

LONG TERM PLAN

2021-2031



Table of contents | Rārangi Take

Introduction and overview Kupu whakataki	Page
Message from the Mayor Kōrero nā te Koromatua	1
Overview Tiro whānui	2
Audit Opinion Whakaaro o ngā Kaiarotake	3
Our district Tā tātou rohe	
District profile Rohe Whakaritenga	6
Our financial and other general assumptions Tā mātou whakakake	13
Strategic direction Mahere rautaki	
Our direction Tā mātou ara ki mua	33
Our financial strategy Tā mātou rautaki pūtea	35
Our infrastructure strategy Rautaki hanganga	49
A summary of our significance and engagement policy He whakarāpopototanga o te kaupapa here, whai pūtake me te tūhonohono	109
Our services Ā mātau ratonga	
Introduction He whakataki mō ā mātau ratonga	111
Governance and Leadership Kāwangatanga me te Rangatiratanga	115
Land Transport Te kawa o ngā waka whenua	127
Water Supply Te Waipuna	138



	Page
Wastewater Te Wai Ururua	148
Stormwater Wai Āwhātanga	156
Land Drainage Te rerenga whenua me te aukatinga o ngā waipuke	163
Waste Management Whakahaere ururua	169
Community Services Ratonga hapori	175
Manaaki Toiora	193
Regulatory Services Ratonga whakahaere	199
Support Services Ngā ratonga tautoko	214
Significant Negative Effects Ngā mahi tukino nui	219
Capital Projects Ngā kaupapa matua	222
Council Controlled Organisations Ngā rōpū i raro i te mana o te Kaunihera	235
Dollars and cents Ngā tāra me ngā hēneti	
Revenue and Financing Policy Te Kaupapa here o nga pūtea me te moni-ā-tau	239
Financial Statements Pūrongo pūtea	249
Funding Impact Statement – Rating Implications Te tauākī pūtea – te hiraunga ki ngā take kaunihera	274
Rating Changes and Sample Properties Ngā rereketanga o ngā take Kaunihera	286
Balanced Budget Statement Te taurite o ngā pūrongo pūtea	289
Financial Reporting and Prudence Regulations Disclosure Statement Ngā pitopito kōrero Pūtea	290



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

District Profile | Rohe Whakaritenga

The Hauraki District contains a diversity of land, communities and economies. Our location puts us in the 'golden triangle' between Auckland, Tauranga and Hamilton, and provides for a number of potential business opportunities to within our district. Due to the flow on effects of the growth pressures facing Auckland, Hamilton and Tauranga, in the past five years we have seen more people moving into our district than previous years, and added demand for new houses. With our active support of economic development initiatives, we are expecting our local economy to continue to perform well and our local population to keep growing.

Our Home

Our land

Our district sits at the south of Te Tara o te Ika o Maui – the barb of the fish of Maui. It is geographically diverse and stretches from the shelly beaches of the Wharekawa Coast (Kaiaua and Pūkoro-koro-Miranda) along the Firth of Thames in Tikapa Moana (the Hauraki Gulf) to the white sandy beaches of the Pacific Ocean at Whiritoa. Between lies the rich reclaimed 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. We sit within the rohe of the iwi of Hauraki which stretches from Matakana in the north to Matakana Island in the south.

The Hauraki District Council was formed in 1989 when the Hauraki Plains County, Ohinemuri County, Paeroa Borough and Waihi Borough Councils were combined as part of a major restructuring of local government within New Zealand. The Wharekawa Coast became part of the Hauraki District in 2010 when the Auckland Council was formed.

We are part of the Waikato region and are located within New Zealand's economic 'golden triangle' being only an hour drive from the cities of Auckland, Hamilton and Tauranga. Our total area is 1,269 square kilometres, and our estimated population at June 2020 was 21,400¹. We may have less than 1% of New Zealand's population, but we have a lot of natural, cultural and historic taonga to look after. The Kōpuatai Peat Dome and the Pūkoro-koro-Miranda area on the Firth of Thames are recognised by the Ramsar Convention as wetlands of international importance. Another area of natural beauty, the Karangahake Gorge, is visited by over 130,000 people a year who wish to experience the significant natural, cultural and historic features of the area and ride the historic Goldfields Railway. The iconic Hauraki Rail Trail traverses our district from Kaiaua through the Karangahake Gorge to Waihi, and connects us to our neighbours and the towns of Thames and Te Aroha.

The clear waters of the rugged Ohinemuri River flow through the Karangahake Gorge until Paeroa where it joins with the Waihou River. The Waihou River originates from the Mamaku Ranges (close to Rotorua) and flows past the towns of Putaruru, Te Aroha and Paeroa before draining into the Firth of Thames. The Piako River originates in the ranges west of Matamata and flows through the Hauraki Plains, also draining into the Firth of Thames.



Our total area is

1,269

square kilometres



Estimated population

21,400

At June 2020



**The Karangahake Gorge,
is visited by over**

130,000

people a year

¹ Statistics New Zealand, Hauraki District Council estimated usually resident population as at 30 June 2020.

Wards

Our district is divided into three wards; Waihi, Paeroa, and the Plains. Each ward has a main town and surrounding rural land and smaller rural settlements². These ward areas are shown on the map below. Our three most populated towns are Paeroa, Ngatea and Waihi.



Waihi the 'town with a heart of gold' features a large open cast gold mine and adjacent walking track right in the middle of town. The historic Cornish Pump House overlooks the main street where the annual Beach Hop warm-up party is held. The beach village of Whiritoa sits on the eastern coast of the Coromandel Peninsula.



Paeroa is 'world famous in New Zealand' as the home of the L&P soft drink and is also renowned as a great place to seek out antiques with many antique and op-shops lining the main street. Annual events such as the Highland Games and Tattoo attract thousands of visitors each year. The Ohinemuri river flows through the Paeroa ward and joins to the Waihou river north of the town.



The **Hauraki Plains** also have a unique recent history as the area was drained and cleared of swamp lands through a huge land drainage programme which started in the early 1900's. Ngatea is the centre of hockey in the Thames Valley and is packed with people once a year for the Ngatea garage sale. The Wharekawa Coast is on the western side of Tikapa Moana and is home to 'famous' tiny arctic tern, which makes the longest migration of any animal in the world.

A map of the Hauraki District



² Statistics New Zealand use when grouping data.



Our people

At the 2018 Census people were able to note all ethnicities they identified with. 18 out of 20 people in our population identified as European and around 23% of people said they identified as Māori, compared with 17% for New Zealand. Te Reo Māori was spoken by nearly 5% of our population which is slightly higher than the national average of 4%. Our district has a higher than national average percentage of European and Māori population with less Pacific, Asian and 'other' ethnicities, however we are becoming more diverse as our population grows.

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. They are collectively and individually in the process of negotiating treaty settlements with the Crown. When the settlement has been agreed and proposed as law, we will know more about the greater role our iwi will have in governance and conservation in their rohe (area). We'll continue to work with Hauraki Iwi into the future for the benefit of our district.

In 2018 our residents' median annual household income was \$63,100, which is lower than the national average of \$89,100. 69% of households in our district own their home or hold it in a family trust. This is higher than the national average of 65%. In 2018, 7% of our population lived in overcrowded homes, compared with 11% of the New Zealand population. While our average residential house price is still lower than our neighbouring districts and cities, our house values have increased on average 13% each year since 2015 to reach an average value of \$457,000 in 2019. Weekly rent has increased on average 7.7% each year since 2015 to reach an average of \$347 per week in 2019.³ The cost of housing is a large component of household spending. When we take into consideration our household earnings and house prices, we are no longer considered such an affordable place to live as we were five years ago.

We have a focus on improving the economic and social wellbeing of the community where we're able to so our residents have jobs, liveable income levels, and the resources needed to achieve a better standard of living. This is important to us because parts of our district are more deprived⁴ compared to other parts of New Zealand. The towns of Waihi, Paeroa and the area of Hauraki Plains South (including Kerepehi) have a deprivation value of 9 on a scale of 1-10, which means they are in the most 20 per cent of socio-economically deprived areas in New Zealand. This is an improvement since 2013 when both Paeroa and Waihi had a rating of 10, meaning they were in the top 10 per cent of areas with the most deprived scores. 25% of our school population attend low decile schools (1 and 2).⁵

18 out of **20**
people in our population
identified as *European*

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



Almost a *quarter* of our
population is over 65 years

\$63,100
the median annual household
income (2018)

↑ 8%
*Average annual increase
since 2015*

\$457,000
the average house value (2019)

↑ 13%
*Average annual increase
since 2015*

³ <http://webrear.mbie.govt.nz/summary/new-zealand?accessedvia=waikato&areatype=ta>

⁴ NZDep2006 NZDep2013 and NZDep2018 Index of socio-economic deprivation, University of Otago.

⁵ www.educationcounts.govt.nz

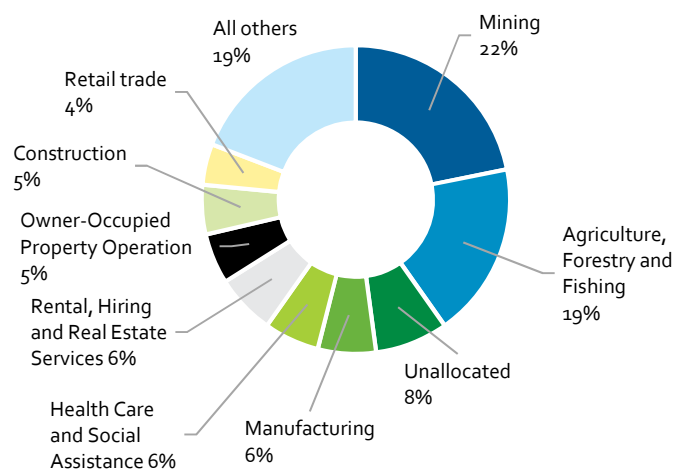


Our industry

Gross domestic product⁶ (GDP) in our district measured \$1,055 million in 2019, a 2.2% growth on 2018 figures. New Zealand's GDP was \$297,894 million, a 3.0% growth on 2018 figures. We have advantages against the national economy in gold ore mining, dairy cattle farming, beef cattle farming, meat and meat product manufacturing and agricultural support services. Primary industries account for the largest proportion of gross domestic product in our district (40%), which is higher than in the national economy (7%). Among broad industries⁷ mining was the largest in our district in 2019, accounting for 22% of total GDP, with agriculture, forestry and fishing coming in second (19%), followed by manufacturing (6%), health care and social assistance (6%) and rental, hiring and real estate services (6%). Since the opening of the Hauraki Rail Trail cycleway in 2013 our district has seen an increase in tourism spend. In 2009 and 2010 tourism spend was \$52 million. In 2019 it reached \$91 million and contributed to 4% of our district's GDP.

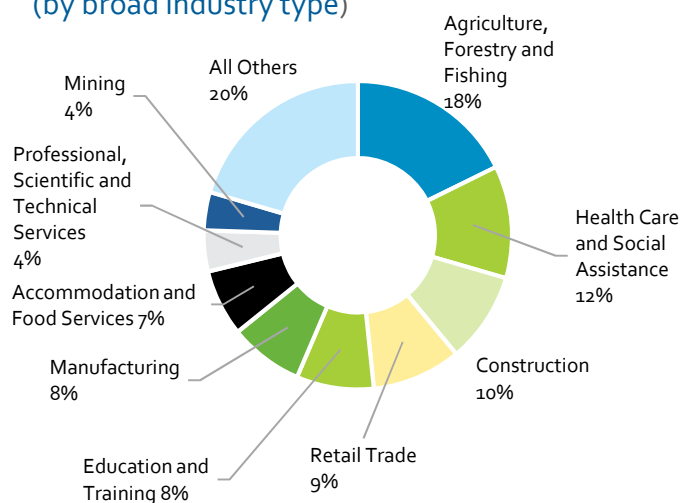
Although a 'broad industry' may be growing rapidly, if it is small relative to a region's total economy its contribution to overall GDP growth may also be small. Taking into account their relative sizes, the broad industries that contributed the largest to the overall growth of our district's economy to March 2019 were mining, followed by health care and social assistance, and agriculture, forestry and fishing, then retail trade and public administration.

Industry proportion of GDP in 2019
(by broad industry type)



We have more people employed in our district that are self-employed (24%) than the New Zealand average (16%). Since 2000 there has been a steady decrease in the self-employed rate in the district, when it was 38% in Hauraki and 20% in New Zealand. Growth in the number of business units gives us an indication of entrepreneurial activity. In 2019 there were 2,832 business units recorded in our district, up 0.4% from a year earlier. Over the last ten years the biggest growth in business units occurred in construction and rental, hiring and real estate services (66 units each) followed by financial and insurance services (39 units).

Proportion of filled jobs in 2019
(by broad industry type)



The average annual unemployment rate in the district for 2019 was 4.4%, compared with New Zealand's rate of 4.3%. We had 15% of our young people aged 15-24 years not in education, employment or training (NEET rate) compared to 12% in New Zealand. In 2019 we had 7,699 filled jobs in our district, up 1.9% from 2018. 18% of those jobs (1,385 people) were in primary industries, compared with 4% in mining. Since 2009 the most job creation has occurred in accommodation and food services, health care and social assistance, and public administration.

⁶ GDP is the total value of goods produced and services provided by all people and companies in the country during one year. In this profile, Gross Domestic Product is estimated in 2019 prices.

⁷ There are 54 specific industry groups, which are grouped into 21 broad industry groups.



Our economy

There is still uncertainty about the longer term effects of the Covid-19 pandemic, however the economic rebound in New Zealand in the September 2020 quarter has set us on a more optimistic course than initially forecast. Sustained export activity, combined with New Zealanders opening their wallets to domestic tourism, new cars, and home improvements, has created confidence that the New Zealand economy will emerge from Covid-19 less impacted than other parts of the world.

Hauraki District's economy had also shown a strong rebound in activity in the September 2020 quarter. Provisional estimates show a 3.0% per annum rise in economic activity (GDP) over the quarter, limiting the year-end decline to -0.4% per annum. Growth was higher than the New Zealand average year-end decline of -3.3%.

Households remain willing to spend on the whole, with a 6.3% per annum rise in consumer spending in the September 2020 quarter and local monthly spend rebounding to pre-Covid levels. However, this spending hadn't been enough to make up for the lack of spending earlier in 2020, with spending between January and September 2020 still 5% below 2019 levels. Car and commercial vehicle registrations are up, reinforcing the underlying economic momentum and the number of property listings and sales has returned to pre-Covid levels.

With New Zealand's borders remaining closed to all but essential travellers, returning citizens and residents, tourism expenditure continued to decline across New Zealand. The annual visitor spend in Hauraki was \$82 million in the year to September 2020. Total tourism expenditure in the district decreased by -9.9% (\$9 million) on 2019 spending, compared with a decrease of -16.5% in New Zealand.

105 new dwelling consents were issued in the district in 2019/20, down slightly on 2018/19 when 119 were issued. There was an expectation at the national level that there will be a slowing in the construction activity as a result of Covid-19, however we are yet to experience that in the district.

Mining activity in the district has continued to shift ahead and the primary sector is proving resilient as New Zealand's trade activity continues. Fonterra's recent upwards revision to the farmgate milk price will help, with the 2020/21 pay-out expected to bring \$251 million into the local economy.

We saw an increase of 292 people receiving Jobseeker Support since January 2020, with 1,019 recipients at September 2020 and 13 people on the Covid-19 Income Relief Payment. That is a 23% increase since September 2019, which is lower than the national increase of 27%. In total, over 204,000 New Zealanders were on a Jobseeker Support benefit in September 2020 up over 61,000 from September 2019. The labour market hit from Covid-19 has been less severe in our district than originally thought, with fewer job losses than forecast. However, across New Zealand data shows some workers are still employed but working fewer hours, whereas others are out of a job, but not looking for a new role yet.

1,385 people employed in *primary industries* which is **18%** of workers

923 employed in health care and social assistance



731 employed in retail and trade, **731** employed in construction

7,699 filled jobs in 2019

↑1.9% from 2018

Since 2009 most jobs created in *accommodation and food services, health care and social assistance, and public administration.*

1,019

Jobseeker Support recipients September 2020

↑23% from January 2020 to September 2020



110,479 cows in 2019 (-0.9% on previous year)

Our Future



Our population⁸

After a period of minimal population growth between 2006 and 2013, the district experienced relatively strong population growth between 2013 and 2018. In five years the district population grew by 12.4% to reach 20,022 at the 2018 Census. This growth has mainly been driven by more people moving into our district than those moving out, as opposed to a natural increase (more births than deaths) rate. The increase is likely to have occurred in part because of high national migration and inflated property prices in nearby districts and cities.

At June 2020 the estimated population was 21,400 people and we are expecting that the district will continue to experience population growth for the next 30 years. However, due to COVID-19 border closures and the uncertainty about what that means for national net migration figures, we have planned for the next ten years using the medium growth scenario, instead of the high growth scenario. The assumption is population growth will continue in the district, however at a slower rate than between 2013 and 2018. It is projected that at 1 June 2021 our population will be 21,520 and will reach 22,750 by 2031. That's an increase of 5.6% or 1,230 people over the ten year period of the long term plan.

In the longer term, 2031-2051, we have undertaken our infrastructure planning based on the high growth scenario, because we believe people from other areas in New Zealand will continue to move to our district and international net migration will recover. We need to be able to readily cater for this growth and we do not want to underinvest in our infrastructure. Under the high growth scenario, by 2051 it is projected that our population will reach 24,200, an increase of 1,450 people from the estimated June 2031 population. Our population growth will start to slow after 2031, but is not projected to stop over the next thirty years.

From 2021 to 2031 we expect population growth to be spread across the district, with only the areas of Kaiaua, Pūkorokoro-Miranda and Hauraki Plains North projected to decline in population. Between 2021 and 2031 Paeroa's population is projected to grow by 400 people, Waihi by 330 people and Ngatea by 100 people.

With almost a quarter of our population over 65 years, we have an 'ageing population' when compared to the national average of 15%. We will continue to have a greater number of older people living in our district for the next 30 years, despite the national projection that by 2045 the grandchildren of the baby boomer generation will outnumber the baby boomers themselves.

With an older population it is common that the number of people living in each household decreases. In 2006 there was an average of 2.5 people living in each home in our district and this is expected to decrease to 2.1 people by 2051.

Estimated **5.6%** increase in population - 2021 to 2031



1 June 2021 ≈ **21,520**

by 2031 ≈ **22,750**

by 2051 ≈ **24,200**

Estimated **population** increase

by 2031 **↑1,230**

Paeroa + 400

Waihi +330

Ngatea +100



Ageing population

By 2051 it's estimated that around **40%** of our population will be over **65**

2.5 people on average living in each home in our district in 2006, **expected to decrease to** **↓2.1** by 2051

New Zealand median age

37.4 years (2018)

Hauraki median age

46.8 years (2018)

⁸ The projection data in this section was produced by Infometrics Limited for the Council, prepared in May 2020.



Our dwellings

Growth in dwelling numbers can be driven by an increase in population and/or a demand for holiday homes. It can also occur if more homes are needed to house less people per dwelling e.g. because of an ageing population. Due to continued population growth we're seeing a steady number of building consents for new homes being lodged and ongoing interest in our district's housing market.

Under the medium growth scenario, in 2021 it is projected the Hauraki District will have 10,220 dwellings and this will increase to 10,990 dwellings by 2031. That's an average increase of 77 dwellings per annum. After 2031 the growth in dwelling numbers slows in line with the slowing of population growth. By 2051 it is projected our district will have 11,820 dwellings, an annual average increase of 41 dwellings from 2031 to 2051.

Over the ten years of this plan the district is projected to have 770 additional dwellings, with 142 in Paeroa, 178 in Waihi and 58 in Ngatea. The remainder of new dwellings are expected to be built in the smaller settlements and rural areas. The proportion of occupied dwellings (that means dwellings that are usually lived in and not for example holiday homes) has remained relatively stable, increasing from 88% at the 2013 Census to 90% at the 2018 Census. We expect this to remain constant over the period of this plan.



Our rating units

Our district has various types of rating units; residential, residential lifestyle, rural industry, commercial and industrial, mineral related and 'other'. Rating unit growth is driven by the economy, population growth and other changes in demographics and lifestyle patterns.

In 2021 it is projected our district will have 10,995 rating units. Over the ten-year period of this plan it is projected that the number of rateable units will increase by an average of 90 per annum, reaching 11,890 by 2031. By 2051, it is projected that the number of rating units in our district will reach 13,220. That's an annual average increase of 66 rating units per year.

The majority of the projected increase in rating units over the next 30 years is in the residential and residential lifestyle rating unit categories. This is because the district's growth in rating units closely follows the growth trend in the number of dwellings in the district. In 2021 residential and residential lifestyle properties are projected to account for 77% of the district rating units. However this is expected to decrease by 2051, when 71% of the rating units are projected to be residential and residential lifestyle properties. This is linked to a slowing of population growth, but a steady growth in the number of commercial and industrial rating units.

For further information on our district profile please see the Statistics New Zealand website www.stats.govt.nz or our Infometrics Community and Economic Profiles on our Business Hauraki web page: www.hauraki-dc.govt.nz/business-hauraki/



Occupied dwellings

increased from **88%** in 2013 to **90%** in 2018

More permanent homes and less holiday homes

Estimated increase in dwellings by 2031 **↑770**

Paeroa +142

Waihi +178

Ngatea +58

Estimated increase in *rating units* by 2031

↑900

Paeroa +160

Waihi + 199

Ngatea +95

77% of the rating units are *residential and residential lifestyle properties*

in **2021**

71% of the rating units are *residential and residential lifestyle properties* in **2051**



Our financial and other general assumptions | Tā mātou whakakake

Forecasting assumptions are one of the building blocks of the long term plan (LTP). The long term plan must disclose all *significant* forecasting assumptions and risks, the level of uncertainty associated with each of these assumptions, and quantify the potential effect of the uncertainty on the financial estimates.

Types of assumptions

Legislation prescribes that assumptions are required to be made and disclosed about some particular matters including, but not limited to, the life cycle of significant assets and sources of funds for replacement of assets. Others are identified by the Council as important to make assumptions about.

There are three types of forecasting assumptions to be prepared:

1. **General assumptions:** assumptions that apply organisation or corporate-wide and are applicable to all or most activities.
2. **Financial assumptions:** assumptions that apply to all of our 'finances'. They are usually corporate wide in nature but relate specifically to financial matters.
3. **Activity assumptions:** assumptions that are specific to one or some activities. Activity assumptions may include applying general assumptions at an activity level.

Significant forecasting assumptions need to be:

- realistic,
- evidence-based – especially where assumptions are outside industry norms,
- internally consistent with other assumptions,
- applied consistently across the long term plan and supporting documents (unless there is good reason not to and the difference in treatment and reason are both explained).

Risk analysis

Having developed a set of forecasting assumptions, we are then in a position to consider the future risks and determine if we are willing to accept the risk or whether some means of treating the risk is necessary. That analysis is likely to be grounded in an analysis of the impacts of certain forecasting assumptions not coming to pass, or coming to pass in a different way or to a different extent than expected (also known as sensitivity analysis).

Risk analysis is one of the stress-tests for an long term plan. If the risk analysis is pointing to significant financial or delivery risks, it may be a sign that an aspect of our direction needs to be revisited.

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
1. Inflation	<p>Our forecast financial information includes provision for inflation. We have used forecasts of price level changes prepared specifically for the local government sector by Business and Economic Research Limited (BERL) to calculate the inflation rate for each year of this plan.</p> <p>The BERL forecast inflation rates were set in September 2020 and are listed in Figure 1 below. The cost adjustors are projected under three scenarios, which are consistent with economic forecasts published by the Reserve Bank of New Zealand, the New Zealand Treasury and BERL. The Council is using the mid-scenario considered to be a likely outcome relevant to most regions of New Zealand.</p> <p>In year one of this plan there has been no inflation applied to operational costs (with the exception of salaries). This is considered appropriate given that the first year budget has been prepared within six months of commencement of spend. The inflation rates used for years 11-30 in the 30 year infrastructure strategy are the average of the rate used in this plan for that activity over the next 10 years.</p>	Medium	<p>Inflation is affected by external economic factors. Our costs and the income required to fund those costs will change by the difference between the actual rate of inflation and the rate of inflation used in the forecast.</p> <p>We have relied on the current parameters the Reserve Bank is required to operate under in terms of inflation being held within the range of 1% to 3%.</p> <p>A 1% increase in inflation would increase annual operating expenditure by approximately \$390,000 and capital expenditure in 2020/21 by approximately \$200,000.</p>	That inflation will be significantly higher or lower than forecast. However, as BERL notes it is more likely that growth and employment is lower than higher in this scenario.
2. Interest	Interest on term debt is calculated at an average of 2.7% over the ten years. This is our expected cost of borrowing and is based on market interest rate expectations taking into account the proportion of our debt that is covered by fixed interest rate instruments.	Medium	Interest rates are influenced by international economic factors. We will manage this through interest rate risk management instruments authorised in our liability management policy for external debt, and by using internal borrowing as much as possible.	That the interest rates will be significantly different from those in the calculations.
3. Waka Kotahi NZ Transport Agency	The Funding Assistance Rate (FAR) government roading subsidy is 60% in 2020/21 and is forecast to remain at this level for the following nine years of this plan. This is based on projections supplied by Waka Kotahi, the government funder of roading.	High	A 1% reduction in the FAR subsidy rate would amount to a reduction in subsidy income of approximately \$65,000 per annum. If there is a reduction, the subsidy may not cover the cost of works we have planned for.	That the rate of subsidy will be lower than the rates budgeted for.

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
4. Carbon credits and liabilities	<p>It is assumed that we will not have to purchase carbon emission units (NZUs) under the New Zealand Emissions Trading Scheme for our waste activities. No budget for the purchase of NZUs has been allocated in the long term plan.</p> <p>We assume that we will continue to replant our forestry lots, which currently earn NZUs under the Emissions Trading Scheme. As at 30 June 2020, the number of NZUs held by the Council is 6,900 with a market value of \$28 per unit.</p>	Medium	<p>The Climate Change Response Act 2002 now includes targets for the reduction of biogenic methane, which includes wastewater treatment and discharge. The first emissions budget period is 2022 to 2025, and will be gazetted by 31 December 2021. It must include all greenhouse gases. However, the Ministry for the Environment has advised at this point in time wastewater treatment and disposal will not be included in the Emissions Trading Scheme.</p>	<p>That we will have to purchase or relinquish NZUs, which is not budgeted for.</p>
5. Covid-19 and the economy	<p>Measures to contain COVID-19 in New Zealand have resulted in an economic downturn. Levels of activity and employment have declined, with income and spending consequently uncertain. Hauraki's economy is highly dependent upon agriculture and mining, and our tourism sector is mainly based on domestic tourism (85%). To date Hauraki seems to have been less affected than most of New Zealand.</p> <p>However, it is assumed the unemployment rate in the district could increase from approximately 4% (pre-COVID-19 rate) up to 9% during the first year of this plan. BERL forecast unemployment slowly recovering to near 5% by around 2030. This outlook assumes the COVID-19 eradication strategy is successful and a vaccine is developed sometime in 2021 allowing the border to reopen and life to return to somewhat normal.</p>	Medium	<p>If the economic downturn continues and we have high levels of unemployment and our communities ability to pay for our services is affected, there is potential for an increase in rate defaults/ postponement applications particularly for year one of this plan.</p>	<p>There is more severe impact on our community's ability to pay than predicted.</p>

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
6. Revaluation of assets	It is assumed that the value of our assets will be consistent with the valuations conducted.	Medium	We periodically re-value our assets. This is set out in more detail in our accounting policies and Infrastructure Strategy. Land was last re-valued as at 30 June 2019. Buildings and utility assets were last re-valued as at 1 July 2017. Roading assets were last re-valued as at 1 July 2019. Water, wastewater, stormwater and drainage were last revalued 1 July 2017. The projections provide for changes in asset valuations every three years based on capital works, retired assets and the amount of inflation over that period of time. The value of our assets and subsequent depreciation expense may change as a result of changes in valuation methodologies or cost changes being significantly different to those projected. This could lead to an increase in rates.	That the cost of construction/replacing assets will be significantly higher or lower than forecast by the valuations.
7. Vested assets, being the assets the Council receives and becomes responsible for.	We have forecast that we will receive a minimal, but certain level of vested assets. We also assume that the impact of vested assets will be neutral, in that the costs associated with the additional assets will be offset by a proportionate increase in rates revenue.	Low	Vested assets can fluctuate considerably from year to year but the impact is usually offset by a proportionate increase in rates revenue. It is highly unusual that we would enter into an arrangement with a developer where the ongoing costs associated with the vested assets are disproportionate to the increase in rates revenue.	That we will have more assets vested thereby increasing the depreciation expense in subsequent years that is not offset by a proportionate increase in rates revenue.
8. Funding sources	Sources of funds will be obtained as detailed in our revenue and financing policy. The policy also includes the sources of funds for future replacement of significant assets, and both operational and capital expenditure (the latter of which is primarily through borrowing).	Low	There is little risk that sources of funds will not be achieved given our ability to levy rates. The main risk concerns capital expenditure, as that is primarily funded through borrowing. If we aren't able to borrow to the levels forecast than this could affect the timing or viability of our capital works programme.	That we will not be able to fund our planned work programme.

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
	The Local Government Funding Agency (LGFA) will continue to be able to raise funds from capital markets providing us access to more favourable loan funding.	Low	<p>A significant amount of the capital funding is sourced from overseas capital markets. There is a risk that access to these markets may become restricted.</p> <p>The financial effect of the Local Government Funding Agency not being able to access capital markets would be less favourable loan options being available to us.</p>	That the Local Government Funding Agency no longer has access to capital markets.
9. Delivery of capital projects and COVID-19	Resources will be available so we can deliver our capital works programme. On average, costs of major capital works will not vary significantly from costs estimated at the concept stage, subject to general inflation trends.	High	Some capital project costs could be greater than estimated resulting in increased debt levels from those forecast	Due to the ongoing effects of COVID-19 on our supply chains and possible fluctuations in the price of goods, there is a risk that capital projects will not be delivered as planned due to the required resources being unavailable.
10. Asset life	It is assumed the useful lives of our assets as recorded in our asset management plans approximate reality.	Medium	If an asset were to fail or wear out significantly earlier than its estimated life capital projects could be brought forward which would affect interest costs. Depreciation expense may also increase.	Asset life is based upon estimates by actual performance, industry standards and valuers and is considered reasonably accurate. However, we are in the process of improving our level and accuracy of asset data for core infrastructure recognising the current information could be improved.
11. Development contribution and/or financial contribution revenue	We will implement our reviewed development contribution policy effective from 1 July 2021. We will have legacy financial contributions as well during the life of this plan.	Low	Revenue from financial contributions will be considered on a case by case basis. Revenue from development contributions has been included as part of this long term planning process.	If less revenue is collected from development contributions than forecast, the cost of the additional capacity will fall to existing ratepayers.
12. Ngatea North subdivision	We will be able to sell the Council owned lots in the Ngatea North subdivision at market price.	Low	If the residential market suffers a downturn and section prices fall, then the Council would hold the sections until the market improved. This will result in Council debt being up to \$4 million higher than forecast until the sections are sold.	That the construction costs for the development of stage 4 of the Ngatea North subdivision are not recovered once sections sell.

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
13. Infrastructure insurance	We have sufficient insurance to replace our infrastructure assets in the event of a disaster.	Medium	We manage the financial risk associated with natural disasters through the provision of insurance up to the current replacement value. Central government currently covers anything above this amount.	Treasury signalled a review of the level of financial assistance that the Government provides to local authorities after a natural disaster in 2018. Although this is still on the agenda, it is not a current priority of Treasury. A discussion paper is on hold until more certainty from Treasury is provided while this plan is developed.
14. Population growth	<p>For the life of this plan (2021-2031), we have decided to plan using the medium growth scenario for the district, instead of the high growth scenario. This is because of the COVID-19 border closures and the uncertainty about what that means for national net migration figures. The assumption is population growth will continue in the district, however at a slower rate than between 2013 and 2018, which was at an average rate of 2.4% per annum.</p> <p>Under the medium growth scenario, it is projected the usually resident population of the Hauraki District at 1 June 2021 will be 21,520. It is projected our population will reach 22,750 by 2031. That is an increase of 1,226 people, or a population increase of 5.6% over the ten-year period of this plan. The average annual increase is 165 people or 0.5% growth per annum. Growth will continue to be driven predominantly by net migration (people moving into the district).</p>	Medium	<p>Should the population be less than expected this may have an effect on our income if this trend is coupled with less rating units than projected. The financial effect would likely mean a rise in rates due to a smaller number of rateable properties.</p> <p>We believe there is no risk of overinvesting if we base our planning on the medium or high projections, given the two scenarios are not significantly different.</p>	<p>There is a chance the population growth projected in this plan may be lower than anticipated. This could occur due to lower than forecast net migration or a lower than anticipated birth rate and higher death rate.</p> <p>There is less risk that we will experience more growth than projected in the first three years of this plan because COVID-19 border closures means New Zealand is likely to experience minimal net migration for several years. However, more New Zealanders may move to the regions in search of more affordable lifestyles meaning we still experience some net migration as a District. In the longer term (2031-2051), there is a risk that the district may not</p>

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
	<p>In the longer term, 2031-2051, we have undertaken our infrastructure planning based on the high growth scenario, because we believe people from other areas in New Zealand will continue to move to our district and international net migration will recover. We do not want to underinvest in our infrastructure. We need to be able to readily cater for this growth.</p> <p>Under the high growth scenario, the district population will be approximately 24,200 in 2051. That is an increase of 1,450 people over the twenty years from 2031-2051. In years 11-30 of our infrastructure strategy, the population increase by an average of 73 people per year, or 0.2% growth per annum.</p>			experience as much population growth as projected. The medium growth scenario projects a plateau of growth around 2031, then a slow decline in population at a rate of -0.3% per annum.
15. Household size	<p>The average household size (number of people living in a house) has decreased from 2.5 persons in 2006 to 2.3 persons in 2021. This trend is projected to continue and further decrease to 2.2 persons by 2031.</p> <hr/> <p>The average household size is projected to continue to decline to 2.1 persons per household by 2051.</p>	Low	<p>If the rate of household size declines faster than anticipated, this could result in more infrastructure costs if additional dwellings are required. However, the extra costs would likely be off-set by additional rating units.</p> <p>With less people living in each dwelling, rates affordability could become an issue.</p>	The decrease in household size occurs sooner than expected or is greater than expected. This would be driven predominantly by an ageing population where it is more likely elderly people will be living in single person households. An increase in single parent families can also contribute to a declining household size.

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk																									
16. Demographic age distribution for our District	By 2021, it is estimated that 26% of the population of our district will be aged 65+ years. Our district is likely to have an increasingly ageing population with 35% of the population aged 65+ by 2031 and 40% aged 65+ by 2051.	Low	The main financial effect would likely be on rates affordability due to a larger percentage of the population being on a fixed income.	Ageing population trends continue to be forecast by Statistics New Zealand for the provinces of New Zealand. There is a risk the age distribution of our district could be older than projected if a greater number of people aged 65+, and fewer families with children, move to the district than anticipated. There is less risk the age distribution will be younger than anticipated.																									
	The table below shows previous and projected age-distribution:																												
	<table border="1"> <thead> <tr> <th>Age</th> <th>2006</th> <th>2021</th> <th>2031</th> <th>2051</th> </tr> </thead> <tbody> <tr> <td>0-14</td> <td>22%</td> <td>18%</td> <td>17%</td> <td>15%</td> </tr> <tr> <td>15-39</td> <td>26%</td> <td>23%</td> <td>20%</td> <td>19%</td> </tr> <tr> <td>40-64</td> <td>35%</td> <td>32%</td> <td>28%</td> <td>25%</td> </tr> <tr> <td>65+</td> <td>17%</td> <td>26%</td> <td>35%</td> <td>40%</td> </tr> </tbody> </table>	Age	2006	2021	2031	2051	0-14	22%	18%	17%	15%	15-39	26%	23%	20%	19%	40-64	35%	32%	28%	25%	65+	17%	26%	35%	40%			
Age	2006	2021	2031	2051																									
0-14	22%	18%	17%	15%																									
15-39	26%	23%	20%	19%																									
40-64	35%	32%	28%	25%																									
65+	17%	26%	35%	40%																									
17. Rating unit growth	For the life of this plan (2021-2031), we have decided to plan using the medium growth scenario for the district, rather than the high growth scenario. In 2021 it is projected our district will have 10,995 rating units. Over the ten year period of this plan it is projected that the number of rateable units will increase by an average of 90 per annum, reaching 11,891 by 2031. The total number of rating units has been forecast for each year of this plan as follows:	Medium	The main financial impacts are increased/decreased rate funding from rating units. If rating unit growth is less than that projected there may be a period where the costs associated with certain infrastructure capital expenditure needs to be met by less projected rateable units. Higher than projected rateable units could put pressure on the provision of certain infrastructure.	Rating unit growth is driven by the economy, population growth and other changes in demographics and lifestyle patterns. There is a risk that the growth in the number of rating units will be less than forecast, particularly if our district experiences less population growth than expected. This is because the growth in rating units closely follows the growth trend in the number of dwellings in our district. In 2021 residential and residential lifestyle properties account for 77% of the rating units in our district. In 2051, 71% of the rating units are projected to be residential and residential lifestyle																									
	<table border="1"> <tbody> <tr> <td>2021/22</td> <td>11,127</td> <td>2026/27</td> <td>11,649</td> </tr> <tr> <td>2022/23</td> <td>11,247</td> <td>2027/28</td> <td>11,727</td> </tr> <tr> <td>2023/24</td> <td>11,355</td> <td>2028/29</td> <td>11,790</td> </tr> <tr> <td>2024/25</td> <td>11,460</td> <td>2029/30</td> <td>11,844</td> </tr> <tr> <td>2025/26</td> <td>11,559</td> <td>2030/31</td> <td>11,891</td> </tr> </tbody> </table>	2021/22	11,127	2026/27	11,649	2022/23	11,247	2027/28	11,727	2023/24	11,355	2028/29	11,790	2024/25	11,460	2029/30	11,844	2025/26	11,559	2030/31	11,891								
2021/22	11,127	2026/27	11,649																										
2022/23	11,247	2027/28	11,727																										
2023/24	11,355	2028/29	11,790																										
2024/25	11,460	2029/30	11,844																										
2025/26	11,559	2030/31	11,891																										

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
	<p>In the longer term, 2031-2051, we have undertaken our infrastructure planning based on the high growth scenario. By 2051, it is projected that the number of rating units in our district will reach 13,222. That is an annual average increase of 66 rating units per year in years 11-30 of our Infrastructure Strategy.</p>			<p>properties. This is due to less demand for holiday homes in the district and a slowing in the demand for new dwellings associated with the decrease in population after 2031. COVID-19 lockdowns may also have a slowing effect on the economy, leading to less commercial and rating unit growth.</p>
				<p>In the longer term (2031-2051), there is a risk that the district may not experience as much rating unit growth as projected. Under the medium growth scenario, the number of rating units in our district is projected to reach 12,309. That is an average annual increase of 21 rating units per year in years 11-30 of our Infrastructure Strategy.</p>
18. Dwelling forecasts	<p>For the life of this plan (2021-2031), we have decided to plan using the medium growth scenario for the district, as opposed to the high growth scenario. In 2021 it is projected the Hauraki District will have 10,220 dwellings. It is projected to have 10,990 dwellings in 2031, an increase of 77 dwellings per annum. 10% of those dwellings are unoccupied and this remains constant over the ten-year period of this plan due to a lack of demand for holiday homes.</p>	Medium	<p>If growth in dwelling numbers is less than projected there may be a period where there are less connections to our services and less properties paying for the costs associated with providing those services and associated infrastructure.</p>	<p>A growth in dwelling numbers can be driven by an increase in population and/or a demand for holiday homes. It can also occur if more homes are needed to house less people per dwelling e.g. because of an ageing population or higher couple separation rates. There is a risk the growth in the</p>

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
	<p>In the longer term, 2031-2051, we have undertaken our infrastructure planning based on the high growth scenario. By 2051, it is projected that our district will have 11,820 dwellings. That is an annual average increase of 41 dwellings per year in years 11-30 of our Infrastructure Strategy.</p>		<p>Higher than projected dwelling numbers could put pressure on the provision of certain infrastructure.</p>	<p>number of dwellings will be less than projected, particularly if our district experiences less population growth than expected. There is less risk that we will experience higher growth in dwelling numbers than projected in the next ten years when compared with our historical trends. From 2001 – 2016 our district had on average 85 new residential dwellings per year.</p> <p>In the longer term (2031-2051), there is a risk that the district may not experience as much rating unit growth as projected. Under the medium growth scenario it is projected that our district will have 10,700 dwellings by 2051. That is an average decrease of 15 dwellings per year in years 11-30 of the Infrastructure Strategy.</p>
<p>19. Costs associated with provision of services</p>	<p>Services will continue to be delivered at the forecast costs in this plan.</p>	<p>Medium</p>	<p>External influences may impact on the forecast costs of the service levels in this plan. For example, inflation, legislative changes, a skilled labour shortage. Alternatively, a more efficient method of delivering the same level of service may be implemented.</p> <p>If the cost to provide the forecast levels of service was to change significantly then we would review the timing and amount of work programmed and undertaken. The financial effect is difficult to predict.</p>	<p>That the service may not be able to be delivered in the same manner, which could impact the cost of providing the same level of service.</p> <p>That costs are increased significantly by commodity prices or economic conditions putting costs above the forecast level of inflation.</p>

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
20. Delivery of three waters	<p>We will continue to deliver drinking water, wastewater and stormwater services.</p> <p>However, the government has signalled a possible reform that would remove the water, wastewater and stormwater activities and assets from councils, and transfer them to a new entity. If this was to occur, it could happen in 2023 or later. It is likely the income, expenses, assets and debt for these activities will be transferred.</p>	Medium	<p>If the Council no longer delivered the three waters it would mean a substantial change to financial estimates. As at the start of the long term plan, the forecast value of the assets that would be transferred is \$141 million. The debt that would be transferred is \$22 million. The annual cost of providing the three waters activities is \$13.5 million, while Council receives about \$12.6 million of income annually. This is 28% of council's income.</p> <p>We estimate that about 36 staff would no longer be employed by Council in our community. The annual overheads that relate to the three waters activity are about \$2.2 million. We estimate that \$700,000 of this would not be able to be transferred to any new entity and would remain with Council. This cost would likely result in an average overall rates increase of 3%.</p>	<p>This loss of income means that Council will not be able to recover some of its support costs from these activities. Some of these costs will be reduced, however some are fixed and this will leave our remaining activities to bear a greater burden of these costs.</p> <p>We usually have some lead in time to implement new services in which case the implications for financial estimates and our capacity to continue delivering services can be identified and considered through an annual planning, long term planning or long term plan amendment process.</p>
21. Environmental Protection Subsidy	<p>The Government has enacted a suite of legislative and regulation changes to improve the current management of freshwater. Subsequently, we are now forecasting future capital works of \$41 million over the next ten years to again upgrade our wastewater treatment plants. If the reform of water, wastewater and stormwater delivery goes ahead, then Council will likely no longer deliver three waters services. If this reform does not go ahead, then due to the high deprivation in our communities, we have assumed that Council will receive subsidies for 50% of the costs of these upgrades to make it affordable for Hauraki communities. This is based on a long history of Council receiving grants for three waters improvement projects.</p>	High	<p>If no subsidy is received then it is likely that Council will not carry out these works.</p> <p>If Council did still carry out this capital programme, then Council will have to borrow an additional \$20 million for projects. This cost would likely result in an average overall rates increase of 2%. This increase in debt reduces the margin between Council's borrowing and its debt cap. This reduces Council's ability to borrow for other capital works forecast beyond the ten year life of this plan.</p>	<p>That the subsidy we receive is lower than assumed.</p>

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
22. Future for Local Government and the range and nature of services we deliver	<p>Our current role and functions will continue for the life of this plan. The range and nature of our services will remain unchanged from those detailed in this plan and other assumptions.</p> <p>On 24 April 2021, the Minister of Local Government announced that she established a Ministerial Inquiry into the Future for Local Government. 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:</p> <ul style="list-style-type: none"> • roles, functions, and partnerships , • representation and governance, and • funding and financing. <p>An interim report will be presented to the Minister signalling the probable direction of the review and key next steps on 30 September 2021. A draft report and recommendations to be issued for public consultation is due on 30 September 2022. The final report will be presented to the Minister and Local Government New Zealand on 30 April 2021.</p>	Medium	<p>The requirement to undertake new services or meet new regulations are sometimes hard to determine in advance, but could be significant in terms of affecting our capacity to deliver our services.</p> <p>We usually have some lead in time to implement new services in which case the implications for financial estimates and our capacity to continue delivering services can be identified and considered through an annual planning, long term planning or long term plan amendment process. We also use that process to consider and respond to community-driven demand for changes to services.</p>	<p>While the Future for Local Government 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.</p> <p>We consider 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.</p> <p>In the interim there is still a risk that central government will allocate responsibility for additional services to local government, and/or the Waikato Regional Council will allocate responsibility for additional services or standards to local government in the Waikato Region that requires immediate addressing and affects our capacity to deliver.</p>
23. Resource Management Act reform	<p>We will continue to deliver services associated with the Resource Management Act 1991 such as developing policy (district planning) and implementing rules and regulations (processing resource consents, monitoring and enforcement).</p>	Medium	<p>The initial indication is the overall transition process would be completed within ten years. This will give us time to determine the effects on the organisation once more is known.</p>	<p>The Council may not be delivering these services in the future. The Randerson Report recommends replacing the Resource Management Act 1991 with three Acts. There would be a mandatory plan for each region combining Regional Policy Statements, regional and district plans. New regional hubs would be established to undertake resource management, compliance, monitoring and enforcement.</p>

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
24. Resource consents for water discharges and takes	<p>That the conditions of infrastructure resource consents held by us will be altered over time due to increasing water discharge quality standards and also because of possible increased competition for the allocation of water.</p> <p>The Waikato Regional Council has advised that water bodies in our district are already close to over allocation and that it will be more difficult to obtain new resource consents required for water takes to allow for future growth. The potential implications resulting from changes to allocation of water to our district could include:</p> <ul style="list-style-type: none"> the amount of water we can take, our ability to accommodate population and industrial growth, additional requirements for monitoring and management of water allocations. 	Low (discharges)	<p>This low level of uncertainty means that we have confidence in the need to allocate financial resources for meeting new consent conditions. Changes to wastewater discharge consent standards will result in the need for the upgrading of our wastewater treatment plants, other requirements may result in the need for more of our infrastructure to be upgraded to meet higher standards. Upgrades to stormwater treatment before discharge may also be required. The increase in financial resources needed will impact on the Council's ability to continue providing services within existing budget levels. There remains a level of uncertainty of the quantum and timing of some infrastructure spent.</p>	<p>Additional new or revised legislation, national policy statements, national environmental standards and regional plan changes (the development of the healthy rivers plan change programme) will require changes to activities and service levels not provided for in this plan. Unless otherwise noted, we do not know what changes will be initiated, and of those that we do, what the changes will involve.</p> <p>That conditions of resource consents require higher compliance standards requiring the development of additional infrastructure.</p>
		Medium (Takes)	<p>The financial effects of over allocation of water bodies may be significant and require upgrades and/or new water treatment facilities, however the potential costs cannot be forecast. Additional affects could be the potential to restrict development due to the inability to gain additional water allocation.</p>	<p>That new water take resource consents will be more difficult to obtain.</p>
	<p>That Waikato Regional Council will allow ten years for Council to comply with the new consent conditions for the wastewater treatment plants.</p>	Medium	<p>The budgets are included in year five of the long term plan to start designs and construction on plant upgrades to be compliant in year ten of the consent.</p>	<p>That if we are required to comply earlier than expected there will not be sufficient budgets in earlier years and require prioritising the upgrades over other community needs.</p>

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
25. Operating environment	There will be no significant changes to our operating environment, which have not already been planned for.	Medium	Due to climatic variation and unforeseen natural disasters there is an increased chance of events changing the operating environment in our district. However, we have faced unexpected events in the past, and coped adequately. There are risk management plans in place for some activities and an operative emergency management plan.	That there will be event(s), e.g. natural disasters and/or legislative reform that significantly affect our ability to operate or change the operating environment.
		Medium	Legislative reform is covered in separate assumptions but can potentially cause significant changes to our operating environment and budgets. Assets are unlikely to be lost other than through planned end of life renewal. Therefore, the financial effect is difficult to predict, but we do carry comprehensive insurance cover on infrastructural and community assets (refer also to insurance assumption).	That there will be significant asset losses.
26. Waihou and Piako River catchments post-Treaty settlement Authority	The Hauraki Collective Treaty Settlement Deed will include provision for an iwi driven authority responsible for developing a strategic vision and direction for natural resource issues in the Waihou and Piako River catchments and the Coromandel catchments.	Low	We will need to make additional funding commitments to allow us to work with post settlement authority with shared governance and responsibility of the Waihou and Piako river catchments.	That the Council is not prepared financially or have capacity to be ready to engage with the river catchment authority once it is established.
		Medium	We may need to make additional funding commitments to meet delivery costs over time should central government not provide funding.	That central government does not provide funding to support the ongoing costs of the river catchment authority once it is established.

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
27. Hauraki collective and individual Hauraki Iwi Treaty settlements	These settlements will identify areas of land that have particular cultural, spiritual, historical and traditional association for iwi and that the 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.	Low	We will need to update policy protocols and consenting processes and procedures within Council to be ready to incorporate Maori worldviews into decision-making.	That Council is not prepared and processes and procedures are not in place to incorporate Maori world views into decision making.
28. Asset information	Performance, condition and age data for assets is assumed to be accurate.	Medium	The forecast financial information is based on current asset management plan information. When any new information comes to hand, forecast financial information will be changed. The net effect overall may not be significant.	Asset data results over-estimate or under-estimate the need for renewal or replacement and its cost.
29. Land use	There is land zoned to cater for the forecasted residential property growth in our district, however that land is not being made available now to meet the demand. Further residential areas are being investigated in Paeroa and Waihi to support sufficient land being made available.	Medium	<p>If projected residential growth does not eventuate due to shortage in zoned land availability and uptake, we will have less connections to our services and less revenue in the short term.</p> <p>We are not yet certain on when uptake of land zoned for development will occur and therefore when infrastructure investment will be needed. Our financial forecasts would change if we do not have adequate financial or development contributions to fund this investment.</p>	If we experience more population growth in certain areas than planned for, there may not be sufficient land zoned in that particular area.

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
	In some areas of the district there is insufficient land zoned to accommodate industrial and/or commercial growth. There is a proposed Plan Change being developed which will include land proposed to be rezoned for industrial purpose in Waihi and Paeroa. Additional land was zoned for commercial purposes in the recent District Plan review in both Paeroa and Waihi.	Medium	If projected industrial and commercial growth does not eventuate due to shortage in zoned land availability and uptake, we will have less connections to our services and less revenue in the short term.	Economic growth and industrial growth slows, resulting in less or delayed demand for industrial and commercial land. Alternatively, private land is zoned as industrial or commercial use but the owner/s do not want to subdivide and sell it meaning we do not have capacity for future growth.
30. Natural disaster events	There are no significant local natural disasters during the term of this plan. The district is classified as a medium risk area for earthquakes, as outlined in the Building Act 2004. Therefore, there is a medium risk of an earthquake affecting our district. In extreme weather events there is also a risk that rainfall events and stopbank overtopping will result in flooding and inundation of land/property and our infrastructure. Currently it is believed there is a low risk that a tsunami event/tidal surge will directly affect the coastline around the Firth of Thames and/or Whiritoa.	Medium	It is likely any significant natural disaster would have impacts on the current planned expenditure within this plan. It is difficult to predict the likely financial impact of a significant natural disaster; however, we are a member of the Local Authority Protection Programme Disaster Fund (LAPP) which is a cash accumulation mutual pool created by local authorities to cater for the replacement of underground infrastructure following catastrophic damage by natural disaster. We also receive a large subsidy on our roads and bridges.	That a natural disaster occurs that has significant impact on our infrastructure and our ability to deliver services. There are adverse effects on the population and/or local economy from the adverse effects of a natural disaster.
31. Climate change and insurance	That all property in the district will continue to be insurable. Projected changes in the frequency and intensity of the acute hazards people and organisations insure against, such as flood, fire, storm-surge, landslide, hailstorm and tsunami, are causing the insurance industry to change premiums, develop new insurance offerings and adjust availability. These changes are likely to affect many insurance markets, most significantly, the home insurance market.	Medium	Changes to insurance offerings could result in additional hardship following extreme events and have significant flow-on effects for New Zealand society. This could affect people's ability to pay rates.	That private property and assets are no longer insurable, due to ongoing sea-level rise and extreme weather events. Insurers may retreat from an area of New Zealand following a climate event, either in that location or in another New Zealand location. Because most of New Zealand's insurance providers are international, retreat may also be hastened by another country's experiences, which convince them that risk profiles have changed because of sea-level rise or other climatic changes.

32. Climate change

We undertake land use planning and design our infrastructure taking into account climate change projections and the risk of increased climate change related weather events. Climate change will affect our district over the medium to long term in line with projections provided by the Ministry for the Environment (MfE) for the Waikato Region. These projections include:

1. Higher temperatures – compared to 1995, temperatures are likely to be 0.7°C to 1.1°C warmer by 2040 (depending on the emission scenario) and 0.7°C to 3.1°C warmer by 2090. By 2090, the Waikato is projected to have from 10 to 60 extra days per year where maximum temperatures exceed 25°C. The number of frosts could decrease by around 5 to 13 days per year in the Waikato.
2. Rainfall - rainfall will vary locally within the region. The largest changes will be for particular seasons rather than annually, this means the total rainfall volume is not predicted to increase significantly, but may fall in more intense events. Winter rainfall in Ruakura and Taupo is projected to increase by 4 to 8 per cent, while spring rainfall is projected to decrease by up to 6 per cent. The Waikato is not expected to experience a significant change in the frequency of extreme rain days because of climate change. For planning purposes, we will use the two upper climate scenarios, radiation concentration pathways (RCP) 6.0 and 8.5, when modelling rainfall scenarios.
3. Wind - the frequency of extremely windy days is likely to decrease by 2 to 3 per cent. There may be an increase in westerly wind flow during winter, and north-easterly wind flow during summer.
4. Storms – future changes in the frequency of storms are likely to be small compared to natural inter-annual variability. Some increase in storm intensity, local wind extremes and thunderstorms is likely to occur. The frequency of ex-tropical cyclones is projected to either decrease or remain unchanged over the 21st century; however the ex-tropical cyclones will likely be stronger and cause more damage as a result of heavy rain and strong winds.

High

Where the impacts of climate change have a potential implication for our services, options for adaptation will be identified and a planned programme will be prepared.

The additional operating and capital expenditure that is likely to be required falls outside the ten year life of this plan. We have identified projects in years 11-30 of our Infrastructure Strategy that will be required as a result of the impacts of climate change. We will need to balance the needs and expectations of our community so it is able to finance the forecast costs for addressing climate change.

At this stage, assessing the financial implications of adapting to the effects of climate change are ongoing. They will be refined in subsequent plans as investigations are progressed.

In the longer term managed retreat and/or loss of revenue for landowners could affect people's ability to pay rates.

There is a risk that the predictions on climate change as provided by the International Panel on Climate Change and the MfE are over or under estimated.

There is a risk the impacts of climate change for Council assets will be more significant than planned for. It is unlikely the risk will be lower than planned for.

5. Sea-level rise – the 2017 MfE guidance on Coastal Hazards and Climate Change for New Zealand has four sea-level rise scenarios. The sea-level rise projections range from 0.55m – 1.36m sea-level rise by 2120. For land using planning purposes, we will use the high scenario of 1.36m.

What does this mean for our communities and our assets :

- Drought – by 2090, the time spent in drought is likely to increase. More frequent droughts are likely to lead to water shortages and increased risk of wild fires. Prolonged droughts may result in restrictive consent conditions for water takes from streams and waterways. This means our communities may have more water restrictions placed on them. Increased time in drought can damage our roads, particularly on the Hauraki Plains, because moisture level changes create soil movement.
- Flooding – more heavy rainfall will increase the risk of inland flooding in the west of the region and in river catchments in the Coromandel. More rain in an event can lead to more water getting into our wastewater pipes (inflow and infiltration increase) and reduces pipeline capacity during storm events resulting in more frequent overflows of sewage. Our pump stations are also vulnerable to flooding inundation.
- Rising sea levels and storm surge will increase the risk of salt-water intrusion in low-lying coastal areas. The MfE guidance on Coastal Hazards and Climate Change notes by 2050–2070, extreme coastal water levels that are currently expected to be reached or exceeded only once every 100 years (on average) will occur at least once per year or more (on average). Flood gates may not open long enough to drain the land adequately due to sea level rise. More frequent storm surges may require stopbanks to be raised accordingly. There is a potential long term saltwater intrusion risk at our water intake for Kerepehi Water Treatment Plant due to sea-level rise. We have also identified four road sections susceptible to sea level rise.

Topic	Forecasting Assumption	Level of Uncertainty	Potential effects of that uncertainty on the financial estimates provided	Risk
	<ul style="list-style-type: none"> • Erosion and landslides – more frequent and intense heavy rainfall events are likely to lead to more erosion and landslides. There is potential for more slips or under slips and erosion to damage our roads and bridges. High water levels in rivers can also contribute to this. • Tropical diseases may become established in areas where they currently do not exist. • Biosecurity – warmer, wetter conditions (particularly in the south and west of the region) could increase the risk of invasive pests and weeds. • Agriculture – warmer temperatures, a longer growing season and fewer frosts could provide opportunities to grow new crops. Farmers might benefit from faster growth of pasture and better crop growing conditions. However, these benefits may be limited by the negative effects of climate change such as prolonged drought, reduced water availability, increased flood risk, or greater frequency and intensity of storms. • Land use – in the longer-term sea-level rise may result in managed retreat from some low-lying areas of the district. Increased drought may result in current land use practices becoming uneconomical. • Social cohesion – adapting to the effects of climate change can cause loss of peace of mind, displacement of communities, changes in business investment and household consumption. This can lead to social, cultural and economic hardship. 			

