021.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report:

- 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 290 to 301 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.

Basis for qualified opinion – Assumption related to the upgrade of wastewater treatment plants

As outlined on page 37, the Council plans to spend \$41 million to upgrade its wastewater treatment plants within the next 10 years. The Council assumes that the Government will fund 50% of the upgrades. We consider this assumption unreasonable because the Government has not made any funding available.

If this assumption was removed, the impact on the underlying information over the next 10 years, as described by the Council, would be debt increasing to \$85 million and targeted wastewater rates increasing by another 39% to a total of \$1,040 per household.

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 approach taken by the Council to maintain its assets is reasonable, given the types of asset infrastructure owned by the Council;
- 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.

Emphasis of Matter – Uncertainty over three waters reforms

Without further modifying our opinion, we draw attention to the disclosure on pages 37 - 38, which 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.

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.



David Walker,
Audit New Zealand
On behalf of the Auditor-General, Auckland, New Zealand