Figure 1: Local Government Cost (Inflation) Adjustors, BERL mid-scenario, % change on year earlier and Statistics New Zealand Producer Price Indices and Labour Cost Index that BERL considers to comprise the costs of local governments

Year Ending	Planning & Regulation	Roading	Transport	Community Activities	Water & Environment	PPI Inputs Local Government administration	PPI Inputs Arts and recreation	PPI Inputs – water, sewer, drainage, and waste services	CGI – Earthmoving and site work	CGI - Pipelines	All salary and wage rates – Local government sector	Private Sector Wages
June 2019	3.2	2.3	2.8	2.0	3.8	3.6	2.3	4.9	1.5	4.7	1.8	2.0
June 2020	1.7	1.9	1.8	1.7	2.5	1.6	1.3	2.9	2.1	2.2	2.2	2.2
June 2021	0.5	0.8	0.7	-0.2	-3.8	2.1	0.4	-5.4	0.7	1.5	-3.4	-3.5
June 2022	2.7	3.3	2.9	3.2	6.0	1.7	2.2	7.2	4.4	4.7	4.8	4.3
June 2023	2.5	3.1	2.6	2.7	3.5	2.0	1.9	3.4	4.1	5.0	2.4	2.3
June 2024	2.3	3.0	2.4	2.5	2.6	2.0	1.7	2.1	3.8	4.9	1.5	1.5
June 2025	2.2	2.9	2.4	2.4	2.7	1.9	1.6	2.3	3.8	4.7	1.7	1.6
June 2026	2.2	2.9	2.4	2.5	2.9	1.8	1.6	2.6	3.8	4.6	2.0	1.8
June 2027	2.2	2.9	2.4	2.4	2.8	1.8	1.4	2.3	3.8	4.5	2.2	1.7
June 2028	2.2	2.9	2.4	2.5	3.2	1.7	1.6	3.0	3.8	4.4	2.3	2.1
June 2029	2.2	2.9	2.4	2.6	3.3	1.7	1.7	3.3	3.8	4.4	2.4	2.2
June 2030	2.2	2.9	2.4	2.6	3.4	1.7	1.6	3.3	3.8	4.3	2.6	2.3
June 2031	2.2	2.9	2.4	2.4	3.1	1.6	1.3	2.7	3.8	4.3	2.7	2.0
20 year average	2.0	2.5	2.2	2.1	2.5	1.8	1.5	2.5	3.0	3.1	1.9	1.8

Our Direction | Tō mātau ahunga

Our vision | Tō Mātou Tauākī Moemoeā

Our home, our future

Our vision captures our reason for getting out of the bed in the morning. It's our team's purpose.

To us '**our home, our future**' means that we're proud to live here and we want our future generations to be proud to live here too. We want to work with you to help shape our future rather than waiting for things to happen. That means creating opportunities for the now and also for future generations. We are ready to push boundaries to make things happen.

Tō tātou rohe kāinga, Tō tatou ao tūroa

Ka hopukina tō mātou tauākī moemoeā te tino pūtaka ka ara ake i te moenga ia ata. Ko tēnei tō mātou pūtaka mō te tima.

Ki a mātou '**Tō tātou rohe kāinga, Tō tatou ao tūroa**' ka noho whakahī tahi tatou i tēnei wā, a tērā wā hoki o ā tātou uri whakatupu. Ko tō mātou hiahia kia mahi ngātahi tātou ka whakaritea tō mātou ao ki mua, ka tatari kē kia tutuki. Ka whakaritehia ngā āheinga ināianeī, āpōpō hoki mō ngā uri whakatupu. Kua reri mātou kia panahia ngā ripa tauārai ēnei āhuatanga.

Ka whakatauria te LTP ngā ritenga kia hanga taua ao tūroa.

Our mission

Our mission sets out what we do. It is our mission to:

- actively provide leadership to, and advocate for, our communities
- provide good quality infrastructure, services and regulatory functions
- foster open-minded and two-way communication with our communities
- ensure the sustainable use and management of resources...

... for the benefit of all who live in, work in and visit our district.

Community Outcomes

Our **community outcomes** express in more detail about what we'd like to see happen in our District. These outcomes continue to stay at the forefront of the decisions we make. We 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.

Our financial strategy | Tā mātou Rautaki pūtea

We deliver a wide range of services to our communities every day. Those services include a variety of things that we almost take for granted in our day to day lives. Everything from roads and drinking water, to halls, pools and library books; it's all part of what Council delivers. But like anything, those services cost money and we need to balance the wants and needs of our communities with their ability to pay for those services. Sometimes that means we need to make hard calls about what we include in our budgets, and balance that with our communities ability to pay. The provision of our services needs to be affordable.

Our financial strategy sets out how we propose to manage our finances in the foreseeable future. Over the next ten years, the cost of providing our services is likely to increase significantly. Among many things, the biggest driver of the increase, is ensuring that we comply with new environmental regulations, and other regulations set by central government. Our challenge will be how to manage the financial impact of these costs, in a way that is affordable for our communities.

In 2018/19, about 80% of our income came from rates. Our average rates increases per year started at 6.49% in 2018/19 (excluding water rates) and were projected to finish in year 10 of the 2018-28 plan at 4.49%. For water, those increases ranged from 6.0% to 2.0% at the end of the plan. Our external debt was forecast to remain relatively constant, ranging from between \$45 million and \$49 million.

Where we're at as we head into 2021

Our population is growing and so too is the number of properties within the district. Over the next ten years, our population is expected to increase by 125 people every year to 22,750 by 2031. It is also projected that the number of dwellings in the District will increase by an average of 77 per year, reaching 10,990 by 2031. That growth has a flow on effect for the services and facilities we provide, and the cost of providing those functions to communities.

Growth in industrial activity could also have a big impact on the capacity of our services. For example, a single wet industry such as an abattoir could easily have the same impact as 1000 to 2000 additional houses on our wastewater facilities. We would expect that the cost of providing this additional capacity would be met by the new industry.

We are not expecting that the increase in population, or any land use changes, will have a significant effect on Council.

The ability of our communities to pay their rates is an area of increased focus as we plan for the next ten years. We know that:

- Our district's average median annual household income was \$52,500 in 2018, lower than the national median of \$75,700.
- In the District a higher number of people derive their income from superannuation and means tested benefits (e.g. Job Seeker support) than the New Zealand average.
- In 2019 4.4% of our workforce were not in employment.
- Rates exceed the affordability threshold for 38% of our home-owning households (that is where rates are more than 5% of household income).
- Paeroa and Waihi towns, and the Hauraki Plains South area all have a deprivation rating of 9. This means they are in the most deprived 20 per cent of areas in New Zealand.
- Our population and the number of rating units are both projected to increase over the next ten years. That's an increase of 1,250 people (5.6%) and 770 rating units over the life of the plan.

Due to many factors, the obvious being the challenging economic climate we are experiencing due to the Covid-19 pandemic, interest rates are at historically low levels. This results in lower borrowing costs for the Council. Great news, but all good things will come to end so we have had to make some assumptions about what interest rates may do during the next ten year period.

Our vision

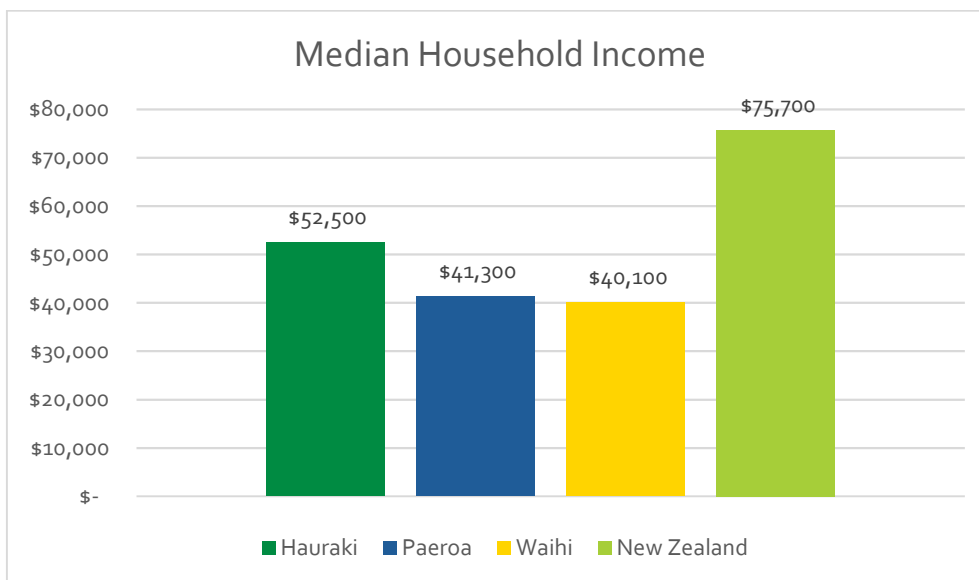
Our vision *Our home, Our future / Tō tātou rohe kāinga, Tō tatou ao tūroa* guides what we deliver and how. It means that we're proud to live here and we want our future generations to be proud to live here too. We want to work with our communities to help shape our future rather than waiting for things to happen. That means creating opportunities for the now and also for future generations.

Key issues affecting our financial picture

The affordability of our rates - pressures on household budgets

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. That is, \$41,300 and \$40,100 per year respectively. More than three quarters of all the households in these towns have income below the NZ median.



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 so we've looked at what we can do to help and have considered some options to relieve the pressure on those customers. Over the life of the plan, our rates are forecast to increase by more than incomes will. This is mostly due to the cost of changing wastewater discharge standards.

The price of higher environmental standards

Over the past 20 years, we have spent a considerable amount on upgrading all our wastewater treatment plants. We have also upgraded all our water treatment plants so they are all capable of complying with the latest drinking water standards. A significant portion of our current debt relates to these water and wastewater improvements.

The Government has enacted a suite of legislative and regulation changes to improve the current management of freshwater. The new policy aims to get 90% of lakes and rivers reaching swimmable water quality standards by 2040. Regional councils have the task of setting standards for the wastewater and stormwater that flows from our pipes

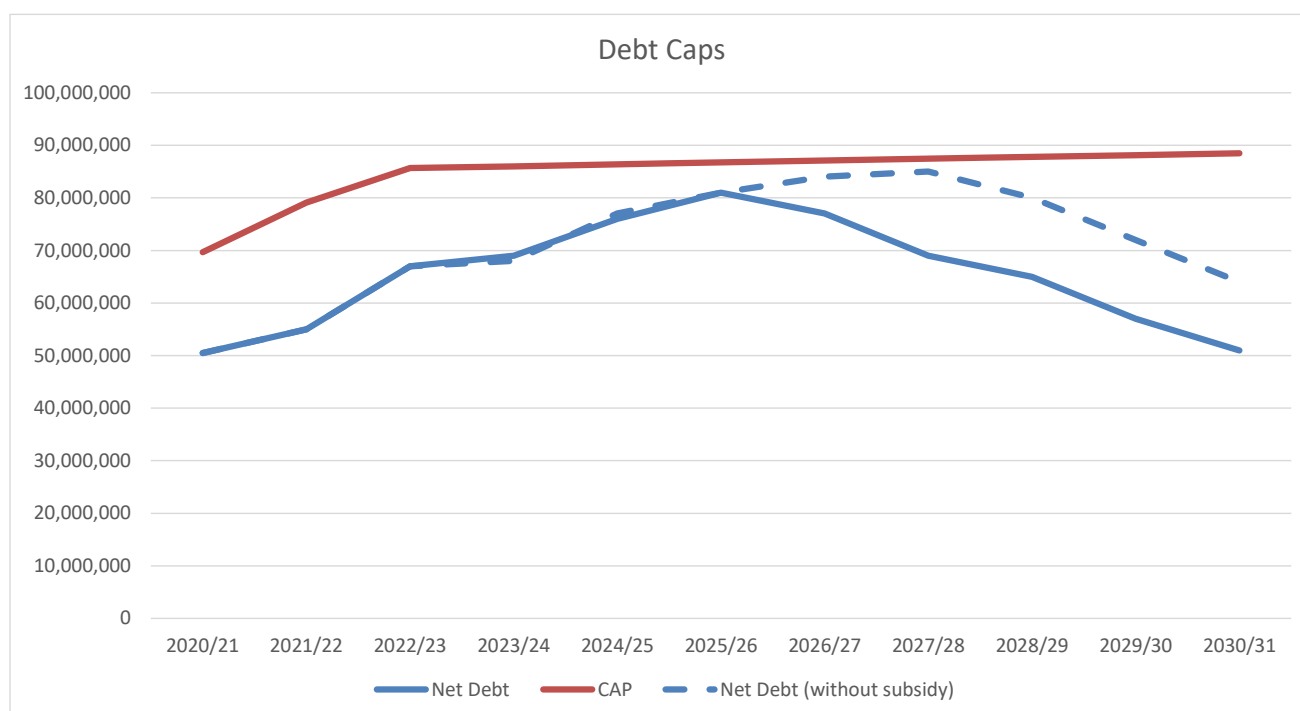
into these waterways. The new regulations do not take into account the actual effect that Council's current discharges are having on the waterways. They simply require a higher degree of treatment than previous consents.

The result of this is that in this LTP we are now forecasting future capital works of \$41 million over the next ten years to again upgrade our wastewater treatment plants. Currently, these plants have little negative impact on the rivers they discharge to. Together with other upcoming pressures, this extra expenditure means Council debt will exceed \$67 million. If Council did not have to meet these increased regulations, debt would be \$41 million lower.

For example in Ngatea, it would cost \$10 million to upgrade the wastewater treatment plant to meet these regulations; this is a cost of over \$10,000 per household in Ngatea. We don't believe this is affordable for our ratepayers.

Wastewater rates are forecast to increase by 118% (\$780 per household) over the next 10 years. The key issue for us is that this investment will not provide any significant improvement in environmental outcomes, and we need to spend our ratepayers' money more wisely. We are not saying that we should not do anything, but that if we do, it should be an investment that has substantial environmental outcomes.

We have assumed that if the proposed three waters reforms do not go ahead, that Council will receive subsidies of 50% of the costs of these upgrades to make these upgrades affordable for Hauraki communities. If they do not, then Council debt will reach \$85 million in 2027/28. Wastewater rates would also have to increase by another 39%, a total of 157% (\$1,040 per household) over the 10 years of the plan. At this level, 78% of the households in Paeroa and Waihi would be paying more than 5% of their household income on rates which research suggests is unaffordable.



Three waters reform

The government has signalled a possible reform that would remove the water, wastewater and stormwater activities and assets from councils, and transfer them to a new entity. If this was to occur, it is likely to happen in 2023 or later. If the reform does occur, it is likely the income, expenses, assets and debt for these activities will be transferred. This loss of income means that Council will not be able to recover some of its support costs from these activities. Some of these costs will be reduced, however some are fixed and this will leave our remaining activities to bear a greater burden of these costs.

At the start of the LTP, the forecast value of the assets that would be transferred is \$141 million. The debt that would be transferred is \$22 million. The annual cost of providing the three waters activities is \$13.5 million, while Council receives about \$12.6 million of income annually. This is 28% of council's income.

We estimate that about 36 staff would no longer be employed by Council in our community. The annual overheads that relate to the three waters activity equals about \$2.2 million. We estimate that \$700,000 of this would not be able to be transferred to any new entity and would remain with Council. This cost would likely result in an average overall rates increase of 3%.

In 2020, the Government offered funding towards water and wastewater projects – conditional upon councils signing a memorandum of understanding (MoU) relating to the reform. This MoU does not commit us to support the transfer of water services to another entity, but we are participating in the exploration of future service delivery options. We decided the benefits of the funding being offered made it worthwhile to sign this MoU.

Under this MoU central and local government agree to work together to identify an approach to service delivery reform that considers the following features:

- Water service delivery entities that are:
 - of significant scale (most likely multi regional) to enable benefits from aggregation over the medium to long term
 - asset owning entities with balance sheet separation to support access to capital and improved balance sheet strength
 - structured as statutory entities with appropriate commercial disciplines and competency based boards
- Delivery of drinking water and wastewater services as a priority, with the ability to extend to stormwater service provision where it is effective and efficient to do so.
- Water entities would be public owned, with a preference for collective council ownership.
- Mechanisms for enabling communities to provide input in relation to the new entities.

Whatever happens our community will need three waters services whether we deliver them or not. These activities are reflected in the long term plan.

For now, we will watch this space and amend our plans if and when we know more.

As this is not a certainty, we have prepared our LTP under the assumption that we will continue to provide our water services. For more information on this and other assumptions, see the forecasting assumptions section within our LTP.

We need to invest more to keep our infrastructure up to scratch

We own and manage a wide range of assets from footpaths and bridges to pipes and water treatment plants. Like most assets such as a house or garden, they need to be maintained. We used to replace a lot of our infrastructure only when the maintenance costs had started to increase or the service level had begun to decrease. This sometimes impacted on the service that our users received and also created a lot of reactive costs.

Better information has shown our reticulation and roading renewals in particular need to continue to increase over the next ten years to ensure that our infrastructure keeps performing at the desired levels. This of course, comes at a cost and such costs will need to be managed within the wider financial context to ensure we keep our rates affordable.

Getting real about natural hazards and climate change

We'll need to look more closely 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, we'll 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 this plan. Other natural events like earthquakes and tsunami also pose risks. We don't know how big a problem these

hazards are yet but we think it's responsible to ensure we are in a good financial position to deal with any new spend required once we know more.

We have included more information on our responses to climate change in our Infrastructure Strategy.

Covid-19

Measures to contain Covid-19 in New Zealand have resulted in an economic downturn. Hauraki's economy is highly dependent upon agriculture and mining, and our tourism sector is mainly based on domestic tourism (85%). To date, Hauraki seems to have been less affected than most of New Zealand.

We are not currently forecasting that a large portion of our community will find it significantly harder to pay their rates as a result of Covid-19. Some councils have lost income from significant businesses or investments that they usually rely upon to subsidise their rates. We do not have such investments so we have not been affected by this loss of income from other sources.

We have assumed Council is not significantly affected by the economic effects of Covid-19. For more information on this and other assumptions, see the forecasting assumptions section within our LTP.

Our challenge in a nutshell

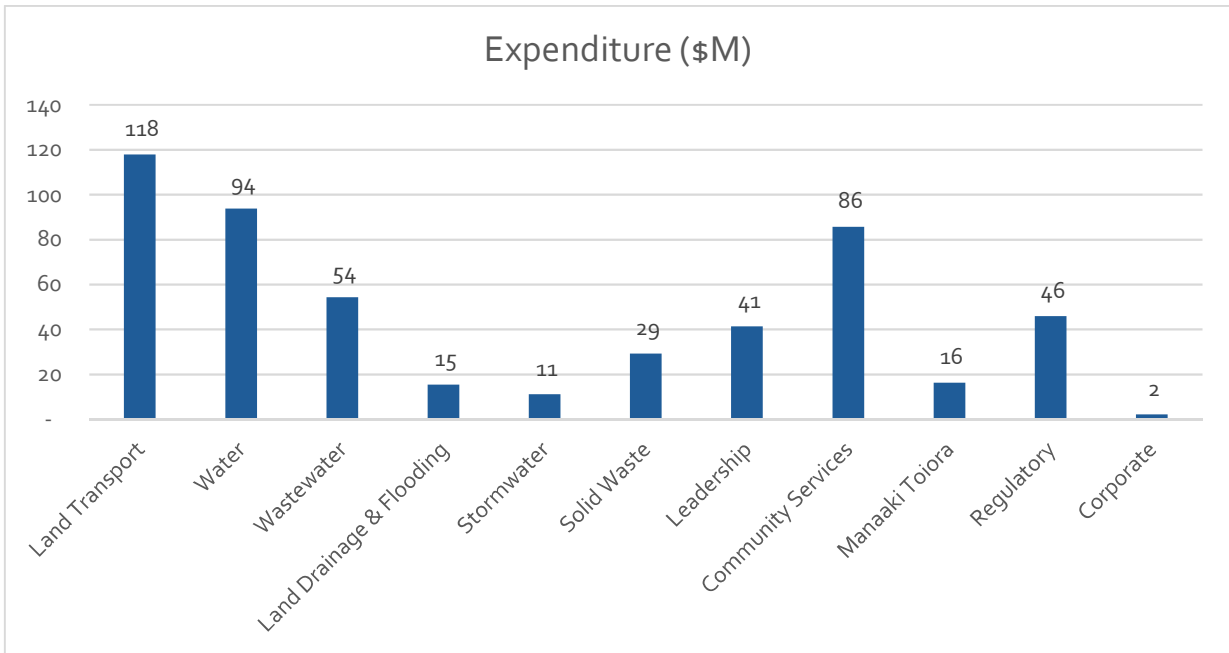
Our ability to fund our responses to the challenges above is affected by the incomes of our communities. We have a higher than average number of low-income households in our district. We want to ensure that our communities can afford to pay to use our services and pay their rates bill, but we also need 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. We are concerned that the cost of meeting increased environmental standards will exhaust our borrowing capacity. These costs will arrive at the same time as we are confronted with the need to renew ageing infrastructure and respond to climate change, both of which will also require funding.

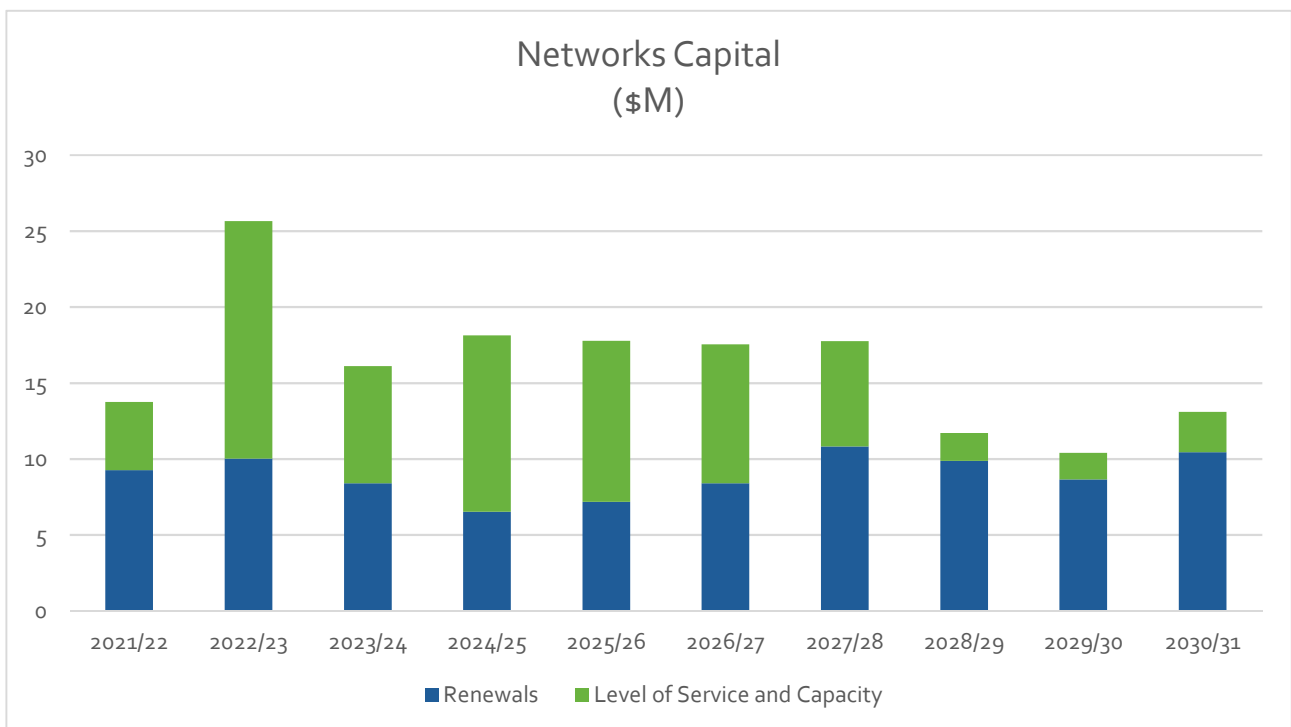
There is a high degree of uncertainty for some of the expenditure that will be required to meet higher environmental standards and service level changes. There is also uncertainty around whether or not we will be providing the services of water supply, wastewater and stormwater in the future.

What's the cost?

Like any household or business, we prepare our budget so we can best manage our income and expenses and run an efficient business. As a result, we estimate our total operating expenses for the next ten years to be:



Our capital costs for our infrastructure assets (land transport, water, wastewater, drainage and flood protection) are shown in the following chart. We are forecasting to spend \$110 million renewing our current assets. On top of that we are forecasting \$86 million of expenditure on new assets. The biggest part of this new asset spend, is \$41 million for wastewater to meet the changing environmental standards mentioned above.



So that being the case, we need to work out the best way to cover those expenses, in a way that is affordable for our communities. Let's talk about the tools we have available to us.

Our levers

There are a few ways we can work out how to cover our costs.



- **Lowering Costs – continual improvement / technology**
We are always looking to utilise technology and find better ways of doing things to reduce costs. This is a continual area of focus for us.
- **Changing Levels of Service**
Trade-off between levels of service and rates – what should we stop doing or do less of, so we can do more of something else or to reduce costs.
- **Using Debt**
Not appropriate for funding operating costs except for short term deficits. Used for funding long life capital works or to spread the cost of capital projects across the generations of ratepayers who use them.
- **Increasing Revenue**
This means increasing fees and charges or increasing rates, however this should be last lever to pull. At the end of the day rates is where we get most of our revenue from.

Achieving affordability will be a combination of all of the above tools.

So... what's our plan?

We have weighed up our issues and prepared a pathway forward.

- We've considered what we **must** deliver and what we'd **like** to deliver and prioritised the essential items.
- We've decided that it's important to keep investing in some 'discretionary' projects that help stimulate our local economy, particularly as our communities recover from pandemic restrictions.
- We're continuing to investigate the most cost effective ways of providing our services while also meeting regulatory compliance requirements.
- We are investigating alternative means of meeting or offsetting increasing environmental discharge standards.
- We have also increased our debt caps where it is prudent to do so.
- We've increased some of our user fees to reflect the increased cost of our services.
- We've looked at how we can change the way we fund some activities through rates, to better reflect ratepayer's use of our services (for example, by charging annual charge type rates per 'separately used or inhabited part' of a property rather than charging one per property).
- We're raising our forecast rates income to cover the extra 'must do' expenses as well as some of the discretionary initiatives.
- We're increasing our caps on rate increases to cover those rates as well as providing enough head room to cover any other necessary expenses in future. We don't expect the increase in costs we are facing to reduce in the decades ahead.

Over the next few pages we talk about what our forecast spend is, how it's funded and what it means for borrowing and debt.

The unknown – and how we'll pay for it

Our long term plan allows for the planned maintenance or upgrade of our assets, as those assets reach the end of their 'useful life'. We have also budgeted for the day to day operation of our business, based on our assumptions that we mentioned earlier. However, sometimes the unforeseen happens. Those are things that we just can't plan for, such as an emergency event... or even Covid is another example of something 'out of the blue'. Such events can have a significant financial impact on our business, like it would for any other business or household.

We plan to manage those unplanned financial situations by allowing ourselves a bit of 'wiggle room' in our debt cap, so that if we need to, we can make use of this. We also currently maintain flexible borrowing facilities that allows us to borrow up to \$5 million if required to meet unforeseen costs.

What our plan means for rates

We've relooked at what the realistic cost is to deliver what we need to over the next ten years. The costs have gone up a lot and we don't anticipate this to reduce in the years beyond, and have forecast that our infrastructure operating costs are likely to more than double over the next 30 years. We have allowed for inflation of a little over 30% over the 10 year life of the plan. Over thirty years we forecast that inflation alone will cause our costs to double.

The result of all the changes we are proposing, is an average rates increase (excluding water rates) of 4.9% per year over the next ten years, compared to a forecast average rate increase of 4.4% per annum over the 2018-28 period.

In the first year, non-water rates will increase by 4.5%. This is slightly higher than the 3.6% forecast for 2021/22 in our last LTP.

This doesn't include our water rates, which we present separately.

Options for reducing rate increases

To reduce the amount that rates rise, more cuts to our services or initiatives would be needed than we have already proposed.

Our total forecast spend usually fluctuates each year, however in the past we've spread any large increases over several years. That means you can expect your rates bill to increase about the same amount every year as it helps provide certainty on what you can expect your rates bill to be. It also means we run temporary surpluses and deficits in the budgets year on year.

Capping our income from rates

We have revised our rates caps to allow some leeway to increase the rates we collect for unexpected events or new requirements.

The amount that rates can increase each year (excluding water) will be capped at the forecast LGCI plus 4.5%.

Why are water rates shown separately?

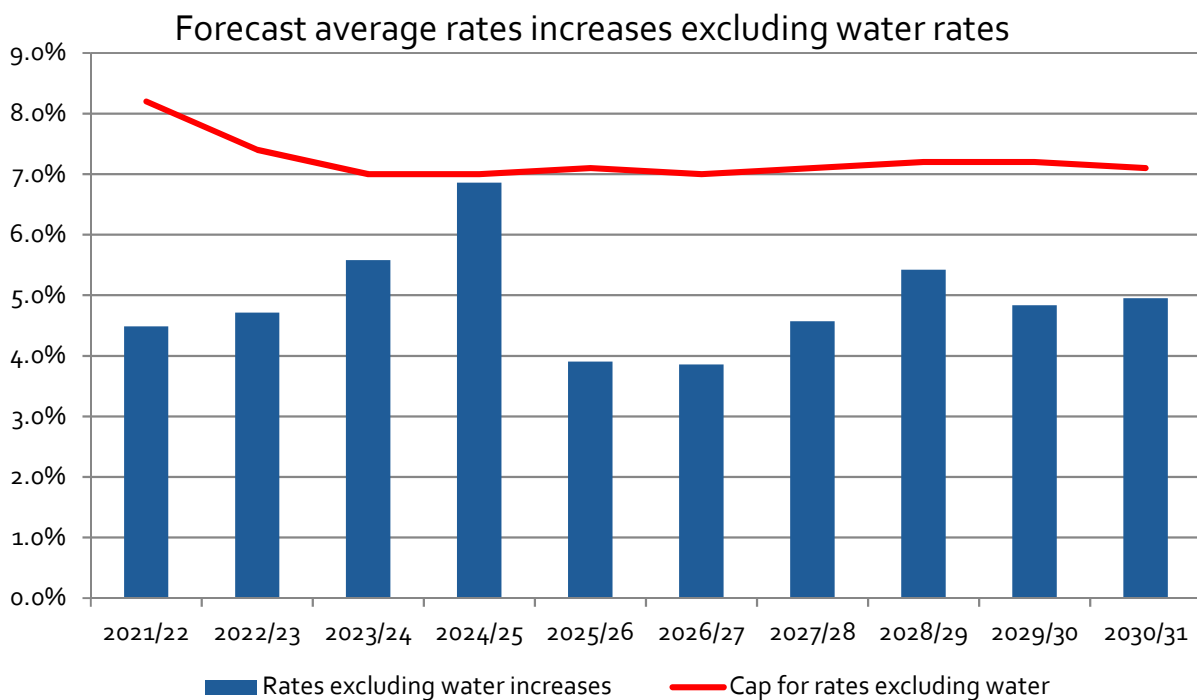
Combining the water rates cap with other rates would have distorted the picture for the rest of our activities. The high level of capital upgrades required in the water supply activity was forecast to drive water rates increases that were higher than those forecast for non-water rates. We felt that the cap for water rates needed to be isolated. We also believe that ratepayers see water rates as separate to other rates as they are billed separately as well.

This **rates cap** is on average 2.3% higher than the actual forecast rate increases needed to fund our forecasted spend. We don't anticipate that rates will need to be increased to the level of the rates cap, but the flexibility is there in case it becomes absolutely necessary.

In 2024/25 our rates increase is forecast to be 6.86%, which is close to the 7.0% cap in that year. The lower rates increases forecast in later years will give us some flexibility to defer some of any additional increase caused by unforeseen costs.

What is LGCI?

We use the LGCI as it reflects the non-household type costs that councils have to meet including energy, pipes, earthmoving, petroleum type products used in roads. These can increase at a different rate than the consumer price index (CPI) that we often hear about.



The increases for each year are specified in Appendix A.

Our water rates

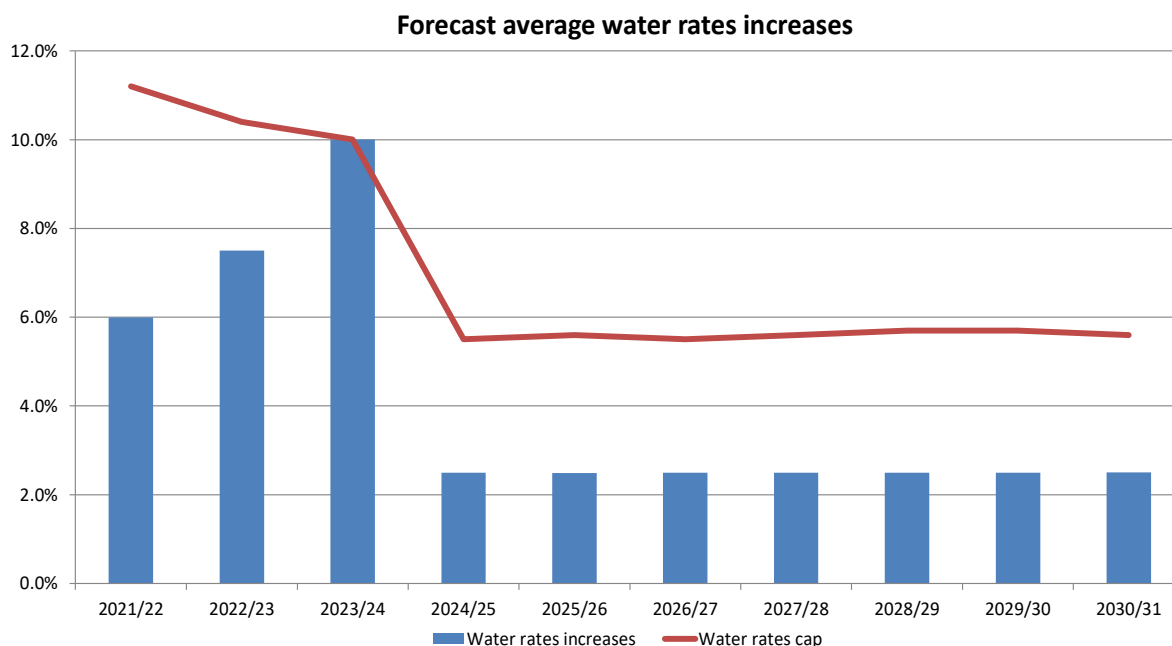
To recover the additional costs we face to continue to meet drinking water standards, and to remove unsightly manganese from the Plains water supply, we are proposing to increase water rates by 6% for the first year, then 7.5% and 10%, then 2.5% for the last seven years of the plan to cover inflation increases and to continue to spend on replacing water supply infrastructure like ageing pipes.

We have tried to spread the increases but there are higher increases in the first three years of this LTP. Deferring rate increases to the latter part of the LTP period would mean not leaving enough capacity to deal with the unexpected (like major weather events) or on the big spend items we expect will come. Having higher increases in the short term is important for getting our budgets in balance.

Our water rates increases have been set at 6% for year one, then 7.5% for year two and 10% for year three, and 2.5% in the following seven years.

We will cap our **rates increases for the water** activity at the forecast LGCI plus 7.5% in the first three years of the Long Term Plan, and equal to or less than the forecast LGCI plus 3% in the remaining years of the Long Term Plan.

In 2023/24 our water rates increase is forecast to be 10.0%, which is equal to the 10.0% cap in that year. The lower rates increases forecast in later years will give us some flexibility to defer some of any additional increase caused by unforeseen costs.



The increases for each year are specified in Appendix A.

What our plan means for borrowing and debt

A number of the assets and infrastructure we provide have long lives. We usually borrow money so that we can spread the costs of these sorts of assets over time instead of imposing large one-off costs on ratepayers.

In our previous plan, we forecast that debt levels would peak at about \$47 million and remain at a similar level for the life of the plan. Because we are now having to spend more to increase our wastewater treatment to meet new environmental standards, as well as to replace some of our infrastructure assets that are coming to the end of their lives, we are forecasting changes to what amount we borrow and when. We are now forecasting that our net debt will peak at \$81 million and will still be at \$51 million in June 2031 (the end of this plan).

Despite this, over the next ten years all of our activities except for the water and wastewater activities, will have reduced debt levels. Because of the treatment plant upgrades, our wastewater debt levels will increase from \$6 million to \$23 million over the next ten years. These upgrades will continue beyond the life of this plan to 2032/33 and this will put pressure on our debt levels. Over the first three years of this plan we will be looking at options to reduce what we are forecast to spend on the upgrades and look to reduce the debt forecast.

We believe that some of these wastewater upgrades are of little environmental benefit and that the requirements to fund them puts significant constraints on our ability to respond to other as-yet-unforecast future spend, whether they are driven by community need or regulatory change.

Our debt caps

We have determined what we believe are prudent debt levels and have set these as caps to ensure borrowing stays within prudent levels. We use four different debt cap measures as 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. The measures we are proposing to use are the same as those used in our previous 2018-28 LTP.

We are a member of the Local Government Funding Agency (LGFA), a co-operative that allows councils to borrow at lower interest rates and have easier access to long term borrowing, which reduces our overall borrowing costs. The LGFA has a number of caps that its shareholders must adhere to and the debt forecast in our financial strategy is well within these limits.

Our forecast debt compared to our caps as follows:

Our cap measures	Our forecasts
1. Total net external debt will not exceed 175% of total revenue in any year.	The LGFA has the same limit. We are forecasting to remain within this debt limit in this plan, with a peak of 153% in 2025/26.
2. Net interest expense is \leq 15% of rates revenue in any year.	We have set our limits more conservatively than the LGFA. The LGFA has a limit that net interest expense is \leq 25% of rates revenue in any year. We will remain within this debt limit, with a peak of 4.9% in 2025/26.
3. Net interest expense is \leq 10% of total revenue in any year.	We have set our limit more conservatively than the LGFA. The LGFA has a limit that net interest expense is \leq 20% of total revenue in any year. We will remain within this debt limit, with a peak of 3.8% in 2025/26.
4. Net external debt per rating unit is \leq \$8,000 in any year.	The LGFA has no equivalent limit. We will remain within this debt limit, with a peak of \$7,472 in 2025/26.

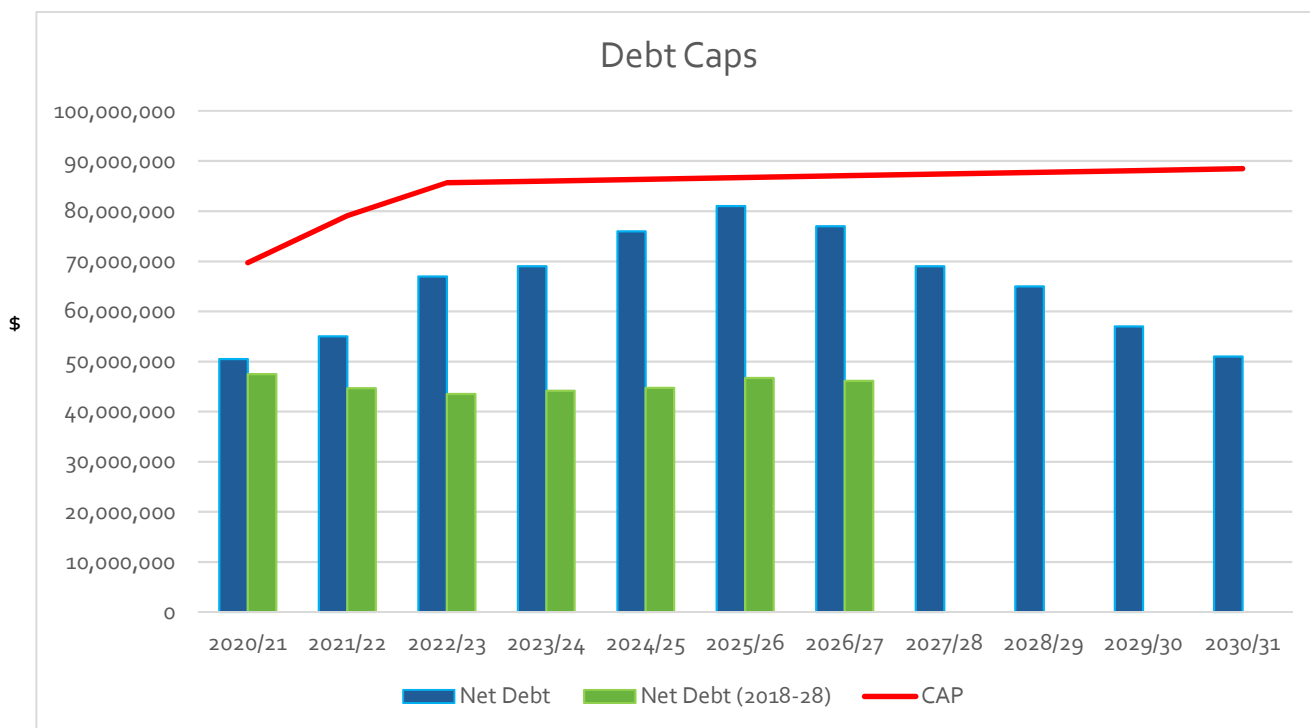
The forecast 10 year caps for each measure are specified in Appendix B.

Overall, we believe our approach to debt to be financially prudent and appropriately conservative.

The following graph shows our projected net external debt¹ profile against the *overall* debt cap over the life of this plan, as well as the projected debt profile of the 2018-28 plan for comparison. We are forecast to stay within our caps for the ten years of this plan, but we are concerned about the years 10 to 30 as infrastructure spend continues. In response we have proposed to keep rates levels beyond 2024/25 a good amount below our rates cap. This will give us some room to cover the cost of servicing ongoing debt.

Wastewater rates however are forecast to rise at a higher level in the latter years of this plan as our debt for this activity is facing high increases. We will monitor how our debt levels are tracking and continually review our expenditure and rates levels to ensure that our debt remains at a prudent level.

¹ 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.



Policy on giving securities for borrowing

We'll secure our borrowing against rates revenue as per section 115 of the Local Government Act 2002. Other forms of security may be considered if they will reduce the overall cost of borrowing.

Objective for holding and managing financial investments and equity securities

We don't currently hold equity securities (shares) for the primary purpose of earning a return on our investments. We have 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 we 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) (1.97% 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%

Appendix A: Forecast rates change

Increases in forecast rates (excluding water) and cap

Forecast	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Forecast	4.48%	4.71%	5.58%	6.86%	3.90%	3.85%	4.57%	5.42%	4.84%	4.95%
Rate Cap	8.20%	7.40%	7.00%	7.00%	7.10%	7.00%	7.10%	7.20%	7.20%	7.10%
Difference	-3.72%	-2.69%	-1.42%	-0.14%	-3.20%	-3.15%	-2.53%	-1.78%	-2.36%	-2.15%

Increases in forecast water rates and cap

Forecast	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Forecast	6.00%	7.50%	10.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rate Cap	11.20%	10.40%	10.00%	5.50%	5.60%	5.50%	5.60%	5.70%	5.70%	5.60%
Difference	-5.20%	-2.90%	0.00%	-3.00%	-3.10%	-3.00%	-3.10%	-3.20%	-3.20%	-3.10%

Appendix B: Forecast annual debt caps

	Cap	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Net debt as % of total revenue	175%	122%	136%	132%	143%	153%	123%	104%	109%	94%	81%
Interest cost to total revenue	10%	3.3%	3.2%	3.5%	3.5%	3.8%	3.3%	3.0%	3.0%	2.9%	2.4%
Interest cost to total rates	15%	4.4%	4.5%	4.9%	4.7%	4.9%	4.9%	4.5%	3.9%	3.6%	3.1%
Net debt per rating unit	8,000	5,155	6,255	6,416	7,038	7,472	7,075	6,314	5,924	5,174	4,611

Our Infrastructure Strategy | Rautaki hanganga

Executive summary

Our Infrastructure Strategy (our strategy) provides us and our communities with our strategic direction for the provision of core infrastructure over the next 30 years. Core infrastructure includes our water supply, wastewater, stormwater, land drainage and flood protection, and land transport activities (roading and footpaths). These activities support economic activity, protect private property and the environment, and ensure public health.

This strategy outlines a 30-year view of strategic issues, expenditure requirements and significant decisions that will need to be made.

Our vision **Our home, our future / Tō tātou rohe kāinga, Tō tatou ao tūroa** guides what we deliver and how. It means that we're proud to live here and we want our future generations to be proud to live here too. We want to work with our communities to help shape our future rather than waiting for things to happen. That means creating opportunities for the now and also for future generations.

Ki a mātou '**Tō tātou rohe kāinga, Tō tatou ao tūroa**' ka noho whakahī tahi tatou i tēnei wā, a tērā wā hoki o ā tātou uri whakatupu. Ko tō mātou hiahia kia mahi ngātahi tātou ka whakaritea tō mātou ao ki mua, ka tatari kē kia tutuki. Ka whakaritehia ngā āheinga ināianei, āpōpō hoki mō ngā uri whakatupu.

We own and manage \$579 million of infrastructure assets across these activities, including:



620 kilometres of roads (506 kilometres sealed, 114 kilometres unsealed)

163 bridges and major culverts and **114** kilometres of **footpaths**.



Four water treatment plants (five schemes have recently been decommissioned) supplying **six defined supply areas** with approximately **582 kilometres** of pipes servicing **7,366 urban and rural properties**.



Seven wastewater treatment plants servicing approximately **5,720 properties** via **167 kilometres** of pipes.



95 kilometres of urban stormwater pipes and **30.5** kilometres of open drains.



650 kilometres of **rural land drains** and **92** kilometres of **stopbanks**.


Key district infrastructure issues

In preparing our strategy we've identified eight district-wide issues that need to be at the forefront of our infrastructure planning and decision-making. They are:

- Higher environmental standards
- Treaty settlement arrangements and co-governance
- Preparing for climate change
- Legislation and policy changes including Freshwater Management, Carbon Zero, Road to Zero Strategy, and three waters reforms
- Affordability for our community
- Increasing focus on compliance
- Ageing population
- People and infrastructure resilience

The following key issues have been identified for each of our infrastructure assets in addition to the key district issues. Options to respond to the issues are identified in the relevant section for each of the activities.

Activity	Key issues
Water supply 	<ul style="list-style-type: none"> • New drinking water regulator (Taumata Arowai) and changes to legislation. • Government's stated intention to aggregate three waters suppliers. • Capacity challenges for water supply treatment plants coupled with resilience issues. • Water network losses. • Impacts of climate change on the water supply activity with prolonged droughts may result in restrictive consent conditions for water takes from streams. • Increasing compliance and quality management requirements. • Environmental protection may have priority over water allocation for public drinking water purposes.
Wastewater 	<ul style="list-style-type: none"> • Increased environmental compliance standards will require significant investment. • Government's stated intention to aggregate three waters suppliers. • Government's proposed suite of legislation changes to improve freshwater ecological health. • Projected population growth will exceed the capacity of existing wastewater treatment plants, particularly in Paeroa. • Need to reassess the capacity of wastewater infrastructure to cope with climate change impacts – more intense rainfall in an event may lead to overflows. • Focusing on the network catchments that are overloaded due to infiltration and resulting in overflows.
Stormwater 	<ul style="list-style-type: none"> • Government's stated intention to aggregate three waters suppliers. • Becoming more proactive in stormwater quality management, including treatment of stormwater surface runoff from our roads, for good environmental outcomes. • Higher standards requiring stormwater treatment for discharges of stormwater into waterways. • Need to understand the impact of climate change particularly for the townships located on the Plains that may not be able to drain stormwater flows to the river by gravity longer term. • Limited knowledge of the condition and performance of our stormwater assets.
Land drainage and flood protection 	<ul style="list-style-type: none"> • Sea level rise may require stopbanks to be raised and gravity drainage may become less effective due to floodgates becoming partially submerged and needing to be supplemented or replaced by pumped outlets. • Land subsidence due to peat consolidation. • More stringent resource consent conditions for the clearing of drains.

Activity	Key issues
<p>Land transport</p> 	<ul style="list-style-type: none"> • Developing an optimised resurfacing programme that is affordable for our communities. • Providing accessible transport systems for our ageing population. • Parts of our transport network are vulnerable to weather related events and rising sea levels and the need to establish lifeline routes across the flood susceptible Plains. • Safety and resilience risks associated with the uncertainty of bridge load bearing capacity. • Focusing on road safety initiatives and investment.

Activities overview

Water supply

The New Zealand Government announced its packages of three waters reforms in 2019 in response to the Havelock North water contamination outbreak. Key features include the introduction of the Taumata Arowai – the Water Services Regulator Act, which has created a new standalone Crown entity (Taumata Arowai) to oversee, administer, and enforce the drinking water regulatory system. The Water Services Act will also give effect to Cabinet’s decisions on reforming the drinking water regulatory framework, and Taumata Arowai’s wastewater and stormwater monitoring functions. This is anticipated to be enacted during 2021. Until Taumata Arowai is fully functional with supporting legislation, the Ministry of Health will remain the regulator for drinking water safety.

As a result of the Government’s stated intention to improve the regulation and supply arrangements of drinking water, wastewater and stormwater (three waters), we are expecting these services to move to a semi-regional / regional / multi-regional or national supplier within three to four years. Council has signed a Memorandum of Understanding (MOU) agreeing to work with the Government on the reforms.

The Kerepehi water supply treatment plant is approaching peak demand capacity coupled with resilience issues with the raw water main and tank due to its age and some sections located under the state highway, and potential saltwater intrusion risk at the intake. To address this we have been investigating linking the Paeroa and Plains Water Networks to increase the utilisation of the treatment plants (Paeroa, Kerepehi and Waitakaruru) as well as increasing our overall network resilience.

The Government is proposing a suite of legislative and regulation changes to improve the current management of freshwater. This may mean that environmental protection, Te Mana o te Wai, will have priority over water takes for public drinking water purposes. The potential reduction in our current allocation of raw water volume may impact our ability to meet demand. We are currently experiencing some capacity constraint at Waihi water treatment plant due to consent enforced restrictions, during periods of low river levels caused by extended dry weather events.

Wastewater

There are significant challenges with the future wastewater treatment plant upgrades as consents expire. Consideration is needed of the Waikato Regional Council’s Plan Change 1 and possible Plan Change for the Waihou-Piako catchment, National Policy Statement for Freshwater Management 2020 (in effect from 3 September 2020), the higher standard of treatment required by resource consents (based on the initial conditions for Ngatea upgrade), as well as growth.

All of our plants will either have or will be in the process of securing new resource consents by 2023. We have extrapolated the draft Ngatea wastewater treatment plant discharge consent as it is consistent with the intent of the National Policy Statement for Freshwater Management, and thus reflects the likely conditions across our other six treatment plants in the district. While each catchment has its differences, the draft conditions are reasonably generic and generally give effect to the National Policy Statement.

The likely wastewater upgrade cost estimates are significant and may not be affordable for our community. In addition, an upgrade may not represent the best environmental outcomes because the discharge from the plants is minimal when compared to agricultural runoff. If we were looking to make a significant environmental impact, we may be wiser investing in other options. Non-asset solutions such as purchasing farmland or smart farming practices may provide better return on capital investment for the environment than costly, state-of-the-art treatment plants.

To address the significant wastewater issues that we are facing, we will be developing a clear strategy on the treatment and discharge of wastewater within our district for the next 50 years.

Taumata Arowai will have a national oversight / transparency role for stormwater and wastewater. It will publish an annual report on environmental performance of wastewater and stormwater systems owned by territorial authorities and the Crown, and their compliance with requirements like resource consents. It will also highlight poor practice and recommend action. Regional councils will continue to regulate wastewater and stormwater systems under the Resource Management Act and Taumata Arowai will be the 'watchdog'.

Stormwater

Our consents for discharging stormwater into waterways for the Plains, Paeroa, Waihi / Karangahake / Waikino and Whiritoa expire in 2023 (six in total with three for the Plains). We also need a discharge consent for the townships of the Wharekawa Coast. We have started preparing the evidence to support our applications. We know that there will be higher discharge standards than we currently have including treatment and comprehensive reporting. This will require us to be more proactive in stormwater management than our current practices.

At this stage, we do not know what the minimum discharge standards will be. This will be influenced by the Government's suite of legislative and regulation changes to improve freshwater ecological health, including the National Policy statement for Freshwater Management 2020 and the National Environmental Standards for Freshwater (2020).

Land drainage and flood protection

Our stopbanks need raising periodically to maintain service levels so our communities are protected and we ensure pastoral land remains productive. The stopbanks experience ongoing settlement due to consolidation of the soil layers under the weight of the stopbanks. In addition to this sea level rise due to assumption will require some primary stopbanks to be raised over and above the settlement amount to maintain the levels of service currently provided.

We are collecting evidence so we can understand any material change to the land drainage and flood protection activity due to climate change impacts. This includes monitoring rainfall events at sites in our district. The total rainfall volume during an event is the main concern for this activity as this may result in longer periods of inundation of farmland. This may result in the need to provide an increased level of service.

Land transport

We know that we need to invest more in resealing our roads. We need to keep ahead so there is not an unsustainable deficit that is unaffordable for our future ratepayers. We have undertaken a high level analysis of different reseal profiles (five profiles in total for chip seal reseals only) in advance of the long term modelling outputs. An optimised profile has been identified and has informed this strategy and our long term plan.

An assessment of the seal life of pavements shows that 28% of our network is older than the design life compared to an industry acceptable level of 10 to 15%. There is also a large cohort with an expected remaining life of five years. We have been gathering evidence to develop an evidence-based pavement intervention strategy to better inform future investments for the sealed network, including performance validation of sealed pavements built on different soil types.

An increased investment in reseals is required to address the large amount of aged sealed assets (overdue). In mid-2021 we received notification from Waka Kotahi New Zealand Transport Agency that it would not be in a position to provide subsidy for the full schedule of projects we had allowed for the first three years of our long term plan. This means we will not be able to complete as many reseals and rehabilitation of roads as we'd like in the first three years

and have kept our reseals and rehabilitation budget at the same level it was in our 2018-28 long term plan for years 1-3. We plan to bring the percentage of backlog down to 15% (from 28%) from year four with a higher level of investment. This is likely to result in a reduced level of service as rehabilitation of roads is deferred.

There is an increased focus on road safety nationally and there is a greater awareness of road safety in our community. A network wide safety assessment has been completed and the top 11 crash roads have been identified. Most crashes were generally found to occur on open (rural) roads, at intersections or busy sections of road with no street lighting, and were often due to direct roadside hazards. We will focus our safety investment on these 11 worst roads to gain the maximum benefits. Options include reducing speed or physical engineering improvements.

High speed roads that do not provide adequate recovery areas are particularly of concern. There is a greater chance of drivers not able to rectify errors quickly on these roads resulting in accidents. To address this, we will also be reviewing the road safety policies and allow for physical engineering interventions at targeted sites as required.

Funding

We fund our infrastructure activities through a mixture of rates, subsidies and fees and charges such as development contributions. The majority of funding comes from rates. We also use debt to spread the funding of large one-off costs, especially capital expenditure, over the useful life of the asset.

Overall position

Financial position changes

Our financial position has changed from that forecast in our 2018-2048 Infrastructure Strategy.

- Better information has shown that water supply and wastewater reticulation, and roading renewals need to continue to increase over the planning period to keep our infrastructure performing.
- Forecast increased environmental standards will likely demand significant additional capital expenditure on our wastewater treatment facilities.
- Prior to 2018 our district projections were for no or minimal population and rating unit growth in our communities. This changed in the 2018-48 Infrastructure Strategy where growth in our population and rating units was forecast. Current and forecast growth means we'll need to increase the capacity of some of our infrastructure.
- We also face risks as a result of future climate change and natural hazards.

Our ability to fund our responses to the challenges above is affected by the incomes of our communities. We have a higher than average number of low-income households in our district. We want to ensure that our communities can 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 likely changes ahead. The amount that we spend and borrow in the short to medium term will shape how much flexibility we have to respond to these new challenges ahead.

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. We have responded by prioritising our 'must-dos' and cutting back on some of the 'nice-to-haves'. We have also increased our rate and debt caps. The rate increases now forecast mean that we maintain a solid financial position, but further infrastructure cost increases may put this at risk.

Our [financial strategy](#) provides more detail.

30 Year expenditure forecast

Table 1 shows the total expected capital and operational expenditure for each infrastructure activity over the 30-year period 2021 to 2051.

Infrastructure activity	Operational expenditure	Capital expenditure
	(\$)	(\$)
Water supply	384,101,939	124,811,001
Wastewater	224,621,153	97,999,762
Stormwater	45,790,750	25,220,858
Land drainage and flood protection	64,096,166	14,629,728
Land transport	492,150,116	176,262,691
Total	1,210,760,124	438,924,039

Table 1: Expected 30 year total operating and capital expenditure (inflated adjusted)

Figure 1 shows the most likely scenario for the total operating and capital expenditure (inflation adjusted) for combined assets over the 30-year period 2021 to 2051.

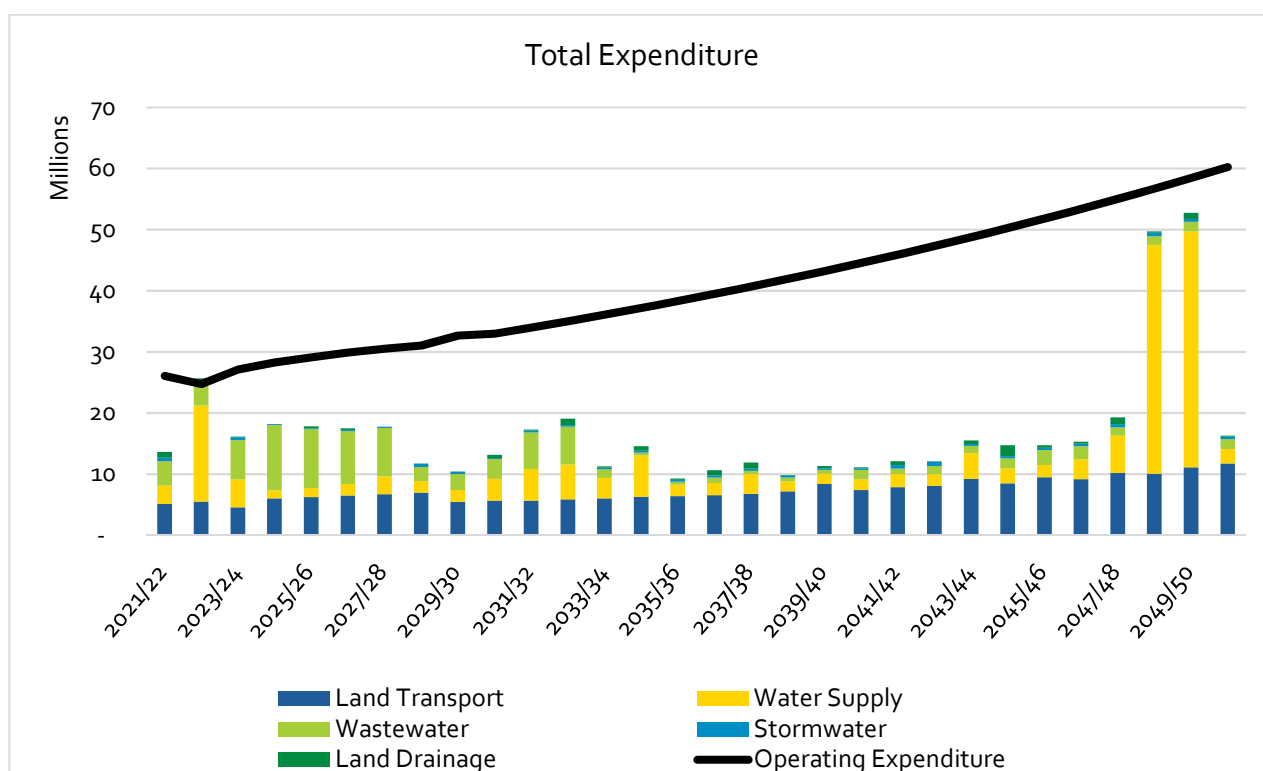


Figure 1: Total expenditure over 30 years

Over the next 30 years, it is expected that:

- Operational expenditure will account for 70% of the total expenditure
- Planned expenditure on renewals across all infrastructure activities is generally constant at about \$10 million per annum, but increases in the last four years
- Capital expenditure on levels of service improvements focus on higher environment standards and obtaining resource consents for water supply, wastewater and stormwater.

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.

In 2018 we 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 and reporting controls.

The following capital works delivery actions have been undertaken:

- Renewals and upgrades to water and transport network are the major projects in our capital programme.
- A number of multiyear projects are already underway in planning and execution.
- As well as our PMO resourcing, we are working towards a collaborative approach with the construction industry Civil Contractors New Zealand – Waikato branch through the Waikato Local Authority Shared Services (WLASS) procurement working group.
- We have contracts in place for aspects of our land transport activity, such as our streetlight and road maintenance contracts. We open an annual tender for area wide treatments on the road networks, and the reseal programme.
- Contracts are in place for some of the projects which will be part funded by the Three Waters Stimulus Grant.
- For the upgrade of the Paeroa wastewater treatment plant and associated work, a strategy document is in the process of being finalised and we are in the process of engaging a team to start the design work. This will be subject to a consent process and is likely to be a 2-3 year project before physical works start.
- The renewals programme for water pipes will be undertaken by in-house physical works team, as part of the repairs and renewals work they do.

Summary of strategic actions

We've identified a number of infrastructure challenges over the next 30 years and our strategy identifies our strategic approach to addressing these. The initial period of our strategy is focussed on gathering evidence on our three waters assets, strengthening resilience of our water and wastewater infrastructure, meeting higher environmental standards, increasing investment in road resealing to preserve the road assets, and road safety. The latter part of the strategy has an increased emphasis on stormwater quality improvements.

We consider our decision on three waters the most significant decision we will have to make. In particular, there are significant cost implications with the future wastewater treatment plant upgrades to improve the discharge quality. We consider this to be significant because the financial consequences are high, and will affect both our capacity to deliver our range of existing services without significantly impacting on our debt levels and our rates funding requirements. This would affect ratepayers across the district financially through higher increases in wastewater rates.

Other key decisions that will need to be made by elected members over the next 30 years include:

- We will continue to build people capability and capacity so that we have a resilient workforce and can be prepared for black swan (unpredictable) events such as the global pandemic.
- We will gather evidence particularly the condition of our critical three water assets in the next three to ten years to help us develop robust and risk based renewal programmes.
- We will continue to strengthen our infrastructural resilience as some of our district is located on the Hauraki Plains and is susceptible to weather related events and rising sea levels.
- We will develop a joint strategy with our internal Transport Team to reduce road runoff pollution and achieve good environmental outcomes.
- We will invest at a higher level in roading reseals to address the large amount of aged sealed assets (overdue) to bring the percentage of backlog down to 15% (from 28%) in the next five years.
- We will implement the Road to Zero Strategy to prioritise safety risks across the network holistically.
- We will continue with our maintenance and renewal programmes that target interventions at appropriate levels consistent with good industry practice and meeting agreed levels of service.

Part One – Strategic Context

Purpose of this strategy

Our infrastructure strategy (strategy) has been prepared in accordance with the requirements of section 101B of the Local Government Act 2002 (LGA). The purpose of our strategy, as stated in the LGA, is to:

- identify our significant infrastructure issues over the period covered by the strategy, and
- identify the principal options for managing those issues and the implications of those options.

This strategy also outlines the most likely scenario for the management of our infrastructure assets during its 30 year period, the estimated costs of managing those assets, the nature and timing of expected significant capital expenditure decisions and the assumptions on which the scenarios are based.

In accordance with section 101B (6) of the LGA, our strategy includes infrastructure assets used to provide our services or services on our behalf, in relation to the following groups of activities:

- Water supply.
- Wastewater (sewerage and the treatment and disposal of sewage).
- Stormwater.
- Land drainage and flood protection (flood protection and control works).
- Land transport (the provision of roads, bridges and footpaths).

As well as the infrastructure we provide, flood protection and control works are also provided by the Waikato Regional Council. This infrastructure strategy only relates to those assets that we provide. Also our strategy does not include state highways. Planning for, providing and managing state highways is the responsibility of Waka Kotahi NZ Transport Agency (Waka Kotahi).

Strategic principles

In essence this strategy is looking to ensure the **right asset is in the right place at the right time** in our district. There will be competing needs, priorities, demands, resource availability and financial considerations that will need to be balanced as part of the infrastructure planning and decision-making process. We have developed a set of strategic principles that will guide infrastructure planning for our district over the next 30 years. Financial sustainability is an overarching principle that crosses all of the other principles identified below:

- Proactive provision and management of critical assets.
- Robust asset management practices.
- Integrated provision of infrastructure.
- Make the best use of our existing investment.
- Affordable infrastructure solutions for our community that are environmentally beneficial.
- Partnerships with Iwi and Māori.

Strategic linkages

Our vision **Our home, our future** guides what we deliver and how.

It means that we're proud to live here and we want our future generations to be proud to live here too. We want to work with our communities to help shape our future rather than waiting for things to happen. That means creating opportunities for the now and also for future generations. We are ready to push boundaries to make things happen.

It is our mission to:

- actively provide leadership to and advocate for the community,
- provide good quality infrastructure, services and regulatory functions,
- foster open-minded and two-way communication with the community,
- ensure the sustainable use and management of resources,

...for the benefit of all who live in, work in and visit the Hauraki District.

Our strategy delivers on our mission statement through the planning and provision of good quality infrastructure and the sustainable use and management of resources of our district for the next 30 years.

Our **Community Outcomes** are clear aspirations or goals that we believe help to provide leadership and guidance in meeting our purpose and role. In 2020 we developed new Community Outcomes in partnership with our communities. In developing these aspirations and goals we were mindful of the United Nations Sustainable Development Goals and the Waikato Wellbeing Project.



Figure 2: Hauraki District Council Community Outcomes

Our infrastructure is a key mechanism to achieve these Community Outcomes. Our water supply and wastewater infrastructure provide safe and reliable drinking water and disposal of wastewater in a sustainable manner, while land drainage protects land from inundation and water ponding. Land transport provides safe roads, bridges and footpaths for the community, businesses and visitors to the area. The provision of the five activities covered by this strategy all contribute to the economic development of our district, enabling goods to get to market, supports public health and, protects land and the environment.

Our strategy is a key strategic Council document that links to other core plans and strategies as shown in Figure 3.

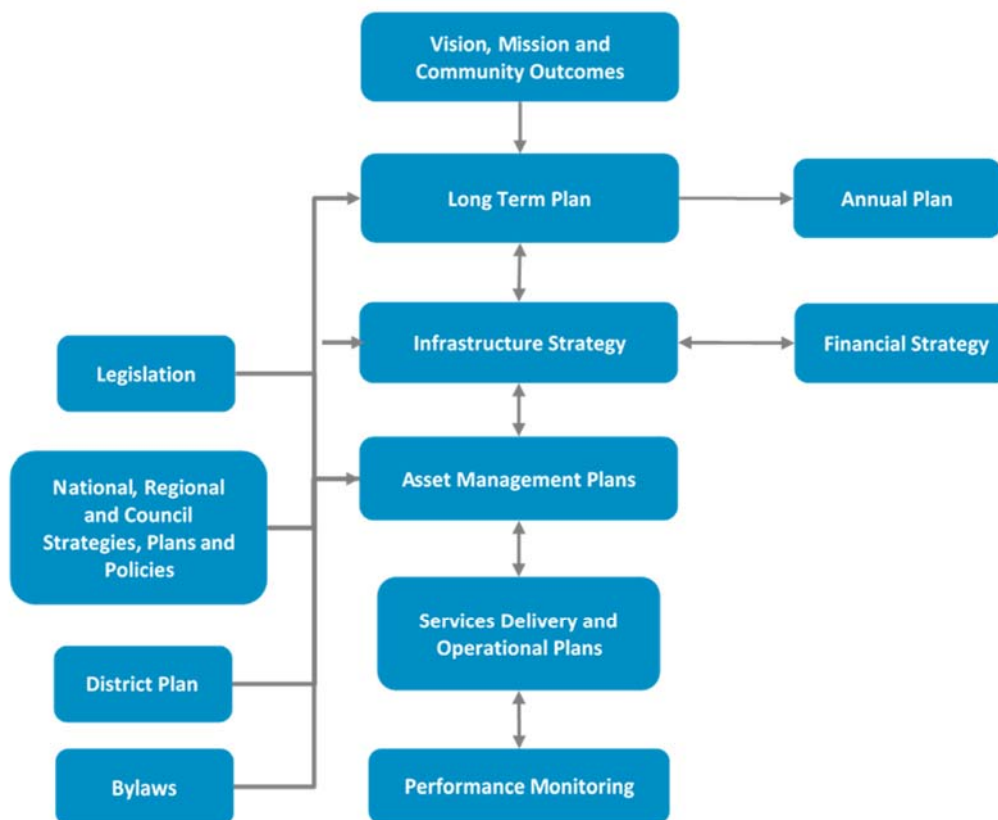


Figure 3: Infrastructure Strategy linkages with other documents

About the Hauraki District

The Hauraki District covers an area of approximately 1,269 square kilometres. Our district spans from the Wharekawa Coast (also known as the Shorebird Coast) across the Hauraki Plains, through the Karangahake Gorge and over the Kaimai / Coromandel ranges before reaching the Golden Valley farmlands in the northeast, and the Pacific Ocean at Whiritoa.

Historically, the Hauraki Plains was a large swamp, but after extensive drainage work, it is now highly productive dairy land. Areas within the Hauraki Plains have an overlying peat layer and / or soft estuarine soil both of which are susceptible to increasing and decreasing water levels which has a direct impact on our infrastructure assets, particularly our roads and pipes. Natural hazards continue to pose a risk to our district, particularly the Hauraki Plains area, with Ngatea at or slightly above the mean high water spring sea level.

The three largest urban centres in the district are Waihi, Paeroa and Ngatea. However the district also includes a number of smaller townships including Kaiaua, Turua, Kerepehi, Karangahake, Mackaytown, Waikino, Whiritoa and Waitakaruru. The district map in Figure 4 shows the 2018 Census boundaries.

Industry

Our district is most well-known for its farming, mining and tourism. We have a strong farming history which is predominantly pastoral farming, with a significant number of businesses supporting and servicing the farming industry. A number of new industries have established in our district including an ice cream manufacturing plant at Kerepehi.

The mine in Waihi, which includes an open pit and several underground mines, is one of only a handful of mines in the developed world that operate within an established residential community. As such, a paramount link to the mine's success and on-going development is its relationship with the surrounding community and Council. Tourism has been growing with the Hauraki Rail Trail, Karangahake Gorge and the Wharekawa Coast attracting people to visit the district. Pre-COVID 19 the increase in tourism numbers placed an increasing demand on our infrastructure and facilities, as well as Waka Kotahi and the Department of Conservation facilities. The effects of COVID-19 are still to be understood fully, however are likely to have a negative effect on tourism growth in the short to medium term.

We also need to consider how the national, regional and local economies are changing with the impact of the global pandemic. As a nation we learnt from the global financial crisis that it is not wise to cut spending in core infrastructure. The 2021 Infrastructure Strategy outlines the investment programmes to ensure we are meeting our legislative obligations as well as maintaining service levels to our communities. This investment will stimulate Hauraki's local economy. We have learnt through the various national lockdowns how important essential services are for the community and core infrastructure must be reliable.

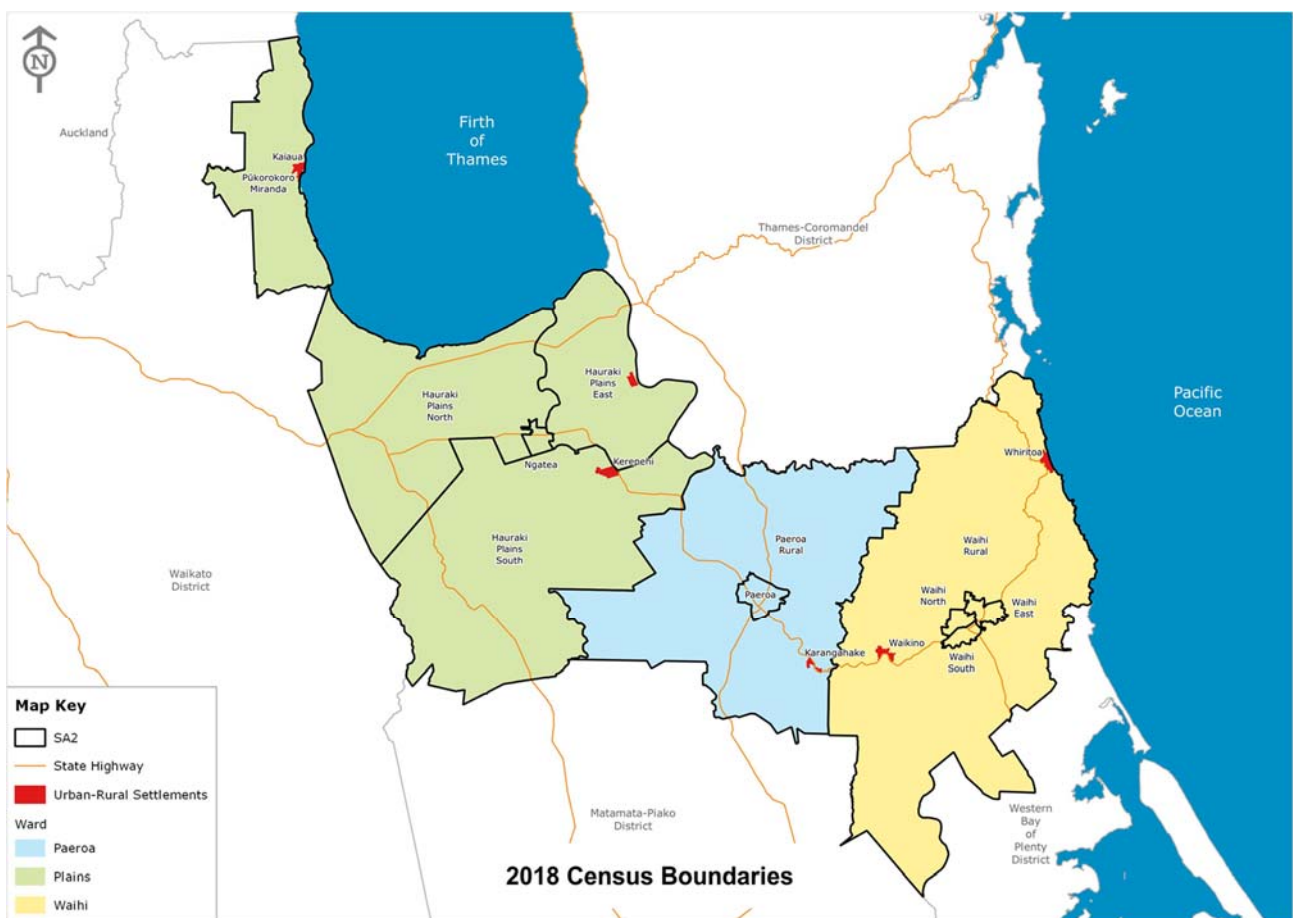


Figure 4: Hauraki District map showing 2018 Census geographic boundaries

Demographic context

Our district population was mainly static between 1996 and 2013, sitting at just over 18,000. Population growth picked up in 2014, driven primarily by people moving to our district from Auckland, and to a lesser extent, an increase in people from overseas. Over the 5-year period between the 2013 and 2018 Censuses the district population grew by 12.4% to reach 20,022.

A significant assumption underlying this strategy is the district will continue to experience population growth for the next 10 years, albeit at a slower rate than between 2013 to 2018. The population is projected to be approximately 21,500 in 2021 and reach 22,750 by 2031, that's an increase of 5.6% over the ten years. Growth will be spread across the district, with only the population in the areas of Miranda-Pukorokoro and Hauraki Plains North projected to

decline before 2031. After 2021 the population is projected to decline slightly, mainly due to the age profile of the district's residents. By 2051 the population is projected to be 21,400, with minimal population growth still occurring in Waihi and Paeroa. We estimate that 26% of the population is currently aged 65+, with this increasing to 35% in 2031 and 40% by 2051.

While the recent growth and that forecast is not high when compared to some other areas of New Zealand, it will impact our infrastructure as the network capacity has already been, or will soon be reached. In addition, we need to plan for our communities to be future proofed and accessible for an increasing aged population.

We adopted the medium growth projections scenario provided by our population specialists, as opposed to the high scenario, because of the expected impacts of COVID-19, such as minimal national net migration and limited economic growth. However, if we experience higher net migration than forecast over the next 10 years the district population may not decline in the future. The high growth scenario, based on higher net migration figures, projects the district population to be approximately 24,200 in 2051. That is why, in years 10-30 of our strategy we are also planning with the high growth projections in mind because we do not want to underinvest in our infrastructure. We believe there is no risk of overinvesting if we base our planning on the medium and high projections, given the two scenarios are not significantly different.

Dwelling and rating units

Growth in dwelling numbers can be driven by an increase in population, a demand for holiday homes, or if more homes are needed to house less people per dwelling, for example due to an ageing population. It is projected in 2021 there will be 10,220 dwellings in the district and 10% of those will be unoccupied, such as holiday homes. Over the ten-year period to 2031 it is projected the number of dwellings in the district will increase by an average of 77 per year, reaching 10,990 by 2031. Due to the projected decline in population after 2031 dwelling numbers are also projected to decline slightly to 10,700 in 2051. The high growth scenario projects the number of dwellings to be 11,800 in 2051. The distribution of dwellings within the district largely follows the distribution of population, but with some differences, as areas with ageing populations require more dwellings as their average household size decreases faster than the district overall.

Rating unit growth is driven by the economy, population and other changes in demographics, lifestyle patterns, and growth in neighbouring districts, including Auckland. In 2021 our district is projected to have 10,995 rating units. Between 2021 and 2031 it is projected that the number of rateable units will increase by an average of 90 per annum, reaching 11,890 by 2031. In 2021 residential and residential lifestyle properties are projected to account for 77% of the District rating units. By 2051 it is projected the number of rating units in our district will reach 12,310. This is an average annual increase of 21 rating units between 2031 and 2051. The continued growth is mainly attributed to growth in commercial and industrial rating units.

Social deprivation and annual household income

Our district continues to experience higher levels of deprivation compared to other parts of the country when using the New Zealand Deprivation Index. On a scale of one to ten (least to most deprived scores) Waihi, Paeroa and Hauraki Plains South are assessed individually as having a score of 9. This means they are in the top 20 per cent of areas that have the most deprived scores in New Zealand. This is an improvement for Waihi and Paeroa, as they had scores of 10 in 2013.

The average median household income (half earn more and half earn less) in the District was \$63,100 in 2018 – lower than the national median of \$89,100. Given that our district has a high proportion of the population over 65 years of age, a higher number will have income from superannuation and means tested benefits which will impact on the average household income for our district. House prices have increased considerably in our district while median incomes have not kept pace with this movement. In the year to June 2019 the average (mean) residential house price in the District was \$421,355. That is an increase of 63% when compared to average residential house prices in June 2015, when the average price was \$259,033. This means parts of our district are less affordable than in the past.

Our District in the future - planning assumptions

In preparing this strategy and the long term plan, we have to identify significant forecasting assumptions, including demographic and climate change projections and financial assumptions. These can be viewed within the 2021-31 long term plan.

In summary, some of the assumptions we've made about what the district and the community might look like in 30 years and what that might mean for our infrastructure are noted below. Given these are assumptions, we have indicated our level of uncertainty with these.

- Our district will continue to moderately grow over the next ten years then growth will likely slow as projected in the medium growth scenario that we have adopted. (Medium level of uncertainty)
- Paeroa, Waihi and Ngatea will continue to be the main urban towns. (Medium level of uncertainty).
- There will be an increase in the aged population and more developments catering for aged persons. (Low level of uncertainty).
- There will be more industry with the continued growth of the Kerepehi industrial hub and industrial development in the Waihi rural area. (Medium level of uncertainty).
- Three waters services are expecting to move to another entity within three to four years. (Medium level of uncertainty)
- Farming practices may change particularly on the Plains with the impact of climate change and in response to increasing environmental requirements. (High level of uncertainty).
- Climate change will affect our district over the medium to long term in line with projections provided by the Ministry for the Environment for the Waikato Region. (High level of uncertainty).
- 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. (High level of uncertainty).
- The townships located on the Plains may need supplementary pumping to be drained of storm flows. (High level of uncertainty).
- Sea level rise, coastal erosion and weather events as a result of climate change will increase requiring us to adapt the way we manage our assets. (High level of uncertainty).
- Our partnership with Māori will be stronger including in decision making and co-management of waterways. (Low level of uncertainty).
- After the initial decrease in tourism due to COVID-19, domestic tourist numbers will continue to increase, partially because of the popular Hauraki Rail Trail. (Medium level of uncertainty).
- Resources will be available so we can deliver our capital works programme. On average, costs of major capital works will not vary significantly from costs estimated at the concept stage, subject to general inflation trends. (High level of uncertainty).

A summary of our financial assumptions can be viewed in Part 3 of our strategy. Further activity-specific detail can be viewed in our Activity Management Plans (AMPs), available from the Council on request.

Overview of our infrastructure

We own and manages \$579 million of infrastructure assets which can be summarised as follows:



Land transport – value \$369 million

We're responsible for the planning, provision, development, operations and maintenance of our district's land transportation network and facilities to ensure the safe and efficient movement of people and goods around the district. We have 620 kilometres of roads (506 kilometres sealed, 114 kilometres unsealed), 163 bridges and major culverts, and 114kms of footpaths. In addition to this, we own the assets of the Hauraki Rail Trail across the Thames-Coromandel and Hauraki Districts and the section of the Trail from Paeroa to Te Aroha and then to Matamata, which lie in the Matamata-Piako District). The land transport activity represents more than half of the infrastructure value with a 2017 replacement cost of over \$369 million¹.

¹ Hauraki District Council Valuation of Roading Assets 2019, WSP



Water supply – value \$118 million

We provide safe drinking water to dwellings, commercial and industrial premises and many rural properties. We are quite unique in that nearly 65% of the water we treat is consumed by rural communities for agriculture. It is not used for irrigation, but predominantly for drinking water for stock. The provision of safe drinking water is a public health priority. Four major water treatment plants (with Kaimanawa due to be commissioned in 2021) supply five schemes with approximately 582km of pipes supplying 7,366 properties.



Wastewater – value \$78 million

We collect, treat and dispose of treated wastewater from properties in the district via 167km of pipes. The safe disposal of wastewater is required for public and environmental health. Seven wastewater treatment plants service 5,720 properties.



Stormwater – value \$46 million

Our stormwater network consists of 95km of urban stormwater pipes and 30.5km of open drains to manage the disposal of water from prolonged periods of rain to reduce risks to people and property.



Land drainage and flood protection – value \$29 million

We provide 650 kilometres of rural land drains and canals, and a range of flood protection and land drainage assets including 92 kilometres of stopbanks, 123 floodgates and 5 pump stations to collect runoff from rural catchments and to discharge it to river or sea outlets. The drainage service is provided in five drainage districts (including the new Pūkorokoro Drainage District north of Miranda which is still under discussion).

Achievements since 2018

We have made some progress on implementing the key actions identified in the 2018 Infrastructure Strategy, as outlined below.

Reliability of information

We have made some progress with understanding the condition of our water and wastewater networks. Priority was given to the water supply activity in response to the Havelock North water contamination outbreak.

We have put a lot of effort in the last two years to better understand the state of our transport assets. This includes increasing our in-house knowledge of the transport network performance, having reasonably complete asset condition data for sealed road pavements, inspecting the district's bridges to assess asset condition, and regularly collecting footpath condition data.

We have started to gather evidence to understand the effects of climate change for our stormwater, land drainage and flood protection, and land transport networks. Analysis work is being undertaken by the transport team to better understand pavement performance on different soil types, against associated maintenance costs and traffic demand data.

Water supply

We have continued our ongoing leakage management programme and are working towards our water supply network performing within acceptable industry limits. We recognise that our leakage management programme will take time to achieve results, however initial results in the Paeroa and Plains network areas are good.

We have renewed pipes in very poor condition across the district with our proactive risk based replacement programme. We are also replacing the domestic water meters for the district. The replacement of our large water

meters is on hold while we wait for technology changes to be more accessible. We have made progress on understanding the condition of our assets, however the focus has been on compliance.

Wastewater

About half of our pump stations have alarms to alert us in advance of an incident to mitigate the effects of wastewater overflows and improve reporting to the Regional Council. We will include the programme to install alarms for the remaining pump stations to protect public health and the environment in the 2021 long term plan budget. We have made some progress on understanding the condition of our wastewater assets.

Stormwater

We have made limited progress on understanding the condition of our stormwater assets. With the appointment of new engineering resources, condition assessments will be a focus area in the next three years including resetting the programme.

Land drainage and flood protection

We have completed modelling of the stopbank settling and impacts of sea level rise. Our next step is to refine our cost data (for moving soil and compaction) used for modelling purposes. We are also undertaking work with the Regional Council to better understand the effects of climate change on this activity.

Land transport

Overall there has been effort to gather and improve the underlying asset data for preparing evidence based renewal programmes, particularly for the resurfacing of the sealed network. This means we now have a much better understanding on the state of our transport assets as noted above.

All of the district's bridges have now been surveyed to assess the asset condition and record the construction dates from the plate ID. This asset data is recorded in our asset management system. The condition survey has informed the development of our forward works programme.

Uncertainty and implications

In developing this strategy there are a number of things that we do not or cannot know. This has flow on effects on the identification of issues and options for dealing with issues and how we can best respond.

Areas of uncertainty we have identified are:

- Legislative changes, National Policy Statement for Freshwater Management 2020 and National Environmental standards that may require significant changes to the way we plan, manage and fund infrastructure.
- Effect of climate change on Council's infrastructure and on the Plains long term.
- The impact of the Government's proposed Action for Healthy Waterways legislation may require additional fencing and riparian planting of local drains.

Reliability of information

We have made significant improvement in data collection and quality for the land transport activity since the 2018 Infrastructure Strategy. We have also assessed the current state of the wastewater pump stations including electrical switchboard safety, condition, pump performance, capacity, and resilience. However, there is still varying levels of reliability of information across the five activities covered in this strategy.

Gaps have been identified in the following areas:

- Condition of our above ground water supply assets.
- Condition of wastewater (excluding pump stations) and stormwater assets.
- Completeness of surface water channel inventory and limited understanding of the streetlight pole condition.
- High speed data to detect cracking in road surfaces.

The data records for the three waters assets are recorded in our asset management system for most asset classes. Water supply condition is based on pipe breaks. Wastewater asset condition is based on CCTV surveys. There is limited data recorded about condition at water supply and wastewater treatment plants.

The data confidence of the three waters asset data has been classified in accordance with the International Infrastructure Management Manual as follows; water supply, wastewater and stormwater - reliable for inventory completeness and age, less certain for condition (except for raw water mains, treated water pipelines and reservoirs, and open drains).

The data confidence of the land transport assets was independently assessed for the 2019/20 year (by the Road Efficiency Group) as follows:

- Data completeness at 93% and data quality to expected standard.
- Data accuracy to expected standard for 84% of the data set, minor data quality issues for 11% of the data set and major data quality issues for 5% of the data set (related to invalid attribute data for pavement layer records).

The records for the land drainage and flood protection assets are mostly complete for inventory, age and condition data. Asset condition is known but not recorded in the asset management system (AssetFinda).

Identified strategic issues

We have identified nine strategic issues that will impact on the provision of infrastructure over the next 30 years. They are:

Strategic Issue	Description
Legislation and policy change	The Government's Three Waters Reform and changes to legislation are significant as it has signalled major structural changes to the service delivery model. While this will have significant and long reaching implications for the Council, it is outside of the scope of this strategy. It is expected that these services will move to another entity within three to four years. The National Policy Statement on Freshwater 2020 and associated legislation will have significant impacts on a number of our activities. The new Zero Carbon Act means we will need to consider opportunities for reducing the carbon emissions it generates.
Treaty Settlement arrangements and co-governance	The Hauraki Treaty Settlement will result in iwi having co-governance arrangements with the Waikato Regional Council and local councils and will have a greater role in governance and freshwater. The Treaty Settlement is not yet complete and the implications are not fully known.
Preparing for climate change	We are preparing for the impacts of climate change on our infrastructure assets as we are already experiencing impacts such as prolonged droughts. The Plains is particularly susceptible to weather related events and rising sea levels. We need to account for uncertainty and change over long timeframes. Strengthening our infrastructure resilience is a key focus.
Affordability for our community	Hauraki District continues to experience higher deprivation scores than other parts of the country. There is also a risk of increasing existing inequities and creating new and additional inequities because of climate change impacts, such as lack of access to insurance and the displacement of people from their homes. The potential impacts of the higher environmental standards for our wastewater treatment plants due to legislative and policy changes may not be affordable for our community.
Higher environmental standards	Taumata Arowai will provide oversight of, and advice on, the regulation, management, and environmental performance of wastewater and stormwater networks and administer the drinking water regulatory system for drinking water safety. Together with the Government's suite of legislation and regulation changes to improve the freshwater ecological health, as well as Waikato Regional Council's future Plan Changes, these significant national and regional changes will impact the cost of upgrading our wastewater treatment plants and may not be affordable for our community or provide the desired environmental outcomes.

Increasing focus on compliance	There is an increased focus on compliance and reporting for meeting consent conditions and drinking water standards. This will impact our internal resourcing under the current legislation, even before the impacts of the proposed Water Services Bill is fully understood.
People and infrastructure resilience	A fundamental shift has been expanding our approach to resilience by adapting and strengthening our people as well as our hard infrastructure, particularly in global events such as the pandemic crisis. A key focus is strengthening our infrastructure resilience as part of our district is located on the Plains and is susceptible to weather related events and rising sea levels.
Ageing population and increasing accessibility and network connectivity	The district's aged population is increasing, and we need to ensure that our transport network is accessible for them as well as disabled people. We need to increase accessibility in our urban areas by providing connectivity through installing, upgrading and maintaining footpaths, and shared paths and cycleways in accordance with the Government Policy Statement on Land Transport (2021).

Risk management

Our risk management approach

The planning approach for managing infrastructure balances risk and performance while providing cost effective services. Infrastructure risks can be considered in terms of global threats (such as climate change), national (legislative changes), corporate and asset risks. At an activity level, these infrastructure risks need to be considered holistically as part of the asset management planning approach and not taken in isolation.

Part Two outlines how this is addressed for each activity with the detail provided in the Activity / Asset Management Plans.

Climate change impacts and actions


Climate change is a major management issue facing all infrastructure providers and the built environment. Hauraki District is tested further as it has physical constraints / natural hazards including the Firth of Thames and the low lying Plains that need to be considered in the context of climate change impacts.

Climate change will affect our district over the medium to long term in line with projections provided by the Ministry for the Environment for the Waikato Region. The major trends expected for the Waikato Region are (with the full projections list detailed in in the 2021 long term plan):

- Higher temperatures.
- Rainfall – Will vary within the region, and largest changes will be for particular seasons rather than annually.
- Wind – The frequency of extremely windy days is likely to decrease by 2 to 3 per cent.
- Storms – Future changes in frequency of storms are likely to be small compared to inter-annual variability.
- Sea level rise – Projections range from 0.55m to 1.36m sea level rise by 2120 (based on the 2017 Ministry for the Environment guidance on Coastal Hazards and Climate Change for New Zealand).

We design our infrastructure to take into account climate change projections and the risk of climate change weather related events. At this stage the financial implications of adapting to the effects of climate change are uncertain for our infrastructure assets and they will be refined in subsequent strategies and plans as investigations are progressed.

Our specific proposed climate change actions are outlined in the following table at activity level with further detail in Part Two and in the Activity / Asset Management Plans.

Activity	Most likely effects due to climate change	Proposed action
Water supply 	<ul style="list-style-type: none"> • Prolonged droughts may result in restrictive consent conditions for water takes from streams and waterways. • Potential long term saltwater intrusion risk at the intake for Kerepehi water treatment plant. 	<ul style="list-style-type: none"> • Upgrade treatment plants / reconfigure supply areas to address reduction in demand due to restrictive consent conditions for water takes from rivers and streams. • Undertake the modelling required to determine whether saltwater intrusion is a risk requiring mitigation.





Activity	Most likely effects due to climate change	Proposed action
		<ul style="list-style-type: none"> Investigate an alternative raw water source for Kerepehi at a different location if modelling identifies a definite risk of saline intrusion.
Wastewater 	<ul style="list-style-type: none"> Inflow and infiltration increase and reduces pipeline capacity during storm events resulting in more frequent wet weather overflows. Pump station vulnerability due to flooding inundation. 	<ul style="list-style-type: none"> Continue to implement the targeted infiltration and inflow programme to continue to prioritise the catchments for remedial works.
Stormwater 	<ul style="list-style-type: none"> Minimum floor levels for some low lying areas in Paeroa may have limited freeboard against more frequent higher intensity storms. In the longer term stormwater flows in the townships located on the Plains may not be able to be drained to the river by gravity through floodgates due to sea level rise. 	<ul style="list-style-type: none"> Continue to monitor flooding risk to residential properties with the more intense and frequent storms. Design new stormwater infrastructure in line with our engineering design manual (includes an allowance for a 20% increase in rainfall intensity or in accordance with RPC8.5 Scenario).
Land drainage and flood protection 	<ul style="list-style-type: none"> Flood gates may not open long enough to drain the land adequately due to sea level rise. The total rainfall volume is not predicted to increase significantly long term but may fall in more intense events. More frequent storm surges may require stopbanks to be raised accordingly. 	<ul style="list-style-type: none"> Continue to monitor stopbank height to maintain existing service levels. Collecting evidence so we can understand any material change on the activity, including monitoring rainfall events at sites in the district.
Land transport 	<ul style="list-style-type: none"> Identified four road sections susceptible to sea level rise. Road slips / under slips. Erosion undermining road sections and bridges. 	<ul style="list-style-type: none"> Undertake scenario planning to establish the key engineering lifeline routes across the district. Identify critical bridges and culverts, the impact of stopbank failure and identify safe routes.

Table 2: Proposed climate change actions

Levels of service

The high level customer levels of service for the infrastructure are set out in Table 3 with the detail provided in the Activity / Asset Management Plans. The levels of service framework provides alignment and strategic linkages between our vision and the Community Outcomes, Infrastructure Strategy, Activity / Asset Management Plans, and activities. Levels of service for infrastructure include customer outcomes (i.e. responding to unplanned water interruptions) as well as meeting legislative requirements (i.e. compliance with resource consents).

Any major service level changes and implications long term are identified in Part Two of the Infrastructure Strategy at the activity level.






Community Outcomes	Customer Outcomes	Customer levels of service – activity outcomes				
		 Water supply	 Wastewater	 Stormwater	 Land drainage and flood protection	 Land transport
Vibrant and safe communities Te Oranga pai o te Hapori	Safety	That the water is safe to drink	Wastewater services meet regulatory requirements	Stormwater systems protect houses from flooding in urban areas	Quality land drainage and flood protection services are provided to all Drainage Districts	Provide a safe transport network for users and the community
		Good quality water is supplied to customers	Mitigate the risk of environmental impacts and public health			Council delivers a roading network that addresses safety and amenity issues
		Water pressure and flow is appropriate for its intended use	To provide safe reliable wastewater service to customers			
Connected people Tūhono Strong economy Oranga Ōhanga	Quality / Amenity / Reliability	To provide reliable water networks	To provide reliable wastewater networks	To provide reliable stormwater networks	To provide reliable land drainage and flood protection networks	Provide an effective and good quality transport network
						Footpaths assets are fit for purpose
						The pavement life of sealed roads is preserved
Vibrant and safe communities Te Oranga pai o te Hapori	Resilience	Water supply disruption during natural disaster events is minimised	Wastewater disruption during natural disaster events is minimised	Stormwater disruption during natural disaster events is minimised	Disruption during natural disaster events is minimised	Access is provided to the network of local roads
Connected people Tūhono Strong economy Oranga Ōhanga	Responsiveness	That customer service requests are dealt with promptly and appropriately	That customer service requests are dealt with promptly and appropriately	That customer service requests are dealt with promptly and appropriately	Efficient response to drainage problems and emergencies	That customer service requests are dealt with promptly and appropriately
	Collaborate	Council collaborates with customers, Iwi, other local authority, and central government to manage the water supply activity and their specific areas of interest	Council collaborates with customers, Iwi, other local authority, and central government to manage the wastewater activity and their specific areas of interest	Council collaborates with customers, Iwi, other local authority, and central government to manage the stormwater activity and their specific areas of interest	Council collaborates with customers, Iwi, other local authority, and central government to manage the land drainage and flood protection activity and their specific areas of interest	Council collaborates with customers, Iwi, other local authority, and central government to manage the land transport activity and their specific areas of interest
Healthy environment Te Mauri o te Taiao	Environmental sustainability	Council will seek to minimise the losses from its water supply network	Protection is provided to the community and the environment	Protection is provided to the community and the environment	Operating in compliance with regulatory requirements	Effects on the natural environment are minimised
		That the water supply service is operated in compliance with regulatory requirements				

Table 3: Customer levels of service

Part Two – Our Infrastructure Services

Water Supply

Background

We are responsible for the provision of safe, clean drinking water to domestic, commercial, industrial and agricultural communities as a matter of public health. Nearly 65% of the water we treat is consumed by rural communities for agriculture. It is not used for irrigation.

Our water supply network draws water from surface water bodies (e.g. rivers and streams). There are four major water treatment plants supplying four schemes with approximately 582km of pipes supplying 7,366 properties.

Strategic water challenges

Renewing infrastructure

We have been successful with implementing our new proactive and risk based renewal water strategy since 2018. We replaced more water pipes in the 2018/19 year than the previous seven years. With our proactive asset management approach, we are finding other water assets that require renewing, such as the old raw water tank located at the Kerepehi water treatment plant and the Kerepehi and Paeroa raw water mains.

As part of our risk based approach, critical assets are replaced proactively to ensure service continuity and non-critical assets are replaced reactively (generally end of life). There is budget allowance for the reactive renewals and this is monitored to ensure the right balance between critical and non-critical asset investment levels.

Providing for growth and changes to levels of service

We need to resolve the raw water supply issues in Waihi to cater for future additional growth. Once this is resolved, we will need to consider an upgrade to the existing infrastructure to process the additional water. The Waihi water treatment plant currently has no redundancy if the single membrane treatment stream fails. There is also a capacity constraint at the treatment plant due to reductions on how much water we can take, during periods of low river levels caused by extended dry weather events, by the Regional Council (set in the resource consent at 15% restriction). We are actively working to reduce water loss due to leaks, which will help alleviate the low flow supply restrictions.

Managing risk and increasing resilience

A fundamental shift has been expanding our approach to resilience by adapting and strengthening our people as well as our hard infrastructure (this applies to all three waters).

People resilience – We know it is important to build people capability and capacity within our district. It is being tested with the global pandemic crisis in 2020 that people have never experienced before.

Our new treatment and engineering resources have recognised tertiary qualifications. Many of our new treatment technicians are relatively young (less than 40 years old) and we are taking on more cadets and apprentices across the Group. We are also working towards sharing our operational resources with neighbouring Matamata-Piako District Council to improve the management of operational risks, such as wastewater overflows. We will also investigate the establishment of a sub-regional control centre so we can enable effective 24/7 coverage.

Infrastructure resilience – A key focus is strengthening our infrastructural resilience as part of our district is located on the Hauraki Plains and susceptible to weather related events and rising sea levels.

Our Kerepehi water supply treatment plant is approaching capacity coupled with resilience issues with the raw water main and tank due to its age and some sections located under the state highway, and potential long term saltwater intrusion risk at the intake. We have been investigating linking the Paeroa and Plains water networks to increase the utilisation of the treatment plants (Paeroa, Kerepehi and Waitakaruru) as well as increasing our overall network resilience. We have also constructed two new treated water tanks at the Kerepehi treatment plant to increase storage, so we have a backup supply of treated water should an issue occur with the treatment process.

Like many public water networks, asbestos concrete is the main pipe material (at about 40%) comprising our network. This means our piped water network is vulnerable as asbestos concrete is a brittle material and known to break frequently causing outages. We are addressing this asset risk over the next ten years as we continue to implement our risk based water renewal strategy.

The Kerepehi and Paeroa raw water mains are both critical assets that are reaching the end of their operational and economic life. There are significant consequences if they fail as both water pipelines have sections located under state highways which makes repair difficult. We intend to proactively replace these assets before they are predicted to fail, but this requires major renewal investment which was not budgeted in the 2018 Long Term Plan. We are investigating the replacement of these assets to ensure our networks are resilient so there is service continuity for our communities. As part of our building people resilience, our field staff are undergoing training to plan for these critical pipes breaking so they can restore service faster.

Planning for climate change – We already appear to be experiencing the impacts of climate change on the water supply activity with prolonged droughts. This may result in restrictive consent conditions imposed on us for water takes from rivers and streams. We need to investigate the impacts on water takes in the medium term recognising that some schemes may need reconfiguration (such as Waihou River, Paeroa and the Plains).

We have identified that saltwater intrusion may be a risk for the Kerepehi Intake (located on the Waihou River near the Firth of Thames). It is tidal and may be affected by saltwater, however a report² prepared by NIWA has indicated that this would be a long term outcome. We currently test for salinity at this location and will be modelling the impact of climate change in the medium term.

A suite of legislative and regulation changes to improve the current management of freshwater, including the National Policy Statement for Freshwater Management 2020 came into effect in September 2020. This may mean that environmental protection, Te Mana o te Wai, will have priority over water takes for public drinking water purposes. The potential reduction in supply of raw water may affect our ability to meet demand. We are currently experiencing some capacity constraint at the Waihi water treatment plant due to take restrictions, during periods of low river levels caused by extended dry weather events.

Improving public health and environmental outcomes

There are two water quality issues that we are currently managing:

- There is a long-standing water quality issue with the water produced from the Kerepehi water treatment plant. It serves the Ngatea township and the manganese rich water can stain washing. We are investigating the costs and benefits of an additional module for the treatment plant. Our proposed projects include the installation of online monitoring instruments to determine the scope of the problem. Phase two includes design, construction and the commission of a manganese removal system.
- Nitrate contamination of potable water sources is becoming a concern internationally. Small rural communities such as the Hauraki Plains are particularly impacted by nitrate due to high farming activity and use of fertilisers on land. We are testing for nitrates on an annual basis and the results show that the levels are substantially lower than the Drinking Water Standards thresholds. We will continue to keep a watching brief on international studies and best practices.

² Synthesis Report: RA2 Coastal Case Study: The Firth of Thames and Lower Waihou River; G McBride, G Reeve, M Pritchard, C Lundquist, A Daigneault, R Bell, P Blackett, A Swales, S Wadhwa, A Tait, C Zammit; <https://ccii.org.nz/app/uploads/2017/02/RA2-Coastal-Case-Study-Synthesis-report.pdf>

Asset condition and performance

Most of the water supply network is between 30 and 50 years old, as presented in Figure 5, so over the midway point of the asset life. Our oldest pipes are concrete, asbestos concrete, alkathene and cast iron. This group is indicative of the problematic pipe materials that are known to fail. These assets will need replacement in the short to medium term. We have complete records of the pipe material types and age, and less complete for asset condition.

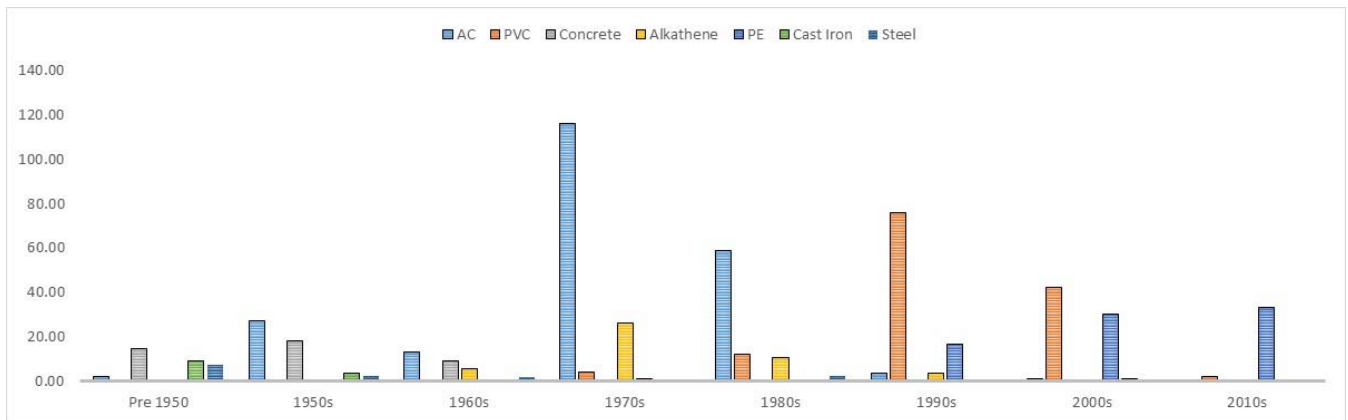


Figure 5: Pipe material and age distribution

Pipe performance using water main breaks is used as the proxy of condition consistent with industry best practice. The water main breaks are analysed on a regular basis and inform the pipe renewal programme taking into account criticality to ensure service to continuity.

We have defined our critical water supply assets based on the potential mitigated consequence of failure. These are classified from very high to low criticality. We have undertaken a basic categorisation in the asset management system based on size and high risk assets such as pipe bridges. We will refine this in the next three years using a geo database to pull together different datasets for the criteria. The same approach has been adopted for wastewater and stormwater assets.

Asset performance of Council's water supply network is assessed in terms of water leakage and water quality as follows:

- Water leakage – Water leakage is a known problem due to the aged network with a formal programme being developed to address it. Our analysis has shown that the Hauraki Plains accounts for over 50% of faults in the district. Drought conditions (causing breaks) and the age of pipes is the leading cause of faults contributing to 39% of all faults, where 33% of these occur on the Plains. We are addressing the high level of leakage through the proactive leakage management programme, including responding to leaks and the renewal programme. We intend to use the Infrastructure Leakage Index for measuring leakage and to prioritise zones based on international best practice. As a first step, the current meter reading routes need to be rationalised into zones / townships.
- Water quality – The four water treatment plants comply with the Drinking Water Standards. The current state of water supplies is shown on our website using a simple traffic light system.
- We have a suite of plans and processes, including Water Safety Plans and Emergency Response Plans, to provide assurance that we are providing safe drinking water. Our water quality is measured monthly against the mandatory performance measures and reported in our Annual Report. We are currently reviewing our process for collecting and reporting our performance data including the end to end job management process.

Significant infrastructure issues for the water supply activity and the principal options for managing these issues are detailed in the following table. The highlighted option is the preferred as the most likely scenario. Some issues may have more than one preferred option recommended.

Significant issues and options

Table 4 below identifies the significant district wide issues and the options facing water supply in our district.

Significant issue	Principal options for managing the issue	Implications of the option	Years 1–10	Years 11–20	Years 21–30	Risk (H/M/L)
Implications of the Government’s Three Waters regulation (Taumata Arowai) and changes to legislation are likely to result in higher standards for water treatment and compliance costs.	<p>1. Continued regional approach by collaborating with neighbouring councils to determine and implement good practice for compliance. Option 1 is preferred as the most likely scenario (short term)</p>	<ul style="list-style-type: none"> Implications from water regulation reforms are happening at a rapid pace. There are likely to be increased costs to address health/safety concerns / issues. 	✓ Budget are unknown but expected to be significant.	Unknown	Unknown	High There may be some short term economic and resilience benefits should neighbouring Councils collaborate with compliance reporting and management.
	<p>2. Increased focus on compliance and reporting for meeting consent conditions and drinking water standards. This involves getting appropriate systems set up. Option 2 is preferred as the most likely scenario (short term)</p>	<ul style="list-style-type: none"> This will impact our internal resourcing under the current legislation, even before the impacts of the proposed Water Services Bill are fully understood. A dedicated compliance resource (shared for three waters) has been identified to address the increasing quality management. 	✓ Medium cost for an additional resource (shared for 3 waters)			High
Implications of the Government’s Three Waters Service Delivery Reform	<p>1. Aggregation of water supplies into semi-regional, regional, multi-regional or national suppliers will be on an “Opt-Out” voluntary basis, however aggregation appears inevitable and thus proactive collaboration with the DIA and other Councils is regarded appropriate.</p> <p>2. The Council may choose to “opt out” of the aggregated water supply, however the government may act to prevent this in future.</p>	<ul style="list-style-type: none"> This will result in the Council transferring the assets and service delivery of the three waters. The Council will lose approximately 35% of its income resulting in a significant reduction of staff and stranded overheads. There is likely to be a medium term increase in the cost of delivery for this service. 	✓ Full effect unknown but expected to be significant.			

Significant issue	Principal options for managing the issue	Implications of the option	Years 1–10	Years 11–20	Years 21–30	Risk (H/M/L)
	Option 1 is the most likely scenario (only option)					
Implications of the Government’s suite of legislative and regulation changes to improve the current management of freshwater. The potential reduction in water take allocation may impact our existing treatment plant capacity.	<p>1. Allocate funding and resourcing to secure new resource consents and monitoring of conditions. Start early discussions with the Regional Council to understand significant changes so we can plan and budget for this.</p> <p>Option 1 is preferred as the most likely scenario (only option)</p>	<ul style="list-style-type: none"> The requirements to prepare a resource consent may increase (for example completing environmental impact assessments). The resource consenting process will likely require changes to the amount of water we can take for supply. Additional operational and capital expenditure may be required to meet consent conditions. 	<p>✓ \$50,000 per annum for consent monitoring. \$100,000 for Waihou intake consent. \$100,000 Waitakaruru abstraction consent</p>	<p>✓ \$100,000 Waalsley Stream and Golden Valley water abstraction consents (Waihi)</p>	<p>✓ \$50,000 Kerepehi Discharge consent</p>	High
The Hauraki Treaty Settlement will result in iwi having co-governance arrangements with the Waikato Regional Council and territorial councils, and will have a greater role in governance and freshwater.	<p>1. Promote water conservation initiatives so there is less demand for water take from streams and therefore safe guarding the waterways which is important for iwi.</p> <p>Option 1 is preferred as the most likely scenario (ongoing)</p>	<ul style="list-style-type: none"> Continue with proactive leakage management programme. Increase community education on water conservation and linkage to water take from streams. 	<p>✓ Low cost from existing resources</p>			Medium
	<p>2. Set up governance structure for co-governance arrangement in freshwater.</p>	<ul style="list-style-type: none"> Can take time to set up and agree long term vision Better alignment with Maori values and community aspirations. 	Budget impacts are unknown	Unknown	Unknown	Medium
Strengthening our infrastructural resilience as some of our district is located on the Hauraki Plains and susceptible to weather related events and rising sea	<p>1. Investigate linking the Paeroa and Kerepehi networks to strengthen resilience as well as addressing future capacity constraints (mainly the Kerepehi Water Supply</p>	<ul style="list-style-type: none"> Linking the two networks would increase the overall network resilience. Engage suitably qualified experts to undertake option analysis for linking the networks and risk 	<p>✓ High cost for external engineering support</p>			

Significant issue	Principal options for managing the issue	Implications of the option	Years 1–10	Years 11–20	Years 21–30	Risk (H/M/L)
levels. For example, the pipes on the Plains are more susceptible to breakage due to ground movement during droughts and extreme rainfall events.	Treatment Plant as approaching capacity). Option 1 is preferred as the most likely scenario (medium term)	<p>reductions achieved.</p> <ul style="list-style-type: none"> It may require significant expenditure but would mitigate risk. 				
	2. Continue to implement our risk based renewal water strategy to address asbestos concrete pipe failures and replace the Kerepehi and Paeroa raw water mains. Option 2 is preferred as the most likely scenario (ongoing)	<ul style="list-style-type: none"> Both are critical assets and reaching the end of their economic life. The replacement costs will be significant but there are major consequences if they fail as both have sections located under state highways. 	✓ Significant costs for raw water main replacement			High
Effect of climate change on water supply resulting in restrictive consent conditions and some supply areas may need reconfiguration.	1. Investigate an alternative raw water source for Kerepehi at a different location due to potential saltwater intrusion as sea levels rise. Option 1 is preferred as the most likely scenario (medium term)	<ul style="list-style-type: none"> Modelling will be required to determine whether saltwater intrusion to the Kerepehi water source is a risk requiring mitigation and what those mitigation measures will be. This will be done during the resource consent renewal process prior to 2034. Water supply continuity. Cost of relocation. 	✓ Low cost from existing resources		✓ Will be known after investigation is completed. If required it will be beyond the term of this strategy.	Medium We have time to identify and respond to changes.
	2. Upgrade treatment plants / reconfigure supply areas to address reduction in demand due to restrictive consent conditions for water takes from rivers and streams by the Regional Council.	<ul style="list-style-type: none"> Significant expenditure may be required to upgrade treatment plants but this may also be required for water reforms as well regardless of demand. Developers may be required to contribute to the cost of upgrading the treatment plants. 			✓ Significant expenditure	High We have time to identify and respond to changes

Table 4: Significant issues and options for water supply

Water supply expenditure forecasts

Figure 6 presents the expenditure forecast for water supply which is based on the following assumptions:

- Legislative and regulatory changes will require water treatment process changes.
- Capacity constraints exist at some treatment plants.
- Existing service levels will be maintained.
- Legislation changes with the three waters reform will have a significant impact on this activity and at a rapid pace.
- Resources will be available so we can deliver our capital works programme.
- We will provide services at the levels forecast in our Water Supply asset management plan and 2021 long term plan.

Over the next 30 years it is expected that Council's major capital expenditure items include (uninflated):

- Replacement of ductile iron pipes in the first 10 years (\$1.5 million)
- District wide pipe renewal programme (\$16.5 million over 30 years)
- Improvements to strengthen resilience (\$8.5 million first ten years)
- Domestic water meter replacement (\$6.66 million over next 30 years).

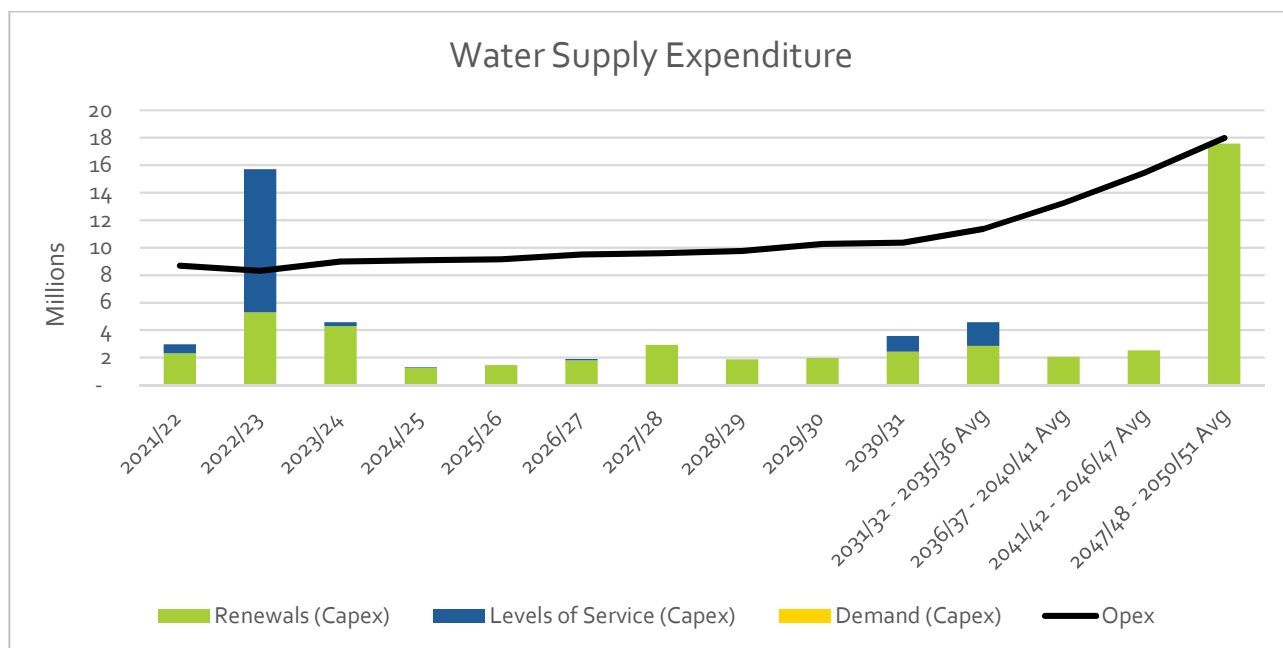


Figure 6: Water supply expenditure forecast (inflated)

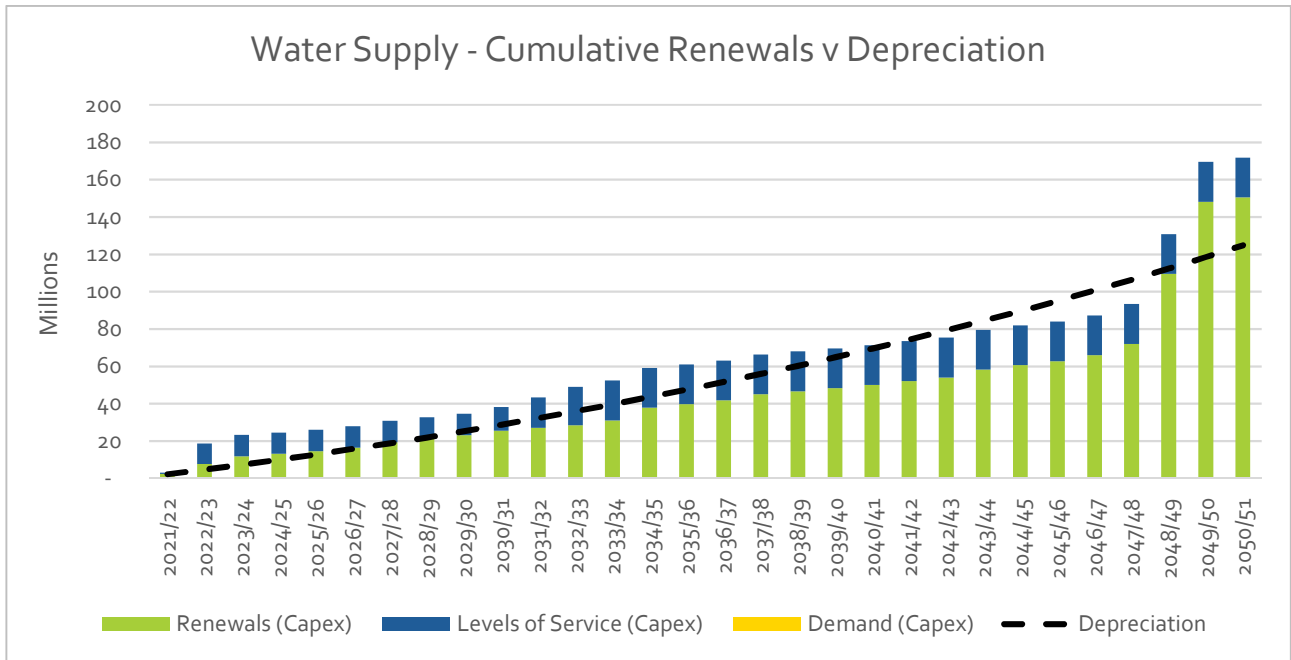


Figure 7: Water supply cumulative renewals and depreciation (inflated)

Our forecast renewals are lower than annual depreciation as we have recently upgraded our major water treatment plants, as shown above.

Funding this activity

We fund our water services through a targeted rate comprised of annual charges and volume charges (all supplies are fully metered). As with many of our activities, our policy on funding capital expenditure is to utilise sources of funds in the following order:

1. Grants and subsidies
2. Development/Financial Contributions
3. Depreciation
4. Reserves
5. Borrowing – internal
6. Borrowing – external

Wastewater

Background

We collect, treat and dispose of treated wastewater from domestic property and commercial / industrial premises on our reticulated wastewater network for seven urban townships in our district. Seven wastewater treatment plants service 5,720 properties via 167 kilometres of pipes.

Resource consents are required for discharging into six water bodies and one onto planted forestry and are issued by the Waikato Regional Council. The main purpose of a consent is environmental protection and is driven by the Resource Management Act. These consents are subject to requirements that restrict the volume of water that can be discharged, and stipulate the water quality parameters the discharged water must meet.

Strategic wastewater challenges

Renewing infrastructure

We are focussed in the short to medium term on understanding the current state of our network and wastewater pump stations. A renewal programme will then be developed, and a significant capital investment programme is expected.

As part of our infrastructural resilience approach, we intend to implement our risk based wastewater renewal programme over the next 10 to 20 years. Priority will be given to the critical wastewater assets (above and below assets). There has been less progress with preparing our risk based wastewater renewal programme since 2018 than expected due to internal resourcing constraints. There has been good data cleansing of the assets recorded in our asset management system, which will input into the renewal programme.

Providing for growth and changes to levels of service

Regional wastewater treatment approach

There are significant challenges with the future wastewater treatment plant upgrades, which will be required as resource consents expire. This is because a higher degree of treatment will be required before water can be discharged (based on the initial conditions for the Ngatea upgrade) and we also need to allow for population growth.

Higher environmental standards will need to be met as a result of the National Policy Statement on Freshwater Management 2020 and Waikato Regional Council's Plan future Plan Changes. We have consents for our plants expiring throughout the 2021 Long Term Plan period. We have assessed the draft Ngatea wastewater treatment plant discharge consent and believe if similar conditions are applied to our other six treatment plants in the district, the costs will be significant and may not be affordable for our community.

We are working with our neighbouring councils in the Waikato Region due to the significant cost implications. We have a view that we should take a coordinated approach within the region and work collaboratively with the Regional Council and / or Government to allow for a pragmatic way of dealing with the impact of the changes facing wastewater treatment. We continue to seek a collaborative all of catchment solution with our neighbouring councils that is both affordable for the communities and environmentally beneficial.

Wastewater Strategy development

To address the significant wastewater issues that we are facing, we are developing a clear strategy on the treatment and discharge of wastewater within our district over the next 50 years. The increasing requirements for environmental protection, coupled with growth will require significant investment. Our proposed Wastewater Strategy is critical for ensuring that we make cost effective decisions to meet the various compliance requirements as well as being affordable for our community.

At a local level we are considering the catchment offset approach as the most environmentally effective and affordable way for our community to address the interrelated issues. It will be considered as part of the Wastewater Strategy. Overseas studies show that smart farming practices provide better return on the capital investment for the environment than costly plant upgrades.

Managing risk and asset performance

We are starting to better understand the performance of our wastewater networks. Our initial focus has been targeting the catchments that have the most infiltration and inflow of ground and stormwater, including the wastewater manholes located in Waihi East area and historical known hotspots such as Taylor Avenue, Paeroa.

Field work was completed for Waihi East and identified leaky wastewater manholes. Flow monitoring and inflow and infiltration desktop analysis for these networks has been completed to allow us to better understand the implications on network capacity.

More intense and frequent rainfall are expected due to climate change. This will likely result in greater inflow and infiltration into our wastewater network with more frequent wet weather overflows. This will impact the performance of our wastewater networks.

Asset condition and performance

The district's predominate wastewater pipe material is poly vinyl chloride at 44% followed by asbestos cement at 30%.

There is growing concern for ageing glazed earthenware pipes in the Paeroa and Kerepehi networks (15%). The earthenware pipelines have concrete joints and cannot move with ground movement as a result of the changes in seasons, water table levels and extreme rainfall events. This results in service failures before the expected end of the asset life. Failure trends indicate that these pipe materials are at the end of their useful life. Council is in the process of developing a business case for the assessment and renewal of these pipes.

We have had recent failures of our wastewater trunk mains serving Paeroa. A project is underway to upgrade these lines.

An assessment has been undertaken to better understand the current state of the wastewater pump stations including existing pumps, condition and electrical switchboards. A renewal programme is underway and a significant investment programme is expected.

Asset performance of Council's wastewater network is assessed in terms of overflows and infiltration and inflow as follows:

- Dry weather overflows – A dry weather overflow is an uncontrolled wastewater discharge that is not associated with a rain event. We are currently working to connect all of our pump stations to the supervisory control and data acquisition system (SCADA) over two years. This will allow remote operation and functionality, and enable Council to more accurately monitor and report failures. This will help us to effectively reduce dry weather overflows from entering the environment and improve reporting to the Regional Council.
- Wet weather overflows - The Regional Council is also taking more punitive measures regarding wet weather overflows. Without significant capital investment, these incidents will not be reduced and even after such expenditure may still overflow when there is flooding as gully traps are inundated. A wet weather overflow has limited environmental effect as it is diluted and the need to address this is being tested. We will continue to work with the Regional Council to resolve this.
- Infiltration and inflow - infiltration and inflow is the term used to describe groundwater and stormwater entering a dedicated wastewater system resulting in it becoming overloaded and overflows occur. We will firstly address our public wastewater network performance issues such as cracked pipe materials and leaky manholes. We know that the private wastewater system such as laterals are leaky as well, but we will address this at a later stage.

Significant infrastructure issues for the wastewater activity and the principal options for managing these issues are detailed in the following table. The highlighted option preferred as the most likely scenario has been identified. Some issues may have more than one option recommended as the preferred.

Significant issues and options

Significant issue	Principal options for managing the issue	Implications of the option	Years 1–10	Years 11–20	Years 21–30	Risk (H/M/L)
Implications of the Government’s Three Waters regulation (Taumata Arowai) and changes to legislation are likely to result in higher standards for water treatment and compliance costs.	<p>3. Continued regional approach by collaborating with neighbouring councils to determine and implement good practice for compliance.</p> <p>Option 1 is preferred as the most likely scenario (short term)</p>	<ul style="list-style-type: none"> • Implications from water regulation reforms are happening at a rapid pace. • There are likely to be increased costs to address health/safety concerns / issues. 	<p>✓</p> <p>Budget are unknown but expected to be significant.</p>	Unknown	Unknown	High There will likely be major imposed structural changes unless neighbouring councils cluster together.
	<p>4. Increased focus on compliance and reporting for meeting consent conditions and drinking water standards. This involves getting appropriate systems set up.</p> <p>Option 2 is preferred as the most likely scenario (short term)</p>	<ul style="list-style-type: none"> • This will impact our internal resourcing under the current legislation, even before the impacts of the proposed Water Services Bill are fully understood. • A dedicated compliance resource (shared for three waters) has been identified to address the increasing quality management. 	<p>✓</p> <p>Medium cost for an additional resource (shared for 3 waters)</p>			High
Implications of the Government’s Three Waters Service Delivery Reform	<p>3. Aggregation of water supplies into semi-regional, regional, multi-regional or national suppliers will be on an “Opt-Out” voluntary basis, however aggregation appears inevitable and thus proactive collaboration with the DIA and other Councils is regarded appropriate.</p> <p>4. The Council may choose to “opt out” of the aggregated water supply, however the</p>	<ul style="list-style-type: none"> • This will result in the Council transferring the assets and service delivery of the three waters. • The Council will lose approximately 35% of its income resulting in a significant reduction of staff and stranded overheads. • There is likely to be a medium term increase in the cost of delivery for this service. 	<p>✓</p> <p>Full effect unknown but expected to be significant.</p>			

Significant issue	Principal options for managing the issue	Implications of the option	Years 1–10	Years 11–20	Years 21–30	Risk (H/M/L)
	<p>government may act to prevent this in future.</p> <p>Option 1 is the most likely scenario (only option)</p>					
Significant challenges with the future wastewater treatment plant upgrades as consents expire. Interrelated issues to consider include growth, Waikato Regional Council's future Plan changes, the National Policy Statement for Freshwater Management 2020, and a higher degree of treatment required for resource consents (based on the initial conditions for Ngatea upgrade).	<p>1. Establishing the catchment offset approach as the most environmental effective and affordable way for our community to address the interrelated issues. Developing a clear strategy on the treatment and discharge of wastewater within our district.</p> <p>Option 1 is preferred as the most likely scenario (medium term)</p>	<ul style="list-style-type: none"> Addresses issues holistically. Requires greater stakeholder management to gain acceptance on new and innovative approach. Sustainable investment that addresses the four well beings. Maybe greater impact on the environment until investment is made. 	<p>✓</p> <p>Within either years 1-20, 11-20, and 21 to 30 and costs as per the plant upgrades above.</p>	<p>✓</p>	<p>✓</p>	High
	<p>2. Meet new resource consent conditions on a plant by plant basis.</p>	<ul style="list-style-type: none"> The upgrades may not have substantial positive environmental improvements and be unaffordable for the district given the limited funds available. Meets minimum resource consent requirements. 	<p>✓</p> <p>Budgets are known and significant.</p>	<p>✓</p> <p>Significant</p>	<p>✓</p> <p>Significant</p>	High
Greater infiltration of the wastewater network is expected with more rainfall in a single event as a result of climate change.	<p>1. Develop a targeted inflow and infiltration programme to prioritise the catchments, this will inform the Wastewater Strategy.</p> <p>Option 1 is preferred as the most likely scenario (medium term)</p>	<ul style="list-style-type: none"> We will firstly address public wastewater network performance issues such as cracked pipe materials and manholes. We know that the private wastewater system such as laterals (pipe that connects the property to the public sewer main) are a large source of infiltration and inflow as well, but we will address this at a later stage. Cost effective programme to focus on most overloaded parts of our networks. 	<p>✓</p>	<p>✓</p>		High
	<p>2. Respond ad hoc to network overflow hotspots.</p>	<ul style="list-style-type: none"> The Regional Council is also taking a harder line regarding wet weather overflows. We may be prosecuted. Pipeline capacity reduced with additional loading during storm events. 	<p>✓</p> <p>Budgets are known</p>	<p>✓</p> <p>Known</p>	<p>✓</p> <p>Known</p>	High (Regional Council may prosecute)

Table 5: Significant issues and options for wastewater

Wastewater expenditure forecasts

Figure 8 presents the expenditure forecast for wastewater which are based on the following assumptions:

- That the application of the National Policy Statement on Freshwater Management 2020 and the Government’s suite of legislative changes to improve ecological health will require us to upgrade our wastewater treatment plants as the consents expire to meet a higher environmental standard.
- Legislation with the three waters reform will have a significant impact on this activity and at a rapid pace.
- Resources will be available so we can deliver our capital works programme.
- We will provide services at the levels forecast in our Wastewater asset management plan and 2021 long term plan.

Over the next 30 years it is expected that Council’s major capital expenditure items include:

- Renewal of pump stations based on site assessments (\$1.9 million in first ten years).
- Upgrades of wastewater plants to meet higher environmental standards in the first 13 years of this strategy (\$44.7 million).
- District wide pipe renewal programme to address poor pipe materials (\$6.8 million in first ten years).

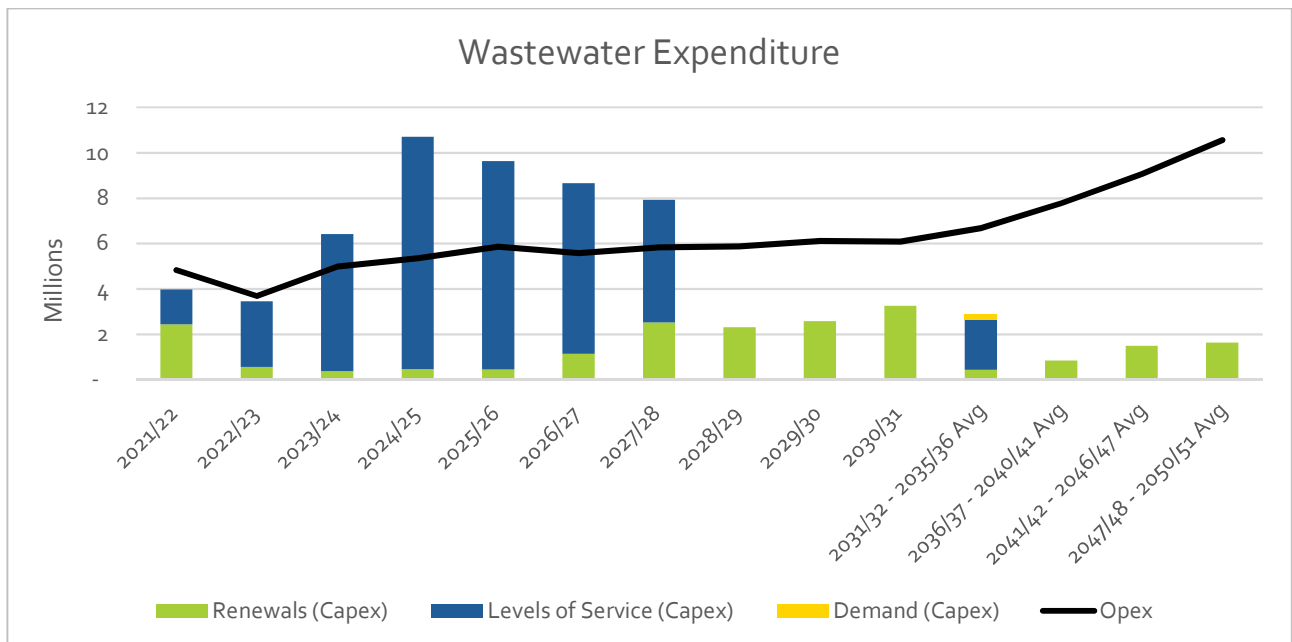


Figure 8: Wastewater expenditure (inflated)

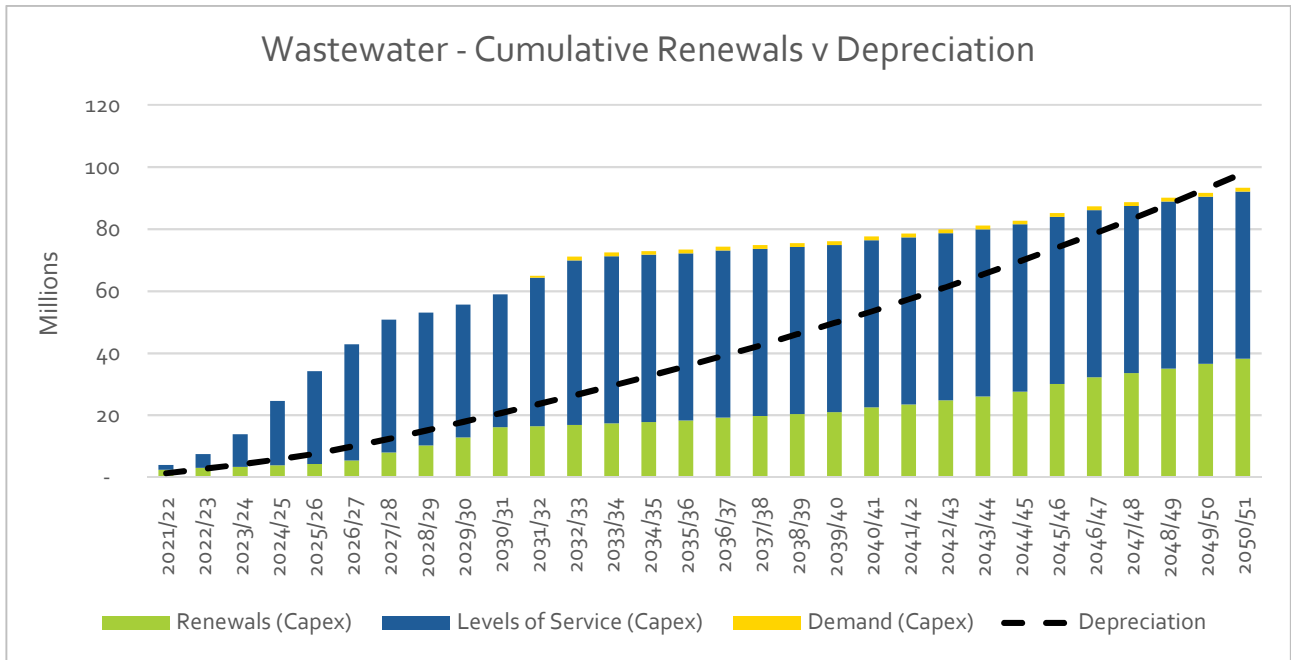


Figure 9: Wastewater renewals and depreciation (inflated)

Our forecast renewals are lower due to the replacement of the treatment plants in the first 15 years of the plan, as shown above. These replacements do not show in this renewal profile as the primary driver of the replacement is increased environmental requirements which is a level of service increase, rather than a renewal.

Funding this activity

We fund our wastewater services through a combination of a targeted pan charge rate (85-100% of our operational costs) and trade waste fees and charges (0-15%). As with all our activities, our policy on funding capital expenditure is to utilise sources of funds in the following order:

1. Grants and subsidies.
2. Development/financial contributions.
3. Depreciation.
4. Reserves – past surpluses.
5. Borrowing – internal.
6. Borrowing – external.

Stormwater

Background

Stormwater is the runoff of rainwater from a rain event, which requires management and disposal using various drainage systems. We have 95 kilometres of urban stormwater pipes and 30.5 kilometres of open watercourses (drains). The stormwater systems service ten urban areas (including Kaiaua).

The stormwater systems eventually discharge into the Waihou or Piako Rivers, with the exception of the Kaiaua and Whiritoa systems which discharge directly to the sea. Stormwater from Waihi, Mackaytown, Karangahake and Waikino flows by gravity directly to the Ōhinemuri River then to the Waihou River. Paeroa and Ngatea stormwater discharges to the Ōhinemuri, Waihou and Piako Rivers respectively (via Waikato Regional Council's flood protection assets). The communities of the Wharekawa Coast either discharge to a number of streams or directly to the Firth of Thames

Strategic stormwater challenges

Asset information and knowledge

Traditionally the stormwater activity is mainly a reactive service which is typical for district councils nationally. We have limited asset information and knowledge of our stormwater network. Condition surveys have generally only been undertaken in response to an issue. We intend to move to a programme of planned condition surveys to help us better understand the state of our stormwater assets.

Increased levels of service

There are strong interrelationships between the transport and stormwater activities for stormwater management. Road catch pits can be retrofitted with devices to capture sediment and other large pollutants from stormwater runoff. Nationally good environmental outcomes have been achieved with this stormwater quality solution. We know that we need to become more proactive in our stormwater management, including stormwater from our transport network for good environmental outcomes, and not just for meeting compliance requirements such as discharge consent conditions and the National Policy Statement on Freshwater Management 2020. This may mean the activity will require a higher level of funding than in the past.

We will be developing a strategy jointly with our internal Transport Team to reduce the pollution running off our local roads. We may require land to locate the new stormwater quality assets (for example soft plantings to filter stormwater and hard devices to capture sediment). There will also likely be consequential operational expenditure required for this higher level of service for stormwater quality management than in the past. We will seek external funding with Waka Kotahi to support our proactive stormwater quality management.

Preparing for climate change

We are developing our understanding of the impacts of climate change for the district for the next 20-30 years. Climate change will affect our district over the medium to long term in line with projections provided by the Ministry for the Environment for the Waikato Region as noted in Part One. For the stormwater activity, this means for our district and the Waikato Region:

- Flooding – more heavy rainfall will increase the risk of inland flooding in the west of the region and in the river catchments in the Coromandel.
- Rising sea levels and storm surge – will increase the risk of saltwater intrusion in low lying coastal areas.

The higher intensity rain events are more likely to cause inundation as the network was not designed to cope with these higher intensities. There are also uncertainties such as the minimum floor levels for some low lying areas in Paeroa that may have limited freeboard against more frequent higher intensity storms. In the longer term stormwater flows in the townships located on the Plains (including Ngatea, Turua and Waitakaruru) may not be able

to be drained to the river by gravity through floodgates due to sea level rise and may require additional pumping from existing pump stations.

We will continue to monitor trends in the performance of our stormwater network, particularly flooding risk to residential properties, with the more intense and frequent storms. New stormwater infrastructure is designed with an allowance for a 20% increase in rainfall intensity (based on a Council resolution) which equates approximately to the RCP8.5 Scenario subsequently developed. We design our infrastructure to take into account climate change projections and the risk of climate change weather related events. At this stage, the financial implications of adapting to the effects of climate change are uncertain for the stormwater activity and they will be refined in subsequent strategies and plans as investigations are progressed.

Future challenge -discharge standards

Our consents for discharging stormwater into waterways expire in 2023. We have started preparing the evidence to support our applications. We know that there will be higher requirements than we currently have including treatment and more comprehensive monitoring. This will require us to be more proactive in stormwater quality management than our current practices. The Regional Council will expect us to incorporate green infrastructure in our new subdivisions and also retrospectively in our existing urban areas.

At this stage we do not know what the minimum discharge standards will be. This will be influenced by the Government's suite of proposed legislative and regulation changes to improve the freshwater ecological health including the National Policy Statement for Freshwater Management 2020 and the proposed National Environmental Standards for Freshwater (2019).

Asset condition and performance

The district's primary stormwater pipe material is concrete at 84% of the network followed by poly vinyl chloride at 10.8%. Condition surveys have only been undertaken in response to an issue to date. We intend to move to a programme of planned condition surveys to help us better understand the state of our stormwater assets.

Asset performance of our stormwater network is assessed in terms of capacity constraints (flood protection) and stormwater quality. We currently have no recently recorded flood incidences in our district where there is risk to life or safety, or frequent and repeated damage to property. We know that this may change with the impact of climate change but there are many uncertainties as noted above.

There were no flood events reported or habitable floors flooded recorded in 2018/19 or 2019/20 as a mandatory performance measure.

Significant infrastructure issues for the stormwater activity and the principal options for managing these issues are detailed in the following table. The highlighted option preferred as the most likely scenario has been identified. Some issues may have more than one option recommended as the preferred.

Significant issues and options

Significant issue	Principal options for managing the issue	Implications of the options	Years 1–10	Years 11–20	Years 21–30	Risk (H/M/L)
<p>Implications of the Government's Three Waters Reform and changes to legislation to improve the freshwater ecological health including strengthening the stewardship of wastewater and stormwater with regional councils remaining primary regulators.</p> <p>The initial focus for the three waters reforms for stormwater will be collecting performance information as relatively limited data currently exists, and promoting best practice. The Government may also set minimum standards for stormwater discharges after the initial phase of collecting performance information.</p>	<p>1. Continued regional approach by collaborating with neighbouring councils to determine best service delivery model.</p> <p>Option 1 is preferred as the most likely scenario (medium term)</p>	<ul style="list-style-type: none"> Implications from the water reforms on service delivery happening at a rapid pace. Implications of freshwater legislation/standard changes are unknown, but may result in more changes to discharge standards when resource consents expire. Council needs to opt into the reform programme to be eligible for Government's funding package. 	<p>✓</p> <p>Budget is unknown but expected to be significant.</p>	<p>✓</p> <p>Unknown</p>	<p>✓</p> <p>Unknown</p>	<p>High</p> <p>There will likely be major structural changes unless neighbouring councils cluster together.</p>
	<p>2. Increased focus on compliance, monitoring and reporting for meeting consent conditions. This involves getting appropriate systems set up.</p> <p>Option 2 is preferred as the most likely scenario (short term)</p>	<ul style="list-style-type: none"> This will impact our internal resourcing under the current legislation, even before the impacts of the proposed Water Services Bill are fully understood. A dedicated compliance resource (shared for three waters) has been identified to address the increasing quality management requirements. 	<p>✓</p> <p>Medium costs for an additional resource (shared for 3 waters)</p>			
<p>Effect of climate change on stormwater infrastructure to cope with capacity.</p>	<p>1. Continue to allow for a 20% increase in rainfall intensity when we design new stormwater infrastructure (based on Council resolution), typically larger capacity. However, investigate climate change projections, particularly what this means for rainfall intensity.</p>	<ul style="list-style-type: none"> Pipes will be increased in capacity to cope with projected climatic variations as they are replaced or new infrastructure is installed. 	<p>✓</p> <p>Low cost and included within project costs</p>	<p>✓</p> <p>Low cost</p>	<p>✓</p> <p>Replacement of end of life infrastructure to comply with new design requirements</p>	<p>Low</p> <p>We have time to identify and respond to changes</p>

Significant issue	Principal options for managing the issue	Implications of the options	Years 1–10	Years 11–20	Years 21–30	Risk (H/M/L)
	Option 1 is preferred as the most likely scenario (ongoing)					
	2. Develop Catchment Management Plans to help better understand predicted habitable floor flooding.	<ul style="list-style-type: none"> Identify predicted habitable floors that may flood in future and how Council will mitigate this (may not necessarily be large pipe solution). 	✓ Medium cost within existing budget for plan development in next 5 year	✓ Unknown costs if multiple habitable floors identified	✓	
Expectations from stakeholders to be more proactive in stormwater quality management than our current practices.	1. Develop a joint strategy with our internal Transport Team to reduce road runoff pollution and achieve good environmental outcomes. Undertake a stocktake of what stormwater quality assets we have to establish our baseline. Option 1 is preferred as the most likely scenario (medium term)	<ul style="list-style-type: none"> Road catch pits can be retrofitted with devices to capture sediment and other gross pollutants from stormwater runoff. However, there are not just capital but also ongoing operational costs that need to be considered before adopting this approach. We will seek external funding with Waka Kotahi to support our proactive stormwater quality management. 	✓ Medium costs requiring additional budget and potentially external funding	✓ Medium costs	✓ Medium costs	Medium
	2. Identify opportunities to implement stormwater treatment solutions and develop a proactive programme for stormwater treatment	<ul style="list-style-type: none"> Install stormwater treatment devices both proactively and retrospectively 	✓ Medium costs requiring additional budget	✓ Medium costs	✓ Medium costs	Medium

Table 6: Significant issues and options for stormwater

Stormwater expenditure forecasts

Figure 10 presents the expenditure forecast for stormwater which are based on the following assumptions:

- The Government’s Three Waters Reform and changes to legislation to improve the freshwater ecological health, higher expectations from the Regional Council, and co-governance of the rivers will drive the need to improve water quality.
- We will be required to retrospectively install measures to treat stormwater particularly from road run off to acceptable levels prior to discharging to the receiving water body.
- Legislation with the three waters reform will have a significant impact on this activity and at a rapid pace.
- We will continue to replace end of life infrastructure with infrastructure sized to accommodate climate change.
- Resources will be available so we can deliver our capital works programme.
- We will provide services at the levels forecast in our Stormwater asset management plan and 2021 long term plan.

Over the next 30 years it is expected that our major capital expenditure items include:

- Stormwater quality improvements to meet higher standards and improve ecological health (\$1.5 million from 2031/32 to 2050/51).
- Obtaining new resource consents (\$270,000 in next three years).

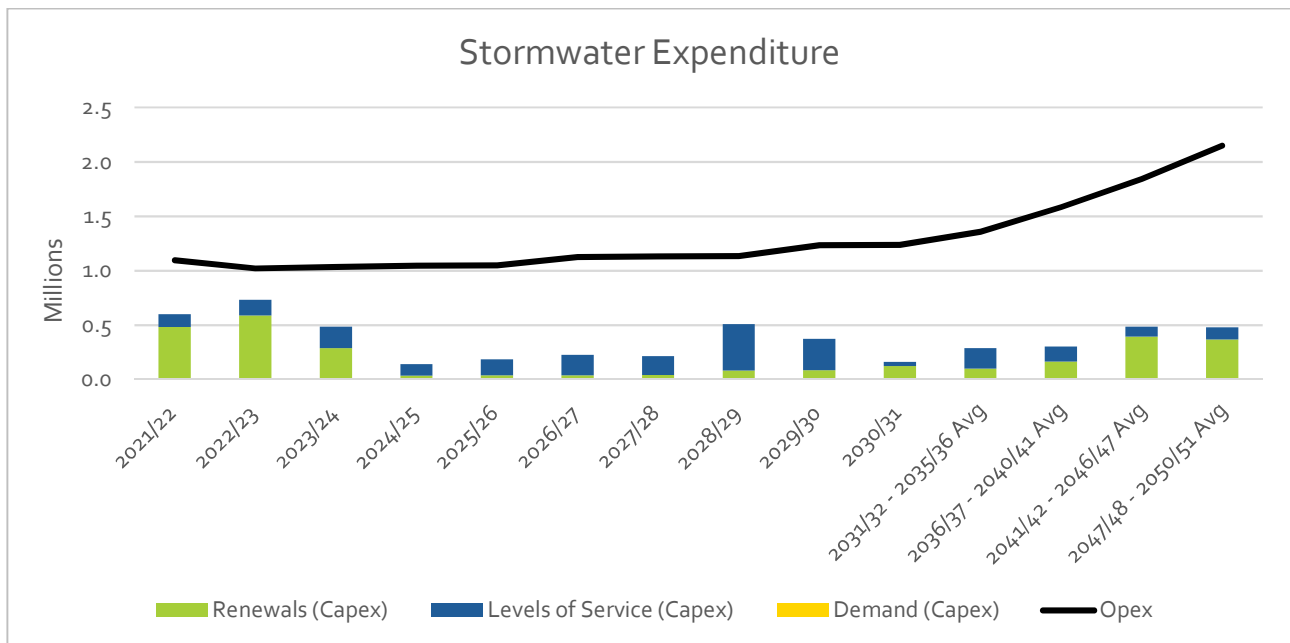


Figure 10: Stormwater expenditure forecast (inflated)

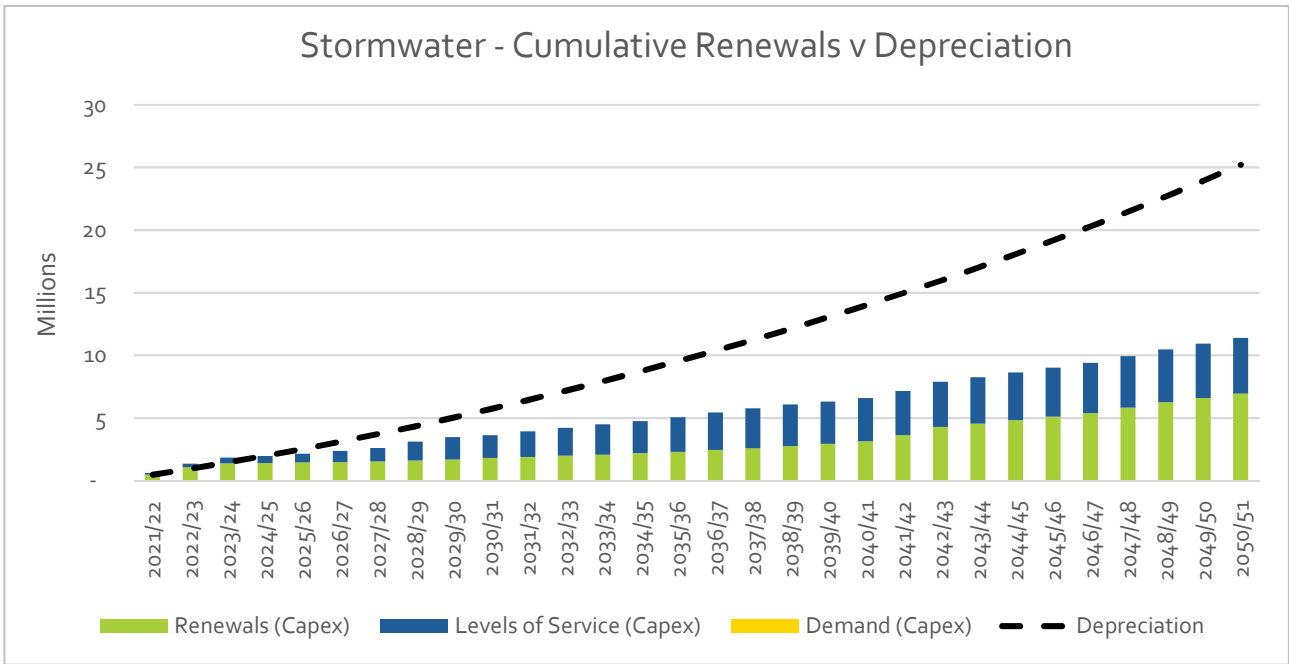


Figure 11: Stormwater renewals and depreciation (inflated)

We expect that our stormwater pipe network will see an increasing need to undertake replacements as the existing infrastructure reaches end of life or in response to an adaptive approach to climate change. The main impact of this replacement is likely to occur in the latter years of the 30 year timeframe of this strategy, as shown above.

Funding this activity

We fund our stormwater services through rates. The rates include a capital value-based district rate (15% of our operational spend) and a capital value-based targeted rate (85%). As with all our activities, our policy on funding capital expenditure is to utilise sources of funds in the following order:

1. Grants and subsidies.
2. Development/financial contributions.
3. Depreciation.
4. Reserves.
5. Borrowing – internal.
6. Borrowing – external.

Land Drainage and Flood Protection

Background

Land drainage and flood protection involves collecting runoff from the rural catchment areas of our district and discharging it directly to river or sea outlets. Drainage schemes are designed to ensure that water does not lie on the ground for more than three days for an event of approximately a 10% annual exceedance probability (AEP – the equivalent of a 1 in 10 year event). The activity aims primarily to ensure the productive capability of pastoral land (over 47,000 ha).

The majority of the flood protection service in the Hauraki District is provided by the Regional Council except in the northwest part of the district (Waitakaruru to Miranda) where it is provided by Hauraki District Council. Flood protection assets provide direct protection from river and tidal flooding and include stopbanks, floodgates and pump stations.

The drainage service is provided by Council in five drainage districts. We have 650 kilometres of rural land drains and 50 kilometres of primary stopbanks, 5 pump stations (1 for flood protection and 4 for drainage). Settlements, or parts of settlements that sit alongside these land drains include Ngatea, Kopuarahi, Kerepehi, Patetonga, Netherton, Turua, Oronga, Waitakaruru and parts of Paeroa. These settlements, or those parts of these settlements that sit alongside the land drains have a higher level of risk if the land drains are not able to meet capacity during storm events.

Strategic land drainage and flood protection challenges

Network extension

Work is underway to establish a drainage district called the Pūkorokoro Drainage District. It will both provide protection to the farmers and allow for the establishment of wetlands. Process is still underway to reach an agreement.

Maintaining level of service

The current level of service for pasture protection is no ponding after three days from an approximately 1 in 10 year event (10% Annual Exceedance Probability (AEP)) or less. This means farmers have no ponding on their paddocks after storm events for normal farming use after three days. This is a historical service level and was based on a pragmatic approach to remove the excess runoff from the paddocks (using 1 and ½ inch runoff in one day as the basis).

Our stopbanks experience ongoing settlement due to consolidation of the soil layers under the weight of the stopbanks. The central Plains area has experienced the most ground settlement from farm cropping and peat oxidation and this rate is expected to continue. There is greater change in ground settlement than expected from sea level rise due to climate change impact for this activity.

We will continue to maintain the stopbank heights to ensure the pastures are protected from flooding and available for normal farming most of the time. We do this by inspections, drone surveys, and periodic top ups of the stopbanks.

Preparing for climate change

Climate change impacts, such as sea levels rise, will impact the land drainage and flood protection function. The flood gates may not open long enough to drain the land adequately due to sea level rise and with the land subsiding. This will mean a greater reliance on pumping of the floodwaters to keep the paddocks dry.

Rainfall events are likely to become more intense and frequent due to climate change impacts. However, it is the total rainfall volume that is the main concern for the land drainage and flood protection activity. Under the different

scenarios from a number of sources (NIWA, Waikato Regional Council and Intergovernmental Panel on Climate Change), the total rainfall volume is not predicted to increase significantly long term, however the intensities of rainfall events will and the incident of drought events.

We are collecting evidence so we can understand any material change on the land drainage and flood protection activity due to climate change impacts. This includes monitoring rainfall events at sites in our district.

Due to the potential effects of climate change costs may need to increase in the medium-term for increasing the pumping as the existing flood gates cannot drain adequately, and consequent additional electricity costs. Longer term, the service levels for flood protection assets (owned by the Regional Council) may reduce if pumping systems are required as gravity drainage becomes ineffective (likely 50 years plus horizon).

Future challenges –improving freshwater quality

The National Policy Statement on Freshwater Management 2020 requires higher standards of stewardship for our water bodies. In future, existing farmland may need to be purchased by Council and wetlands established upstream of floodgates / pump stations to improve freshwater quality before it is discharged.

There are now stringent resource consent conditions for the clearing of drains, including undertaking fish studies. These are costly and may not be workable for these modified streams. We will work towards long term consent conditions for the complete land drainage network.

The Resource Management (Stock Exclusion) Regulations 2020 are part of the Government’s Action for Healthy Waterways package to set higher standards for the nation’s waterways. The regulations require exclusion of stock from lakes and wide rivers, natural wetlands identified in regional or district plans, and on low slope land. The Government’s freshwater reforms to clean up the nation’s waterways have been released. We will be working through the implications of these reforms with our community through the Drainage Committees. The focus is on stopping and reversing decline to waterways which are heavily impacted by drainage practices.

Asset condition and performance

We have improved the knowledge of the state of our land drainage and flood protection assets through:

- Undertaking drone and ground surveys of the stopbanks.
- Ongoing identification of any defects as part of monthly inspections of the pump stations.

Asset performance of our drainage and flood protection assets relates to the flood protection provided to protect the district’s arable land. There was no ponding for more than three days reported in 2018/19 and 2019/20 for this performance measure for protecting pasture.

We have defined our critical assets that are important to our community for this activity as stopbanks, flood gates, and pump stations.

Significant infrastructure issues for the land drainage and flood protection activity and the principal options for managing these issues are detailed in the following table. The highlighted option preferred as the most likely scenario has been identified. Some issues may have more than one option recommended as the preferred.

Significant issues and options

Significant issue	Principal options for managing the issue	Implications of the option	Years 1–10	Years 11–20	Years 21–30	Risk (H/M/L)
Impacts of sea level rise associated with drainage efficacy. When pastoral land is inundated it is unusable. If ponding occurs for an extended period or if the water is saline, pasture can die off.	<ol style="list-style-type: none"> Increased pumping and re-grading. Continue to monitor stopbank height to maintain existing service levels. Periodically top up stopbanks. Option 2 is preferred as the most likely scenario 	<ul style="list-style-type: none"> In the medium term, more pumps and pumping would be required as the water table rises. This will mean increased energy and operating costs. Flood gates will become submerged and ineffective. Long term impacts include loss of viable productive pastoral land. This would have wide reaching impacts on the economy of the district. 	✓ Low cost within existing budget (currently being raised)	✓ \$0.75m Stopbank raising every 10 to 15 years	✓ \$0.75m Stopbank raising every 10 to 15 years	High We have time to identify and respond to changes
The Government’s Action for Healthy Waterways package sets higher standards for the nation’s waterways. Potential impacts include conversion of farmland into wetland to improve freshwater quality.	<ol style="list-style-type: none"> Work with industry to influence Government on a practical and financially viable framework to improve the waterways. Option 1 is preferred as the most likely scenario 	<ul style="list-style-type: none"> In future farmland may need to be retired and converted to wetlands to improve freshwater. This would likely be a significant cost, which is unknown at this stage. 	✓ Unknown	✓ Unknown	✓ Unknown	High

Table 7: Significant issues and options for land drainage and flood protection

Land drainage and flood protection expenditure forecasts

Figure 12 presents the expenditure forecast for land drainage and flood protection which are based on the following assumptions:

- Climate change will result in a sea level rise and may require greater reliance on pumping of the floodwaters to keep the paddocks dry.
- Stopbank raising is required every 10 to 15 years to maintain the existing service levels. This is reflected in our capital expenditure forecasts below.
- Resources will be available so we can deliver our capital works programme.
- We will provide services at the levels forecast in our Land Drainage and Flood Protection asset management plan and 2021 long term plan.

Over the next 30 years it is expected that our major capital expenditure items include:

- Stopbank reconstruction at \$6 million (from 2031/32 to 2050/51).
- Development of fish passages in pumps and flood gates, and gaining consent as part of the freshwater improvements at \$500,000 (over 30 years).

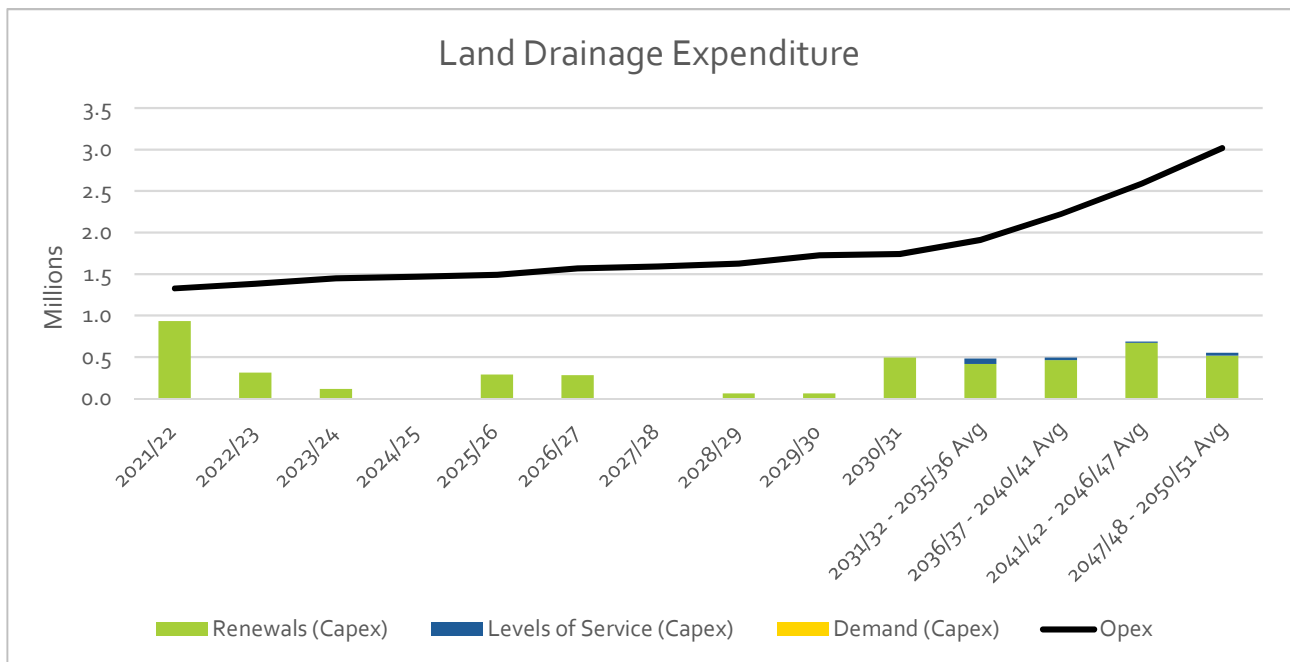


Figure 12: Land drainage and flood protection expenditure (inflated)

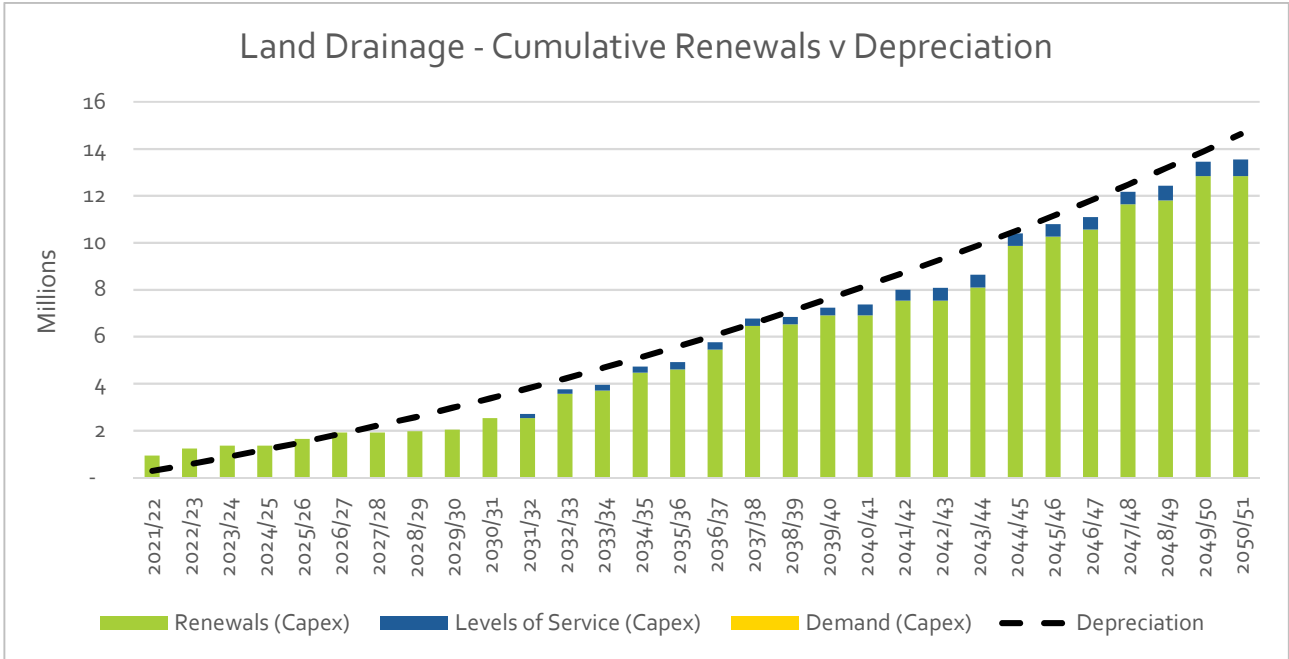


Figure 13: Land drainage and flood protection renewals and depreciation (inflated)

We expect that our stop banks will need topping up every 10 to 15 years. The top-ups shown in Figure 12 are described as renewals.

Funding this activity

We fund our land drainage services through rates. The rates include a land-value based targeted rate (85% of our operating spend) and a capital value-based district rate (15%). Flood protection is funded the same way. As with all our activities, our policy on funding capital expenditure is to utilise sources of funds in the following order:

1. Grants and subsidies.
2. Development/financial contributions.
3. Depreciation.
4. Reserves.
5. Borrowing – internal.
6. Borrowing – external.

Land Transport - roads and footpaths

Background

We provide 620 kilometres of roads (506 kilometres sealed and 114 kilometres unsealed), approximately 163 bridges and 114 kilometres of footpaths in our district. The land transport activity provides essential infrastructure to connect our communities.

Strategic land transport challenges

Renewing infrastructure

Sustainable resurfacing programme

We know that we need to invest more in resealing our roads. We need to keep ahead so there is not an unsustainable deficit that is unaffordable for our future ratepayers. An assessment of the seal life of road pavements shows that 28% of our network is older than the design life compared to an industry acceptable level of 10 to 15% (refer to Figure 14). There is also a large cohort with an expected remaining life of five years.

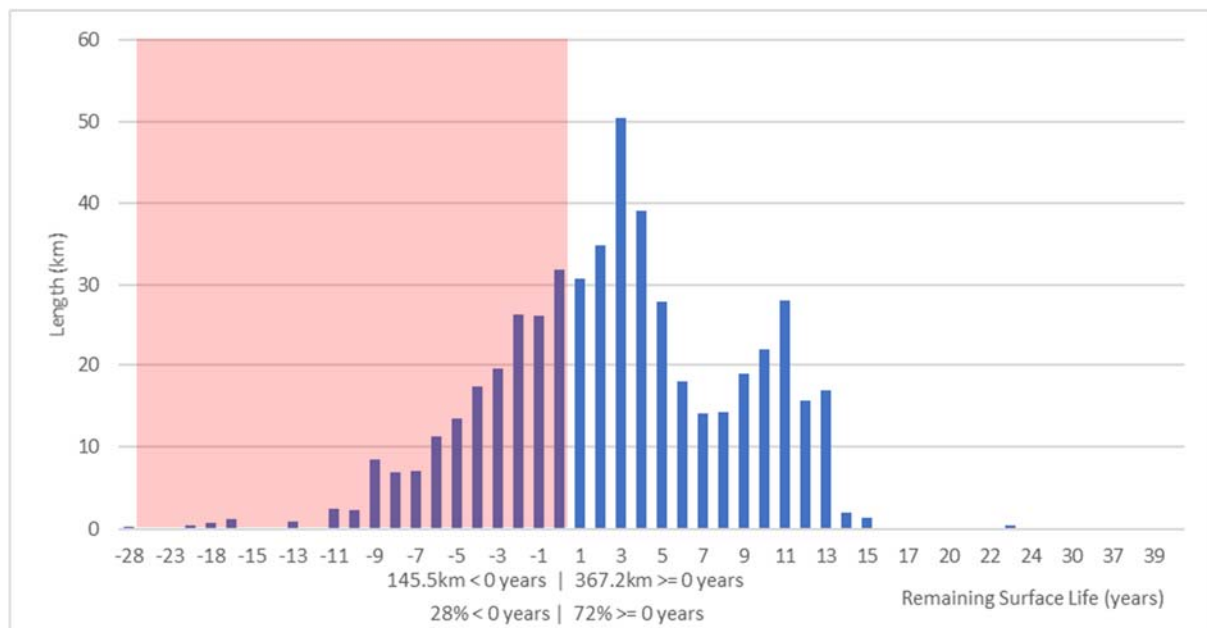


Figure 14: Remaining surface life distribution

Source: Hauraki District Council, RAMM Database (as at January 2020)

We have been gathering data to develop an evidence-based pavement intervention strategy to better inform future investments for the sealed network. Current initiatives include:

- Validating the performance of sealed pavements built on different soil types, particularly on peat subgrades (known soft subgrade soils are organic soils, gley soils and ultic soils as shown in Figure 15).
- Starting a high speed data gathering programme to detect cracking in the surfacing of our roads across the district over the next two years. This will be a major gain in network knowledge and be used for the long term modelling for predicting surfacing deterioration.
- Site verification to areas of concern to compare trends in sealed pavement deterioration.

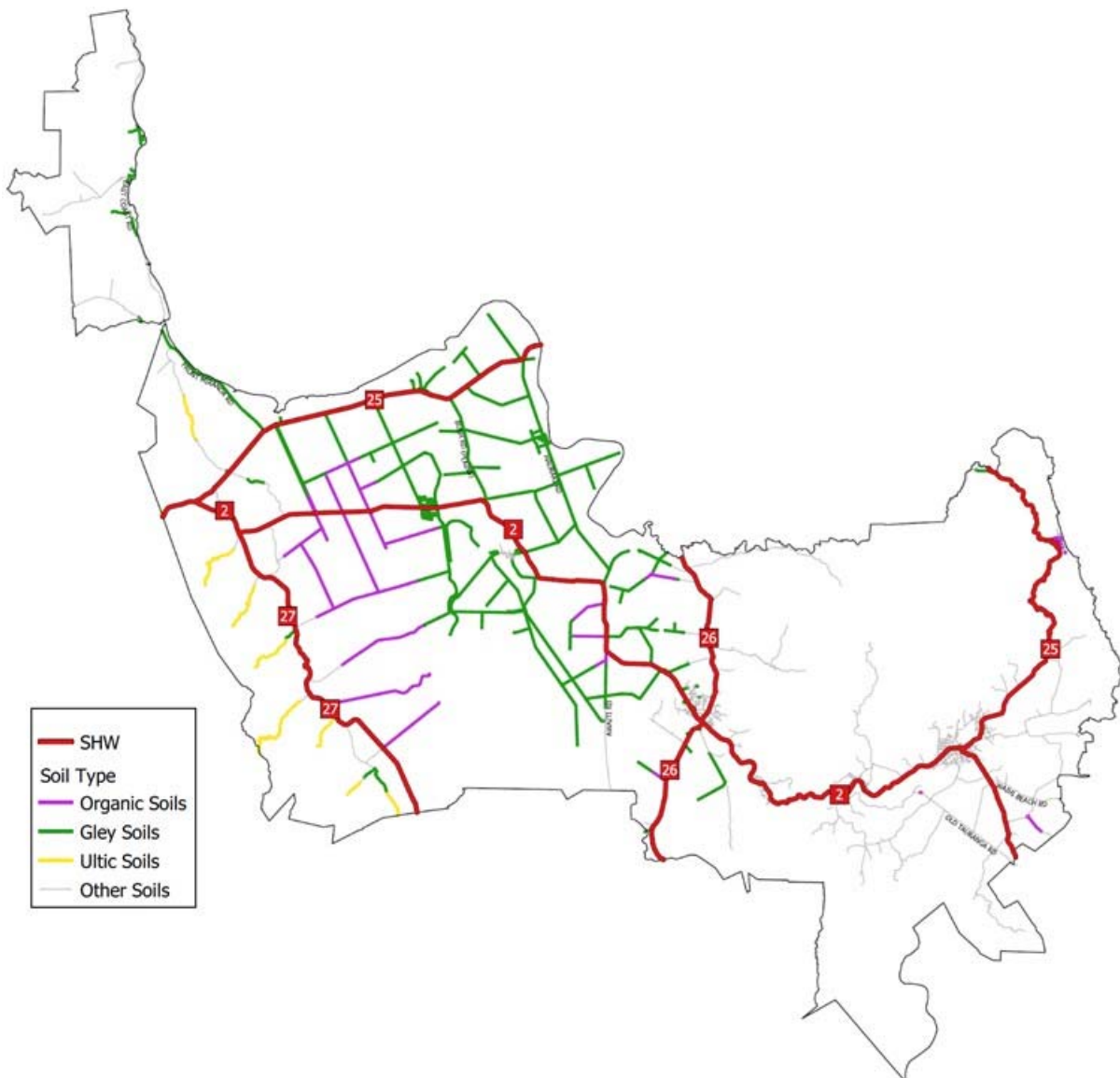


Figure 15: Soft subgrade soils within the district
 Source: RATA (as at March 2020)

An increased investment in reseals is required to address the large amount of aged sealed assets (overdue). In mid-2021 we received notification from Waka Kotahi New Zealand Transport Agency that it would not be in a position to provide subsidy for the full schedule of projects we had allowed for the first three years of our long term plan. This means we will not be able to complete as many reseals and rebuilding of roads as we'd like in the first three years and have kept our reseals and rehabilitation budget at the same level it was in our 2018-28 long term plan for years 1-3. This is likely to result in a reduced level of service as rehabilitation of roads is deferred. We plan to bring the percentage of backlog down to 15% (from 28%) from year four with a higher level of investment.

We have undertaken high level analysis of different reseat profiles (five profiles in total) in advance of the long term modelling outputs. An optimised profile has been identified and has informed this strategy and 2021 long term plan. The preferred profile is developed based on the actual seal lives achieved, which reduces the backlog to 15% in five years and requires 8.3% reseals per year. This requires an increase in investment levels higher than the adopted 2018 long term plan budget. We have adopted a different reseat strategy for managing the pavements on the soft subgrade soils.

Ageing bridge profile

We now have better understanding of the state of our bridge network. Bridges are critical assets of our transport network, so we need to ensure that they are in good condition. We have inspected the district's bridges to assess the

asset condition and record the construction dates. The condition survey has informed the development of the forward works programme. There is a greater level of bridge components that need replacing than the 2018 long term plan budget allowance.

Providing for growth and changes to levels of service

Road safety

There is an increased focus on road safety nationally and the New Zealand Government has released its proposal for the new road safety strategy, Road to Zero. The focus areas include infrastructure improvements and speed management, vehicle safety, work related road safety, road user choices and system management.

A network wide safety assessment has been completed and the top eleven crash roads have been identified. Most crashes were generally found to have occurred on open (rural) roads, at intersections, at busy sections of road with no street lighting, or due to direct roadside hazards. We will focus our safety investment on these top worst roads to gain the maximum benefits. Options include reducing speed or physical engineering improvements. We are currently working through the process of implementing a widespread speed limit reduction throughout the district.

High speed roads that do not provide adequate recovery areas are particularly of concern. There is a greater chance of drivers not able to rectify errors quickly on these roads resulting in accidents. To address this, we will also be reviewing the road safety policies and allowing for physical engineering interventions at targeted sites as required.

Increasing accessibility and network connectivity

There is inadequacy in the provision of purposeful infrastructure to support our communities to be better connected, especially within our rural network. The district's aged population is increasing, and we need to ensure that our transport network is accessible for them as well as disabled people. An ageing population will drive more urban development and associated need for infrastructure. The One Network Framework is being developed nationally to provide a common language to reflect the role transport corridors play in the movement of people and freight across all transport modes, the social spaces they provide, and their role in providing access to adjacent land. We have created a budget and allowed for local public transport options to be explored.

Asset improvement and creation will be a focus area in the medium to long term in our urban areas with high footpath usage and aligns with our focus on the social and economic wellbeing of our communities and healthy environment. Our approach to shared space and footpath widths will likely change once the One Network Framework is completed and implemented nationally.

Managing risk and increasing resilience

People resilience – We have focused on building our people resilience first to enable us to strengthen our infrastructure resilience. This approach has allowed us to build asset knowledge and develop consistent decision-making processes. We have done this by the following initiatives:

- Increased our in-house knowledge of the transport network performance with bringing technical asset management in house.
- Set up an in-house Project Management Office to coordinate work programmes.
- Ongoing support from Waikato Regional Asset Technical Accord for data management.
- Formed relationships with selected consultants for periodic specialist support.
- Enhanced collaboration with the Road Maintenance Contractor to have robust communication protocols and procedures, and appropriate signage for keeping the network resilient.

Infrastructure resilience - There are parts of our transport network that are vulnerable and susceptible to weather related events and rising sea levels. Areas of concern include the boundary with Auckland region, the Wharekawa Coast and maintaining lifeline routes (key transport routes) across our district. Our initiatives to strengthen our transport infrastructure resilience are listed below.

- The priority is ensuring that the key routes for the district remain available and safe for road users after weather related events. The current focus is on pro-active maintenance before storm events and being ready to respond.

- We have increased our awareness of our transport network risks in relation to sea level rise and have identified four susceptible road sections.
- The Wharekawa Coast 2120 project has been set up through a joint working party (Council, Regional Council and iwi) to holistically plan for the future of the communities of the Coast. Natural hazard assessments have substantially been completed. The next step is to undertake a risk assessment process.
- We will undertake scenario planning to establish the lifeline routes across our district including local roads and state highways particularly across the flood susceptible Plains. We will identify critical bridges and culverts, the potential impacts of stopbank failure, and safe routes.

Future challenges – stormwater quality

It is recognised that stormwater runoff from the transport network pollutes the waterways. There is increased emphasis on the quality of stormwater runoff from roads. We will need to consider green infrastructure that provides treatment and slows down the stormwater flows.

We will work with our internal Water Services Team on developing solutions and educate our community about stormwater management. This infrastructural issue needs to be addressed and we are in discussions with Waka Kotahi regarding funding. The Productivity Commission has identified this as a national issue. We intend to lobby Waka Kotahi with other Road Controlling Authorities to contribute to the cleaning up of the stormwater runoff for improved environmental outcomes.

Asset condition and performance

Performance and condition across the various land transport asset classes is as follows:

- Pavements:
 - Sealed road performance – The overall state of the sealed network is assessed in many ways but ride quality is commonly used as can be compared nationally. The ride quality for the urban network had been trending downwards. The network will continue to deteriorate with current investment levels. Sensitivity analysis is planned to determine required investment levels.

It is known that the pavements deteriorate more rapidly on the Hauraki Plains due to the known soft subgrade soils (refer to Figure 15). Analysis of maintenance costs against pavements on different soil types is helping inform the intervention strategy.

 - Sealed road condition – Figure 14 shows the remaining life of pavement surfaces. Surfaces with zero or negative seal life imply that the surfaces have expired and require renewals. This shows that 28% of our sealed network is older than the design life. Unsealed road condition – The overall condition of the unsealed road network is measured by monthly visual inspections. The condition is generally considered good but varies throughout the year due to heavy rain, periods of dry weather and heavy vehicle loads.
 - Critical road condition – Waka Kotahi’s One Network Classification is used to categorise the criticality of roads with a consistent framework nationally. Peak roughness refers to bumps in roads and how smooth the drive is. While the peak roughness for some categories exceeds the Waikato Region maximum (for 2019/20), we have generally performed well when benchmarked at national level.
 - Road safety – The number of serious injuries and fatalities has remained relatively static from 2017/18 to 2019/20 (three year average of 1 fatality and 4.33 serious injuries) and remains a major focus. The top 11 crash roads have been identified in the Land Transport activity management plan.
- Bridges:
 - Bridge condition – Most of the bridges (approximately 80%) are between 30 and 65 years old so about midway towards the end of the asset life. Asset condition is regularly assessed with inspections and surveyed every second year. The data from these two site inspection processes are currently not recorded in the asset management system due to system limitations. There are plans to assess the bridge structure at asset component level as part of a national pilot to address this.

- Bridge performance – It is important that our bridge network is accessible to heavy vehicles that support the district’s economy. The number of heavy vehicles is increasing particularly milk tankers. We plan to undertake a detailed capacity assessment of all our bridge structures, starting with timber deck bridges. We will then develop a prioritised programme based on traffic volume. .
- Footpaths – Most footpath assets are relatively new or close to midway through their asset life (depending on the material type) at between 12 to 18 years old. There is a proportion that have exceeded their asset lives, mostly for footpaths of asphaltic concrete material. Over 90% of the footpaths are rated as in excellent or good condition. However there has been a decrease in excellent condition and increase in good condition since 2008.
- Road drainage – Most drainage asset classes are quarter to halfway through their asset life.

Significant infrastructure issues for the land transport activity and the principal options for managing these issues are detailed in the following table. The highlighted option preferred as the most likely scenario has been identified. Some issues may have more than one option recommended as the preferred.

Significant issues and options

Significant issue	Principal options for managing the issue	Implications of the options	Years 1–10	Years 11–20	Years 21–30	Risk (H/M/L)
Sustainable resurfacing programme may be unaffordable for our community.	1. Continue with the existing resurfacing programme based on the default seal lives in the RAMM database (baseline scenario for chip seal resealing only).	<ul style="list-style-type: none"> Resurfacing may be undertaken too early or too late as based on theoretical seal lives. Backlog may be created that cannot be addressed. 	✓ \$1.6 million per annum	✓ \$1.6 million per annum	✓ \$1.6 million per annum	High
	2. Identify the optimised profile for different reseal profiles based on current information available. Option 2 is preferred as the most likely scenario (short to medium term).	<ul style="list-style-type: none"> An optimised programme may still not be affordable particularly with the economic recession. 	✓ \$1.7 million per annum	✓ \$1.9 million per annum	✓ \$1.9 million per annum	High
	3. Gathering data to develop evidence based pavement intervention strategy. Run long term model to determine the optimised profile. Option 3 is preferred as the most likely scenario (long term).	<ul style="list-style-type: none"> Takes time for data gathering and long term modelling for predicting surface deterioration. Long term view based on multiple treatment options with sensitivity analysis for different investment levels. 	✓ To be determined	✓ To be determined	✓ To be determined	High
Inadequate provision of purposeful infrastructure to support our communities to be better connected, especially within in our rural network.	1. Allocate funding for improving non-vehicular transport routes including walking, cycling and mobility impaired forms of travel and prepare an annual programme of works to prioritise initiatives. Option 1 is preferred as the most likely scenario (short term).	<ul style="list-style-type: none"> Works will be prioritised. Provides greater transport options. Meets our customer expectations. 	✓ \$700k per annum (O & M and capital) (subsidised)	✓ To be determined	✓ To be determined	Medium
	2. Review strategies and maintenance programmes for footpaths and shared spaces once the One Network Framework is completed and implemented nationally.	<ul style="list-style-type: none"> Improves network connectivity. Aligned with national strategic direction as set out in the Government Policy Statement. 	✓ Budget impacts unknown	✓ Budget impacts unknown	✓ Budget impacts unknown	Medium

Significant issue	Principal options for managing the issue	Implications of the options	Years 1–10	Years 11–20	Years 21–30	Risk (H/M/L)
	Option 2 is preferred as the most likely scenario (medium term).					
Impacts on roading infrastructure from climate change. Parts of the transport network are vulnerable and susceptible to weather related events and rising sea levels.	1. Continue with proactive maintenance before storm events and being ready to respond. Option 1 is preferred as the most likely scenario (ongoing).	<ul style="list-style-type: none"> • More slips are likely if recent rainfall events are indicative of the increased rainfall. • The Plains area is predominantly peat soils which are susceptible to increases and decreases in water which impacts on our renewals and maintenance plans as road surfaces need to be replaced more often. 	✓ Low cost within existing budgets			High
	2. Undertake scenario planning to establish the lifeline routes across our district including local roads and State Highways particularly across the flood susceptible Plains. Option 2 is preferred as the most likely scenario (medium term).	<ul style="list-style-type: none"> • Critical bridges and culverts identified and associated strategies developed to mitigate risk. Safe routes identified for emergency event planning. 	✓ Low cost within existing budgets			High
Increase in heavy vehicles in district and sub region impacting bridge structures. Uncertainty of bridge load bearing capacity.	1. Continue with weight restrictions and speed limits for four identified bridges with load bearing capacity issues. Option 1 is preferred as the most likely scenario (ongoing).	<ul style="list-style-type: none"> • Bridge failure and / or permanent damage if restrictions are not complied with by heavy vehicle operators. • Damaged bridge closed reducing network accessibility. • Ongoing weight restrictions. • 	\$6 million (O & M)			High
	2. Undertake detailed capacity assessment of bridges where traffic volume is high. Prioritise the approach for remaining	<ul style="list-style-type: none"> • Reduces uncertainties about bridge capacities and knowledge. 	✓ \$2.2 over 10 years (renewals)			High

Significant issue	Principal options for managing the issue	Implications of the options	Years 1–10	Years 11–20	Years 21–30	Risk (H/M/L)
	bridges and complete analysis district wide. Option 2 is preferred as the most likely scenario (medium term).					

Table 8: Significant issues and options for land transport

Transportation expenditure forecasts

Figure 16 presents the expenditure forecast for roads and footpaths which are based on the following assumptions:

- Waka Kotahi will continue to provide us with subsidised funding for the road network over the next 30 years under the current rates and criteria.
- Resources will be available so we can deliver our capital works programme.
- We will continue to fund at the levels in the long term plan and ten year forecasts stated in our long term plan.
- We will provide services at the levels forecast in our Land Transport activity management plan and 2021 long term plan.

Over the next 30 years it is expected that our major capital expenditure items include:

- \$1.5 million to reseal our roads each year over the next ten years.
- \$2 million to undertake pavement rehabilitation each year for the next five years, and \$1 million each year from then onwards.
- Low cost, low risk roading improvements at \$6.8 million over the next ten years.
- Bridge structural component replacements at \$0.2 million each year for the next three years, and \$0.1 million each year from then onwards.
- Accessibility improvements including walking, cycling and mobility impaired forms of travel (\$0.2 million each year over the 30 years of this strategy).

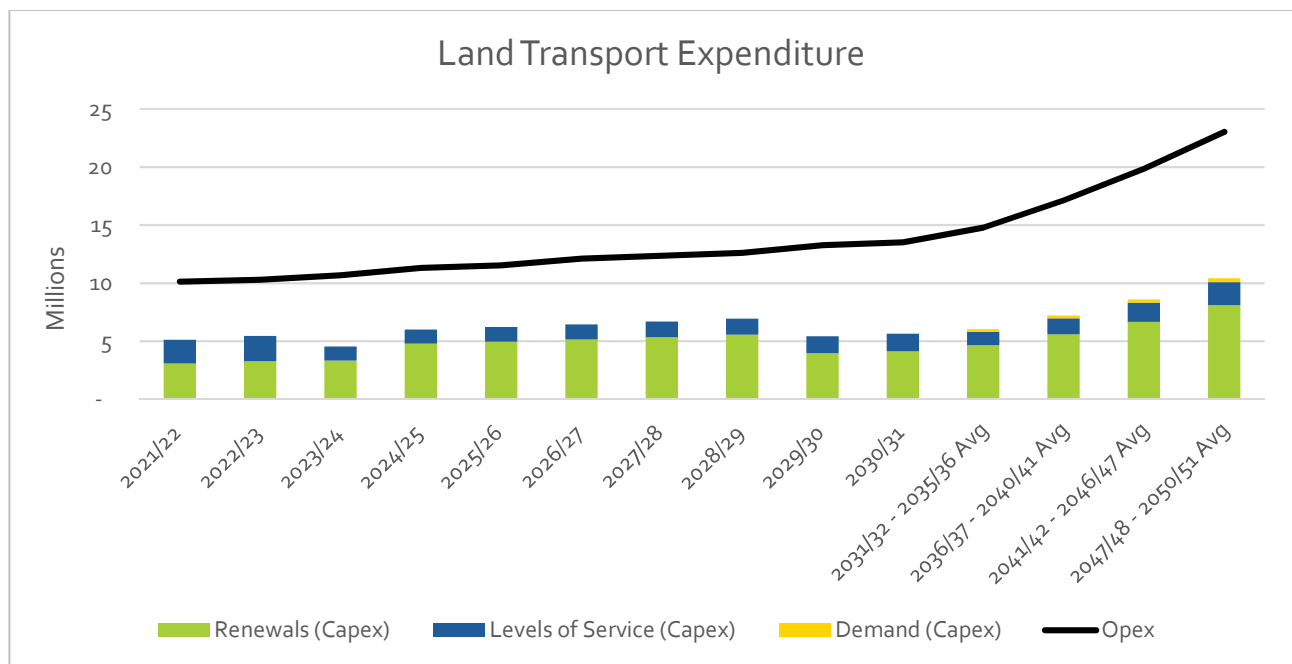


Figure 16: Roads and footpaths expenditure forecast (inflated)

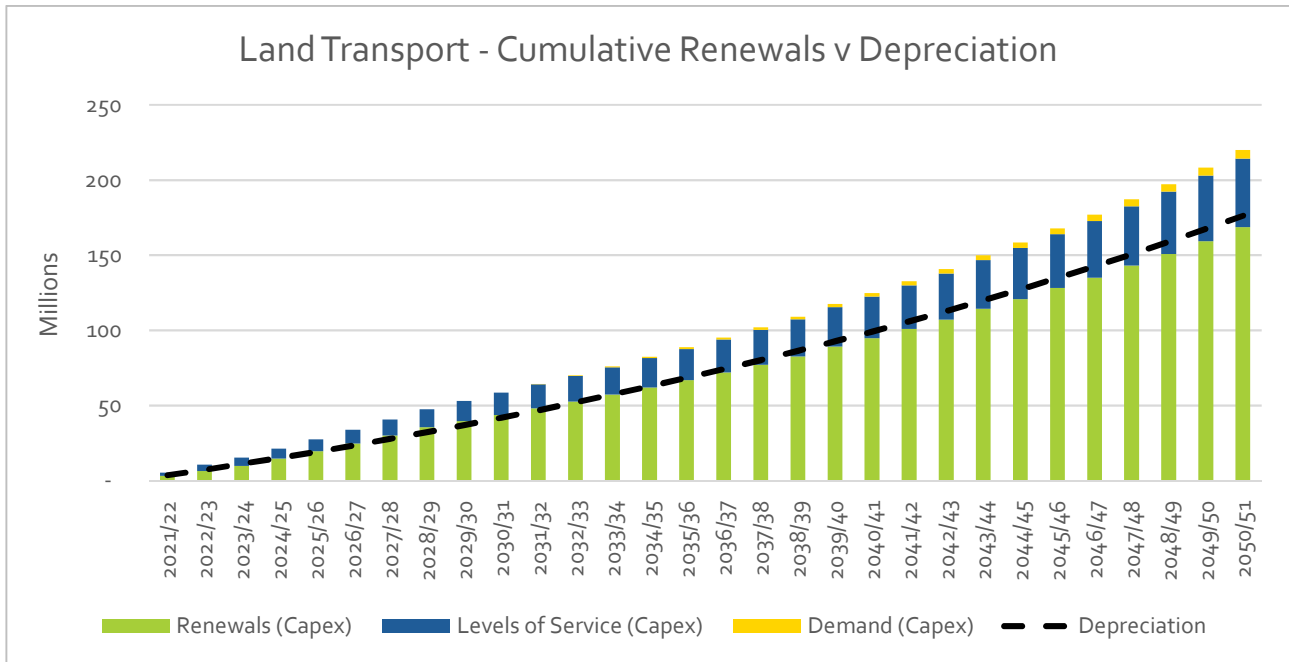


Figure 17: Roads and footpaths renewals and depreciation (inflated)

The forecast road and footpath renewals are maintained to generally match the annual depreciation of the network as shown above.

Funding this activity

We fund our land transport services from a range of sources:

Activity	Operating funding	Capital funding
Carriageways and bridges	60-85% Subsidies 15-40% Rate – Capital Value Roding	1. Waka Kotahi subsidy 2. Development/financial contributions 3. Depreciation 4. Reserves 5. Borrowing – internal 6. Borrowing – external
Footpaths	60-85% Subsidies 15-40% Rate – Uniform Annual Charge - Ward	
Lighting	60-85% Subsidies 15-40% Rate – Capital Value Roding	
Network management	60-85% Subsidies 15-40% Rate – Capital Value Roding	None
Amenity	95-100% Rate – Capital Value Roding 0-5% Fees and Charges	1. Waka Kotahi Subsidy 2. Development/financial contributions 3. Depreciation 4. Reserves 5. Borrowing – internal 6. Borrowing – external
Public transport	100% Rate - Capital Value Roding	None
Local public transport	50-100% Rate - Capital Value Roding 0-50% Fees and charges	None
Safety	100% Uniform Annual General Charge	1. Waka Kotahi subsidy 2. Development/financial contributions 3. Depreciation 4. Reserves

Activity	Operating funding	Capital funding
		5. Borrowing – internal 6. Borrowing – external
Stock underpass subsidies	100% Rate - Capital Value Roding	None
Carparks	90-100% Ward – Annual Charge 0-10% Fees and Charges	1. Development contributions/financial contributions 2. Depreciation 3. Reserves 4. Borrowing – internal 5. Borrowing – external
Town centre upgrades	60% Rate – Uniform Annual Charge – Ward 20% Rate – Capital Value – Ward Business 20% Rate – Annual Charge – Ward Business	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external

Part Three - Financial Summary

Our strategy for our infrastructure is dominated by the impacts of the three waters reforms, increasing environmental standards, managing risks and increasing infrastructure resilience, preparing for climate change, and a sustainable resurfacing programme.

We expect over the next 30 years that the most significant investment in infrastructure will be resealing our roads and upgrading our wastewater treatment plants to meet higher environmental standards. We need to keep ahead with investing in resealing our roads so there is not an unsustainable deficit that is unaffordable for our future ratepayers. There will be a higher degree of treatment required for wastewater discharges due to resource consenting requirements, Regional Council's Plan Changes, the National Policy Statement for Freshwater Management 2020, the need to reduce carbon emissions, as well as to cater for growth. The cost estimates are significant and may not be affordable for our community.

Financial assumptions

We've already noted some of our general planning assumptions in Part One of our strategy and they can be viewed in more detail in the Long Term Plan 2021-31. In summary, our key financial assumptions are:

- The need for significant expenditure in the long term to meet requirements for the management of three waters and implement water reform requirements.
- We will maximise the useful and economic lives of our assets.
- We will use risk management practices to maximise assets and the management of risk of a critical asset failing.
- Waka Kotahi will continue to provide subsidised funding to the Council for the road network over the next 30 years under the current rates and criteria.
- The Council will continue to have a development contribution policy in place.
- Future water supply, wastewater and stormwater consent conditions will be more restrictive and will cost more to comply with, implement and monitor.
- There will need to be significant expenditure in the long term to meet higher environmental standards for wastewater and stormwater discharges.
- There will need to be significant expenditure in the long term to meet requirements for the management of three waters and implement water reform requirements.
- Resources will be available so we can deliver our capital works programme. We're assuming that on average, costs of major capital works will not vary significantly from costs estimated at the concept stage, subject to general inflation trends.
- We will provide services at the levels forecast in our activity / asset management plans and 2021 long term plan, except for the upgrade to wastewater treatment plants and other infrastructure upgrades driven by higher environmental standards (as noted above).

Funding depreciation

Figure 18 shows renewals versus annual depreciation for the combined assets. This shows that the forecast renewal expenditure for all activities broadly matches depreciation over the 30 year period (or slightly less), except in the last 5 years where there is a large amount of reticulation infrastructure coming to the end of its life. The gap is mainly due to wastewater renewals less than annual depreciation as the primary driver of the replacement is increased environmental requirements (levels of service) rather than a renewal.

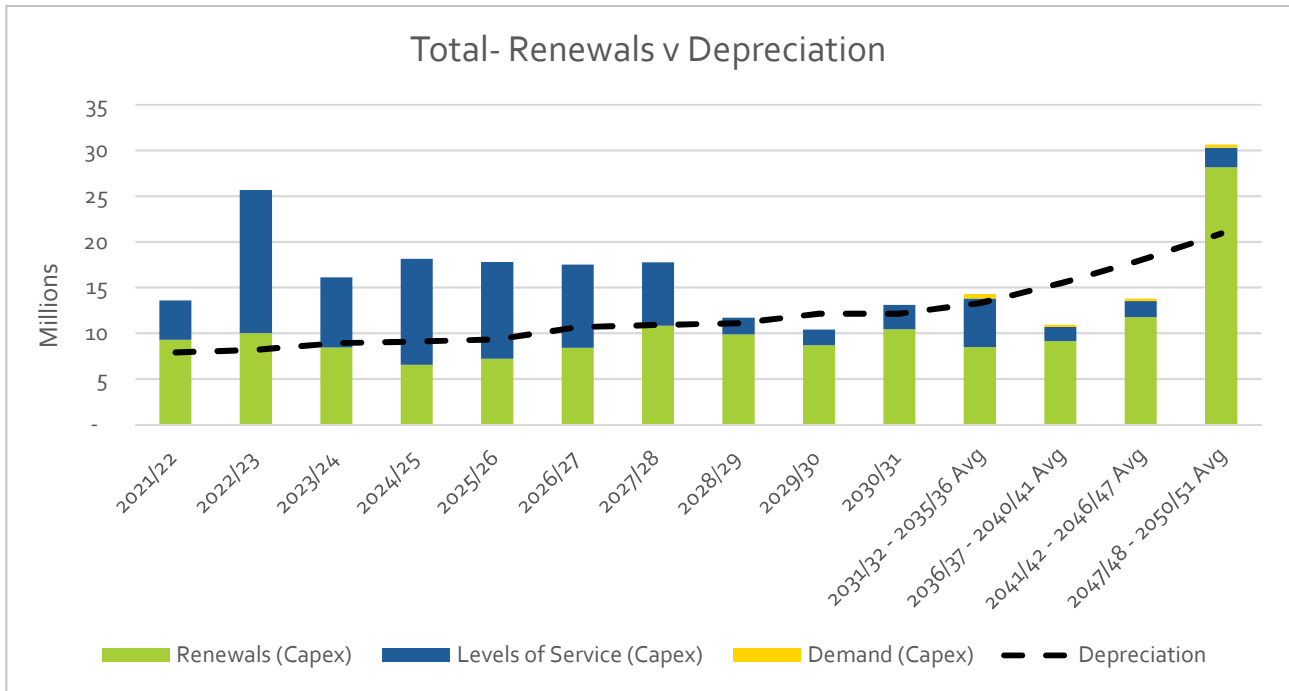


Figure 18: Combined renewals and depreciation (inflated) 2021-2051

Financial forecasts

In delivering the infrastructure services and addressing the identified issues outlined throughout this strategy, we expect to spend the operating and capital expenditure as set out in Table 9 over the 30 year period.

Infrastructure activity	Operational expenditure	Capital expenditure
	(\$)	(\$)
Water supply	384,101,939	124,811,001
Wastewater	224,621,153	97,999,762
Stormwater	45,790,750	25,220,858
Land drainage and flood protection	64,096,166	14,629,728
Land transport	492,150,116	176,262,691
Total	1,210,760,124	438,924,039

Table 9: Expected total operating and capital expenditure (inflated values)

The financial information presented in our strategy includes inflation, except for the graphs which present the renewal and depreciation expenses.

Figure 19 shows the most likely scenario for the total operating and capital expenditure for combined assets over the 30 year period 2021 to 2051.

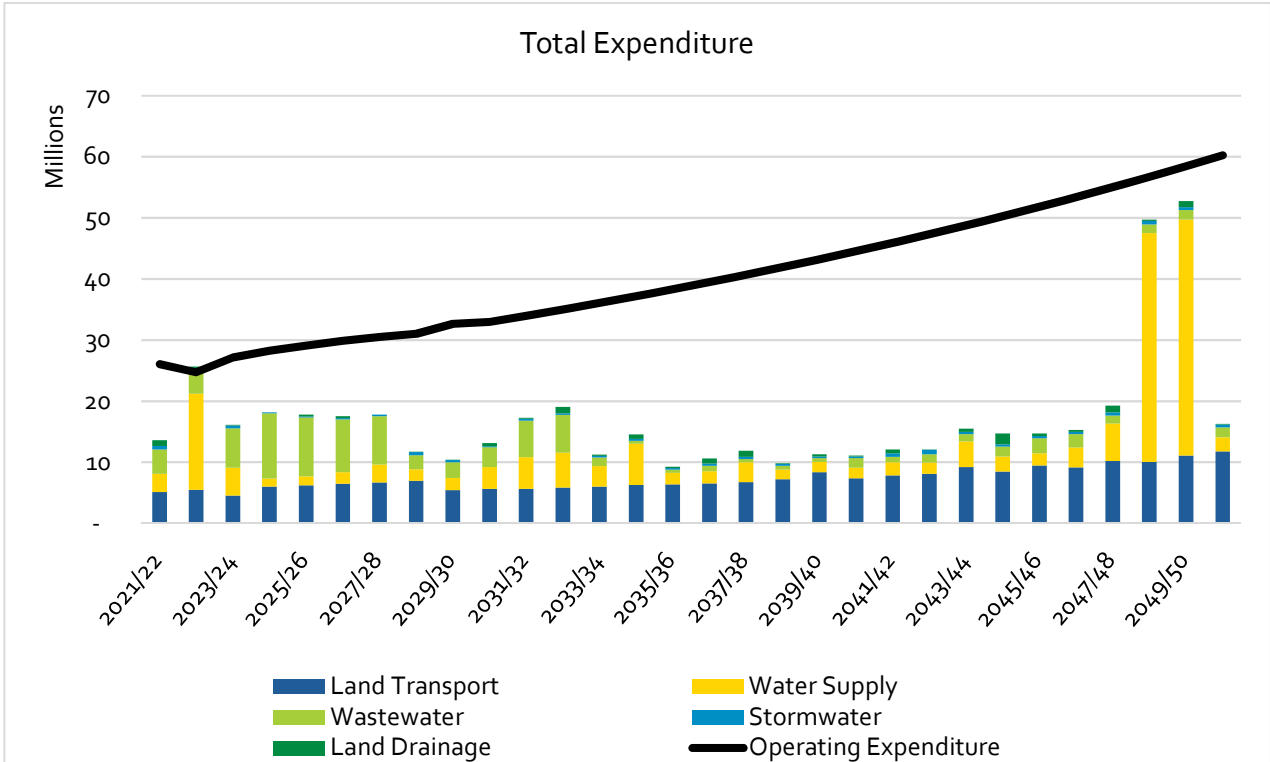


Figure 19: Total combined infrastructure operational and capital expenditure forecasts (inflation adjusted) 2021-2051

Over the next 30 years it is expected that:

- Operational expenditure accounts for 70% of the total expenditure.
- Planned expenditure on renewals across all infrastructure activities is generally constant at about \$12.8 million per annum but increases in the last five years.
- Capital expenditure on levels of service improvements is focused on higher environment standards and obtaining resource consents for water supply, wastewater and stormwater.

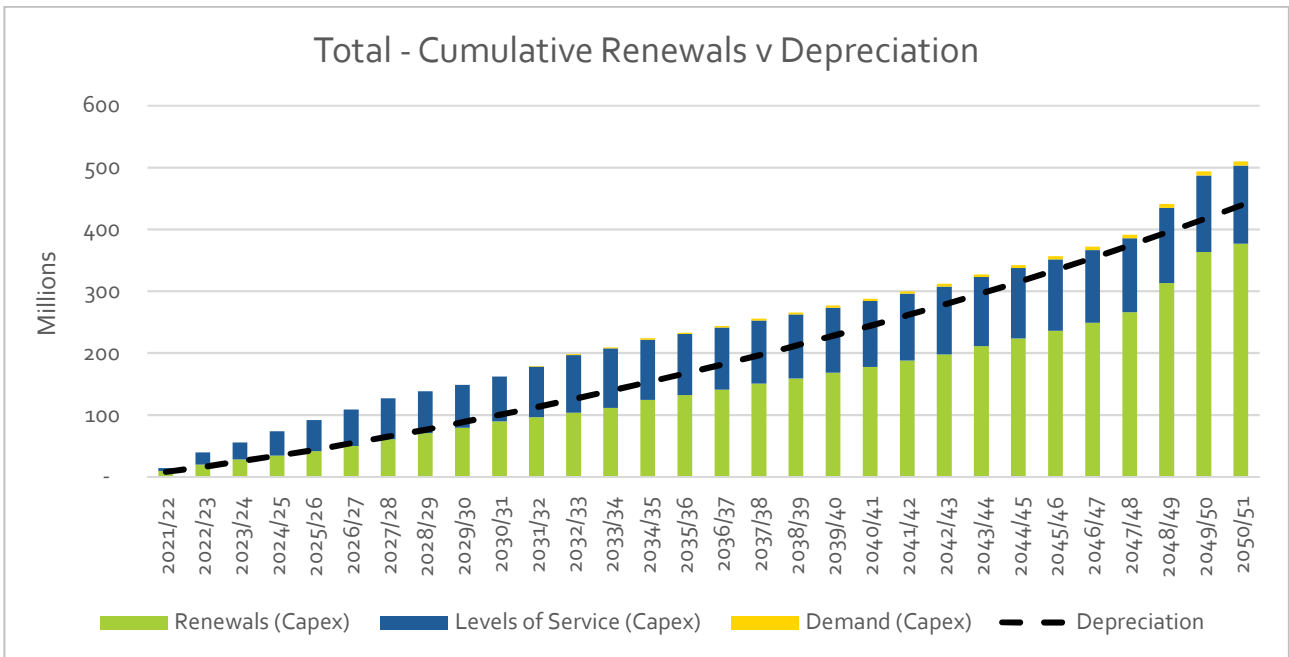


Figure 20: Total cumulative renewals and depreciation forecasts 2021-2051 (inflated)

Funding implications

There are significant funding implications from significant capital expenditure in this first ten years to meet higher environmental standards and to ensure our road network preserved. We are proposing significant rates increases over the next ten years, particularly an 8.3% increase in roading rates and a 5.2% increase in wastewater rates. This will have a significant impact on the affordability of rates for a number of our ratepayers. This is discussed in more detail in our Financial Strategy.

Summary of our Significance and Engagement Policy | He whakarāpopototanga o te kaupapa here whai pūtake me te tūhonohono

Purpose of the policy

Our significance and engagement policy enables us, along with our communities, to identify the level of significance attached to particular issues, proposals, assets, decisions and activities. The policy informs us about whether further requirements will need to be met if a decision is considered significant. This, for example, might mean making an amendment to our long term plan, or going through an audit process for particular policies. The policy also provides clarity about how and when communities can expect to be engaged in the decisions we make.

Engagement with the community is needed to understand the views and preferences of people likely to be affected by or interested in a proposal or decision. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops. In general, our policy is that the more significant an issue, the greater the need for community engagement.

What's significant and when you can expect to be engaged

For issues requiring a decision, we'll take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement, on a case by case basis:

- Whether there is a legal requirement to engage with the community.
- The level of financial consequences of the proposal or decision.
- Whether the proposal or decision will affect a large portion of the community.
- The likely impact on the current and future social, economic, environmental, or cultural well-being of the district.
- Whether the proposal will have significance to Maori cultural values and their relationship to land and water.
- Whether the proposal affects the level of service of a significant activity.
- Whether community interest is high.
- Whether the likely consequences are controversial.
- Whether community views are already known, including the community's preferences about the form of engagement.
- The form of engagement used in the past for similar proposals and decisions.

We have also set some thresholds to help us assess the extent that our proposals or decisions are significant. This includes the transfer of ownership or control, or abandonment of a strategic asset (listed below). These thresholds are set out in our full policy.

We'll use the special consultative procedure and consult in accordance with the principles of consultation, as set out in section 82 and 83 of the Local Government Act 2002 (LGA 2002), where we're required to do so by law. For such consultation, we will develop information fulfilling the requirements of the LGA 2002, will make this available to the public, allow for feedback to be received for a period of up to four weeks, and will consider all feedback prior to making decisions.

If we make a decision that is significantly inconsistent with this policy, we will clearly identify the inconsistency, the reasons for the inconsistency, and any intention we have to change the policy to accommodate the decision.

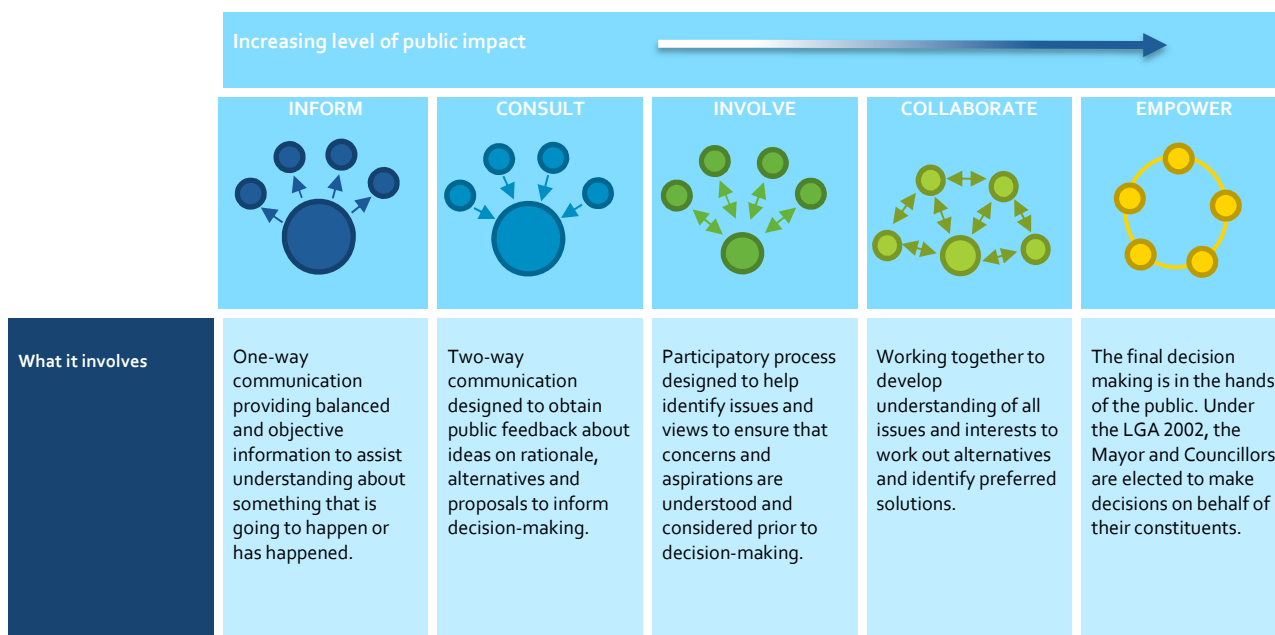
Our strategic assets

The following is a list of our strategic assets:

- The Hauraki District Council roading network as a whole;
- The Hauraki District Council land drainage network as a whole;
- The Hauraki District Council wastewater network as a whole;
- The Hauraki District Council water network as a whole;
- The Hauraki District Council urban stormwater network as a whole;
- Memorial halls in Ngatea, Paeroa and Waihi;
- Elderly Housing.

How you can expect to be engaged

Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders. It will not always be appropriate or practicable to conduct processes at the 'collaborate' or 'empower' end of the spectrum. Many minor issues will not warrant such an involved approach. Time and money may also limit what is possible on some occasions.



View our full significance and engagement policy more information. This is available at <http://www.hauraki-dc.govt.nz/our-council/policies/>

Introduction to our activities | He whakataki mō ā mātau ratonga

We provide the residents and ratepayers of our communities with a wide range of services – some essential and some nice to have. Some services are provided as it is a requirement to do so by law. For each of our services shown below, we have provided documents intended to explain those services and how we prepared our plans for 2021-31. These documents are provided in the following sections.

The services you can expect us to provide are:



An overview of this section

For each of the services we provide, we have explained what the service is, how we will deliver it, and what it will cost. Each service has its own section, and is split out into sub-sections to make this document easy to read. Here's what you can expect to see in each section.

Overview

A summary of what the service is, what sub-services are also provided, and why we deliver it. We've also identified the outcomes that we want to achieve by providing this service.

Our plans for this service

The section explains the key issues we've identified for this activity, the challenges ahead, government direction, specific climate and population factors where relevant, regulatory and legislative changes that may impact how this service is provided in the future, major changes to the cost of providing this service, and if applicable, our plans for addressing these matters over the next ten years.

How this group mainly contributes to community outcomes

This panel shows the community outcomes that this activity primarily contributes towards achieving. We've used our community outcomes icons to show this information (for more details on our community outcomes, see the **Our Direction** section of this document).

Changes to levels of service

This section describes any key changes to levels of service that may have occurred since the last long term plan, or annual plan process. This ensures the reader is clear on where we've made changes to what they can expect to experience for each service.

Planned projects

This section provides a summary of the key projects planned for the activity, and this may include both capital and operating projects. For each project a brief description is provided, along with when the project is scheduled to occur, and how much the project is expected to cost.

What you can expect from us

This section sets out what level of service our customers can expect to receive and our annual targets. Our performance against these targets will be monitored throughout the year and we'll report on them in our annual report. This is our way of reporting back to the community on how we are performing against our targets. The performance statements include measures we have to include by law (also known as mandatory performance measures) as well as our own level of service statements.

How much it costs

Here we set out the projected expenditure and revenue for this service over the next ten years. For some services this will include operating costs and different types of capital costs, and for others it will only include operating costs.

Where the (operating) money will come from

This graph shows the source/s of funding for this service; either rates, user fees, subsidies or other (grants/donations, investment fund), or a combination of these sources.

Funding impact statement

The funding impact statement for each group of activities shows the sources of funding to be used by the Council for the group, the amount of funds expected to be produced from each source, and how the funds are to be applied for the ten year period.

Judgements used in how we measure performance

We have made a number of judgements in selecting, measuring, aggregating and presenting performance measures throughout our groups of activities under the heading 'What you can expect from us | Ōu tūmanako mā mātou'. The significant judgements for our activities are outlined below.

Some activities below have mandatory performance measures as set out by the Department of Internal Affairs. These mandatory measures are marked with an asterisk (*) under each activity section. Mandatory measures are intended to provide consistency across councils and allow customers to compare our performance to other councils. Non-mandatory measures are included to cover all material aspects of performance.

Governance and Leadership – Democracy, Policy Development

There are no mandatory performance measures in relation to these activities, so judgement has been based on:

- Perception of public interest, and transparent governance.
- Expected levels of service from the community, including the community's satisfaction levels with our performance.

Governance and Leadership – Iwi Liaison

There are no mandatory performance measures in relation to this activity, so judgement has been based on:

- Our commitment to improving our relationships with Iwi moving forward under the post treaty settlement environment.
- Expected levels of service from the community, including the community's satisfaction levels with our performance.

Land Transport, Water Supply, Wastewater and Stormwater

These groups of activities all have mandatory performance measures as set out by the Department of Internal Affairs. These mandatory measures are marked with an asterisk (*) under each activity section. The non-mandatory performance measures have been based on:

- Expected levels of service from the community, including the community's satisfaction levels with our performance.
- Aspects of public interest and safety, such as replacement of missing road signs, repairing trip hazards on footpaths, and unplanned water supply interruptions.
- The community's satisfaction levels with our performance.
- Aspects of community wellbeing, such as social, environmental, cultural and economic wellbeing.

Land Drainage

This group has mandatory performance measures as set out by the Department of Internal Affairs. These mandatory measures are marked with an asterisk (*) under each activity section. The non-mandatory performance measures have been based on:

- Aspects of public safety, such as stopbank failures in a tidal surge event.
- Aspects of community wellbeing, such as economic wellbeing. Measures include the number of rural properties still ponding three days after a measured storm event.
- Expected levels of service from the community.

Waste Management

There are no mandatory performance measures in relation to this group of activity so judgement has been used based on:

- Aspects of public interest, including kerbside collection deliverables.
- Aspects of community wellbeing, such as environmental wellbeing. Measures include the quantities of waste to landfill and education on waste minimisation.
- Expected levels of service from the community, including the community's satisfaction levels with our performance.

Community Services – Community Recreation, Community Facilities

There are no mandatory performance measures in relation to these activities, so judgement has been based on:

- Expected levels of service from the community, including the community's satisfaction levels with our performance.
- Aspects of community wellbeing, such as social and cultural wellbeing. Measures include library membership levels, community based learning programmes,
- Aspects of public safety, such as safety and maintenance audits at our community swimming pools and our playground facilities.
- Perception of measures that are important and of interest to the community, such as clean and well maintained halls, public toilets, and cemeteries.

Manaaki Toiora

There are no mandatory performance measures in relation to this group of activity so judgement has been used based on:

- Aspects of public interest and overall community wellbeing, such as the review and delivery of the Manaaki Toiora action plan.
- Aspects of community wellbeing, such as social, environmental, cultural and economic wellbeing. Measures include promotion of the LoveHauraki buy local promotional initiative, and accountability of grant recipients for community-led projects.

Regulatory Services – Building Control, Resource Management Implementation, Community Protection

There are no mandatory performance measures in relation to this group of activity so judgement has been used based on:

- Legislative requirements in regards to building and resource consents, land information memoranda (LIMs), private swimming pools, alcohol licensing, and food premises monitoring.
- Perception of measures that are important and of interest to the community, such as complaints regarding excessive noise, and monitoring of food premises.
- Aspects of public safety, such as food premises monitoring, swimming pool fencing, and alcohol licensing.
- Expected levels of service from the community, including the community's satisfaction levels with our performance.

Regulatory Services -, Animal Control

There are no mandatory performance measures in relation to this group of activity so judgement has been used based on:

- Legislative requirements in regards to dog control and our bylaw.
- Perception of measures that are important and of interest to the community, such as wandering stock and dog complaints.
- Aspects of public safety, such as registration of dogs in the District, and complaints regarding wandering stock and dog attacks.

Support Services

There are no mandatory performance measures in relation to this group of activity so judgement has been used based on:

- Perception of measures that are important and of interest to the community, such as factors that contribute to our ability to serve our customers.
- Financial prudence and transparency, measured by compliance with our debt limits set in the financial strategy.

Judgement on targets has been made using historical evidence and technical expertise. Judgements on presentation have been made using best practice for readability and understanding using 'plain English'.



**GOVERNANCE AND
LEADERSHIP
KĀWANGATANGA ME
TE RANGATIRATANGA**

This group includes:

- Democracy
- Iwi Liaison
- Policy Development

Governance and Leadership | Kāwangatanga me te rangatiratanga

Overview | Tiro whānui

Our governance and leadership group includes our local democratic system which represents the residents of our district, our relationships with Māori, and the development of policies and plans – including those required by law and other voluntary local policies.

The governance and
leadership group mainly
contributes to the following
community outcomes



Connected People
Tūhono



Vibrant and Safe Communities
Te Oranga pai o te Hapori

How much it costs | He aha te utu?

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Democracy	2,222	2,301	2,451	2,411	2,440	2,586	2,543	2,594	2,755	2,730	2,778
Iwi Liaison	150	154	158	160	163	166	170	173	177	181	186
Policy Development	1,216	1,307	1,335	1,447	1,377	1,404	1,529	1,352	1,384	1,520	1,450
	3,588	3,762	3,944	4,018	3,980	4,156	4,242	4,119	4,316	4,431	4,414
REVENUE											
Fees, Charges and Other Income	0	0	0	0	0	0	0	0	0	0	0
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
General Rates	3,415	3,600	3,704	3,719	4,036	4,237	4,412	4,486	4,711	4,911	5,047
	3,415	3,600	3,704	3,719	4,036	4,237	4,412	4,486	4,711	4,911	5,047
OPERATING SURPLUS/(DEFICIT)	(173)	(162)	(240)	(299)	56	81	170	367	395	480	633

Hauraki District Council: Funding impact statement for 2021-31 for Governance and Leadership | Te tauākī pūtea mo 2021-31

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	3,415	3,600	3,704	3,719	4,036	4,237	4,412	4,486	4,711	4,911	5,047
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	3,415	3,600	3,704	3,719	4,036	4,237	4,412	4,486	4,711	4,911	5,047
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,527	1,322	1,445	1,475	1,396	1,520	1,546	1,369	1,501	1,544	1,462
Finance Costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	2,061	2,440	2,498	2,543	2,583	2,635	2,695	2,750	2,814	2,887	2,951
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Total Applications of Operating Funding (B)	3,588	3,762	3,943	4,018	3,979	4,155	4,241	4,119	4,315	4,431	4,413
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	(173)	(162)	(239)	(299)	57	82	171	367	396	480	634
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding (C)	0	0	0	0	0	0	0	0	0	0	0
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(173)	(162)	(239)	(299)	56	82	172	367	396	480	635
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding (D)	(173)	(162)	(239)	(299)	56	82	172	367	396	480	635
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	173	162	239	299	(56)	(82)	(172)	(367)	(396)	(480)	(635)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	(1)	0	1	0	0	0	1

The funding impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to clause 7 of the Local Government (Financial Reporting and Prudence) Regulations 2014. It covers the 10-year period from 2021/22 to 2030/31 and outlines the Council's sources of funding and its plan to apply them. Generally accepted accounting practice does not apply to the preparation of the funding impact statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from generally accepted accounting practice are the non-inclusion of depreciation and the inclusion of internal charges.



DEMOCRACY TE MANAPORI

- Local governance system
- Representation
- Decision-making structures
- Oversight of Council organisations

Democracy | Te Manapori

Overview | Tiro whānui

Local government in New Zealand receives its mandate from the government through legislation. We provide democracy services to provide representative and accountable governance, provide local leadership, assess issues that affect the district and local communities and responses, and make informed decisions on local services and funding on behalf of our communities.

Our plans for democracy services | A mātau mahere mo te manapori

We have allowed additional spend towards the establishment of co-governance structures following treaty settlements.

There will be changes ahead, given the Government’s announcement of the three waters and Resource Management Act reforms. We may consider the establishment of a Committee to focus on water matters, and will need to consider how to address the outcomes of the review on the Future for Local Government.

Our business as usual projects include the local elections (held in 2022, 2025, 2028, and 2031) and the joint development of the Waikato triennial agreement (three yearly following the local elections).

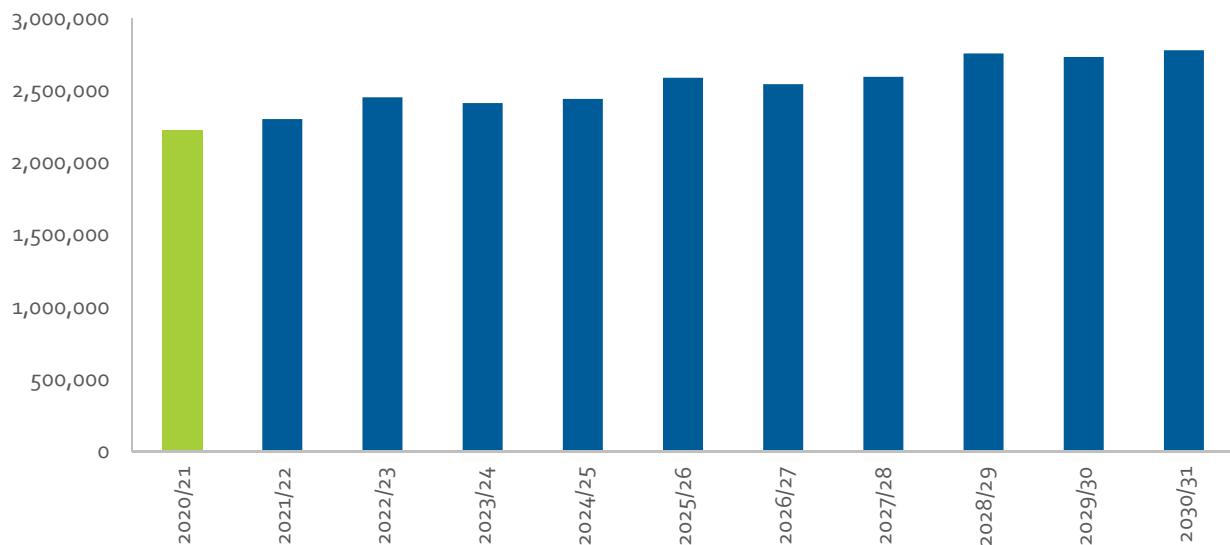
What you can expect from us | Ōu tūmanako mā mātou

We’ve included some measures in the following table to show you what you can expect from us and the services we provide. We’ll report on our progress to meeting these annually in our annual reports.

How we will measure our performance	Baseline	Targets
You can expect: the Council to conduct all its business in an open and transparent manner.		
Agendas for meetings (other than extraordinary meetings) of the Council and its Committees are publicly available at least two clear working days prior to the meeting date, as measured by the Council secretary’s checklist.	98% of agendas available (2019/20)	<p>2021/22: 100% of agendas are available on the internet and in the Council offices and libraries two clear working days before each meeting.</p> <p>2022/23: 100% of agendas are available on the internet and in the Council offices and libraries two clear working days before each meeting.</p> <p>2023/24: 100% of agendas are available on the internet and in the Council offices and libraries two clear working days before each meeting.</p> <p>2024/25-31: 100% of agendas are available on the internet and in the Council offices and libraries two clear working days before each meeting.</p>

How much it costs | He aha te utu?

Total projected operational expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Democracy	2,222	2,301	2,451	2,411	2,440	2,586	2,543	2,594	2,755	2,730	2,778
	2,222	2,301	2,451	2,411	2,440	2,586	2,543	2,594	2,755	2,730	2,778
REVENUE											
Fees, Charges and Other Income	0	0	0	0	0	0	0	0	0	0	0
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
General Rates	1,960	2,192	2,286	2,216	2,457	2,618	2,626	2,808	2,986	3,006	3,154
	1,960	2,192	2,286	2,216	2,457	2,618	2,626	2,808	2,986	3,006	3,154
OPERATING SURPLUS/(DEFICIT)											
	(262)	(109)	(165)	(195)	17	32	83	214	231	276	376

Where the money will come from | Nō hea te pūtea | ahau mai

Rates 100%



IWI LIAISON KAITAKAWAENGA IWI

- a focus on relationship building with Tangata Whenua
- fostering capacity to contribute to Council decision-making
- building readiness for Treaty of Waitangi settlement implications.

Iwi liaison | Kaitakawaenga Iwi

Overview | Tiro whānui

We provide iwi liaison services to fulfil the particular responsibilities the Council has to Hauraki Iwi and Māori in general, including acknowledging:

- the cultural and spiritual relationships that Iwi and Māori have with ancestral lands,
- taonga and issues that are relevant and important to Māori,
- engaging with the Kaitiaki (leadership) role that iwi have.

Our plans for iwi liaison | A mātau mahere mo kaitakawaenga Iwi

We aim to improve our relationship with Iwi moving forward under the post treaty settlement environment.

Changes to our levels of service | Ngā Whakarerekē atu o ngā ratonga

We haven't changed our service levels for iwi liaison, however we have made some changes to how we measure our performance for this activity. We've combined two of our performance measures into one, and extended the timeframes for developing a Hauraki Iwi Forum. We're mindful of the Treaty of Waitangi settlement process, and will work with Iwi to establish formal relationships following the signing of settlements.

Developing Māori capacity to contribute to our decision-making processes

Hauraki District Council recognises the special position of Tangata Whenua within this District and the important role Māori have to play in Council's decision-making processes.

We recognise the principles of the Treaty of Waitangi and its role in fostering Māori capacity.

Our Significance and Engagement Policy sets out what Māori and the community can currently expect from us such as the likely impact on present and future interests of the community, recognising Māori culture values and their relationship to land and water.

As Treaty Claims near completion and Iwi look to enter into a Post Treaty Environment, engagement with Mana Whenua will significantly increase. We will actively seek to develop partnership agreements to progress and foster Iwi capacity. We also acknowledge the value of positive and enduring relationships of Iwi led engagement.

We will need to begin engaging with Iwi and Māori on a more regular basis to meet our obligations under the LGA.

Towards this we have commissioned a report on its readiness for the post Treaty environment which included an independent benchmark survey to assess organisational readiness and looked at areas of improvement to assist with ensuring effective partnerships between Iwi and Council with a view to broadening the role of Iwi as partners in future policy development and decision making.

To that end we have employed an Iwi Liaison Officer and we are preparing with Iwi for co-governance arrangements in relation to the Waihou/Piako River catchments.

These actions are intended to foster the development of Maori capacity to contribute to the decision making processes of Council as outlined in the LGA.

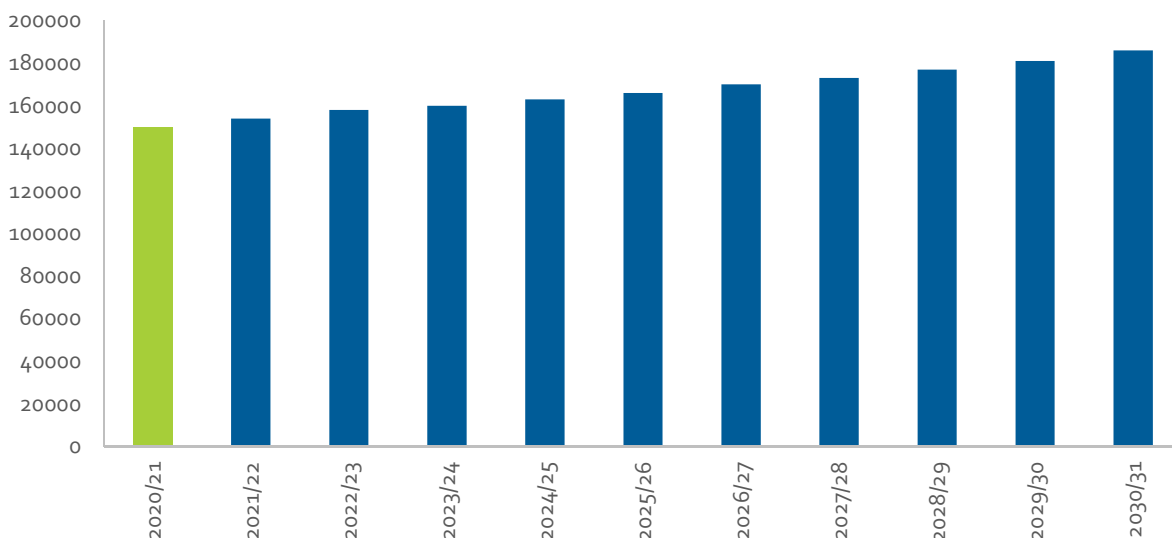
What you can expect from us | Ōu tūmanako mā mātou

We've included the following measure to show you what you can expect from us and the services we provide. We'll report on our progress to meeting this annually in our annual reports.

How we will measure our performance	Baseline	Targets
<p>You can expect: the Council to establish formal relationships with Iwi holding mana whenua status in the district following the signing of Treaty Settlements.</p>		
<p>We will work with Mana Whenua to grow the capacity and Mana Motuhake of Mana Whenua.</p>	<p>No Forum established.</p>	<p>2021/22: Within three years of the signing of the treaty settlement, a Hauraki Iwi Forum will be established.</p> <p>2022/23: Within three years of the signing of the treaty settlement, a Hauraki Iwi Forum will be established.</p> <p>2023/24: Within three years of the signing of the treaty settlement, a Hauraki Iwi Forum will be established.</p> <p>2024/25-31: Within three years of the signing of the treaty settlement, a Hauraki Iwi Forum will be established.</p>

How much it costs | He aha te utu?

Total projected operational expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Iwi Liaison	150	154	158	160	163	166	170	173	177	181	186
	150	154	158	160	163	166	170	173	177	181	186
REVENUE											
Fees, Charges and Other Income	0	0	0	0	0	0	0	0	0	0	0
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
General Rates	241	163	173	172	193	198	208	214	226	232	247
	241	163	173	172	193	198	208	214	226	232	247

Where the money will come from | Nō hea te pūtea I ahau mai

Rates  100%



POLICY DEVELOPMENT WHANAKETANGA KAUPAPA HERE

Development of:

- Local policies
- Community plans
- Local bylaws and other regulatory policy
- Resource management policy (our district plan).

Policy development | Whanaketanga kaupapa here

Overview | Tiro whānui

This activity includes:

- Development of policy relating to our strategic intentions, particularly under the Local Government Act 2002.
- Development of local bylaws and other regulatory policy.
- Development of policy and plans relating to resource management under the Resource Management Act 1991.

We provide policy development services to develop appropriate responses to community needs, ensure a consistent approach to decision-making and action across the Council, and sometimes the sub-region or Waikato Region as a whole, meet our many statutory requirements, and provide accountability back to residents and ratepayers through reporting mechanisms.

Our plans for policy development | A mātau mahere mo whanaketanga kaupapa here

Our plans for policy development are affected by new and proposed national as well as regional level policy and legislation. We'll continue business as usual, such as Annual Report preparation, Annual Plan preparation, programmed policy, reviews, bylaw reviews and annual resident surveying. Our infrastructure upgrades are important and reflect on this activity, particularly the District Plan.

The Government is looking at a comprehensive review of the resource management system, focused on the Resource Management Act (RMA). We have embarked on a program of District Plan Changes and, dependant on the RMA changes, may be commencing the overall review of the District Plan during the life of this plan.

We'll continue our focus on providing for land-use changes including adapting to the future effects of natural hazards and climate change.

We also plan to consider whether we take a greater role in mobilising community-led conversations and action to address barriers to our communities' wellbeing.

Planned projects | Kaupapa kua whakamaheretia

The below table provides a summary of our key projects for this activity.

Programme	Description	When	How much
Wharekawa Coast 2120 – community plan finalisation and implementation	Finalisation and Implementation of the Wharekawa Coast 2120 plan, depending on the preferred options for adaptation.	2021/22-2023/24	\$315,000 total (operating)
Ngatea community planning	An additional community plan process to consider the coastal margins of the Hauraki Plains, river flooding and long term viability of existing flood protection schemes.	2024/25-2026/27	\$322,000 total (operating)

What you can expect from us | Ōu tūmanako mā mātou

We've included some measures in the following table to show you what you can expect from us and the services we provide. We'll report on our progress to meeting these annually in our annual report.

How we will measure our performance	Baseline	Targets
You can expect: the Council to plan its policy development in accordance with relevant legislative requirements.		
All legislatively required policies, bylaws, plans and strategies are adopted within statutory timeframes, as recorded in the resolution database.	100% adopted within statutory timeframes (2019/20)	2021/22: 100% of all legislatively required documents are adopted within statutory timeframes. 2022/23: 100% of all legislatively required documents are adopted within statutory timeframes. 2023/24: 100% of all legislatively required documents are adopted within statutory timeframes. 2024/25-31: 100% of all legislatively required documents are adopted within statutory timeframes.
You can expect: the Council to make decisions in a transparent and democratically accountable way.		
Percentage of customers satisfied with the Council's consultation and engagement regarding major policies and strategies, as measured by customer satisfaction survey.	58% of customers satisfied (2019/20)	2021/22: ≥65% of customers satisfied. 2022/23: ≥65% of customers satisfied. 2023/24: ≥65% of customers satisfied. 2024/25-31: ≥65% of customers satisfied
You can expect: the Council to meet its statutory requirements under the Resource Management Act 1991.		
All Changes and Variations to the District Plan are processed within statutory requirements, as measured by Council records.	0 successful appeals or judicial reviews (2019/20)	2021/22: There are no successful appeals or judicial reviews on any Change or Variation to the District Plan as a result of administrative or process matters.

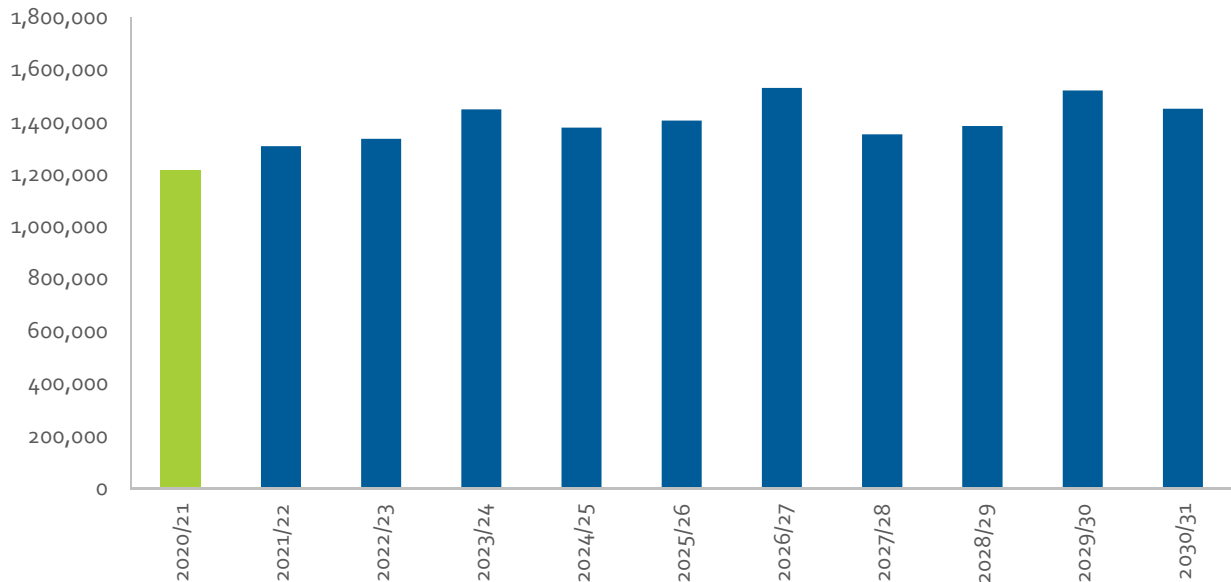
2022/23: There are no successful appeals or judicial reviews on any Change or Variation to the District Plan as a result of administrative or process matters.

2023/24: There are no successful appeals or judicial reviews on any Change or Variation to the District Plan as a result of administrative or process matters.

2024/25-31: There are no successful appeals or judicial reviews on any Change or Variation to the District Plan as a result of administrative or process matters.

How much it costs | He aha te utu?

Total projected operational expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Policy Development	755	753	772	875	795	811	924	734	752	872	788
RMA Policy	461	553	563	572	582	593	605	618	632	647	662
	1,216	1,306	1,335	1,447	1,377	1,404	1,529	1,352	1,384	1,519	1,450
REVENUE											
Fees, Charges and Other Income	0	0	0	0	0	0	0	0	0	0	0
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
General Rates	1,214	1,245	1,245	1,331	1,386	1,421	1,578	1,463	1,499	1,673	1,647
	1,214	1,245	1,245	1,331	1,386	1,421	1,578	1,463	1,499	1,673	1,647
OPERATING SURPLUS/(DEFICIT)											
	(2)	(61)	(90)	(116)	9	17	49	111	115	154	197

Where the money will come from | Nō hea te pūtea | ahau mai

Policy development:



Private Plan Changes:





LAND TRANSPORT TE KAWA O NGĀ WAKA WHENUA

- Local roads and footpaths
- Bridges
- Road safety
- Amenities
- Contribution to public transport
- Cycleways

Land transport | Te kawa o ngā waka whenua

Overview | Tiro whānui

The land transport activity includes the maintenance of our sealed and unsealed roads, bridges, streetlights, and road drainage. It also includes the clearing of roads after weather events such as slips or flooding, footpaths, road safety and some public transport coordination, street cleaning, vegetation control for improved visibility for users and mobility purposes, and noxious weed control on road sides.

Our plans for land transport services | A mātau mahere mo te kawa o ngā waka whenua

There is an increased focus on road safety nationally and the New Zealand Government has released its proposal for the new road safety strategy, Road to Zero. We've completed a network wide safety assessment and the top 11 crash roads have been identified. Most crashes were generally found to have occurred on open (rural) roads, at intersections, at busy sections of road with no street lighting, or due to direct roadside hazards. We will focus our safety investment on these roads during this plan. During the life of this plan we will also be reviewing the road safety policies and allowing for physical safety work at targeted sites as required.

During the life of this plan we expect to undertake detailed capacity assessment of bridges where traffic volume is high, prioritise the approach for remaining bridges, and complete analysis district wide.

There are parts of our transport network that are vulnerable and susceptible to weather related events and rising sea levels. Areas of concern include the boundary with Auckland region, the Wharekawa Coast and maintaining lifeline routes (key transport routes) across our district. We'll continue with proactive maintenance before storm events and be ready to respond to an event when it occurs. We've been looking holistically at the Wharekawa Coast as part of the Wharekawa Coast 2120 community planning project. Natural hazard assessments have substantially been completed. The next step is to undertake a risk assessment process. We also plan to undertake scenario planning to establish the lifeline routes across our district including local roads and state highways particularly across the flood susceptible Plains. We will identify critical bridges and culverts, the potential impacts of stopbank failure, and safe routes.

The land transport group mainly contributes to the following community outcome



Vibrant and Safe Communities
Te Oranga pai o te Hapori

You told us what you think | Kua kōrero mai koe ōu whakaaro, tēnā rawa atu koe

During our 2021 consultation, we asked for feedback on street revitalisations in Waihi and Paeroa.

Waihi Streetscape

We proposed to update Seddon Street in Waihi, between Gilmour Street and Rosemont Road, and along Rosemont Road to Kenny Street, for a total of \$2.7 million. In our public feedback process, 46% of people said they wanted the project to go ahead, while 54% thought Waihi was fine as it is. We also heard a number of other suggestions for improvements to the Waihi town centre that people suggested could be done without completing a full streetscape project. As a result of this feedback, we reduced our originally proposed budget for the streetscape to \$200,000 in 2021/22 for planning and consultation, and \$1 million in 2022/23 to complete the physical work. We'll be considering the distinct projects we can do to improve the Waihi town centre, such as repairing uneven footpaths, without carrying out a full streetscape.

Paeroa street revitalisation

We proposed to finish off Mackay Street in Paeroa, and add some additional budget to complete Wharf Street, including some beautification. We had \$650,000 of funding remaining from previous years to finish Mackay Street, and do some work on Wharf Street. We received many suggestions for improvements in the public feedback process, and some concerns about parking and traffic, which we took into consideration. We chose to add \$500,000 in 2021/22 to get the project completed, for a total budget of \$1.15 million. The planned improvements will be consulted with relevant stakeholders, including residents and business operators on Wharf Street.

Changes to levels of service | Ngā whakarerekē atu o ngā ratonga

In mid-2021 we received notification from Waka Kotahi New Zealand Transport Agency that it would not be in a position to provide subsidy for the full schedule of projects we had allowed for in our draft long term plan. This means we will not be able to complete as many reseals and rehabilitation of roads as we'd like in the first three years of our plan. We've kept our reseals and rehabilitation budget at the same level it was in our 2018-28 Long Term Plan.

We're proposing to seal 7% of the local road network per year. This target allows for approximately 35 km sealed of 509.4km. The target takes into account that a large quantity of asphalt is required over the next three years. Asphalt is significantly more expensive than other reseal solutions, so to keep within budget, the length of reseals will be less than that in 2019/20. We are also aiming to rehabilitate approximately 2.5 km of roads per year.

We've changed some wording in our 'deaths and serious injuries' performance measure. We continue to have a target of 0, as no death or injury is acceptable. This has not been achieved in the last four years, however leading causes of death and serious injury crashes are impairment (alcohol, fatigue, etc.), distraction and not wearing safety belts. We don't have control over these causes but we're influencing these issues indirectly through participation in the Eastern Waikato Road Safety Action Plan, and by contributing to the development of the Waikato Regional Road Safety Strategy. We can however directly influence road conditions.

We've increased our level of service for footpath repair. We will proactively repair footpaths with trip hazards over a three year period, rather than repair them when we know there's an issue.

We haven't achieved our sign replacement measure in the last three years, as some signs aren't available from our suppliers within our target timeframes. We've adjusted the target for this measure to 95%. To hold all signs in stock would mean an increased cost to the ratepayer.

With fewer reseals and rehabilitation comes more maintenance required to patch up the roads. We're expecting that if we don't reseal and rebuild the roads as much as we had originally expected to, it may affect our customer satisfaction results due to increased roughness, and the impact on the way the road looks. This may also affect our timeframes to repair potholes, as the frequency of potholes appearing is likely to increase.

We haven't been meeting our target for smooth ride on our roads. In 2018 we increased our budget for reseals and resurfacing after consulting with the public, however in 2021 we are not meeting the target for average quality of ride

on our roads. This is because there are a number of roads bringing the average down. To address this, we've split our target between rural and urban roads. Our budget focus is on rural high speed roads as the roads carrying the most risk. As well as this change to the target, we will investigate and action prohibition of heavy vehicles where possible and speed reductions where appropriate.

As well as the above, we have made some minor changes to wording in our measures to align to the national standard for road maintenance levels of service which is One Network Road Classification (ONRC).

Planned projects | Kaupapa kua whakamaheretia

The below table provides a summary of our key projects for this activity, including both operating and capital funding.

Planned project	Description	When	How much
Service lane in Ngatea	An investigation to determine the feasibility of a service lane behind the shops in Ngatea, on the southern side of State Highway 2 between McDuff Lane and the public toilets.	2021/22	\$30,000 (operating)
Public transport	Allowance for public transport, including local public transport options to be pursued.	2021/22 2022/23- 2030/31	\$105,000 (operating) \$890,000 total (operating)
Climate change and sea level rise effects	Conduct studies into the effects of on land transport infrastructure.	2021-31	\$1.14 million total (operating)
Off street carparks	Addition of a budget to maintain off-street car parks.	2021-31 2021-31	\$165,000 total (operating) \$136,000 total (renewals)
Road safety	Implementation of the Road Safety Action Plan.	2021-31	\$522,000 total (operating)
Footpaths – Paeroa	New non-subsidised footpath work associated with growth, and subsidised footpath renewal projects	2021-31	\$1.1 million total (level of service) \$250,000 total (renewals)
Footpaths – Plains	An allowance for the completion of the Turua walkway, and subsidised footpath renewal projects.	2021/22 2021-31	\$25,000 (level of service) \$220,000 total (renewals)
Footpaths – Waihi	New non-subsidised footpath work associated with growth (level of service) and subsidised footpath renewal projects (renewals).	2021-31	\$1.1 million total (level of service) \$400,000 total (renewals)
New road extensions	Non-subsidised improvement projects associated with growth, or projects the Council has requested.	2021-31	\$1.8 million total (level of service)
Bridge ratings and inspections		2021-31	\$1.1 million total (operating)
Access and mobility	Increase accessibility in urban areas by upgrading and maintaining footpaths, shared paths and cycleways, encouraging walking and cycling. In the next three years these projects will be a combination of pedestrian crossing improvements and footpath widening projects (combined with footpath renewal budgets).	2021-31	\$2 million total (level of service)
Paeroa kerb and channel for stormwater control	Non-subsidised stormwater improvement projects.	2021-31	\$655,000 total (level of service)

Planned project	Description	When	How much
Plains kerb and channel stormwater control	Waikato Regional Council is raising a number of its stopbanks, and as a result of this 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.	2021/22-2025/26	\$115,000 total (level of service)
Waihi urban streetscape	Proposed to further improve and renew the streetscape in Waihi CBD area, investigation and design.	2021/22	\$200,000 (level of service)
	Construction allocation.	2022/23	\$1.04 million (level of service)
Paeroa street revitalisation	Improvements to Wharf Street and the state highway end of Mackay Street.	2021/22	\$500,000 (level of service)
Minor improvements	Minor safety improvements.	2021-31	\$8.1 million total (level of service and renewals)
Unsealed road renewals	Renewal of unsealed road, for example grading and topping up.	2021-31	\$1.2 million total (renewals)
Sealed road resurfacing	Annual road (pavement) reseal budget.	2021-31	\$17.3 million total (renewals)
Pavement rehabilitation	Annual road (pavement) rebuild budget.	2021-31	\$17.9 million total (renewals)
Drainage renewals		2021-31	\$1.7 million total (renewals)
Structures component replacement	Structural repair work on bridges and structures.	2021-31	\$1.6 million total (renewals)
		2021-31	\$4 million total (operating)
Traffic services renewal	Traffic service maintenance includes operation and maintenance of all road signs, road marking and streetlights (including electricity cost). This includes a new project added to increase the knowledge of the structural integrity of streetlight poles, with specific focus on corrosion of pole bases. We have made an assumption that we will replace ten poles per annum in the first three years.	2021-31	\$1 million total (renewals)
Hammond Lane carpark	Improvements to the carpark on the corner of River Road and Hammond Lane in Ngatea.	2021/22	\$200,000 (level of service)

What you can expect from us | Ōu tūmanako mā mātou

We've included some measures in the following table to show you what you can expect from us and the services we provide. We'll report on our progress to meeting these annually in our Annual Report.

How we will measure our performance	Baseline	Targets
You can expect: a safe transport network provided for users and the community.		
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.*	2019/20: 0 fatal/8 serious	<p>2021/22: Reduce fatalities and serious injury crashes attributable to council managed road conditions, to 0.</p> <p>2022/23: Reduce fatalities and serious injury crashes attributable to council managed road conditions, to 0.</p> <p>2023/24: Reduce fatalities and serious injury crashes attributable to council managed road conditions, to 0.</p> <p>2024/25-31: Reduce fatalities and serious injury crashes attributable to council managed road conditions, to 0.</p>
You can expect: footpath assets are fit for purpose.		
Percentage of residents satisfied with the quality of footpaths, as measured by the annual customer satisfaction survey.	53% satisfied (2019/20)	<p>2021/22: ≥65% satisfied.</p> <p>2022/23: ≥65% satisfied.</p> <p>2023/24: ≥65% satisfied.</p> <p>2024/25-31: ≥65% satisfied.</p>
The percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in the Council's relevant documents (e.g. the annual plan, asset management plan, annual works program or long term plan).*	2019/20: 89% of reported footpaths with a defect rating of greater than 5 were isolated for safety and remedied within 7 days.	<p>2021/22:</p> <ul style="list-style-type: none"> 80% of trip hazards (>10mm displacement) on footpaths as identified in the triennial condition survey to be remedied over a three year period All other trip hazards identified to be isolated for safety within 2 days and remedied within a month. <p>2022/23:</p> <ul style="list-style-type: none"> 80% of trip hazards (>10mm displacement) on footpaths as identified in the triennial condition survey to be remedied over a three year period All other trip hazards identified to be isolated for safety within 2 days and remedied within a month. <p>2023/24:</p> <ul style="list-style-type: none"> 80% of trip hazards (>10mm displacement) on footpaths as identified in the triennial condition survey to be remedied over a three year period

How we will measure our performance	Baseline	Targets
		<ul style="list-style-type: none"> ▪ All other trip hazards identified to be isolated for safety within 2 days and remedied within a month. <p>2024/25-31:</p> <ul style="list-style-type: none"> ▪ 80% of trip hazards (>10mm displacement) on footpaths as identified in the triennial condition survey to be remedied over a three year period ▪ All other trip hazards identified to be isolated for safety within 2 days and remedied within a month.
You can expect: a roading network that addresses safety and amenity issues.		
<p>Damaged, missing or leaning signs are remedied on District roads within specified timeframes, measured by the Council's service request system.</p>	<ul style="list-style-type: none"> ▪ 88% of regulatory/warning signs within 7 days. ▪ 100% of safety signs within 2 days. ▪ Other signs 92% within 6 weeks. 	<p>2021/22: 95% regulatory/ warning signs within 7 days, all other signs within 6 weeks.</p> <p>2022/23: 95% regulatory/ warning signs within 7 days, all other signs within 6 weeks.</p> <p>2023/24: 95% regulatory/ warning signs within 7 days, all other signs within 6 weeks.</p> <p>2024/25-31: 95% regulatory/ warning signs within 7 days, all other signs within 6 weeks.</p>
<p>All reported potholes are repaired on District roads within specified timeframes measured by the Council's service request system.</p>	<p>2019/20: 78% of potholes on >100 vpd roads were repaired within five days. 71% of potholes on >100 vpd roads were repaired within 14 days.</p>	<p>2021/22: 85% within 5 days for Arterial and Collector roads and within 14 days for Access and Low Volume Roads.</p> <p>2022/23: 85% within 5 days for Arterial and Collector roads and within 14 days for Access and Low Volume Roads.</p> <p>2023/24: 85% within 5 days for Arterial and Collector roads and within 14 days for Access and Low Volume Roads.</p> <p>2024/25-31: 85% within 5 days for Arterial and Collector roads and within 14 days for Access and Low Volume Roads.</p>
You can expect: the preservation of the pavement life of sealed roads.		
<p>The average quality of ride on a sealed local road network, measured by smooth travel exposure*</p>	<p>2019/20: 95% (not achieved)</p>	<p>2021/22:</p> <ul style="list-style-type: none"> ▪ 85% for urban low speed roads, ▪ 93% for rural high speed roads. <p>2022/23:</p> <ul style="list-style-type: none"> ▪ 85% for urban low speed roads, ▪ 93% for rural high speed roads. <p>2023/24:</p> <ul style="list-style-type: none"> ▪ 85% for urban low speed roads, ▪ 93% for rural high speed roads.

How we will measure our performance	Baseline	Targets
		2024/25-31: <ul style="list-style-type: none"> 85% for urban low speed roads, 95% for rural high speed roads.
The percentage of the sealed local road network that is resurfaced.*	9.1% (2019/20)	2021/22: 7% of the local road network resealed per year. 2022/23: 7% of the local road network resealed per year. 2023/24: 7% of the local road network resealed per year. 2024/25-31: 8% of the local road network resealed per year.
Percentage of customers satisfied with the quality of roads in the District (excluding State Highways), as measured by the annual customer satisfaction survey.	2019/20: 49%	2021/22: ≥70% satisfied. 2022/23: ≥70% satisfied. 2023/24: ≥70% satisfied. 2024/25-31: ≥70% satisfied.
You can expect: customer service requests to be dealt with promptly and appropriately.		
The percentage of customer service requests relating to roads and footpaths to which Council responds within the time frame specified in the long term plan.*	89% (2019/20)	2021/22: 100% of maintenance related service requests are responded to within 10 working days. 2022/23: 100% of maintenance related service requests are responded to within 10 working days. 2023/24: 100% of maintenance related service requests are responded to within 10 working days. 2024/26-31: 100% of maintenance related service requests are responded to within 10 working days.
Issues reported to the Council regarding State Highways are forwarded to Waka Kotahi NZ Transport Agency.*	98% within one working day (2019/20)	2021/22: 100% of all reported issues (on State Highways) are forwarded within two working days. 2022/23: 100% of all reported issues (on State Highways) are forwarded within two working days. 2023/24: 100% of all reported issues (on State Highways) are forwarded within two working days. 2024/25-31: 100% of all reported issues (on State Highways) are forwarded within two working days.
You can expect: access to be provided to the network of local roads.		
Time for road access to be restored to communities following a 1 in 10 year climatic event.	No arterial roads closed, 100% for other roads (2019/20).	2021/22: 100% of Arterial and Collector roads open within 24 hours, all other roads within 72 hours. 2022/23: 100% of Arterial and Collector roads open within 24 hours, all other roads within 72 hours.

How we will measure our performance **Baseline**

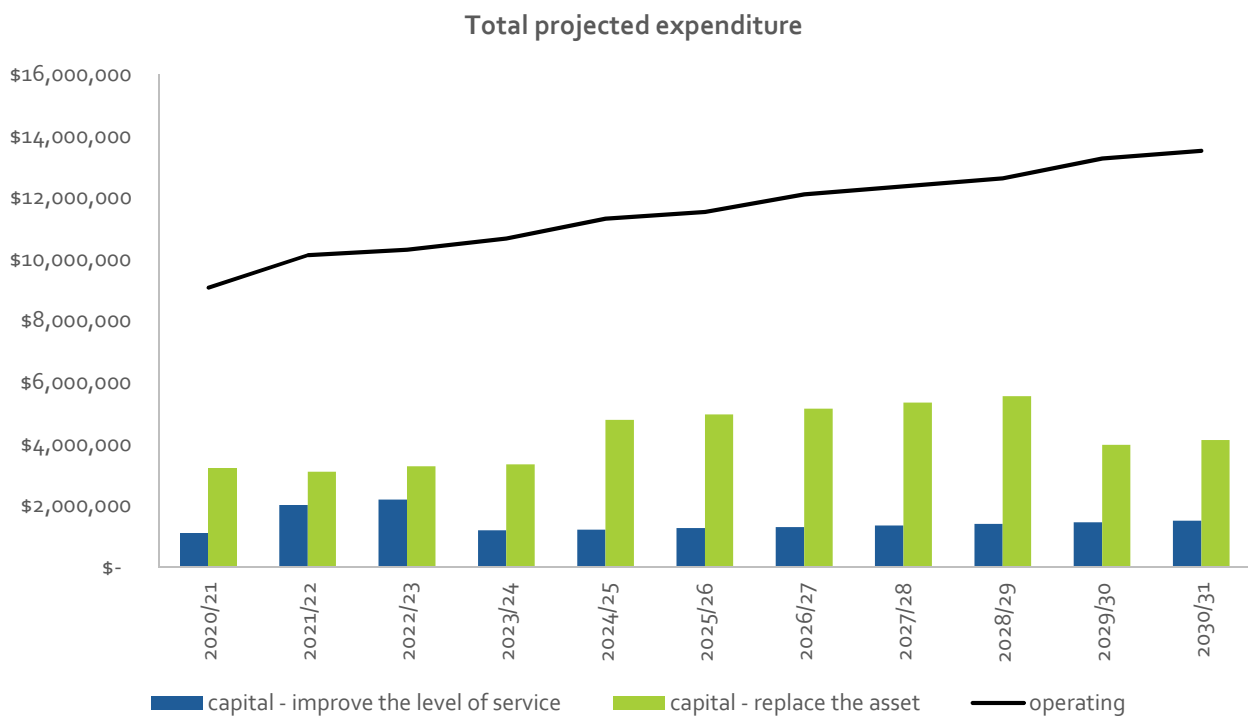
Targets

2023/24: 100% of Arterial and Collector roads open within 24 hours, all other roads within 72 hours.

2024/25-31: 100% of Arterial and Collector roads open within 24 hours, all other roads within 72 hours.

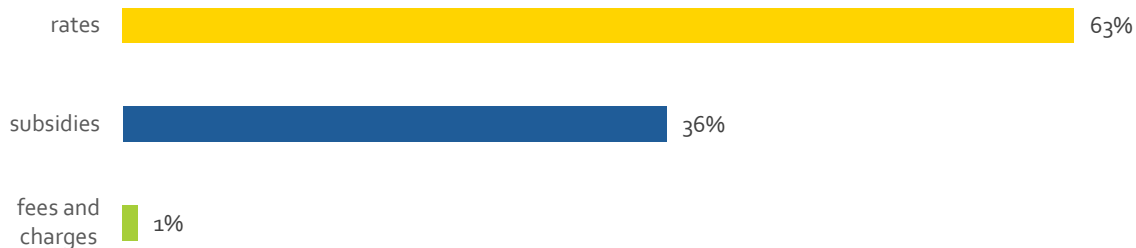
* Mandatory performance measure under section 261B of the Local Government Act 2002.

How much it costs | He aha te utu?



	20/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Amenity	238	147	151	156	160	165	169	174	179	184	190
Carriageways and Bridges	3,220	3,279	3,380	3,409	3,977	4,084	4,202	4,325	4,450	4,590	4,713
Footpath Maintenance	179	88	90	93	96	98	101	104	107	110	114
Lighting Network Management	0	300	309	318	327	337	347	357	367	378	389
Other	920	1,438	1,483	1,527	1,571	1,617	1,663	1,711	1,761	1,812	1,864
Depreciation/Assets written off	744	900	858	881	889	905	932	955	974	1,004	1,031
Interest	3,226	3,577	3,631	3,906	3,941	3,976	4,340	4,378	4,418	4,814	4,857
	552	409	407	387	360	356	355	361	368	384	365
	9,079	10,138	10,309	10,677	11,321	11,538	12,109	12,365	12,624	13,276	13,523
REVENUE											
Fees, Charges and Other Income	60	252	235	221	217	211	200	183	165	154	146
External Subsidies	4,309	5,393	5,497	5,640	6,938	7,163	7,402	7,649	7,904	7,103	7,329
Targeted Rates	4,694	5,013	5,592	6,249	6,292	6,423	6,703	6,842	7,050	7,529	7,756
General Rates	0	0	0	0	0	0	0	0	0	0	0
	9,063	10,658	11,324	12,110	13,447	13,797	14,305	14,674	15,119	14,786	15,231
OPERATING SURPLUS/(DEFICIT)	(16)	520	1,015	1,433	2,126	2,259	2,196	2,309	2,495	1,510	1,708

Where the (operating) money will come from | Nō hea te pūtea I ahau mai



Hauraki District Council: Funding impact statement for 2021-2031 for Land Transport | Te tauākī pūtea mo 2021-31

	20/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	4,694	5,013	5,592	6,249	6,292	6,423	6,703	6,842	7,050	7,529	7,756
Subsidies and grants for operating purposes	2,609	3,173	3,217	3,270	3,647	3,747	3,856	3,968	4,083	4,208	4,324
Fees and charges	60	60	62	64	66	67	69	71	74	76	78
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	7,363	8,246	8,871	9,583	10,005	10,237	10,628	10,881	11,207	11,813	12,158
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	4,751	5,636	5,744	5,844	6,476	6,650	6,843	7,047	7,246	7,466	7,679
Finance Costs	552	409	407	387	360	356	355	361	368	384	365
Internal charges and overheads applied	549	514	527	540	544	556	572	578	593	612	621
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding (B)	5,852	6,559	6,678	6,771	7,380	7,562	7,770	7,986	8,207	8,462	8,665
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	1,511	1,687	2,193	2,812	2,625	2,675	2,858	2,895	3,000	3,351	3,493
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	1,700	2,220	2,279	2,370	3,291	3,416	3,546	3,680	3,820	2,895	3,005
Development and financial contributions	0	192	174	158	152	143	131	113	92	79	68
Increase (decrease) in debt	1,395	1,534	1,830	629	2,057	2,249	2,110	2,317	2,532	615	779
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding (C)	3,095	3,946	4,283	3,157	5,500	5,808	5,787	6,110	6,444	3,589	3,852
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	1,088	2,017	2,188	1,196	1,219	1,266	1,302	1,351	1,402	1,456	1,511
- to replace existing assets	3,192	3,094	3,273	3,339	4,779	4,960	5,149	5,345	5,548	3,974	4,125
Increase (decrease) in reserves	326	521	1,018	1,435	2,127	2,257	2,194	2,310	2,495	1,511	1,708
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding (D)	4,606	5,632	6,479	5,970	8,125	8,483	8,645	9,006	9,445	6,941	7,344

	20/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(1,511)	(1,686)	(2,196)	(2,813)	(2,625)	(2,675)	(2,858)	(2,896)	(3,001)	(3,352)	(3,492)
FUNDING BALANCE ((A - B) + (C - D))	0	(1)	3	1	0	0	0	1	1	1	(1)

The funding impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to clause 7 of the Local Government (Financial Reporting and Prudence) Regulations 2014. It covers the 10-year period from 2021/22 to 2030/2031 and outlines the Council's sources of funding and its plan to apply them. Generally accepted accounting practice does not apply to the preparation of the funding impact statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from generally accepted accounting practice are the non-inclusion of depreciation and the inclusion of internal charges.



WATER SUPPLY TE WAIPUNA

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

Water Supply | Te Waipuna

Overview | Tiro whānui

The water supply activity provides domestic, commercial, industrial and agricultural water to our communities. We currently service our three main urban communities of Paeroa, Waihi and Ngatea, as well as six smaller communities, and the rural areas of Hauraki Plains, Kaimanawa and Ōhinemuri. Nearly 65% of the water treated by the Council is consumed by rural communities for agriculture.

Our plans for water supply services | A mātau mahere mo te waipuna

As a result of the Government's stated intention to improve the regulation and supply arrangements of drinking water, wastewater and stormwater (three waters), we are expecting these services to move to a semi-regional / regional / multi-regional or national supplier within three to four years. We've signed a Memorandum of Understanding (MOU) agreeing to work with the Government on the reforms. Implications of the regulation (Taumata Arowai) and changes to legislation are likely to result in higher standards for water treatment and compliance costs. In addition, the coming into force of the National Policy Statement on Freshwater Management may mean that environmental protection, Te Mana o te Wai, will have priority over water takes for public drinking water purposes. The potential reduction in the supply of raw water may affect our ability to meet demand. We'll be increasing our focus on compliance and reporting, and continue collaborating with neighbouring councils to ensure good practice. We're continuing to review our water quality data collection, plans, and processes to provide assurance that we're providing safe drinking water.

The Hauraki Treaty Settlement will result in iwi having co-governance arrangements with the Waikato Regional Council and territorial councils, and will have a greater role in governance and freshwater.

During the life of this plan we will investigate linking the Paeroa and Kerepehi networks to strengthen resilience as well as addressing future capacity constraints (mainly the Paeroa water supply treatment plant as this is approaching capacity).

We've identified that saltwater intrusion may be a risk for the Kerepehi intake (located on the Waihou River near the Firth of Thames) in later years. We currently test for salinity at this location and will be modelling the impact of climate change during the life of this plan. In the longer term we will investigate an alternative raw water source for Kerepehi at a different location due to potential saltwater intrusion as sea levels rise.

The water supply group
mainly contributes to the
following community
outcomes



Healthy Environment
Te Mauri o te Taiao



Connected People
Tūhono



Vibrant and Safe Communities
Te Oranga pai o te Hapori

We'll continue to keep a watching brief on international studies regarding nitrate contamination of potable water sources. Small rural communities such as the Hauraki Plains are particularly impacted by nitrate due to high farming activity and use of fertilisers on land. We test for nitrates annually, and at present the levels are substantially lower than the Drinking Water Standards thresholds.

We are required, from time to time, to assess the provision of our water services, and other sanitary services, from a public health perspective. We last completed an 'assessment of water and sanitary services' in 2014. We're planning to complete our next assessment in the first three years of this plan. Since the last assessment was completed the size of our population has increased to 20,022 people in 2018 (compared to 18,281 in 2013). The underlying assumptions to this LTP and those assumptions used at the time of developing the assessment of water and sanitary services have been updated; however, the trends of decreasing household sizes, an ageing population, and increasing tourist numbers remain the same.

We're planning for growth in Waihi which was not foreseen at the time of the 2014 assessment. That work will include investigating an alternative raw water source and associated infrastructure, and the potential addition of a second membrane unit to increase treatment capacity and plant resilience.

The Kaimanawa water supply has been connected to the Paeroa supply and is supplying compliant water to that community.

Changes to levels of service | Ngā Whakarerekē atu o ngā ratonga

We measure the percentage of water loss from our water network. We have revised our target for this measure – from 32% last long term plan, to 30% this long term plan to reflect the continuation of our substantial pipe and meter replacement programme and the completion of a water demand management study in 2020/21 which will determine areas where we can focus to reduce water loss from our network.

While the level of service we provide in response to water faults or unplanned interruptions has not changed, the way we measure this service has been amended. Our targets will now focus on measuring the median response times to these call-outs, rather than response times for a percentage of call-outs.

We measure the number of complaints we receive about water clarity, taste, odour and water pressure/flow. We have increased our target to ≤22 complaints per 1000 connections as this is a more realistic target.

Planned projects | Kaupapa kua whakamaheretia

The below table provides a summary of our key projects for this activity, including both operating and capital funding.

Planned projects	Description	When	How much
Water supply planning	For years 1-3 of the plan we have planned for a study to investigate the increase of the rate of abstraction for the Quarry take.	2021-24	\$153,000 total (operating)
Smart water use	Promotion of smart water use across the district.	2021-31	\$622,000 total (operating)
Redundant dam management	We have a number of historical dams that are no longer required. There are a number of options we could consider, including installing fish passage through the dams or removing the dams completely. The options need further development and are expected to be consulted on.	2021/22	\$825,000 (operating)

Planned projects	Description	When	How much
District water demand strategy monitoring equipment	Study reviewing what work needs to be done in regard to reduce water loss and to implement projects to achieve that.	2021/22	\$50,000 (level of service)
Manganese treatment – Phase one: online monitoring	To address issues with water from the Waihou River a robust treatment process needs to be developed. Phase one consists of monitoring the issue, with phase two being design and construction.	2021/22	\$100,000 (level of service)
Manganese treatment - Phase two: Green sand filter		2022/23	\$7 million (level of service)
Waihi raw water storage	When the Waihi water treatment plant was built, the best population projections showed that Waihi was not going to experience growth, in fact the population was expected to decline. As we are now aware, this has not been the case. The lack of projected population growth as well as the financial impact of doing so is the reason for not providing the infrastructure to accommodate the growth. This project consists of investigating alternative raw water source and determine what infrastructure would be required to use this source.	2021/22	\$75,000 (operating)
		2030/31	\$1.1 million (level of service)
Waihi water supply membrane redundancy and second membrane	This project consists of the potential addition of a second membrane unit. This will increase the resilience of the plant.	2021/22	\$50,000 (level of service)
		2021/22	\$250,000 (level of service)
		2022/23	\$2.4 million (level of service)
Colour, turbidity and pH monitoring at intakes	Install new colour and pH monitoring instruments at Waitawheta and Barry Road intakes, and renew turbidity meters at all intakes except Walmsley.	2021/22	\$160,000 (level of service)
Generators for treatment plants	Purchase two 250kVA generators for use at the treatment plants, and two 150kVA generators for use at intake pump stations, and two fuel bowsers.	2023/24	\$250,000 (level of service)
Waihi water treatment plant screening	Plant vegetation around the perimeter of the Waihi water treatment plant to partially screen/conceal the buildings and equipment.	2022/23	\$5,000 (level of service)
Ventilation for membrane cell rooms, electrical control room etc.	Provide ventilation and/or cooling as required for membrane cell rooms to remove chemical fumes and heat from equipment and electrical control rooms.	2021/22	\$30,000 (level of service)
Second intake for Paeroa (Resilience)	A high-level feasibility study to define the risk, and investigate a second intake or backup pump system from the Dell Reserve to Paeroa water treatment plant.	2022/23	\$31,500 (level of service)

Planned projects	Description	When	How much
Network connection to Waitakaruru reservoirs	Install a connection from the reticulation to the Waitakaruru treated water reservoirs to reduce the pressure drops experienced on the Western Plains.	2021/22	\$20,000 (level of service)
Plains and Paeroa Water connection	Investigate the feasibility of connecting the Plains and Paeroa supply to add resilience to the network.	2022/23	\$1 million (level of service)
		2024/25	\$48,000 (level of service)
		2026/27	\$91,000 (level of service)
Sanitary survey for water supply extensions District wide	Allowance for a survey to investigate the public need for water services in the areas not currently serviced by Council. The results may or may not result in some extensions to water supplies in different parts of the district including, Kaiaua, Pukekauri, Kaihere and Waimata.	2023/24	\$33,000 (level of service)
Pipe renewals and replacements	District cast iron pipe renewals District wide pipe renewal programme (service continuity) Concrete pipe replacements	2021-31	\$13.1 million total (renewals)
Water meter renewals	District water meter renewals.	2021-31	\$2.7 million total (renewals)
Paeroa UV Lamps	Replacement of UV lamps for water treatment.	2022/23, 2025/26, 2029/30	\$15,000 total (renewals)
PRV refurbishments	Karangahake Mackaytown.	2023/24	\$5,500 (renewals)
District wide renewals	Various district wide renewals including: district treatment asset renewals and district upgrading and replacing of SCADA equipment.	2021-31	\$1.9 million total (renewals)
Kerepehi renewals	Kerepehi reticulation pump 1 VSD.	2021/22	\$12,000 (renewals)
	Kerepehi Tanners pond desludging.	2025/26	\$28,000 (operating)
	Kerepehi treated water flowmeter.	2026/27	\$14,000 (renewals)
	Kerepehi UV lamps renewal.	2021-31	\$84,000 total (renewals)
	Kerepehi Waihou pump 1 VSD.	2027/28	\$21,000 (renewals)
Membrane renewals	Waihi.	2023/24	\$350,000 (renewals)
	Paeroa.	2023/24	\$550,000 (renewals)
	Kerepehi.	2027/28	\$990,000 (renewals)
Waihi plant outflow meter	Renewal of meter	2023/24	\$12,000 (renewals)
Raw water tank Kerepehi	Condition assessment inspection.	2021/22	\$100,000 (renewals)
	Replacement of raw water tank.	2023/24	\$1.1 million (renewals)
Kerepehi raw water main	Replacement of the Kerepehi raw water main with consideration for growth and future proofing for climate change.	2021/22	\$100,000 (renewals)
		2022/23	\$3.15 million (renewals)
Waitakaruru raw water main (Mangatarata intake to Plant)	Replace the remaining asbestos cement pipe with PE pipe.	2030/31	\$400,000 (renewals)

Planned projects	Description	When	How much
Waihou intake consents	Renewal of consent.	2025/26	\$120,000 (renewals)
Waihou intake control upgrade	Replacement of outdated control gear.	2021/22	\$90,000 (renewals)
Waitakaruru renewals	Various renewals at Waitakaruru over the ten year period, including pumps, VSD, flowmeters and UV lamps.	2021-31	\$215,000 total (renewals)
Repair the gabions at the Quarry intake	Repair the gabions at the quarry.	2023/24	\$22,000 (renewals)
Pressure improvements to Orongo	Renewal of the pipes between Pipiroa to Kopuarahi School, increasing size to improve water pressure to the Orongo area.	2022/23	\$95,000 (renewals)
Communications/control integration for Waitakaruru and Quarry and Mangatarata intake	Investigate and implement solutions to improve reliability of communications and control between the Waitakaruru, Quarry and Mangatarata intake sites and the central control room.	2021/22	\$55,000 (renewals)
Housing of Generator Kerepehi	Replace existing housing with a shipping container to be permanently installed at Kerepehi.	2022/23	\$16,000 (renewals)
Risk management plan for the Quarry	Compile a risk management plan for Tetley's Quarry intake to Waitakaruru water treatment plant.	2021/22	\$30,000 (renewals)
Reseal Kerepehi water treatment plant access road	Reseal the access road at the Kerepehi water treatment plant.	2021/22	\$20,000 (renewals)
Mangatarata renewals	Intake flowmeter and intake VSD	2022/23	\$23,000 (renewals)
Mangatarata intake pump renewal	Replacement pump for the Mangatarata raw water intake.	2022/23	\$16,000 (renewals)
Paeroa raw water main sample testing	Testing of pressure through the water main to confirm performance and replacement timeframe.	2027/28	\$6,600 (renewals)
Self-cleaning colour sensors for Paeroa and Waihi	Install self-cleaning colour sensors at Paeroa and Waihi water treatment plants.	2021/22	\$150,000 (renewals)

What you can expect from us | Ōu tūmanako mā mātou

We've included some measures in the following table to show you what you can expect from us and the services we provide. We'll report on our progress to meeting these annually in our Annual Report.

How we will measure our performance	Baseline	Targets
You can expect: water that is safe to drink.		
The extent to which the Council's drinking water supply complies with:	Not achieved in 2019/20	2021/22: 100% compliance for:
a) Part 4: Bacterial Compliance Criteria		a) Bacteria
b) Part 5: Protozoal Compliance Criteria		b) Protozoa
		at all water plants.
		2022/23: 100% compliance for:
		a) Bacteria
		b) Protozoa

How we will measure our performance	Baseline	Targets
measured by the National Water Information New Zealand (WINZ) database*		at all water plants. 2023/24: 100% compliance for: a) Bacteria b) Protozoa at all water plants. 2024/25-31: 100% compliance for: a) Bacteria b) Protozoa at all water plants.
You can expect: losses from the water supply network to be minimised.		
The percentage of real water loss from the Council's networked reticulation system ¹ measured by real losses through leaks in the network and apparent losses through metering inaccuracies or water theft.*	2019/20: 32% (not achieved)	2021/22: 30% 2022/23: 30% 2023/24: 30% 2024/25-31: 30% aiming towards 20%
You can expect: a reliable water supply.		
The number of unplanned interruptions to the water supply system per 1000 properties per year, measured by the service request system.	2019/20: overall, not achieved.	2021/22: <10 2022/23: <10 2023/24: <10 2024/25-31: <10
The average consumption of drinking water per day per resident within the Hauraki District, measured by litres consumed per person, per day.*	2019/20: 178.75 litres per person per day (achieved)	2021/22: <250 litres per resident per day (measured annually). 2022/23: <250 litres per resident per day (measured annually). 2023/24: <250 litres per resident per day (measured annually). 2024/25-31: <250 litres per resident per day (measured annually).
You can expect: customer service requests to be dealt with promptly and appropriately.		
Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: Urgent² Call-outs:	2019/20: overall, not achieved.	2021/22: Urgent: ▪ Median attendance = 1 hour ▪ Median resolution = 3 hours Non-urgent ▪ Median attendance = 3 hours ▪ Median resolution = 72 hours 2022/23: Urgent: ▪ Median attendance = 1 hour ▪ Median resolution = 3 hours Non-urgent ▪ Median attendance = 3 hours ▪ Median resolution = 72 hours
<ul style="list-style-type: none"> ▪ Attendance (from the time that the Council receives notification to the time that service personnel reach the site) ▪ Resolution (from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption) 		

¹ Mandatory requirement includes a description of the methodology used to calculate this.

² Urgent call-outs = complete loss of supply of drinking water.

How we will measure our performance **Baseline**

Targets

Non-Urgent³ Call-outs:

- Attendance
- Resolution*

2023/24:

Urgent:

- Median attendance = 1 hour
- Median resolution = 3 hours

Non-urgent

- Median attendance = 3 hours
- Median resolution = 72 hours

2024/25-31:

Urgent:

- Median attendance = 1 hour
- Median resolution = 3 hours

Non-urgent

- Median attendance = 3 hours
- Median resolution = 72 hours

You can expect: potable water to be supplied to consumers.

The total number of complaints received by Council about any of the following:

- drinking water clarity;
- drinking water taste;
- drinking water odour;
- drinking water pressure or flow;
- continuity of supply; and
- the Council's response to any of these issues, expressed per 1000 connections to the Council's networked reticulation system.*

2019/20: overall, not achieved.

2021/22: Target number of complaints ≤ 22 complaints per 1000 connections.

2022/23: Target number of complaints ≤ 22 complaints per 1000 connections.

2023/24: Target number of complaints ≤ 22 complaints per 1000 connections.

2024/25-31: Target number of complaints ≤ 22 complaints per 1000 connections.

You can expect: the Council to provide its water supply services at agreed levels of service.

Customers are satisfied with the water quality supplied by the Council.

72% (2019, not achieved)

2021/22: ≥80% satisfied.

2022/23: ≥80% satisfied.

2023/24: ≥80% satisfied.

2024/25-31: ≥80% satisfied.

You can expect: water supplies to be operated in compliance with regulatory requirements.

Achieve a high level of compliance at all water treatment plants, as measured by the number of:

- abatement notices; and
- infringement notices; and
- enforcement orders; and
- prosecutions received by Council in relation those resource consents.

2019/20: 0 (achieved)

2021/22:

- 0 abatement notices
- 0 infringement notices;
- 0 enforcement orders;
- 0 prosecutions

received by the Council in relation to our resource consents.

2022/23:

- 0 abatement notices
- 0 infringement notices;
- 0 enforcement orders;
- 0 prosecutions

³ Non-urgent callouts = there is still a supply of drinking water.

How we will measure our performance **Baseline**

Targets

received by the Council in relation to our resource consents.

2023/24:

- 0 abatement notices
- 0 infringement notices;
- 0 enforcement orders;
- 0 prosecutions

received by the Council in relation to our resource consents.

2024/25-31:

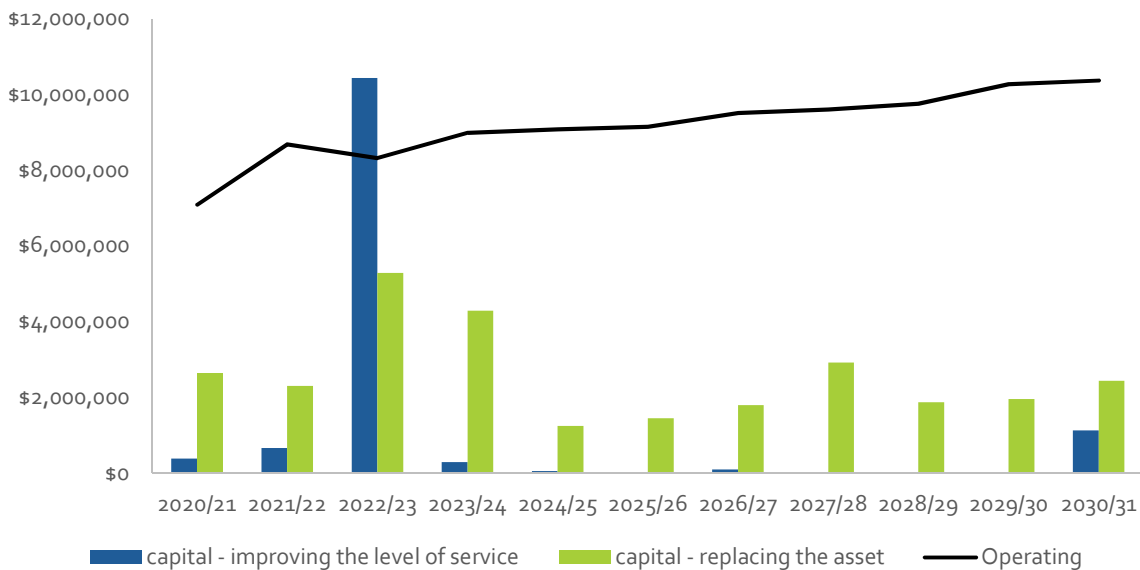
- 0 abatement notices
- 0 infringement notices;
- 0 enforcement orders;
- 0 prosecutions

received by the Council in relation to our resource consents.

*Mandatory performance measure under section 261B of the Local Government Act 2002.

How much it costs | He aha te utu?

Total projected expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Treatment	1,762	1,736	1,790	1,824	1,863	1,908	1,951	2,006	2,066	2,130	2,187
Reticulation	747	777	803	820	839	860	880	907	937	968	994
Intakes and Headworks	320	1,177	364	371	380	390	399	411	424	438	450
Fixed Costs	211	215	222	227	232	238	244	251	259	268	275
Overheads	979	1,195	1,231	1,268	1,285	1,312	1,342	1,359	1,392	1,436	1,456
Pumpstations	21	66	68	70	71	73	75	77	80	82	84
Major Maintenance	25	31	32	33	33	62	35	36	37	39	40
Other	351	470	555	485	441	451	459	470	483	496	507
Depreciation/Assets written off	1,781	2,242	2,452	2,688	2,697	2,701	3,046	3,050	3,055	3,426	3,431
Interest	895	779	805	1,201	1,239	1,156	1,083	1,043	1,028	996	950
	7,092	8,688	8,322	8,987	9,080	9,151	9,514	9,610	9,761	10,279	10,374
REVENUE											
Fees, Charges and Other Income	56	730	369	345	336	321	300	273	244	221	203
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	7,137	7,565	8,133	8,946	9,170	9,399	9,634	9,875	10,122	10,375	10,634
General Rates	0	0	0	0	0	0	0	0	0	0	0
	7,193	8,295	8,502	9,291	9,506	9,720	9,934	10,148	10,366	10,596	10,837
OPERATING SURPLUS/(DEFICIT)	101	(393)	180	304	426	569	420	538	605	317	463

Where the (operating) money will come from | Nō hea te pūtea I ahau mai



Hauraki District Council: Funding impact statement for 2021-31 for Water Supply | Te tauākī pūtea mo 2021-31

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	7,137	7,565	8,133	8,946	9,170	9,399	9,634	9,875	10,122	10,375	10,634
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	7,137	7,565	8,133	8,946	9,170	9,399	9,634	9,875	10,122	10,375	10,634
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	3,425	4,385	3,746	3,741	3,769	3,890	3,949	4,062	4,188	4,320	4,434
Finance Costs	895	779	805	1,201	1,239	1,156	1,083	1,043	1,028	996	950
Internal charges and overheads applied	992	1,280	1,319	1,357	1,376	1,405	1,437	1,455	1,490	1,536	1,558
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding (B)	5,312	6,444	5,870	6,299	6,384	6,451	6,469	6,560	6,706	6,852	6,942
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	1,825	1,121	2,263	2,647	2,786	2,948	3,165	3,315	3,416	3,523	3,692
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	333	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	342	311	286	275	259	236	207	176	151	131
Increase (decrease) in debt	1,191	775	13,319	1,935	(1,350)	(1,194)	(1,098)	(66)	(1,122)	(1,405)	197
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding (C)	1,191	1,450	13,630	2,221	(1,075)	(935)	(862)	141	(946)	(1,254)	328
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	377	660	10,432	281	48	0	91	0	0	0	1,121
- to replace existing assets	2,639	2,300	5,281	4,283	1,239	1,445	1,793	2,919	1,864	1,951	2,435
Increase (decrease) in reserves	0	(389)	182	304	425	569	419	537	606	318	463
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding (D)	3,016	2,571	15,895	4,868	1,712	2,014	2,303	3,456	2,470	2,269	4,019
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(1,825)	(1,121)	(2,265)	(2,647)	(2,787)	(2,949)	(3,165)	(3,315)	(3,416)	(3,523)	(3,691)
FUNDING BALANCE ((A - B) + (C - D))	0	0	2	0	1	1	0	0	0	0	(1)
SOURCES OF OPERATING FUNDING											

The funding impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to clause 7 of the Local Government (Financial Reporting and Prudence) Regulations 2014. It covers the 10-year period from 2021/22 to 2030/31 and outlines the Council's sources of funding and its plan to apply them. Generally accepted accounting practice does not apply to the preparation of the funding impact statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from generally accepted accounting practice are the non-inclusion of depreciation and the inclusion of internal charges.



WASTEWATER TE WAI URURUA

- Collection
- Treatment
- Disposal

Wastewater | Te wai ururua

Overview | Tiro whānui

Our wastewater activity involves the collection, treatment and disposal of wastewater for seven urban townships in the district. At our treatment plants the wastewater is treated to clean it up before releasing it – mostly to waterways. We also make sure that trade wastes are appropriately collected and treated.

We provide this service to protect public health, to mitigate the risks of pollution and disease associated with wastewater and to protect the receiving environments from the effects of wastewater products and by-products.

We operate seven wastewater schemes in the District, which services approximately 5,720 properties.

The wastewater group mainly contributes to the following community outcomes



Healthy Environment
Te Mauri o te Taiao

Our plans for wastewater services | A mātau mahere mo te wai ururua

We will face significant challenges with future wastewater treatment plant upgrades which will be required as our resource consents expire. The National Policy Statement on Freshwater Management and regional Plan Changes will require a higher standard of treatment before water can be discharged, and we will also need to allow for future growth.

The likely wastewater upgrade cost estimates are significant and may not be affordable for our communities. In addition, an upgrade may not represent the best environmental outcomes because the discharge from our treatment plants is minimal when compared to other runoff in the catchment. If we were looking to make a significant environmental impact, we may be wiser investing in other options.

The New Zealand Government announced its three waters reform package in 2019. Key features include the introduction of the Taumata Arowai – the Water Services Regulator Act, which has created a new standalone Crown entity. Taumata Arowai will have a national oversight role for the three waters. Regional councils will continue to regulate wastewater and stormwater systems under the Resource Management Act and Taumata Arowai will be the overseer.

We are required, from time to time, to assess the provision of our water services, and other sanitary services, from a public health perspective. We last completed an 'assessment of water and sanitary services' in 2014. We're planning to complete our next assessment in the first three years of this plan. Since our 2014 assessment, the capacity of our existing wastewater treatment plants (especially in Kerepehi and Paeroa) will be stretched due to a combination of population growth and new environmental standard constraints. All seven of our wastewater plants need to be reconsigned and this is most likely to require significant upgrades to meet new standards.

To address the significant wastewater issues that we are facing, we will be developing a wastewater strategy on the treatment and discharge of wastewater within our district for the next 50 years. In the short to medium term, we will focus on understanding the current state of our wastewater assets.

Changes to levels of service | Ngā Whakarerekē atu o ngā ratonga

We have changed our level of service statement relating to the number of dry weather wastewater overflows from the Council’s wastewater system to be more meaningful to customers. The target has also been reduced from <1 to <2 per 1000 connections to realistically reflect the level of service provided. There is no change to the service level provided.

We measure the wastewater overflows that result from a blockage or other fault in our wastewater system. The target for this measure has been amended (from a percentage within a timeframe, to median response times) to more accurately reflect the intention of this mandatory measure; however, there is no change to the service level provided.

In the 2018-28 long term plan we measured the frequency of dry weather overflows from pump stations. This measure has been removed for the 2021-31 period as this measure was similar to the mandatory measure mentioned above (dry weather overflows from the Council’s wastewater system), and doesn’t add any further information of value to our customers. The level of service has not changed.

Planned projects | Kaupapa kua whakamaheretia

The below table provides a summary of our key projects for this activity, including both operating and capital funding.

Planned projects	Description	When	How much
Wastewater strategy	Development of a wastewater strategy prior to applying for new wastewater consents, giving consideration to new long term wastewater treatment requirements that will be required.	2021/22	\$600,000 (level of service) \$300,000 (operating)
Wastewater treatment plant upgrades	Kerepehi	2023/24-2027/28	\$13.5 million total (level of service)
	Turua	2024/25-2027/28	\$5.5 million total (level of service)
	Whiritoa	2022/23	\$315,000 (level of service)
		2025/26-2028/29	\$770,000 total (level of service)
	Paeroa	2021/22-2026/27	\$15.5 million total (level of service)
	Ngatea new pumpstation and new rising main.	2022/23-2024/25	\$3.6 million total (level of service)
Step screen Junction Road	Installation of a screen to capture large particles.	2023/24-2024/25	\$574,000 total (level of service)
Pump stations SCADA	This project aims to bring the remaining 29 pumpstations online with SCADA (a computer system with the primary function to collect information (data) and provide an interface to control specific equipment), which will assist with operational matters.	2021/22-2026/27	\$390,000 total (level of service)
Generator shed Waihi	Construct new shed to house the generator at Waihi to prolong asset life.	2024/25	\$21,000 (level of service)

Planned projects	Description	When	How much
Waitakaruru WWTP extension and network study and construction	Investigate the extension of the Waitakaruru wastewater network to increase capacity to cater for additional inflow and a design of the network. This work will require a change to the existing discharge consent	2021/22	\$75,000 (level of service)
	Carry out the work	2026/27	\$275,000 (level of service)
Paeroa Northern sewer	Diversion of Bush Street pumpstation flow to go directly to Paeroa wastewater treatment plant to allow for capacity for future developments.	2021/22-2023/24	\$1.3 million total (level of service)
Kerepehi sewer	New sewer lines and pumps to accommodate additional flows from growth.	2021/22	\$50,000 (level of service)
		2023/24	\$330,000 (level of service)
Pipe renewals	District wide wastewater pipe renewals throughout the district.	2021-31	\$9.3 million total (renewals)
	Waihi East pipe renewals – hydraulic.	2021/22 2022/23	\$65,000 (renewals) \$58,000 (renewals)
	Paeroa pipe renewals.	2021/22	\$715,000 (renewals)
		2027/28-2029/30	\$1 million (renewals)
District wide pumpstation and pump renewals	Reactive renewals at wastewater treatment plants and pumpstations, replacement pumpstation cabinets, and sewer pump renewals.	2021-31	\$2.15 million total (renewals)
Aerator component renewals	Ngatea	2025/26	\$12,000 (renewals)
	Paeroa	2022/23, 2026/27	\$14,000 total (renewals)
	Waihi	2022/23, 2026/27	\$11,000 (renewals) \$12,600 (renewals)
	Whiritoa and Turua	2024/25 2025/26	\$6,000 each (renewals)
Waitakaruru treatment plant renewals	Component renewals.	2021/22-2023/24	\$52,000 total (renewals)
Kerepehi biobaffle replacement		2026/27	\$46,000 (renewals)
Kerepehi waveband renewals	The renewal of the waveband at Kerepehi, which is the concrete strip at wastewater plants which stops erosion.	2027/28	\$98,700 (renewals)
Waihi wastewater consents	Resource consent for Waihi wastewater treatment.	2030/31	\$750,000 (renewals)
Waihi SCADA instrumentation renewals	System control and data acquisition (SCADA) renewals.	2022/23-2026/27	\$55,000 total (renewals)
Waitakaruru prostep onsite set renewals	Replacement of Waitakaruru sewer pump.	2021/22-2022/23	\$16,500 total (renewals)
Waitakaruru wastewater consents	Resource consent for Waitakaruru wastewater treatment.	2021/22	\$75,000 (renewals)
Whiritoa irrigation block renewals	Coppicing of the current block and replacement with new trees.	2021/22	\$150,000 (renewals)
Pit rim sewer	Survey subsiding parts of the wastewater line to determine the extent of the movement and line condition.	2022/23	\$32,000 (renewals)

Planned projects	Description	When	How much
	The solution will depend on the outcome of the survey, in the meantime an indicative figure has been included.	2027/28	\$160,000 (renewals)
Paeroa renewals	Flow meter renewals, meters, storage chamber pump, UV lamp renewals, and VSD renewals.	2022/23 2024/25	\$173,000 total (renewals) \$36,400 total (renewals)
Desludge WWTP ponds	Desludge wastewater treatment ponds at all wastewater treatment plants.	2021/22- 2025/26	\$4 million total (operating)
New storage tanks at Waihi wastewater treatment plant	Install chemical storage tanks at Waihi wastewater treatment plant.	2021/22	\$40,000 (renewals)
Ngatea wastewater treatment plant diffuser inspection	Inspection and condition assessment of the diffuser and repair any defects noted to comply with consent condition.	2021/22	\$10,000 (renewals)
Turua rising main – replacement of cast iron section	Upgrade a deteriorating portion of the rising main into the Turua wastewater treatment plant to PVC to match the rest of the main.	2021/22	\$5,000 (renewals)
Waihi second rising main to plant	In order to get more effluent to Victoria pumpstation to avoid overflows, a new rising main is required. The best alternative needs to be investigated as part of this project. This project is to assess the two rising mains in Waihi and consider if reuse or complete relay/realignment is required, followed by appropriate rehabilitation or alignment.	2021/22	\$500,000 (renewals)
New rising main and pumpstation for Wellington SsPS	This replacement will need to include an element of growth - a preliminary figure has been included for this.	2026/27	\$120,000 (renewals)

What you can expect from us | Ōu tūmanako mā mātou

We've included some measures in the following table to show you what you can expect from us and the services we provide. We'll report on our progress to meeting these annually in our Annual Report.

How we will measure our performance	Baseline	Targets
You can expect: the risk of environmental and public health impacts to be mitigated.		
The number of dry weather ¹ wastewater overflows from the Council's wastewater system, expressed per 1000 wastewater connections to that wastewater system, measured by the Council's service request system.*	2019/20: overall, not achieved.	2021/22: <2 per 1,000 connections. 2022/23: <2 per 1,000 connections. 2023/24: <2 per 1,000 connections. 2024/25-31: <2 per 1,000 connections.
You can expect: the community and the environment to be provided with protection.		

¹ This only applies to days when less than 1mm of rain has fallen during a continuous 24 hour period.

How we will measure our performance	Baseline	Targets
<p>Compliance with the Council's resource consents for discharge from its wastewater system.</p> <p>Measured by the number of:</p> <ul style="list-style-type: none"> abatement notices; and infringement notices; and enforcement orders; and successful prosecutions received by Council <p>in relation those resource consents.*</p>	<p>2019/20 (not achieved)</p> <p>2 abatement notices;</p> <p>0 infringement notices;</p> <p>0 enforcement orders;</p> <p>0 prosecutions.</p>	<p>2021/22:</p> <ul style="list-style-type: none"> 0 abatement notices 0 infringement notices; 0 enforcement orders; 0 prosecutions <p>received by the Council.</p> <p>2022/23:</p> <ul style="list-style-type: none"> 0 abatement notices 0 infringement notices; 0 enforcement orders; 0 prosecutions <p>received by the Council.</p> <p>2023/24:</p> <ul style="list-style-type: none"> 0 abatement notices 0 infringement notices; 0 enforcement orders; 0 prosecutions <p>received by the Council.</p> <p>2024/25-31:</p> <ul style="list-style-type: none"> 0 abatement notices 0 infringement notices; 0 enforcement orders; 0 prosecutions <p>received by the Council.</p>

You can expect: customer service requests to be dealt with promptly and appropriately.

<p>Where the Council attends to wastewater overflows² resulting from a blockage or other fault in the Council's wastewater system, the following median response times measured:</p> <ul style="list-style-type: none"> attendance time (from the time that the Council receives notification to the time that service personnel reach the site) resolution time (from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault)* 	<p>2019/20: overall, not achieved.</p>	<p>2021/22: Median attendance time = 1 hour Median resolution time = 12 hours.</p> <p>2022/23: Median attendance time = 1 hour Median resolution time = 12 hours.</p> <p>2023/24: Median attendance time = 1 hour Median resolution time = 12 hours.</p> <p>2024/25-31: Median attendance time = 1 hour Median resolution time = 12 hours.</p>
--	--	--

You can expect: a safe and reliable wastewater service.

<p>The total number of complaints received by Council about any of the following:</p> <ul style="list-style-type: none"> wastewater odour; wastewater system faults; wastewater system blockages; and the Council's response to issues with our wastewater system, <p>expressed per 1,000 connections to Council's wastewater system.*</p>	<p>2019/20: overall, not achieved.</p>	<p>2021/22: ≤ 12 per 1,000 connections.</p> <p>2022/23: ≤ 12 per 1,000 connections.</p> <p>2023/24: ≤ 12 per 1,000 connections.</p> <p>2024/25-31: ≤ 12 per 1,000 connections</p>
--	--	---

² An **overflow** means sewage that escapes our wastewater system and enters the environment. It includes blockages and chokes.

How we will measure our performance

Baseline

Targets

Percentage of users satisfied with the quality of the wastewater services provided.

2019/20: 85% (not achieved)

2021/22: ≥85% satisfied.

2022/23: ≥85% satisfied.

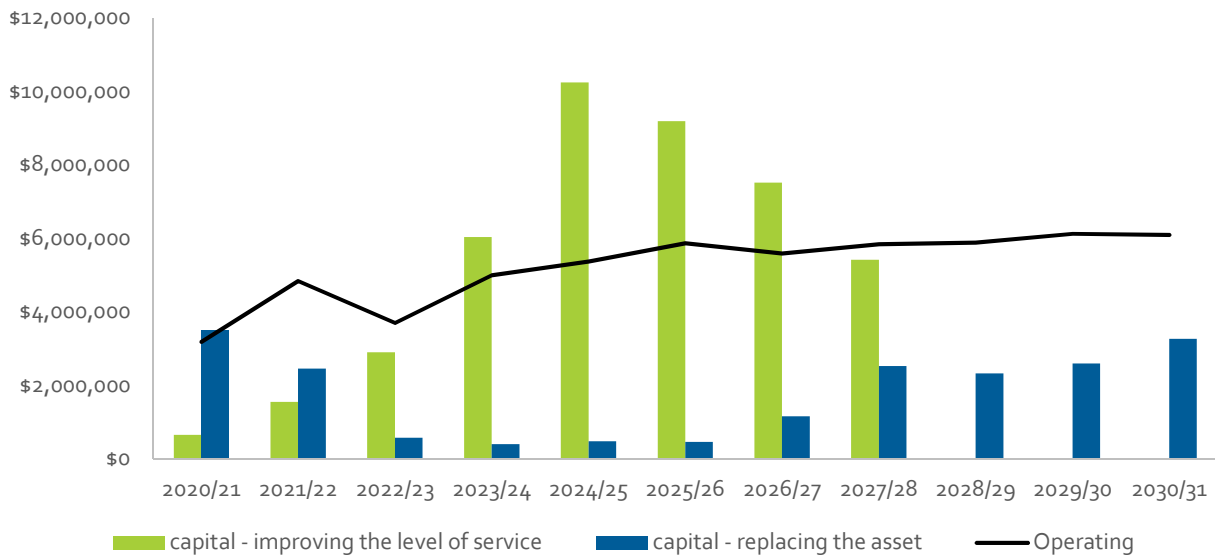
2023/24: ≥85% satisfied.

2024/25-31: ≥85% satisfied.

* Mandatory performance measure under section 261B of the Local Government Act 2002.

How much it costs | He aha te utu?

Total projected expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Treatment	714	569	587	599	612	628	642	660	681	702	721
Reticulation Intakes and Headworks	132	144	149	152	156	160	164	169	174	180	185
Fixed Costs	0	0	0	0	0	0	0	0	0	0	0
Overheads	143	143	148	151	155	159	162	167	173	178	183
Pumpstations	665	687	707	726	738	753	769	781	800	823	837
Major Maintenance	277	283	293	299	306	314	321	331	341	353	362
Other Depreciation/Assets written off	19	1,019	19	1,075	1,100	1,129	21	22	22	23	24
Interest	113	472	177	180	183	187	191	196	201	207	211
	874	1,325	1,353	1,499	1,628	1,800	2,321	2,536	2,634	2,813	2,763
	238	191	261	306	485	729	992	971	852	840	802
	3,175	4,833	3,694	4,987	5,363	5,859	5,583	5,833	5,878	6,119	6,088
REVENUE											
Fees, Charges and Other Income	260	1,820	567	550	2,352	541	8,266	10,015	497	486	477
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	3,584	3,584	3,674	3,766	4,048	4,352	4,678	5,263	6,184	6,957	7,826
General Rates	0	0	0	0	0	0	0	0	0	0	0

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
	3,844	5,404	4,241	4,316	6,400	4,893	12,944	15,278	6,681	7,443	8,303
OPERATING SURPLUS/(DEFICIT)	669	571	547	(671)	1,037	(966)	7,361	9,445	803	1,324	2,215

Where the (operating) money will come from | Nō hea te pūtea I ahau mai



Hauraki District Council: Funding impact statement for 2021-31 for Wastewater | Te tauākī pūtea mo 2021-31

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	3,584	3,584	3,674	3,766	4,048	4,352	4,678	5,263	6,184	6,957	7,826
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	148	148	153	156	160	164	168	173	179	184	189
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	3,732	3,732	3,827	3,922	4,208	4,516	4,846	5,436	6,363	7,141	8,015
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,398	2,601	1,343	2,426	2,481	2,544	1,469	1,511	1,559	1,609	1,652
Finance Costs	238	191	261	306	485	729	992	971	852	840	802
Internal charges and overheads applied	665	716	737	757	769	785	801	814	833	857	872
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Total Applications of Operating Funding (B)	2,301	3,508	2,341	3,489	3,735	4,058	3,262	3,296	3,244	3,306	3,326
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	1,431	224	1,486	433	473	458	1,584	2,140	3,119	3,835	4,689
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	1,232	0	0	1,804	0	7,738	9,505	0	0	0
Development and financial contributions	0	328	298	276	267	253	233	207	184	162	144
Increase (decrease) in debt	2,723	2,768	2,211	5,028	9,193	7,952	6,460	5,521	(186)	(92)	635
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding (C)	2,723	4,328	2,509	5,304	11,264	8,205	14,431	15,233	(2)	70	779
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	645	1,535	2,887	6,024	10,236	9,180	7,510	5,409	0	0	0
- to replace existing assets	3,509	2,445	561	384	464	448	1,144	2,518	2,312	2,581	3,255
Increase (decrease) in reserves	0	572	547	(672)	1,037	(964)	7,361	9,447	803	1,323	2,212
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding (D)	4,154	4,552	3,995	5,736	11,737	8,664	16,015	17,374	3,115	3,904	5,467
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(1,431)	(224)	(1,486)	(432)	(473)	(459)	(1,584)	(2,141)	(3,117)	(3,834)	(4,688)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	(1)	0	1	0	1	(2)	(1)	(1)

The funding impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to clause 7 of the Local Government (Financial Reporting and Prudence) Regulations 2014. It covers the 10-year period from 2021/22 to 2030/31 and outlines the Council's sources of funding and its plan to apply them. Generally accepted accounting practice does not apply to the preparation of the funding impact statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from generally accepted accounting practice are the non-inclusion of depreciation and the inclusion of internal charges.



STORMWATER WAI ĀWHĀTANGA

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

Stormwater | Wai āwhātanga

Overview | Tiro whānui

The stormwater activity involves collecting and disposing of excess rainfall runoff from urban areas using various drainage systems. These services are provided in Paeroa, Waihi, Ngatea, Turua, Kerepehi, Whiritoa, Mackaytown, Karangahake, Waikino and Kaiaua. Stormwater assets include open drains, piped network, manholes and pump stations which operate in combination to remove surface water runoff. All stormwater systems eventually discharge into the Waihou or Piako Rivers, with the exception of the Kaiaua and Whiritoa systems which discharge directly to sea.

Our plans for stormwater services | A mātau mahere mo wai āwhātanga

Our consents for discharging stormwater into waterways expire in 2023. We know that in renewing these consents, a higher standard of treatment and monitoring will be required; these standards will be influenced by the National Policy Statement for Freshwater Management and the national Environmental Standards for Freshwater. We have allowed funding accordingly to renew these consents (see *Planned Projects* below).

Additionally, the delivery of stormwater services may change in the future as a result of the Government's Three Waters Reform. The implications of this are still unknown; but is more than likely to be included in the Three Waters Reform. This might mean that this service is rendered by a new entity in three years.

We will continue to replace any end of life stormwater assets with infrastructure sized to accommodate climate change.

We are required, from time to time, to assess the provision of our water services, and other sanitary services, from a public health perspective. We last completed an 'assessment of water and sanitary services' in 2014. We're planning to complete our next assessment in the first three years of this plan. As mentioned above, our renewed discharge consents will likely require a higher standard of treatment and monitoring than we knew about when we prepared our assessment in 2014; this will therefore likely result in a variation between our plans and the assessment of water and sanitary services.

The stormwater group mainly
contributes to the following
community outcomes



Healthy Environment
Te Mauri o te Taiao



Vibrant and Safe Communities
Te Oranga pai o te Hapori

Changes to levels of service | Ngā Whakarerekē atu o ngā ratonga

Our target for the number of complaints we receive about the performance of our stormwater system has been increased since the 2018-28 long term plan from 2 to 8 customers per 1000 properties. We don't consider this to be a change in the level of service we provide our customers; however, allows for the increased numbers of complaints we receive as a result of the increasing frequency of events related to climate change.

Planned projects | Kaupapa kua whakamaheretia

The below table provides a summary of our key projects for this activity, including both operating and capital funding.

Planned projects	Description	When	How much
Stormwater upgrades	Paeroa	2021/22-2029/30	\$470,000 total (level of service)
	Ngatea, Turua, Kaiaua	2021-31	\$170,000 total (level of service)
	Waihi	2022/23-2029/30	\$310,000 total (level of service)
Stormwater treatment	Paeroa	2023/24-2029/30	\$95,000 total (level of service)
	Ngatea, Turua, Kaiaua, Kerepehi	2023/24-2029/30	\$120,000 total (level of service)
	Waihi and Whiritoa	2023/24-2029/30	\$100,000 total (level of service)
Stormwater consent Kerepehi industrial subdivision	Kerepehi industrial subdivision currently has no stormwater discharge consent as it is not covered by any of the other comprehensive discharge consents. It is likely that WRC would require Council to do treatment. That will require treatment devices.	2023/24	\$72,000 (level of service)
Stormwater Flora Street	Investigation into improved pipe network to reduce flooding in Flora Street, Paeroa.	2028/29	\$385,000 (level of service)
New Kaiaua stormwater consent	Collectively the stormwater discharge points to rivers / sea in Kaiaua and need to have a stormwater discharge consent from Waikato Regional Council.	2021/22-2022/23	\$102,500 total (level of service)
Comprehensive stormwater discharge consent renewals	The renewal of stormwater consents for Waihi, Whiritoa, Paeroa and the Hauraki Plains.	2021/22	\$100,000 each (renewals)
		2022/23	\$79,000 each (renewals)
Stormwater renewals	Plains – Ngatea, Kerepehi, Turua, Kaiaua	2021-31	\$270,000 total (renewals)
	Waihi	2021-31	\$137,000 total (renewals)
	Paeroa	2021-31	\$137,000 total (renewals)
Rain gauges	This project will investigate which areas are not currently covered by Council or Waikato Regional Council rain gauges and install new ones as well as look at any issues with current gauges.	2021/22	\$10,000 total (renewals)
Stormwater catchment management plans	Catchment management plans need to be reviewed prior to the discharge consents, which are due in 2023. It is	2021/22	\$150,000 (operating)
		2022/23	\$50,000 (operating)

Planned projects	Description	When	How much
	expected that we will be required to treat stormwater under the new consents to comply with the National Policy Statement on Fresh Water. This work will better inform the stormwater consents that need renewal in 2023. Three catchment management plans need to be prepared.		
Stormwater Criterion Bridge stormwater pump station	The Criterion Bridge stormwater pump needs replacing due to performance and health and safety issues. The network feeding the pumpstation is potentially too small and may need to be upgraded.	2021/22- 2023/24	\$530,000 total (renewals)

What you can expect from us | Ōu tūmanako mā mātou

We've included some measures in the following table to show you what you can expect from us and the services we provide. We'll report on our progress to meeting these annually in our Annual Report.

How we will measure our performance	Baseline	Targets
You can expect: stormwater systems to protect houses from flooding in urban areas.		
The number of flooding events ¹ that occur in the Hauraki District. For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the Council's stormwater system), measured by the Council's service request system.*	2019/20: 0 (achieved)	2021/22: Number of habitable floors affected <2 per 1000 connections. 2022/23: Number of habitable floors affected <2 per 1000 connections. 2023/24: Number of habitable floors affected <2 per 1000 connections. 2024/25-31: Number of habitable floors affected <2 per 1000 connections.
You can expect: the stormwater network to be reliable.		
The number of complaints ² received by Council about the performance of the stormwater system. Expressed per 1,000 properties connected Council's stormwater system*	2019/20: 10.7 per 1,000 properties connected (not achieved)	2021/22: Number of complaints <8 / 1,000 connections. 2022/23: Number of complaints <8 / 1,000 connections. 2023/24: Number of complaints <8 / 1,000 connections. 2024/25-31: Number of complaints <8 / 1,000 connections
Customers are satisfied with the stormwater service provided.	68% (not achieved)	2021/22: ≥75% satisfied. 2022/23: ≥75% satisfied. 2023/24: ≥75% satisfied. 2024/25-31: ≥80% satisfied.
You can expect: the community and the environment to be provided with protection.		

¹ A **flooding event** means an overflow of stormwater from the Council's stormwater system that enters a habitable floor.

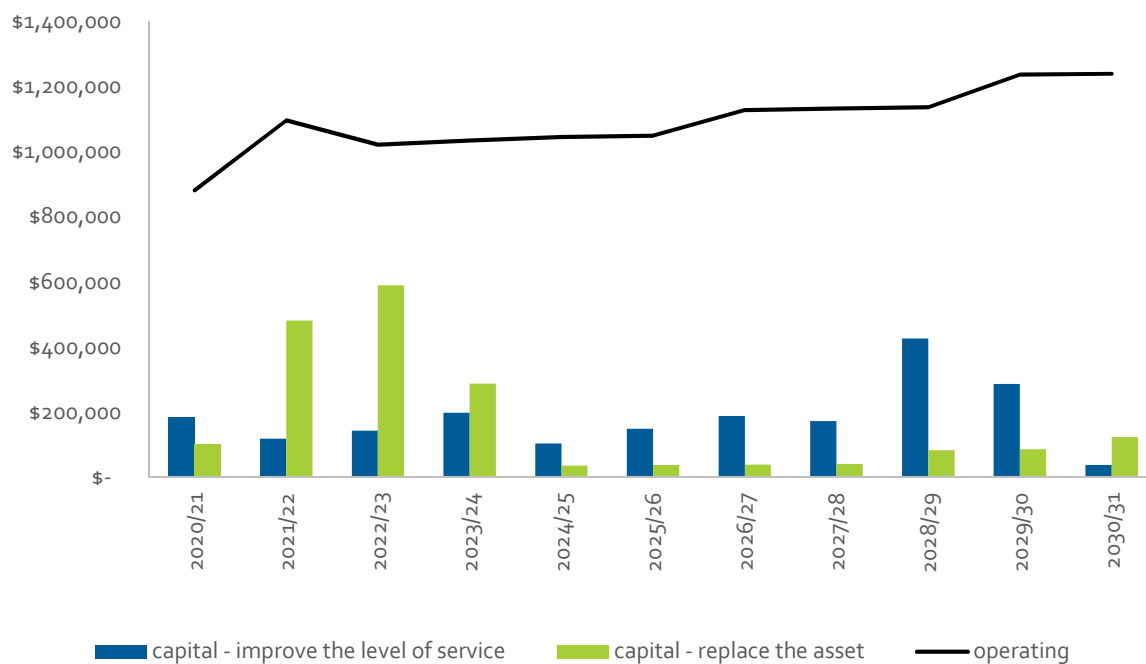
² Regarding stormwater faults or blockages.

How we will measure our performance	Baseline	Targets
<p>Compliance with the Council’s resource consents for discharge from its stormwater system.</p> <p>Measured by the number of:</p> <ul style="list-style-type: none"> a) abatement notices; and b) infringement notices; and c) enforcement orders; and d) successful prosecutions received by Council in relation those resource consents.* 	2019/20: 0 (achieved)	<p>2021/22:</p> <ul style="list-style-type: none"> a) 0 abatement notices b) 0 infringement notices c) 0 enforcement orders d) 0 successful prosecutions <p>2022/23:</p> <ul style="list-style-type: none"> a) 0 abatement notices b) 0 infringement notices c) 0 enforcement orders d) 0 successful prosecutions <p>2023/24:</p> <ul style="list-style-type: none"> a) 0 abatement notices b) 0 infringement notices c) 0 enforcement orders d) 0 successful prosecutions <p>2024/25-31:</p> <ul style="list-style-type: none"> a) 0 abatement notices b) 0 infringement notices c) 0 enforcement orders d) 0 successful prosecutions
<p>You can expect: customer service requests to be dealt with promptly and appropriately.</p>		
<p>The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.*</p>	2019/20: not applicable as no flooding events occurred to respond to.	<p>2021/22: Median attendance time <2 hours.</p> <p>2022/23: Median attendance time <2 hours.</p> <p>2023/24: Median attendance time <2 hours.</p> <p>2024/25-31: Median attendance time <2 hours.</p>

* Mandatory performance measure under section 261B of the Local Government Act 2002.

How much it costs | He aha te utu?

Total projected expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Vegetation Control	18	23	24	24	25	25	26	27	27	28	29
Reticulation	38	52	54	55	56	58	59	61	63	65	66
Maintenance/Fencing/ Culverts	10	9	10	10	10	10	11	11	11	12	12
Mechanical Cleaning	21	21	22	22	23	23	24	24	25	26	27
Floodgates	1	1	1	1	1	1	1	1	1	1	1
Pumps	9	10	11	11	11	12	12	12	13	13	13
Overheads	273	245	251	256	259	265	271	276	282	290	296
Other	155	319	226	178	182	187	191	197	203	210	215
Depreciation/Assets written off	413	467	470	520	524	527	602	605	606	696	697
Interest	(57)	(51)	(48)	(43)	(46)	(59)	(70)	(82)	(95)	(105)	(117)
	881	1,096	1,021	1,034	1,045	1,049	1,127	1,132	1,136	1,236	1,239
REVENUE											
Fees, Charges and Other Income	112	157	155	178	153	181	181	181	150	182	153
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	831	902	967	991	1,016	1,041	1,067	1,094	1,121	1,149	1,178
General Rates	147	159	171	175	179	184	188	193	198	203	208
	1,090	1,218	1,293	1,344	1,348	1,406	1,436	1,468	1,469	1,534	1,539
OPERATING SURPLUS/(DEFICIT)	209	122	272	310	303	357	309	336	333	298	300

Where the (operating) money will come from | Nō hea te pūtea ahau mai

rates



100%

Hauraki District Council: Funding impact statement for 2021-31 for Stormwater | Te tauākī pūtea mo 2021-31

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	147	159	171	175	179	184	188	193	198	203	208
Targeted rates	831	902	967	991	1,016	1,041	1,067	1,094	1,121	1,149	1,178
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	978	1,061	1,138	1,166	1,195	1,225	1,255	1,287	1,319	1,352	1,386
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	252	436	346	301	308	316	323	333	344	355	364
Finance Costs	(57)	(51)	(48)	(43)	(46)	(59)	(70)	(82)	(95)	(105)	(117)
Internal charges and overheads applied	273	245	251	256	259	265	271	276	282	290	296
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding (B)	468	630	549	514	521	522	524	527	531	540	543
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	510	431	589	652	674	703	731	760	788	812	843
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	26	0	28	28	29	0	31	0

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Development and financial contributions	0	45	39	33	32	29	26	21	14	12	9
Increase (decrease) in debt	(204)	244	377	84	(264)	(217)	(248)	(261)	37	(184)	(393)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding (C)	(204)	289	416	143	(232)	(160)	(194)	(211)	51	(141)	(384)
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	186	118	143	198	104	148	188	172	426	287	37
- to replace existing assets	103	481	589	287	36	37	39	41	82	86	123
Increase (decrease) in reserves	17	122	274	310	302	357	310	336	330	299	299
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding (D)	306	721	1,006	795	442	542	537	549	838	672	459
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(510)	(432)	(590)	(652)	(674)	(702)	(731)	(760)	(787)	(813)	(843)
FUNDING BALANCE ((A - B) + (C - D))	0	1	1	0	0	(1)	0	0	(1)	1	0

The funding impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to clause 7 of the Local Government (Financial Reporting and Prudence) Regulations 2014. It covers the 10-year period from 2021/22 to 2030/31 and outlines the Council's sources of funding and its plan to apply them. Generally accepted accounting practice does not apply to the preparation of the funding impact statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from generally accepted accounting practice are the non-inclusion of depreciation and the inclusion of internal charges.



**LAND DRAINAGE
TE RERENGA
WHENUA ME TE
AUKATINGA Ō NGĀ
WAIPUKE**

Collecting water runoff
from rural areas and
redirecting it

Land Drainage | Te rerenga whenua me te aukatinga ō ngā waipuke

Overview | Tiro whānui

Land drainage involves collecting runoff from the rural catchment areas of the district and leading it to the primary flood protection assets which discharge it directly to river or sea outlets. Additional drainage assets include stopbanks, floodgates and pumps. Land drainage services are provided in four drainage districts – Western Plains, Eastern Plains, Paeroa Rural and Taramaire.

Flood protection is provided by the Waikato Regional Council's river schemes except in the northwest part of the District (Waitakaruru to Pūkorokoro / Miranda) where it is provided by the Hauraki District Council. Flood protection assets include stopbanks, floodgates and pump stations that provide direct protection from river and tidal flooding.

The land drainage group mainly contributes to the following community outcomes



Healthy Environment
Te Mauri o te Taiao



Connected People
Tūhono



Vibrant and Safe Communities
Te Oranga pai o te Hapori

Our plans for land drainage | A mātau mahere mo Te rerenga whenua me te aukatinga ō ngā waipuke

Our stopbanks experience ongoing soil settlement. Over the life of this plan we will continue to monitor stopbank height to maintain existing service levels and we will top up some of our stopbanks to get them back to the required height again.

An impact of climate change is extreme weather events where we see a large volume of rainfall falling in a short period of time. We expect the frequency of these events to increase and expect we will experience sea level rise which may make the flood gates less effective and increase the need to pump more which will increase costs. Work will be done over the next three years to better understand the impacts of climate change on this activity.

In future, as a result of government policy, the way in which we manage this activity will change as we move to more environmentally sustainable methods. This is likely to see an increase in the cost of undertaking this activity. At this stage the full extent of the implications are not known. We have also seen more stringent resource consent conditions from Waikato Regional Council for the maintenance of drains, including requirements to do fish studies which are costly.

As part of the Government’s Action for Healthy Waterways package, stock must be excluded from lakes and wide rivers, natural wetlands identified in regional or district plans, and on low slope land. The Government’s freshwater reforms to clean up the nation’s waterways have been released. We will be working through the implications of these reforms with our community through the Drainage Committees.

Changes to levels of service | Ngā Whakarerekē atu o ngā ratonga

We measure our customers’ satisfaction with the land drainage services we provide. We have reduced the target for this measure from ≥80% in the 2018-28 long term plan to >65% for 2021-31. This change is to reflect that more frequent and intense events seem to affect public perception of our land drainage services, and additionally the target has been recalculated to include don’t know responses (don’t know responses were previously excluded from calculations). It is considered that 65% is a more realistic target to work towards.

We’ve included a new measure for the 2021-31 period; the number of stopbank and floodgate failures in a 2% annual exceedance tidal surge event. We aim to have no failures in such an event. This measure does not change the current level of service provided to our land drainage customers.

We’ve also made minor wording amendments to some measures to more accurately reflect the services provided.

Planned projects | Kaupapa kua whakamaheretia

The below table provides a summary of our key projects for this activity, including both operating and capital funding.

Planned projects	Description	When	How much
Western Plains Drainage District renewals	Central North pump station	2023/24	\$70,000 (renewals)
	Hopai West pump station	2021/22	\$80,000 (renewals)
	Mangawhero flume replacement	2021/22	\$400,000 (renewals)
	Martinovich pump station	2025/26	\$70,000 (renewals)
	Miranda pump station	2023/24 2028/29	\$42,000 (renewals) \$58,000 (renewals)
	Rawerawe pump station	2021/22, 2028/29	\$50,000 each (renewals)
	Primary stopbank reconstruction	2021/22	\$400,000 (renewals)
		2022/23	\$308,000 (renewals)
2025-31		\$988,000 (renewals)	

What you can expect from us | Ōu tūmanako mā mātou

We’ve included some measures in the following table to show you what you can expect from us and the services we provide. We’ll report on our progress to meeting these annually in our Annual Report.

How we will measure our performance	Baseline	Targets
You can expect: quality land drainage and flood protection to be provided to all Drainage Districts.		
The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the Council’s relevant planning documents (such as this plan, annual works program or long-term plan).*	2019/20: 100% (achieved)	2021/22: 100% 2022/23: 100% 2023/24: 100% 2024/25-31: 100%

How we will measure our performance	Baseline	Targets
Number of rural properties still ponding after 3 days from a 10% AEP ¹ event or less (impacting the pasture), measured by the Council's service request system and field staff reports.	2019/20: 0 (achieved)	2021/22: 0 rural properties ponding for more than three days following a 10% AEP event or less. 2022/23: 0 rural properties ponding for more than three days following a 10% AEP event or less. 2023/24: 0 rural properties ponding for more than three days following a 10% AEP event or less. 2024/25-31: 0 rural properties ponding for more than three days following a 10% AEP event or less.
You can expect: reliable land drainage and flood protection networks.		
Percentage of affected customers satisfied with the land drainage and flood protection services, measured by the customer satisfaction survey.	2019/20: 62% (not achieved)	2021/22: ≥ 65% satisfied. 2022/23: ≥ 65% satisfied. 2023/24: ≥ 65% satisfied. 2024/25-31: ≥ 65% satisfied.
The number of failures of stopbanks and floodgates in a 2% AEP tidal surge event, measured by the Council's service request system and field staff reports.	New measure No failures in a 2% AEP tidal surge event in 2018/19. One 1% tidal event occurred in 2018/19.	2021/22: 0 failures in a 2% AEP tidal surge event. 2022/23: 0 failures in a 2% AEP tidal surge event. 2023/24: 0 failures in a 2% AEP tidal surge event. 2024/25-31: 0 failures in a 2% AEP tidal surge event.
You can expect: efficient response to drainage problems and emergencies.		
Where the Council responds to a service request regarding the Council's land drainage and flood protection systems, the following median response ² times measured for: <ul style="list-style-type: none"> ▪ Urgent³ service requests and ▪ Non-urgent⁴ service requests measured by the Council's service request system.	2019/20 (achieved): <ul style="list-style-type: none"> ▪ Urgent: no urgent requests ▪ Non-urgent: 100% within 2 working days Median response time was 2 hours 26 minutes.	2021/22: Median response times: <ul style="list-style-type: none"> ▪ Urgent: 1 hour ▪ Non-urgent: 2 working days 2022/23: Median response times: <ul style="list-style-type: none"> ▪ Urgent: 1 hour ▪ Non-urgent: 2 working days

¹ Annual Exceedance Probability – the probability of a storm exceeding a certain intensity in any one year.

² A **response** is a reaction to a customer request, aimed at communicating, containment or control. This could include contacting the customer regarding the request, attending on site to assess the request, or actioning/completing the request.

³ **Urgent requests** are requests when emergency actions are required to protect people from injury and/or adverse health and safety consequences and assets from serious damage.

⁴ **Non urgent requests** are all other service requests apart from urgent ones, where the response required are not that immediate e.g. normal maintenance or corrective action required

How we will measure our performance

Baseline

Targets

2023/24: Median response times:

- **Urgent:** 1 hour
- **Non-urgent:** 2 working days

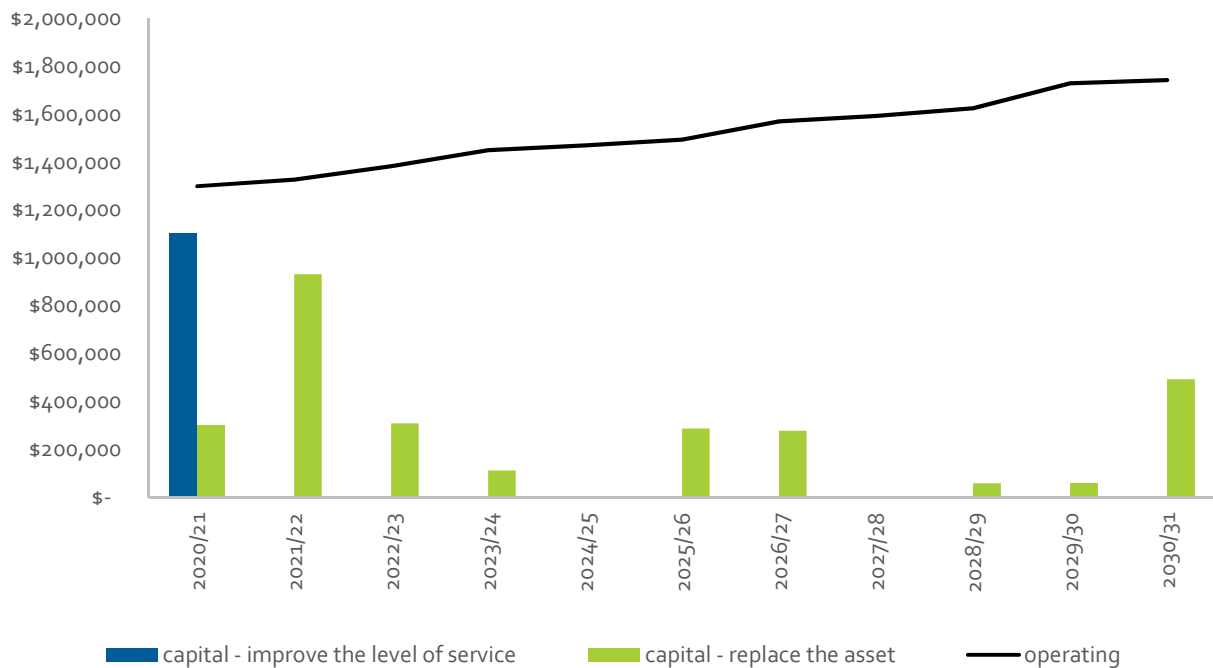
2024/25-31: Median response times:

- **Urgent:** 1 hour
- **Non-urgent:** 2 working days

* Mandatory performance measure under section 261B of the Local Government Act 2002.

How much it costs | He aha te utu?

Total projected expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Vegetation Control	175	175	181	185	189	194	198	204	211	218	224
Maintenance/Fencing/ Culverts	14	17	17	17	18	18	19	19	20	21	21
Mechanical Cleaning	263	263	272	278	293	300	298	307	317	338	347
Floodgates	23	33	34	34	35	36	37	38	39	41	42
Pumps	287	297	307	314	321	329	337	347	359	370	380
Overheads	258	247	253	258	261	267	274	278	285	293	298
Other	62	67	70	81	73	75	87	79	81	96	86

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Depreciation/Assets written off	282	284	284	313	313	313	356	356	356	402	402
Interest	(66)	(57)	(36)	(31)	(34)	(40)	(37)	(36)	(44)	(52)	(59)
	1,298	1,326	1,382	1,449	1,469	1,492	1,569	1,592	1,624	1,727	1,741
REVENUE											
Fees, Charges and Other Income	0	0	0	0	0	0	0	0	0	0	0
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	1,048	1,108	1,175	1,214	1,244	1,275	1,307	1,340	1,373	1,407	1,443
General Rates	183	196	207	214	220	225	231	236	242	248	255
	1,231	1,304	1,382	1,428	1,464	1,500	1,538	1,576	1,615	1,655	1,698
OPERATING SURPLUS/(DEFICIT)	(67)	(22)	0	(21)	(5)	8	(31)	(16)	(9)	(72)	(43)

Where the (operating) money will come from | Nō hea te pūtea i ahau mai

rates



100%

Hauraki District Council: Funding impact statement for 2021-31 for Land Drainage | Te tauākī pūtea mo 2021-31

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	183	196	207	214	220	225	231	236	242	248	255
Targeted rates	1,048	1,108	1,175	1,214	1,244	1,275	1,307	1,340	1,373	1,407	1,443
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	1,231	1,304	1,382	1,428	1,464	1,500	1,538	1,576	1,615	1,655	1,698
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	824	852	881	910	929	953	976	994	1,027	1,083	1,100

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Finance Costs	(66)	(57)	(36)	(31)	(34)	(40)	(37)	(36)	(44)	(52)	(59)
Internal charges and overheads applied	258	247	253	258	261	267	274	278	285	293	298
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding (B)	1,016	1,042	1,098	1,137	1,156	1,180	1,213	1,236	1,268	1,324	1,339
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	215	262	284	291	308	320	325	340	347	331	359
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	1,242	646	24	(201)	(313)	(25)	(78)	(356)	(297)	(342)	90
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding (C)	1,242	646	24	(201)	(313)	(25)	(78)	(356)	(297)	(342)	90
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	1,102	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	304	930	308	112	0	287	278	0	58	60	492
Increase (decrease) in reserves	51	(22)	0	(22)	(5)	8	(31)	(16)	(8)	(71)	(43)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding (D)	1,457	908	308	90	(5)	295	247	(16)	50	(11)	449
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(215)	(262)	(284)	(291)	(308)	(320)	(325)	(340)	(347)	(331)	(359)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
SOURCES OF OPERATING FUNDING											

The funding impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to clause 7 of the Local Government (Financial Reporting and Prudence) Regulations 2014. It covers the 10-year period from 2021/22 to 2030/31 and outlines the Council's sources of funding and its plan to apply them. Generally accepted accounting practice does not apply to the preparation of the funding impact statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from generally accepted accounting practice are the non-inclusion of depreciation and the inclusion of internal charges.



WASTE MANAGEMENT WHAKAHAERE URURUA

- Solid waste collection
- Recycling
- Waste minimisation education
- Closed refuse tips aftercare

The waste management group mainly contributes to the following community outcomes



Healthy Environment
Te Mauri o te Taiao

Waste Management | Whakahaere ururua

Overview | Tiro whānui

Our waste management services includes:

- Kerbside collection of refuse and recyclables.
- Waste minimisation promotion and education including promoting activities such as worm farming.
- Landfill aftercare.
- Litter bin, loose litter and illegal dumping collections.
- Refuse transfer stations at Paeroa and Waihi.

Our plans for Waste Management | A mātau mahere mo whakahaere ururua

A review of how we deliver our waste management services means that the current joint (with Thames-Coromandel District Council and Matamata-Piako District Council) waste services arrangement will change. Before our existing contract expires in 2023 we will be looking at how we deliver our kerbside collection services, recyclables processing, transfer station operation, and disposal.

In 2017 we developed our joint waste management and minimisation plan (WMMP) with our neighbouring district councils Matamata-Piako and Thames-Coromandel.

The vision and goals contained in our WMMP remain consistent with the 2021-31 plans for our waste management activity. We'll be completing a review of our WMMP in 2021/22.

We're also planning to better understand the status of our closed landfills without resource consent, and any associated risks. Risks include the risk of sea level rise on our closed landfills near coastal environments or waterways. As a result of our assessments we will prepare a works programme to undertake any remediation if required.

Changes to levels of service | Ngā Whakarerekē atu o ngā ratonga

We have increased our target number of waste education campaigns to be undertaken each year from two to four in total (two for children, two for adults). This change reflects an increased focus and investment in the area of waste minimisation.

Planned projects | Kaupapa kua whakamaheretia

The below table provides a summary of our key projects for this activity, including both operating and capital funding.

Planned projects	Description	When	How much
Weigh bridge at Waihi transfer station	Installation of a weigh bridge at the Waihi transfer station, so that the waste can accurately be measured and reported on.	2021/22	\$150,000 (level of service)
Waihi landfill leachate connection	New connection to pump leachate from the Waihi landfill to Bulltown Road to reduce pump costs and impacts on the existing system.	2026/27	\$57,000 (level of service)
Replace steps at transfer stations	Replacing the steps at the glass recycling areas to make it easier and safer for the public to use.	2021/22	\$15,000 (renewals)
Waste minimisation education	Education programmes and advertising to assist with waste minimisation goals, somewhat funded by grants and subsidies received from waste levies.	2021/22	\$73,300 (operating)
Donations	Donation to the Paeroa Reuse Centre as part of existing agreement.	2021/22	\$20,000 (operating)

What you can expect from us | Ōu tūmanako mā mātou

We've included some measures in the following table to show you what you can expect from us and the services we provide. We'll report on our progress to meeting these annually in our Annual Report.

How we will measure our performance	Baseline	Targets
You can expect: public education on waste minimisation to be increasing and the adverse effects of waste on the environment minimised.		
A waste minimisation education strategy is developed and implemented, measured by the waste minimisation working party action plan.	2019/20: Three education campaigns were undertaken.	<p>2021/22:</p> <ul style="list-style-type: none"> Two campaigns focused on educating children in schools each year. Two campaigns focused on educating adults each year. <p>2022/23:</p> <ul style="list-style-type: none"> Two campaigns focused on educating children in schools each year. Two campaigns focused on educating adults each year. <p>2023/24:</p> <ul style="list-style-type: none"> Two campaigns focused on educating children in schools each year. Two campaigns focused on educating adults each year. <p>2024/25-31:</p> <ul style="list-style-type: none"> Two campaigns focused on educating children in schools each year.

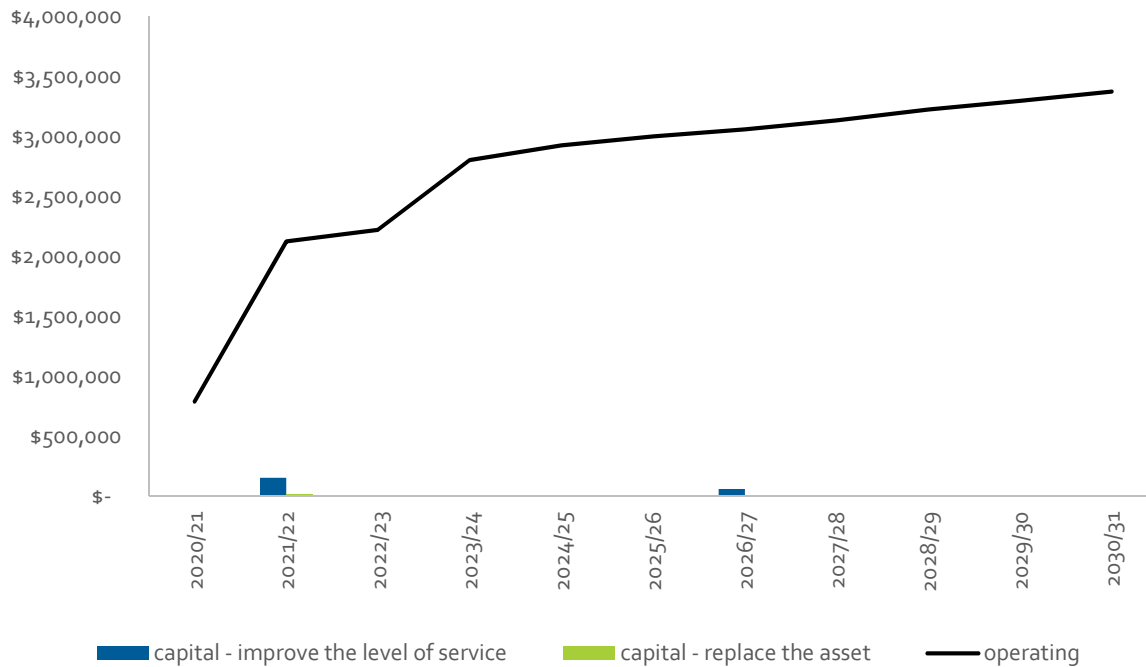
How we will measure our performance	Baseline	Targets
		<ul style="list-style-type: none"> Two campaigns focused on educating adults each year.
Number of justified ¹ complaints that collection is not completed on the scheduled day, measured by the Council's service request system.	2019/20: 4.39 justified complaints per 1000 customers.	<p>2021/22: ≤3 justified complaints (that collection was not completed) per 1000 customers per annum.</p> <p>2022/23: ≤3 justified complaints (that collection was not completed) per 1000 customers per annum.</p> <p>2023/24: ≤3 justified complaints (that collection was not completed) per 1000 customers per annum.</p> <p>2024/25-31: ≤3 justified complaints (that collection was not completed) per 1000 customers per annum.</p>
The quantity of household waste collected from the kerbside per person is decreasing, measured by kerbside collection weight.	2019/20: 12.6% decrease from 78kg per person per annum.	<p>2021/22: A 5% decrease in kerbside household waste to landfill from approx. 78 kg per person per annum to 74 kg per person by 2022.</p> <p>2022/23: Target to be set when the WMMP is revised.</p> <p>2023/24: Target to be set when the WMMP is revised.</p> <p>2024/25-31: Target to be set when the WMMP is revised.</p>
The total quantity of waste sent to landfill per person per annum is reducing, measured by all Council waste going to landfill.	2019/20: 24% reduction from 363 kg per person per annum.	<p>2021/22: A 13% reduction in the total quantity of waste sent to landfill from 363 kg per person per annum to 316 kg per person by 2022.</p> <p>2022/23: Target to be set when the WMMP is revised.</p> <p>2023/24: Target to be set when the WMMP is revised.</p> <p>2024/25-31: Target to be set when the WMMP is revised.</p>
You can expect: reliable solid waste collection.		
Percentage of users satisfied with the kerbside collection service in our annual customer satisfaction survey.	2019/20: 68% of users satisfied ²	<p>2021/22: ≥75% of users satisfied.</p> <p>2022/23: ≥75% of users satisfied.</p> <p>2023/24: ≥75% of users satisfied.</p> <p>2024/25-31: ≥75% of users satisfied.</p>

¹ Where there is a reasonable case for the complaint.

² For the 2019/20 result, Audit New Zealand required that 'don't know' answers were included. Previous results excluded 'don't know' responses.

How much it costs | He aha te utu?

Total projected expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Refuse Collection	203	1,178	1,220	1,624	1,677	1,712	1,750	1,790	1,834	1,878	1,921
Closed Tip Sites	79	80	82	84	86	88	90	92	95	97	100
Transfer Stations	401	701	759	940	1,004	1,029	1,054	1,083	1,112	1,142	1,171
Other Interest (is part of refuse collection)	104	166	160	153	157	171	165	169	184	178	182
	787	2,125	2,221	2,801	2,924	3,000	3,059	3,134	3,225	3,295	3,374
REVENUE											
Fees, Charges and Other Income	251	1,136	1,169	1,198	1,228	1,258	1,289	1,323	1,358	1,395	1,430
External Subsidies	75	75	77	79	81	83	85	87	90	92	95
Targeted Rates	208	270	290	587	719	759	778	797	817	838	859
General Rates	488	733	764	911	1,063	1,106	1,145	1,233	1,280	1,322	1,398
	1,022	2,214	2,300	2,775	3,091	3,206	3,297	3,440	3,545	3,647	3,782
OPERATING SURPLUS/(DEFICIT)	235	89	79	(26)	167	206	238	306	320	352	408

Where the (operating) money will come from | Nō hea te pūtea ahau mai



Hauraki District Council: Funding impact statement for 2021-31 for Waste Management | Te tauākī pūtea mo 2021-31

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	488	733	764	911	1,063	1,106	1,145	1,233	1,280	1,322	1,398
Targeted rates	208	270	290	587	719	759	778	797	817	838	859
Subsidies and grants for operating purposes	75	75	77	79	81	83	85	87	90	92	95
Fees and charges	251	1,134	1,166	1,196	1,225	1,256	1,288	1,321	1,357	1,393	1,430
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	1,022	2,212	2,297	2,773	3,088	3,204	3,296	3,438	3,544	3,645	3,782
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	575	1,879	1,975	2,555	2,675	2,752	2,809	2,881	2,970	3,038	3,117
Finance Costs	0	17	13	8	6	1	(3)	(8)	(12)	(17)	(23)
Internal charges and overheads applied	160	172	176	179	182	186	190	194	198	204	208
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding (B)	735	2,068	2,164	2,742	2,863	2,939	2,996	3,067	3,156	3,225	3,302
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	287	144	133	31	225	265	300	371	388	420	480
SOURCES OF CAPITAL FUNDING											

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	2	2	2	2	2	2	1	1	1	1
Increase (decrease) in debt	0	108	(58)	(59)	(61)	(62)	(7)	(67)	(69)	(71)	(72)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding (C)	0	110	(56)	(57)	(59)	(60)	(5)	(66)	(68)	(70)	(71)
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	150	0	0	0	0	57	0	0	0	0
- to replace existing assets	0	15	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	287	89	77	(26)	165	206	238	305	320	350	410
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding (D)	287	254	77	(26)	165	206	295	305	320	350	410
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(287)	(144)	(133)	(31)	(224)	(266)	(300)	(371)	(388)	(420)	(481)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	(1)	1	0	0	0	0	1

The funding impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to clause 7 of the Local Government (Financial Reporting and Prudence) Regulations 2014. It covers the 10-year period from 2021/22 to 2030/31 and outlines the Council's sources of funding and its plan to apply them. Generally accepted accounting practice does not apply to the preparation of the funding impact statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from generally accepted accounting practice are the non-inclusion of depreciation and the inclusion of internal charges.



**COMMUNITY
SERVICES
RATONGA HAPORI**

- Community recreation
- Community facilities

Community Services | Ratonga Hapori

Overview | Tiro whānui

Our community services group involves the provision of recreation services such as libraries, parks, reserves, and facilities like public conveniences, cemeteries, pensioner housing and the Waihi event centre.

We provide a number of services intended to enhance our communities' needs for recreation and enjoyment. We provide these services to meet our district's recreational, sporting and educational expectations. In addition to this, we provide facilities for public use, such as public conveniences, halls, cemeteries and elder housing. We do this to help make our communities a vibrant place to live and visit.

The community services group mainly contributes to the following community outcomes



Vibrant and Safe Communities
Te Oranga pai o te Hapori



Connected People
Tūhono

Community Services cost of service | He aha te utu?

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Recreation	4,609	5,752	5,686	5,960	5,900	6,150	6,228	6,521	6,551	6,837	6,837
Community Facilities	2,012	2,119	2,155	2,261	2,275	2,289	2,385	2,352	2,380	2,522	2,510
	6,621	7,871	7,841	8,221	8,175	8,439	8,613	8,873	8,931	9,359	9,347
REVENUE											
Fees, Charges and Other Income	688	927	938	949	966	982	996	1,008	1,020	1,037	1,053
External Subsidies	5	5	5	5	6	6	6	6	6	6	7
Targeted Rates	2,816	3,119	3,233	3,357	3,553	3,670	3,646	3,767	3,825	3,621	3,672
General Rates	3,195	3,936	3,970	4,117	4,486	4,685	4,854	5,067	5,235	5,468	5,635
	6,704	7,987	8,146	8,428	9,011	9,343	9,502	9,848	10,086	10,132	10,367
OPERATING SURPLUS/(DEFICIT)	83	116	305	207	836	904	889	975	1,155	773	1,020

Hauraki District Council: Funding impact statement for 2021-31 for Community Services | Te tauākī pūtea mo 2021-31

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	3,195	3,936	3,970	4,117	4,486	4,685	4,854	5,067	5,235	5,468	5,635
Targeted rates	2,816	3,119	3,233	3,357	3,553	3,670	3,646	3,767	3,825	3,621	3,672
Subsidies and grants for operating purposes	5	5	5	5	6	6	6	6	6	6	7
Fees and charges	688	809	831	852	872	894	915	938	963	988	1,011
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	6,704	7,869	8,039	8,331	8,917	9,255	9,421	9,778	10,029	10,083	10,325
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	3,647	4,506	4,367	4,576	4,498	4,717	4,713	4,939	4,962	5,189	5,146
Finance Costs	317	272	288	300	288	270	252	236	219	206	191
Internal charges and overheads applied	1,456	1,571	1,610	1,643	1,668	1,703	1,745	1,778	1,821	1,871	1,908
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding (B)	5,420	6,349	6,265	6,519	6,454	6,690	6,710	6,953	7,002	7,266	7,245
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	1,284	1,520	1,774	1,812	2,463	2,565	2,711	2,825	3,027	2,817	3,080
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0

SOURCES OF OPERATING FUNDING	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Development and financial contributions	0	118	107	97	94	88	81	70	57	49	42
Increase (decrease) in debt	(36)	707	(735)	(893)	(906)	(974)	(1,357)	(1,463)	(1,466)	(1,613)	(1,732)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding (C)	(36)	825	(628)	(796)	(812)	(886)	(1,276)	(1,393)	(1,409)	(1,564)	(1,690)
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	319	1,706	264	181	199	208	74	83	36	22	0
- to replace existing assets	298	524	577	626	616	568	472	374	429	459	370
Increase (decrease) in reserves	631	117	305	208	837	904	890	976	1,155	771	1,020
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding (D)	1,248	2,347	1,146	1,015	1,652	1,680	1,436	1,433	1,620	1,252	1,390
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(1,284)	(1,522)	(1,774)	(1,811)	(2,464)	(2,566)	(2,712)	(2,826)	(3,029)	(2,816)	(3,080)
FUNDING BALANCE ((A - B) + (C - D))	0	2	0	(1)	1	1	1	1	2	(1)	0

The funding impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to clause 7 of the Local Government (Financial Reporting and Prudence) Regulations 2014. It covers the 10-year period from 2021/22 to 2030/31 and outlines the Council's sources of funding and its plan to apply them. Generally accepted accounting practice does not apply to the preparation of the funding impact statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from generally accepted accounting practice are the non-inclusion of depreciation and the inclusion of internal charges.



COMMUNITY
RECREATION
NGĀ HAPORI RĒHIA

- Libraries | Ngā Whare Pukapuka
- Swimming pools | Ngā hōpua
- Waihi events centre | Te Whare tapere o Waihi
- Sports fields and reserves | Nga wāhi hakinakina me ngā whenua tāpui
- A district sports coordinator | Whakarite ngā hakinakina

Community recreation | Ngā hapori rēhia

Overview | Tiro whānui

Our community recreation services include:

- Provision of public libraries in Ngatea, Paeroa and Waihi which lend a variety of resources, deliver education programmes and provide free internet access.
- Support of community-operated libraries at Kaiarau, Turua and Whiritoa.
- Operation of three community pools in Ngatea, Paeroa and Waihi.
- Provision of sports fields in Paeroa, Ngatea, Waihi and Whiritoa.
- Maintenance of a number of recreation reserves, including playgrounds, furniture, walkways and other amenities, travellers reserves, passive reserves and cycleways.
- Two jetties/boat ramps on the Waihou River available for community use.
- Provision of the Waihi events centre facility for indoor sporting and some non-recreational use.
- Provision of sports coordination services to foster residents' participation in sports, recreation and leisure.

Our plans for community recreation | A mātau mahere mo ngā hapori rēhia

We've summarised the plans for each area under the relevant heading below.

You told us what you think | Kua kōrero mai koe ōu whakaaro, tēnā rawa atu koe

During our 2021 consultation, we asked for feedback on a proposed scenic route into Waihi for the Hauraki Rail Trail, from the Goldfields Railway station along the Ōhinemuri River. The existing trail follows Wrigley Street and Parry Palm Avenue into Waihi CBD. We already have plans to improve this existing route for safety, dependent on some decisions from Waka Kotahi NZ Transport Agency.

During the public feedback process, 72% of respondents wanted us to build a new scenic route along the river, while 28% wanted us to do nothing. After considering the feedback, we have decided to develop a second, more scenic route into Waihi. We think this will link nicely to the rest of the Hauraki Rail Trail along the Ōhinemuri River and provide visitors with a picturesque ride into Waihi. In the future, this scenic route could link to the Waihi to Waihi Beach trail, if the Western Bay of Plenty District Council progresses the trail to Waihi Beach. We've included \$1.47 million in our budget to do this project in 2021/22, paid for by the Waihi Ward ratepayers. As part of this project, we will need to determine a more exact route, and consult with relevant parties.

Changes to levels of service | Ngā whakarerekē atu o ngā ratonga

We have amended our measurement of library members to 'active' members. We intend to measure active members as someone who has had an item issued in the last two years. While we acknowledge that book issues do not capture all activity a member might have, we do not have the technology in place to reliably measure other areas, e.g. free Wi-Fi usage.

We have amended our measurement of library-led community based learning programmes to also include 'one off events'. This is because, due to resourcing, we are more likely to be able to offer one off events than programmes.

Libraries | Ngā Whare Pukapuka

We'll be constructing a new Ngatea Library in the first three years of this plan. We asked for feedback on this project through our 2018-28 long term planning process, and following further community feedback we are preparing for construction on the existing site. Once the new library is constructed, we will review our opening hours for Ngatea.

We aim to increase visibility of our libraries and the services we provide in the next three years. We'll also be considering incentives to increase usage, which could include things like providing more value for the same fee e.g. bundle items, or extending the loan period.

Planned projects – Libraries	Description	When	How much
District Libraries - Radio Frequency Identification	The remaining work associated with the installation of the Radio Frequency Identification (RFID) system in our three libraries.	2021/22	\$22,000 (level of service)
New books at our libraries	Ongoing annual budget for the purchase of books at the libraries.	2021-31	\$1.6 million total (renewals)

Swimming pools | Ngā hōpua

As well as the projects in the table below, over this plan we will be considering options for providing funding for transport to enable people to travel to sub-regional facilities, e.g. to Thames to swim when our pools are closed.

Planned projects – Pools	Description	When	How much
Learn to swim programme study	Investigate possibility of introducing a swimming learning programme.	2021/22	\$20,000 (operating)
Waihi pool feasibility study	A feasibility study to be completed on the Waihi Pool due to its age and condition, to provide a basis for future direction.	2021/22	\$30,000 (operating)
Ramp access for Ngatea pool	There has been a request from users to place an access ramp in the Ngatea pool that is similar to the Paeroa pool. This enables safe access to the pool for all users.	2022/23	\$154,000 (level of service)
Painting of pools	Painting of Paeroa pool.	2021/22	\$75,000 (operating)
	Painting of Waihi pool.	2023/24	\$75,000 (operating)
	Painting of Ngatea pool.	2025/26	\$75,000 (operating)

Planned projects – Pools	Description	When	How much
Renewals at all three community pools	Replacing a number of items at the three pools at the end of their useful lives: <ul style="list-style-type: none"> • Water pumps • Pool covers • Lane ropes. 	2022/23-2024/25	\$174,000 total (renewals)
Pool heat pumps	Replacement of the heat pumps at each of our pools.	2023/24-2025/26	\$226,000 total (renewals)
Replacement pool toys	Replacement of the pool toys at each of our pools.	2025/26-2027/28	\$51,000 total (renewals)
Various renewals	Miscellaneous renewals at all three pools in the district.	2021-31	\$103,000 total (renewals)

Waihi Event Centre | Te whare tapere o Waihi

The below tables provides a summary of our key renewals for this activity. Other than below, it's business as usual for the Event Centre.

Planned projects – Event centre	Description	When	How much
Waihi Event Centre renewals	Security lighting, ventilation fans and hot water cylinder.	2025/26	\$58,000 total (renewals)
	New ceiling fan.	2028/29	\$83,000 (renewals)
	New roof.	2029/30	\$110,000 (renewals)

Sports fields and reserves | Nga wāhi hakinakina me ngā whenua tāpui

During the plan we intend on completing an assessment of the Paeroa Domain to look at the layout of the lights and conflict of use (e.g. different types of sports affecting the grounds differently).

We're looking into funding for the development of a sports hub in Ngatea (amount not yet known). We will have assistance from Sport New Zealand to assist with developing a governance structure for a potential hub. This is expected to reduce our funding in the long term as the entity will be expected to become self-funding.

Planned projects – Sports fields and reserves	Description	When	How much
Recreation renewals	Plains	2021-31	\$68,000 total (renewals)
	Paeroa	2021-31	\$70,000 total (renewals)
	Waihi	2021-31	\$141,000 total (renewals)
Railway Reserve recreation improvements	Improvements to the recreation reserve.	2022/23	\$72,000 (renewals)
Pump track in Hugh Hayward Domain	One third allocation for a pump track at Hugh Hayward Domain on the basis that funding from elsewhere will be provided (total project cost \$225,000).	2025/26	\$83,000 (level of service)
Adult fitness equipment One third allocation for adult fitness equipment. This is	Morgan Park in Waihi.	2026/27	\$23,000 (level of service)
	Hugh Hayward Domain in Ngatea.	2025/26	\$22,000 (level of service)

Planned projects – Sports fields and reserves	Description	When	How much
allocated on the basis that the other two thirds of the funding will be sourced from elsewhere (total of \$60,000 for each project in each town).	Paeroa Domain	2024/25	\$21,500 (level of service)
Extension to Whiritoa skatepark	One third allocation for an extension to the Whiritoa skatepark on the basis that funding from elsewhere will be provided (total project cost \$60,000).	2024/25	\$21,500 (level of service)
Whiritoa Beach Reserve improvements	A number of improvements at the reserve, including a one third share of jointly funded BBQ (\$7,700), one third share to concrete next to surf club water tank to help reduce erosion (\$3,000) and additional playground swings (\$25,600).	2021/22- 2022/23	\$36,000 total (level of service)
Extension of Hugh Hayward cycleway to connect to Northern subdivisions	There is an existing cycleway/exercise trail within Hugh Hayward Domain and this allowance is to safely connect the cycleway to the northern subdivisions.	2021/22	\$20,000 (level of service)
District wide - Rubber matting for playground resurface	Install a rubber surfacing on the five most used playgrounds in the District – Railway Reserve playground in Paeroa, Paeroa Domain playground, Pioneer Park in Ngatea, Victoria Park in Waihi, and Whiritoa Playground. This surface will enable the cushion fall to be used on smaller playgrounds.	2022/23- 2027/28	\$295,000 total (level of service)
Fencing at Victoria Park, Waihi	Investigation into, and installation of a fencing solution at Victoria Park in Waihi.	2021/22	\$15,000 (level of service)
Training lights for Paeroa Domain and Hugh Hayward Domain	One third allocation for training lights at these domains on the basis that funding from elsewhere will be provided (total project cost \$300,000 each).	2023/24, 2024/25	\$105,000 for Paeroa, \$108,000 for Ngatea (level of service)
Grandstand repainting	Paeroa Domain.	2021/22 2028/29	\$30,000 (operating) \$35,000 (operating)
	Hugh Hayward Domain in Ngatea.	2021/22	\$30,000 (operating)
Sports field renovations	Hugh Hayward Domain number one field (Ngatea).	2021/22	\$50,000 (operating)
	Paeroa Domain number one field.	2022/23	\$60,000 (operating)
	Paeroa Domain number two field.	2021/22	\$50,000 (operating)

Planned projects – Sports fields and reserves	Description	When	How much
	Centennial Park number one field (Paeroa).	2021/22	\$50,000 (operating)
Playground replacements	Kaiaua and Paeroa Domain replacement swing sets.	2022/23, 2023/24	\$8,700 (Kaiaua) and \$8,900 (Paeroa) (renewals)
	Replace modular playgrounds in Kerepehi, Turua and Victoria Park in Waihi.	2022/23-2024/25	\$142,000 total (renewals)
	Whiritoa playground replacement of pole climber.	2023/24	\$16,000 (renewals)
	Replace climbing frame in Pioneer Park, Ngatea.	2025/26	\$39,000 (renewals)
	Replace modular playground at Edwards Reserve in Paeroa.	2026/27	\$39,000 (renewals)
Playground carparks	Renewal of carparks at a number of our playgrounds, including minor reserves on the Plains and in Paeroa, Centennial Park in Paeroa, and Morgan Park and Victoria Park in Waihi.	2021/22-2022/23	\$192,400 (renewals)
Planting in reserves	The installation of native trees and shrubs to offset the effects of climate change.	2021-31	\$10,000 total (operating)
Walking trails	The installation of recreation pathways to enable people to recreate and enjoy their native backyards.	2021-31	\$50,000 total (operating)
Gilmour Reserve in Waihi maintenance	Maintenance and improvement of the wetland at Gilmour Reserve in Waihi.	2021/22	\$10,000 (operating)
		2022/23-2030/31	\$51,000 total (operating)

Cycleway | Ngā ara tereina ō Hauraki

In addition to the projects shown in the table below, we will be ensuring all external funding options are pursued and utilised during this plan. We also look to establish an approach to address new fencing required along the Trail and will work with Waka Kotahi NZ Transport Agency to align to the tourism strategy.

Planned projects – Cycleways	Description	When	How much
Hauraki Rail Trail - Waihi scenic extension	Extend the Hauraki Rail Trail to continue into the central business area of Waihi. A route would need to be confirmed and approved by stakeholders.	2021/22	\$1.47 million (level of service)
Hauraki Rail Trail – resurfacing	An allowance for the resurfacing of the Trail, spread over ten years.	2021-31	\$902,000 total (renewals)

What you can expect from us | Ōu tūmanako mā mātou

We've included some measures in the following table to show you what you can expect from us and the services we provide. We'll report on our progress to meeting these annually in our Annual Report.

How we will measure our performance	Baseline	Targets
Libraries		
You can expect: modern and relevant library spaces to support community needs.		
Percentage of library users satisfied with library services, as measured by annual resident satisfaction survey.	92% of customers satisfied (2019/20)	2021/22: ≥90% of customers satisfied. 2022/23: ≥90% of customers satisfied. 2023/24: ≥90% of customers satisfied. 2024/25-31: ≥90% of customers satisfied.
The number of library members is stable or increasing, as measured by the Library Management System.	19.88% of registered borrowers active (2019/20)	2021/22: ≥20% of the district population are active members 2022/23: ≥22% of the district population are active members 2023/24: ≥25% of the district population are active members 2024/25-31: ≥35% of the district population are active members
You can expect: opportunities to learn, meet and grow in a friendly library environment.		
The number of library-led community based learning programmes and/or events available, as measured by monthly library report to Council.	49 learning programmes (2019/20)	2021/22: 20 sessions across the district per quarter. 2022/23: 20 sessions across the district per quarter 2023/24: 20 sessions across the district per quarter 2024/25-31: 20 sessions across the district per quarter
Swimming pools		
You can expect: Council operated swimming pool facilities to be safe for users and staff.		
Daily safety and maintenance audits are carried out at each Council pool during the public swimming season, as measured by the monthly reports prepared by the Community Facilities Officer.	100% (2019/20)	2021/22: 100% of safety and maintenance audits completed during swimming season with all safety and maintenance issues addressed, investigated and actioned within: 1. High risk – addressed within 24 hours 2. Medium risk – addressed within one week 3. Low risk - addressed as soon as is practical 2022/23: 100% of safety and maintenance audits completed during swimming season with all safety and maintenance issues addressed, investigated and actioned within: 1. High risk – addressed within 24 hours

How we will measure our performance **Baseline**

Targets

		<ol style="list-style-type: none"> 2. Medium risk – addressed within one week 3. Low risk - addressed as soon as is practical <p>2023/24: 100% of safety and maintenance audits completed during swimming season with all safety and maintenance issues addressed, investigated and actioned within:</p> <ol style="list-style-type: none"> 1. High risk – addressed within 24 hours 2. Medium risk – addressed within one week 3. Low risk - addressed as soon as is practical <p>2024/25-31: 100% of safety and maintenance audits completed during swimming season with all safety and maintenance issues addressed, investigated and actioned within:</p> <ol style="list-style-type: none"> 1. High risk – addressed within 24 hours 2. Medium risk – addressed within one week 3. Low risk - addressed as soon as is practical
--	--	--

Percentage of pool users satisfied with the operation of Council swimming pools, as measured by the annual resident satisfaction survey.	84% (2019/20)	2021/22: ≥85% of customers satisfied. 2022/23: ≥85% of customers satisfied. 2023/24: ≥85% of customers satisfied. 2024/25-31: ≥85% of customers satisfied.
--	---------------	---

Sports fields and recreation reserves

You can expect: sports fields and recreational reserves that meet the requirements of users.

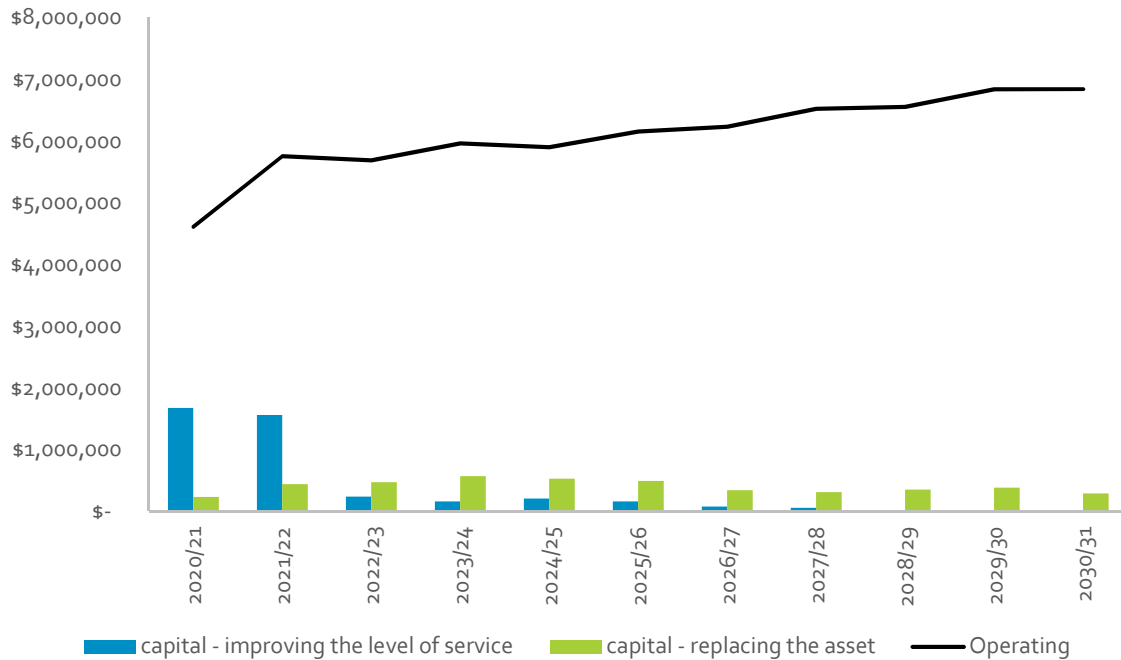
Percentage of reserve users satisfied with reserves services, as measured by the resident satisfaction survey.	88% (2019/20)	2021/22: ≥90% of customers satisfied. 2022/23: ≥90% of customers satisfied. 2023/24: ≥90% of customers satisfied. 2024/25-31: ≥90% of customers satisfied.
--	---------------	---

You can expect: safe playground facilities.

Playground facilities are regularly inspected to ensure they are safe, and compliant with national playground safety standards, as measured by Playground audit reports completed by Construction & Maintenance (C&M) staff.	92% (2019/20)	2021/22: 100% of playground inspections are completed as per scheduled frequency and identified safety issues are addressed. 2022/23: 100% of playground inspections are completed as per scheduled frequency and identified safety issues are addressed. 2023/24: 100% of playground inspections are completed as per scheduled frequency and identified safety issues are addressed. 2024/25-31: 100% of playground inspections are completed as per scheduled frequency and identified safety issues are addressed.
--	---------------	---

How much it costs | He aha te utu?

Total projected expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Libraries	1,225	1,280	1,314	1,339	1,362	1,389	1,418	1,447	1,475	1,510	1,542
Sportsfields	654	846	764	780	746	769	808	836	911	876	892
Recreation Reserves	1,671	1,775	1,816	1,881	1,888	1,967	2,003	2,117	2,094	2,205	2,213
Cycleway	0	671	710	742	752	763	806	817	830	878	890
Events Centre	179	180	183	211	208	216	205	216	209	222	223
Swimming Pools	770	894	791	897	830	931	870	967	908	1,017	948
Sports-Coordinator	110	106	108	111	113	116	119	121	125	128	131
	4,609	5,752	5,686	5,961	5,899	6,151	6,229	6,521	6,552	6,836	6,839
REVENUE											
Fees, Charges and Other Income	101	220	213	207	206	204	200	193	185	181	178
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	2,155	2,249	2,267	2,324	2,355	2,471	2,448	2,576	2,578	2,596	2,603
General Rates	2,515	3,156	3,160	3,273	3,511	3,718	3,788	4,008	4,139	4,348	4,473
	4,771	5,625	5,640	5,804	6,072	6,393	6,436	6,777	6,902	7,125	7,254
OPERATING SURPLUS/(DEFICIT)	162	(127)	(46)	(157)	173	242	207	256	350	289	415

Where the (operating) money will come from | Nō hea te pūtea I ahau mai





- Halls | Ngā Hōro
- Elderly persons housing | Ngā whare kaumātua
- Public conveniences | Ngā wāhi whakatika tinana
- Cemeteries | Ngā Urupā

Community facilities | Ngā wharenuī o te hāpori

Overview | Tiro whānuī

Our community facilities activity includes halls, elderly persons housing, public conveniences, and cemeteries. Our halls sub-activity consists of three memorial halls (Paeroa, Ngatea and Waihi) which are owned and operated by the Council, and 12 community halls which are owned and managed by hall committees or incorporated societies (those being Kaihere, Kerepehi, Karangahake, Netherton, Kaihua, Mangatangi Community Centre, Mangatarata, Kopuarahi, Patetonga, Turua, Waikino and Waitakaruru halls). We collect rates on behalf of community hall committees to fund their operation (except for Kopuarahi and Mangatarata).

We also own and administer 57 elderly persons housing units within nine individual complexes. In Waihi there are 21 units, in Paeroa there are 24 units and in Ngatea there are 12 units. The units range in amenity from bedsit units to one-bedroom units. Condition grading has shown that our elderly persons housing are in a well-maintained condition with a full operational maintenance and renewal programme.

We own or manage 22 public conveniences. We provide three cemetery sites (Waihi, Paeroa, and Miranda) and one ashes memorial wall site (Ngatea). We provide these facilities to meet public health needs (public conveniences, cemeteries) and social/cultural needs (public halls, elderly person housing).

Our plans for community facilities | A mātau mahere mo ngā wharenuī o te hāpori

We've summarised the plans for each activity under the relevant heading below.

Changes to levels of service | Ngā Whakarerekē atu o ngā ratonga

While the level of service has not changed, we have changed the way we measure the number of justified complaints we receive from hall users. Previously we had measured the total number of complaints received per year; for 2021-31 we intend to measure the number of complaints per 100 hall bookings per year.

Halls | Ngā Hōro

The below tables provides a summary of our key renewals for this activity. Other than below, it's business as usual for our halls.

Planned projects – Halls	Description	When	How much
Resurfacing of hall floors	Paeroa war memorial hall.	2021/22	\$20,000 (operating)
	Waihi memorial hall.	2021/22	\$20,000 (operating)
Renewal of the sound systems	Sound system renewal at all three memorial halls.	2021/22	\$6,000 each (renewals)
Ngatea Hall various renewals	Various renewals including: <ul style="list-style-type: none"> • replace blinds • replace fridge dishwasher • replace LED lights • replace zip • replace hot water units. 	2022-27	\$33,000 total (renewals)
Paeroa Hall various renewals	Various renewals including: <ul style="list-style-type: none"> • replace blinds • replace formica bench in toilets. 	2025/26- 2026/27	\$9,400 total (renewals)

Cemeteries | Ngā Urupā

During this plan we will continue to work on assessing our capacity at our cemeteries, and refining our data.

We are required, from time to time, to assess the provision of our water services, and other sanitary services, from a public health perspective. We last completed an 'assessment of water and sanitary services' in 2014. We're planning to complete our next assessment in the first three years of this plan. There are no significant variations between our 2014 assessment and our 2021-31 plans for cemeteries.

Planned projects – Cemeteries	Description	When	How much
Pukerimu (Paeroa) Cemetery carpark renewals	Renewal of Pukerimu carpark as well as the services cemetery carpark.	2021/22	\$10,900 total (renewals)
Casket berm installations	Waihi casket berm installations – every three years.	2021-30	\$33,000 total (level of service)
	Paeroa casket berm installations – every three years.	2021-30	\$33,000 total (level of service)
	Miranda casket berm installations – every four years.	2021-26	\$20,000 total (level of service)
Ashes gardens	Waihi ashes garden – every three years.	2022-29	\$50,000 total (level of service)
	Paeroa ashes garden – every three years.	2022-29	\$50,000 total (level of service)
	Miranda ashes garden – every four years.	2023-28	\$33,000 total (level of service)

Public conveniences | Ngā wāhi whakatika tinana

We're undertaking an assessment of the location and service delivery of current and future public toilets within the Paeroa Ward, and when we have the results of this assessment we'll consider options for the future. There is potential in the future for Paeroa to move towards a sports hub arrangement (as is being looked at for Ngatea Domain during this plan), which would affect toilet location.

In May 2021, we asked what you thought about the location for a new Kaiaua public toilet. Overall, we heard that public toilets in the area near the pirate ship playground makes more sense than putting them in the overnight parking area at the Kaiaua end of the Hauraki Rail Trail north of Kaiaua township. This location would be accessible to more people, including users of the playground, visitors to the Pink Store, and travellers stopping to stretch their legs. We haven't shown this project in the table below because the budget was included in the 2019/20 year, however it will be carried over to 2021/22 and we expect it to be completed in the first year of this plan.

We are required, from time to time, to assess the provision of our water services, and other sanitary services, from a public health perspective. We last completed an 'assessment of water and sanitary services' in 2014. We're planning to complete our next assessment in the first three years of this plan. There are no significant variations between our 2014 assessment and our 2021-31 plans for public conveniences.

Planned projects – Public conveniences	Description	When	How much
Patetonga toilet	This is a new proposed toilet due to the demand of travellers. The appropriate location for the toilet will be considered as part of this project.	2021/22	\$100,000 (level of service)
Public toilet security gates	Installation of security gates on the new Patetonga toilet to enable locking if the need arises.	2021/22	\$28,000 (level of service)
Painting our facilities	There is an allowance of \$15,000 every two years from 2022/23 to paint our toilet facilities in line with our renewal programme.	2022/23-2030/31	\$15,000 (operating)

Elderly persons housing | Ngā whare kaumātua

During this plan we will be looking at building more elderly housing units in Waihi on land we have already set aside for the future growth of this activity. This aligns with our direction for safe and healthy housing, and would reduce our waiting lists. We will ask for feedback from the community prior to progressing this project.

We may also consider other towns for developing new elderly persons housing i.e. Turua and Kerepehi. Land would need to be purchased for this.

Planned projects – Elderly persons housing	Description	When	How much
Elderly persons housing renewals	Paeroa	2021-31	\$310,000 total (renewals)
	Plains	2021-31	\$244,000 total (renewals)
	Waihi	2021-31	\$227,000 total (renewals)

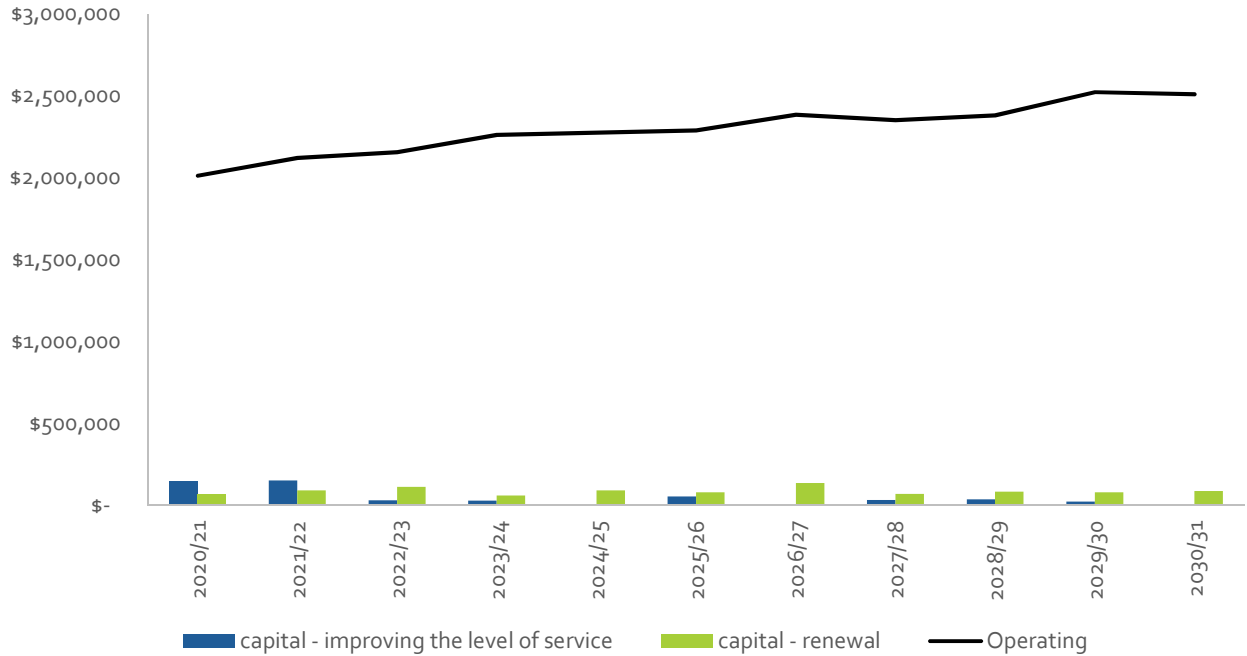
What you can expect from us | Ōu tūmanako mā mātou

We've included some measures in the following table to show you what you can expect from us and the services we provide. We'll report on our progress to meeting these annually in our Annual Reports.

How we will measure our performance	Baseline	Targets
Halls		
You can expect: Council-managed halls to be clean and well maintained to meet the needs of the community.		
Number of justified complaints from hall users regarding the cleanliness and maintenance standard of the halls, as measured by the service request database.	2019/20: 4.1 complaints per 100 bookings	2021/22: ≤3 complaints per 100 bookings per year. 2022/23: ≤3 complaints per 100 bookings per year. 2023/24: ≤3 complaints per 100 bookings per year 2024/25-31: ≤3 complaints per 100 bookings per year
Elderly persons housing		
You can expect: pensioner units to be maintained to a comfortable and safe standard.		
Percentage of tenants satisfied with the comfort and safety of the unit, as measured by the annual tenant satisfaction survey.	91% satisfied (2019/20)	2021/22: ≥85% of tenants satisfied with the comfort and safety of the units. 2022/23: ≥85% of tenants satisfied with the comfort and safety of the units. 2023/24: ≥85% of tenants satisfied with the comfort and safety of the units. 2024/25-31: ≥85% of tenants satisfied with the comfort and safety of the units.
Public conveniences		
You can expect: clean and maintained public conveniences which meet the needs of the public.		
Number of justified complaints regarding whether public conveniences are clean, maintained and sufficiently stocked with consumables, as measured by service request database.	2019/20: 55	2021/22: ≤50 complaints per year. 2022/23: ≤50 complaints per year. 2023/24: ≤50 complaints per year. 2024/25-31: ≤50 complaints per year.
Cemeteries		
You can expect: efficiently serviced and well maintained cemeteries.		
Number of justified complaints regarding grounds maintenance at all Council cemeteries, as measured by the service request database.	2019/20: 1.	2021/22: A total of ≤10 complaints regarding grounds maintenance across all Council cemeteries per year. 2022/23: A total of ≤10 complaints regarding grounds maintenance across all Council cemeteries per year. 2023/24: A total of ≤10 complaints regarding grounds maintenance across all Council cemeteries per year. 2024/25-31: A total of ≤10 complaints regarding grounds maintenance across all Council cemeteries per year.

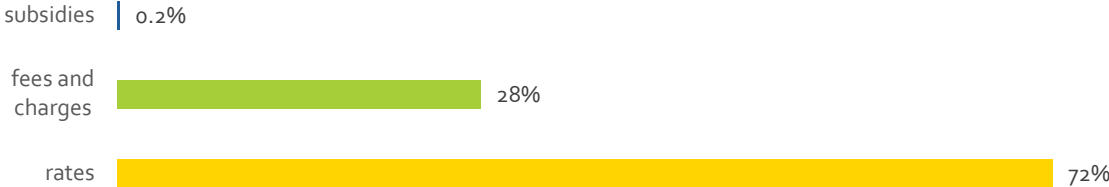
How much it costs | He aha te utu?

Total projected expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Cemeteries	395	408	420	433	443	459	470	484	499	514	525
Community Halls	285	323	304	331	340	318	372	349	336	384	370
Pensioner Housing	430	447	455	502	479	520	524	519	528	606	577
Public Conveniences	585	633	650	656	684	681	725	721	755	767	800
Rural Halls	0	37	38	39	40	41	42	43	44	45	46
Interest	317	272	288	300	288	270	252	236	219	206	191
	2,012	2,120	2,155	2,261	2,274	2,289	2,385	2,352	2,381	2,522	2,509
REVENUE											
Fees, Charges and Other Income	587	707	725	742	760	778	796	815	835	856	876
External Subsidies	5	5	5	5	6	6	6	6	6	6	7
Targeted Rates	660	871	967	1,033	1,198	1,199	1,198	1,191	1,247	1,025	1,069
General Rates	681	780	810	844	975	968	1,067	1,059	1,097	1,120	1,162
	1,933	2,363	2,507	2,624	2,939	2,951	3,067	3,071	3,185	3,007	3,114
OPERATING SURPLUS/(DEFICIT)	(79)	243	352	363	665	662	682	719	804	485	605

Where the (operating) money will come from | Nō hea te pūtea I ahau mai





MANAAKI TOIORA

- Project assistance
- Promotions
- Donations and grants
- Relationships

Manaaki Toiora

Overview | Tiro whānui

Manaaki Toiora means 'to assist in wellbeing or to lift one's mana in the sense of wellbeing'. The Manaaki Toiora activity consists of:

- Economic project assistance.
- Social project assistance.
- Promotions (whakatairanga).
- Donations and grants.
- Extended relationships (whakawhanaunga).

We provide these services to support and encourage local groups and initiatives that benefit the greater community and support increased economic growth.

Our plans for Manaaki Toiora | A mātau mahere mo manaaki toiora

Since the last long term plan, we decided to join the previous Community Growth and Community Initiatives activities within the Community Development Group, to form the new Manaaki Toiora activity for the 2021-31 period. One of the key drivers of this activity is to reduce deprivation in our district. As part of this review we have restructured some of our services. This restructure has resulted in some changes to our activities within Manaaki Toiora, which include:

- We have combined the previous 'economic development' budget with the Destination Coromandel budget. It includes economic data collection, international relationships, business awards, ambassador programme, Destination Coromandel, local campaigns, and tourism strategy.
- Our previous 'social initiatives' and 'discretionary social fund' budgets have been combined and a new advocacy role has been included. The main objective of this role is to advocate and secure funding for Council projects that contribute to wellbeing in our communities, for example contributing to private plan changes that assist with affordable housing development.
- Our focus on promotions has changed. We've combined the funds for town promotion organisations, district event coordination, and visitor information services. This includes a reduction for town promotion organisations funding to \$12,000 per organisation per year, and an overall increase in visitor information services (outlined below). We will also employ a district events coordinator. We've made this change and the information services change with a view to equalising promotion services over the district for the benefit of all.
- We've combined a number of our grants into one area, which includes development grants, mayoral grants, and ward grants for projects promoting wellbeing.
- Previously named 'Sister Cities' has been renamed 'Extended relationships | Whakawhanaunga' to capture the essence of this activity, which includes developing education relationships within Aotearoa.

The Manaaki Toiora group mainly contributes to the following community outcomes



Connected People
Tūhono



Vibrant and Safe Communities
Te Oranga pai o te Hapori



Strong Economy
Oranga Ōhanga

From 2021 onwards, we plan to:

- Develop a Manaaki Toiora strategy and action plan.
- Implement actions from Destination Hauraki 2030.
- Support communities and businesses impacted by COVID-19 and work together with Te Waka and other agencies to assist businesses in building their resilience.
- Continue with business promotions platforms that support our businesses and celebrates the District’s successes.
- Allow for some grant funding for communities affected in the future by climate change events (for example, the January 2018 Kaiaua event included an emergency relief fund that residents could apply to for costs).

You told us what you think | Kua kōrero mai koe ōu whakaaro, tēnā rawa atu koe

During our 2021 consultation, we asked for feedback on the future of visitor information services (or information centres). In our 2018-28 long term plan we had provided funding to organisations to deliver information services in Waihi (\$85,000 per annum) and in Paeroa (\$59,000 per annum). A business in Ngatea provides information and supports visitors to the area, but is not funded by the Council for this. During the feedback period, 45% of respondents supported our preferred option of providing funding for all wards, and 21% preferred we stick with the existing funding. 19% of respondents wanted kiosks in each ward, 9% asked that we develop an information network, and 7% thought we shouldn’t fund visitor information services at all. After considering feedback, we decided to change the funding levels for visitor information services to \$65,000 per year each for Paeroa and Waihi, and to \$20,000 per year for the Plains. We will also carry out a review of visitor information services at the end of 2021/22.

Changes to levels of service | Ngā whakarerekē atu o ngā rātonga

The previous levels of service included in the Community Development Group, were predominantly based on customer satisfaction, tourism spend and communication. The levels of service have been revised to be more specifically focused on the intent of Manaaki Toiora and include improving community well-being, supporting businesses and improving accountability of grant funding. We will continue to communicate with the community and monitor the levels of satisfaction as per our previous levels of service, however these changes are considered to be more focused and relevant for monitoring and reporting processes.

What you can expect from us | Ōu tūmanako mā mātou

We’ve included some measures in the following table to show you what you can expect from us and the services we provide. We’ll report on our progress to meeting these annually in our Annual Report.

How we will measure our performance	Baseline	Targets
You can expect: effective strategies, policies and initiatives that support community well-being.		
Annual review of the action plan to support the Manaaki Toiora activity.	New measure	2021/22: 80% of actions for the year are completed and an annual review of action plan completed. 2022/23: 85% of actions are completed and an annual review of action plan completed. 2023/24: 90% of actions are completed and an annual review of action plan completed. 2024/25-31: 90% of actions are completed and an annual review of action plan completed.
You can expect: strong support of our business community.		
Support existing businesses through the growth of business promotional initiatives.	Baseline members 30 June 2020 = 419 members	2021/22: 8% increase in ‘likes’ on the LoveHauraki Facebook page to previous year

How we will measure our performance

Baseline

Targets

2022/23: 10% increase in 'likes' on the LoveHauraki Facebook page to previous year
 2023/24: 12% increase in 'likes' on the LoveHauraki Facebook page to previous year
 2024-31: 15% increase in 'likes' on the LoveHauraki Facebook page to previous year

You can expect: effective administration of the grants schemes for Council

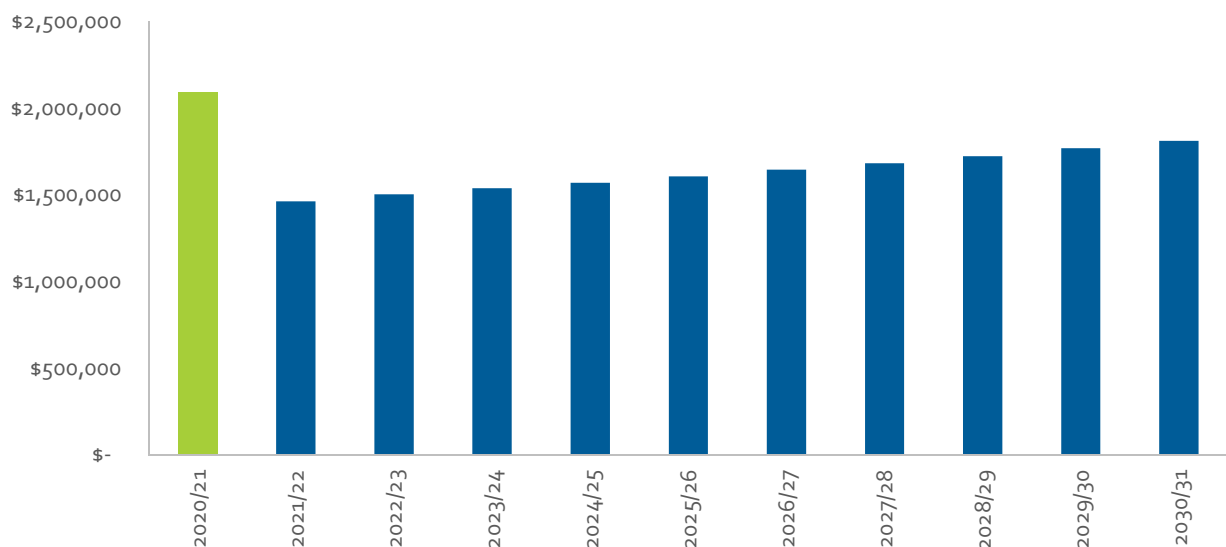
Provide funding for community-led projects and initiatives, as demonstrated through accountability reports to Council

New measure

2021/22: 85% compliance of grant recipients meet grant obligations
 2022/23: 90% compliance of grant recipients meet grant obligations.
 2023/24: 95% compliance of grant recipients meet grant obligations.
 2024/25-31: 100% compliance of grant recipients meet grant obligations.

How much it costs | He aha te utu?

Total projected operational expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Community Growth Community Initiatives	868	0	0	0	0	0	0	0	0	0	0
Economic project assistance	1,223	0	0	0	0	0	0	0	0	0	0
Social initiatives	0	490	508	518	528	540	552	564	578	593	607
Promotions	0	226	231	237	241	247	253	258	265	272	278
Grants and Donations Extended relationships Whakawhanaunga	0	369	379	388	392	401	411	420	431	443	453
	0	308	316	324	336	344	352	361	370	380	389
	0	66	67	69	70	72	74	76	77	79	81
	2,091	1,459	1,501	1,536	1,567	1,604	1,642	1,679	1,721	1,767	1,808
REVENUE											
Fees, Charges and Other Income	0	56	56	56	56	56	56	56	56	56	56
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	647	156	161	157	162	165	166	168	172	173	177
General Rates	1,664	1,257	1,305	1,311	1,472	1,518	1,591	1,674	1,746	1,812	1,919
	2,311	1,469	1,522	1,524	1,690	1,739	1,813	1,898	1,974	2,041	2,152
OPERATING SURPLUS/(DEFICIT)	220	10	21	(12)	123	135	171	219	253	274	344

Where the (operating) money will come from | Nō hea te pūtea I ahau mai

rates



100%

Hauraki District Council: Funding impact statement for 2021-31 for Manaaki Toiora | Te tauākī pūtea mo 2021-31

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	1,664	1,257	1,305	1,311	1,472	1,518	1,591	1,674	1,746	1,812	1,919
Targeted rates	647	156	161	157	162	165	166	168	172	173	177
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	56	56	56	56	56	56	56	56	56	56
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	2,311	1,469	1,522	1,524	1,690	1,739	1,813	1,898	1,974	2,041	2,152
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,082	907	937	960	983	1,008	1,032	1,058	1,085	1,114	1,140
Finance Costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	682	552	565	576	584	596	610	621	636	653	667
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding (B)	1,764	1,459	1,502	1,536	1,567	1,604	1,642	1,679	1,721	1,767	1,807
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	547	10	20	(12)	123	135	171	219	253	274	345
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding (C)	0	0	0	0	0	0	0	0	0	0	0
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	547	10	20	(11)	124	135	171	219	253	274	345
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding (D)	547	10	20	(11)	124	135	171	219	253	274	345
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(547)	(10)	(20)	11	(124)	(135)	(171)	(219)	(253)	(274)	(345)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	1	1	0	0	0	0	0	0
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	1,664	1,257	1,305	1,311	1,472	1,518	1,591	1,674	1,746	1,812	1,919

The funding impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to clause 7 of the Local Government (Financial Reporting and Prudence) Regulations 2014. It covers the 10-year period from 2021/22 to 2030/31 and outlines the Council's sources of funding and its plan to apply them. Generally accepted accounting practice does not apply to the preparation of the funding impact statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from generally accepted accounting practice are the non-inclusion of depreciation and the inclusion of internal charges.



REGULATORY SERVICES RATONGA WHAKAHAERE

This group includes:

- Resource management implementation
- Building control services
- Community protection
- Animal control

Regulatory Services | Ratonga whakahaere

Overview | Tiro whānui

We're involved in a number of regulatory services from preparing regulations to promoting compliance. Our focus areas include supporting:

- Appropriate land use management.
- Safe building development (including building consent).
- Community health and safety (including food and alcohol safety, civil defence, animal control).
- Animal welfare.

We aim to ensure our processes promote safely constructed buildings so people can have confidence that buildings within our district are safe to use. Our animal control and community protection services ensure a safe environment for the public and ensures we are prepared for natural hazards. Some of our regulatory services are provided so that we continue to meet our legal responsibilities to ensure the protection of the environment and the community.

The regulatory services group
mainly contributes to the
following community
outcomes



Healthy Environment
Te Mauri o te Taiao



Vibrant and Safe Communities
Te Oranga pai o te Hapori

Regulatory Services cost of service | He aha te utu?

	2020/21 Annual plan \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000
EXPENDITURE											
RMA											
Implementation	1,242	1,148	1,170	1,190	1,211	1,236	1,262	1,290	1,320	1,354	1,385
Building Services	1,469	1,544	1,581	1,608	1,637	1,670	1,706	1,743	1,783	1,827	1,869
Community Protection	831	862	884	900	917	936	957	979	1,002	1,027	1,051
CCTV and Abandoned Mines	0	37	37	38	39	39	40	41	42	43	44
Animal Control	607	577	598	610	623	637	651	666	683	700	717
	4,149	4,168	4,270	4,346	4,427	4,518	4,616	4,719	4,830	4,951	5,066
REVENUE											
Fees, Charges and Other Income	1,837	1,757	1,804	1,849	1,894	1,941	1,988	2,037	2,090	2,145	2,196
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
General Rates	2,391	2,409	2,476	2,465	2,748	2,817	2,941	3,088	3,204	3,317	3,510
	4,228	4,166	4,280	4,314	4,642	4,758	4,929	5,125	5,294	5,462	5,706
OPERATING SURPLUS/(DEFICIT)	79	(2)	10	(32)	215	240	313	406	464	511	640

Hauraki District Council: Funding impact statement for 2021-31 for Regulatory Services | Te tauākī pūtea mo 2021-31

	2020/21 Annual plan \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	2,391	2,409	2,476	2,465	2,748	2,817	2,941	3,088	3,204	3,317	3,510
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,837	1,757	1,804	1,849	1,894	1,941	1,988	2,037	2,090	2,145	2,196
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	4,228	4,166	4,280	4,314	4,642	4,758	4,929	5,125	5,294	5,462	5,706
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	966	971	996	1,018	1,041	1,065	1,089	1,115	1,143	1,173	1,200
Finance Costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	3,180	3,190	3,266	3,320	3,376	3,443	3,518	3,594	3,676	3,768	3,856

	2020/21 Annual plan \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding (B)	4,146	4,161	4,262	4,338	4,417	4,508	4,607	4,709	4,819	4,941	5,056
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	82	5	18	(24)	225	250	322	416	475	521	650
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	(8)	(8)	(9)	(9)	(9)	(9)	(10)	(10)	(10)	(10)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding (C)	0	(8)	(8)	(9)	(9)	(9)	(9)	(10)	(10)	(10)	(10)
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	82	(3)	9	(32)	217	240	313	407	466	511	640
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding (D)	82	(3)	9	(32)	217	240	313	407	466	511	640
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(82)	(5)	(17)	23	(226)	(249)	(322)	(417)	(476)	(521)	(650)
FUNDING BALANCE ((A - B) + (C - D))	0	0	(1)	1	1	(1)	0	1	1	0	0
SOURCES OF OPERATING FUNDING											

The funding impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to clause 7 of the Local Government (Financial Reporting and Prudence) Regulations 2014. It covers the 10-year period from 2021/22 to 2030/31 and outlines the Council's sources of funding and its plan to apply them. Generally accepted accounting practice does not apply to the preparation of the funding impact statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from generally accepted accounting practice are the non-inclusion of depreciation and the inclusion of internal charges.



RESOURCE MANAGEMENT IMPLEMENTATION TE WHAKATINANATANGA Ō NGĀ MĀHERE TAIAO

- Administering the District Plan
- Processing
- Monitoring
- Issuing consents and certificates
- Enforcement

Resource management implementation | Te whakatinanatanga ō ngā māhere taiao

Overview | Tiro whānui

We are involved in a number of regulatory services from preparing regulations to promoting compliance. This includes regulating land use and development activities through implementation of resource management legislation and district plans (i.e. resource consents).

Our plans for resource management implementation | A mātau mahere mo te whakatinanatanga ō ngā māhere taiao

We have no major projects planned for resource management implementation – it's mostly business as usual.

During this long term plan period it's likely we'll look at moving to online services for our resource consenting. We'll also keep an eye on the Resource Management Act 1991 reforms, and adapt our processing as required.

Changes to levels of service | Ngā whakarerekē atu o ngā ratonga

We've increased our level of service for monitoring consents. We expect to monitor 90% of consents granted in the previous financial year. To meet this level of service we've increased resourcing in this area.

What you can expect from us | Ōu tūmanako mā mātou

We've included some measures in the following table to show you what you can expect from us and the services we provide. We'll report on our progress to meeting these annually in our Annual Report.

How we will measure our performance **Baseline** **Targets**

You can expect: resource consents to be decided and issued within Resource Management Act 1991 timeframes.		
Notified resource consent decisions issued within statutory timeframes, as measured by the resource consent database.	100% of decisions issued on time (2019/20)	2021/22: 100% of decisions issued within statutory timeframes. 2022/23: 100% of decisions issued within statutory timeframes. 2023/24: 100% of decisions issued within statutory timeframes. 2024/25-31: 100% of decisions issued within statutory timeframes.
Non-notified resource consent decisions are issued within statutory timeframes, as measured by the resource consent database.	99% of decisions issued on time (2019/20)	2021/22: 100% of decisions issued within statutory timeframes. 2022/23: 100% of decisions issued within statutory timeframes 2023/24: 100% of decisions issued within statutory timeframes 2024/25-31: 100% of decisions issued within statutory timeframes
Permitted boundary activity certificates are issued within statutory timeframes, as measured by the resource consent database.	100% of decisions issued on time (2019/20)	2021/22: 100% of decisions issued within statutory timeframes. 2022/23: 100% of decisions issued within statutory timeframes. 2023/24: 100% of decisions issued within statutory timeframes. 2024/25-31: 100% of decisions issued within statutory timeframes.
You can expect: a monitoring service which ensures compliance with consent conditions.		
Land use consents issued during the previous financial year are monitored within 12 months of being granted, as measured by the resource consent database.	90% of consents granted are monitored (2019/20)	2021/22: 90% of consents granted in the previous financial year are monitored within the next 12 months. 2022/23: 90% of consents granted in the previous financial year are monitored within the next 12 months 2023/24: 90% of consents granted in the previous financial year are monitored within the next 12 months 2024/25-31: 90% of consents granted in the previous financial year are monitored within the next 12 months
You can expect: Land Information Memoranda (LIM) to be issued within agreed timeframes.		
Non-urgent LIMs issued within 10 working days (statutory), as measured by the applications database	100% issued on time (2019/20)	2021/22: 100% issued on time. 2022/23: 100% issued on time. 2023/24: 100% issued on time. 2024/25-31: 100% issued on time.
Urgent LIMs are issued within 3 working days, as measured by the applications database.	100% issued on time (2019/20)	2021/22: 100% issued on time. 2022/23: 100% issued on time. 2023/24: 100% issued on time.

How we will measure our performance **Baseline** **Targets**

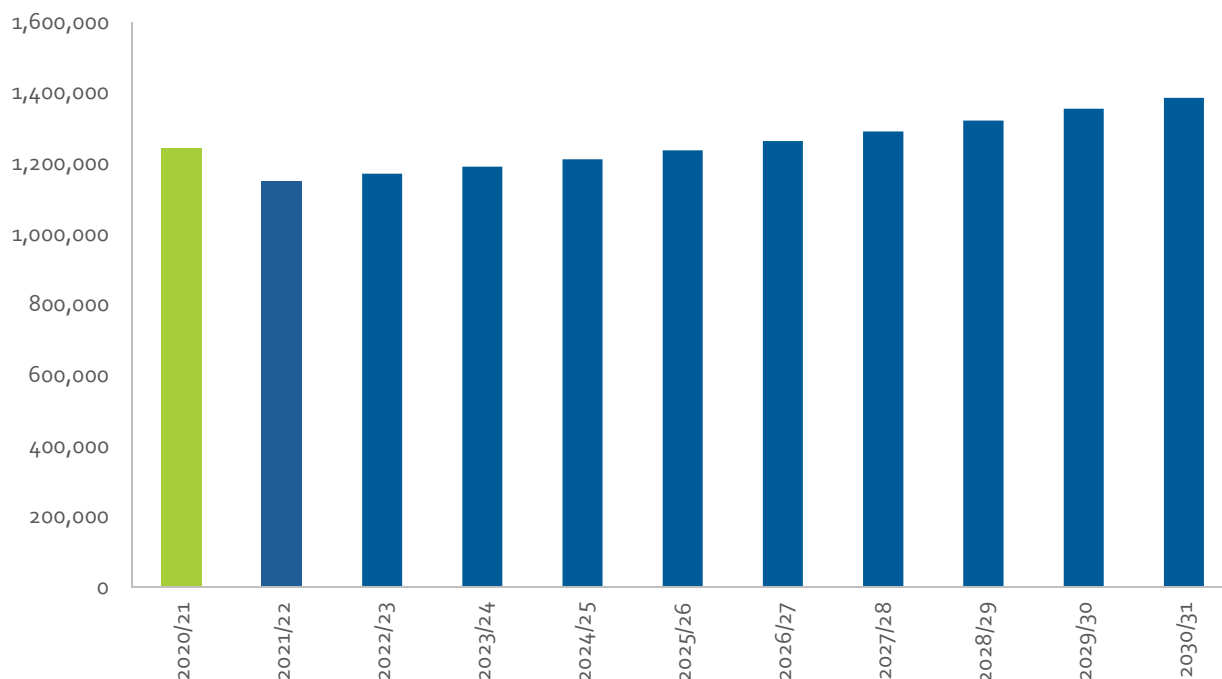
2024/25-31: 100% issued on time.

You can expect: public satisfaction with the Council’s administering of the resource consent services.

Percentage of customers satisfied with the service they receive during the resource consent process, as measured by the customer satisfaction survey	80% (2019/20)	2021/22: ≥75% of customers satisfied. 2022/23: ≥75% of customers satisfied. 2023/24: ≥75% of customers satisfied. 2024/25-31: ≥75% of customers satisfied.
--	---------------	---

How much it costs | He aha te utu?

Total projected operational expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
RMA Implementation	1,242	1,148	1,170	1,190	1,211	1,236	1,262	1,290	1,320	1,354	1,385
	1,242	1,148	1,170	1,190	1,211	1,236	1,262	1,290	1,320	1,354	1,385
REVENUE											
Fees, Charges and Other Income	623	501	515	527	540	554	567	581	596	612	626
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
General Rates	616	617	611	609	675	691	718	767	785	817	862
	1,239	1,118	1,126	1,136	1,215	1,245	1,285	1,348	1,381	1,429	1,488
OPERATING SURPLUS/(DEFICIT)	(3)	(30)	(44)	(54)	4	9	23	58	61	75	103

Where the money will come from | Nō hea te pūtea I ahau mai





BUILDING CONTROL MANA HANGA

- Assessing and processing building consent applications
- Monitoring and enforcement
- Inspections of private swimming pools

Building control | Mana hanga

Overview | Tiro whānui

We are involved in a number of regulatory services from preparing regulations to promoting compliance. This includes regulating building work (building consents), building warrants of fitness monitoring, swimming pool fencing, project information memorandums, implementing earthquake prone, dangerous and insanitary building regulations.

Our plans for building control services | A mātau mahere mo mana hanga

We have no major projects planned for building control services – it's business as usual. In 2020 we introduced online building consent applications, and we'll continue to refine our online process over the life of this plan.

Changes to levels of service | Ngā Whakarerekē atu o ngā ratonga

We've increased our budget for processing our building consents, as we have not been achieving our target of 100% of consents issued within timeframes. It is expected that the increased budget will allow for more resource to assist with processing building consents.

What you can expect from us | Ōu tūmanako mā mātou

We've included some measures in the following table to show you what you can expect from us and the services we provide. We'll report on our progress to meeting these annually in our Annual Reports.

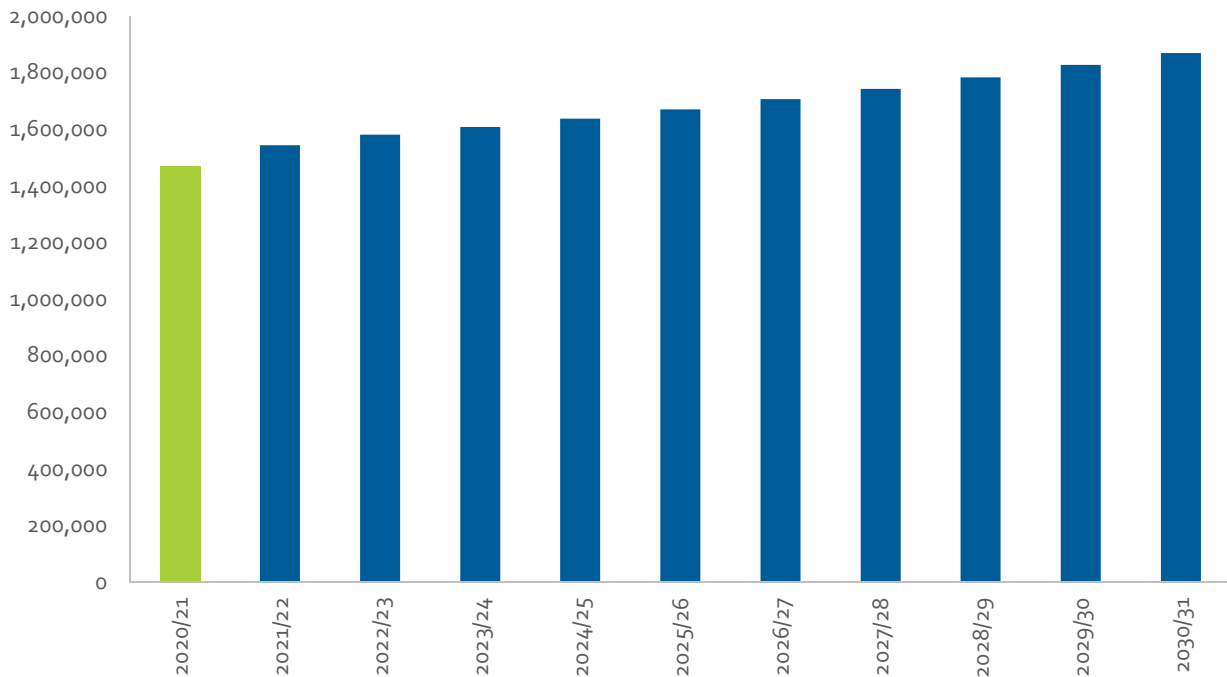
How we will measure our performance	Baseline	Targets
You can expect: building consent applications to be processed within the statutory timeframes of the Building Act 2004.		
Building consent applications are processed within 20 working days, as measured by the Building Consent Tracking Database.	94% processed within 20 working days (2019/20)	2021/22: 100% are issued within 20 working days of receiving the application, providing the application is complete. 2022/23: 100% are issued within 20 working days of receiving the application, providing the application is complete.

How we will measure our performance	Baseline	Targets
<p>2023/24: 100% are issued within 20 working days of receiving the application, providing the application is complete.</p> <p>2024/25-31: 100% are issued within 20 working days of receiving the application, providing the application is complete.</p>		
<p>You can expect: that known privately owned swimming pools comply with the Building Act 2004.¹</p>		
<p>Private swimming pools on Council's pools register will be inspected at least every three years as measured by the pools register.</p>	<p>100% of pools inspected annually (2019/20)</p>	<p>2021/22: 33% (134) of all pools to be inspected annually.</p> <p>2022/23: 33% (134) of all pools to be inspected annually.</p> <p>2023/24: 33% (134) of all pools to be inspected annually.</p> <p>2024/25-31: 33% (134) of all pools to be inspected annually.</p>
<p>You can expect: satisfactory service to our building consent customers.</p>		
<p>Percentage of customers satisfied with the service they receive during the building consent process, as measured by the customer satisfaction survey.</p>	<p>73% customers satisfied (2019/20)</p>	<p>2021/22: ≥80% of customers satisfied.</p> <p>2022/23: ≥80% of customers satisfied.</p> <p>2023/24: ≥80% of customers satisfied</p> <p>2024/25-31: ≥80% of customers satisfied</p>

¹ As a result of the Building (Pools) Amendment Act 2016, the Fencing of Swimming Pools Act 1987 was repealed and requirements incorporated into the Building Act 2004.

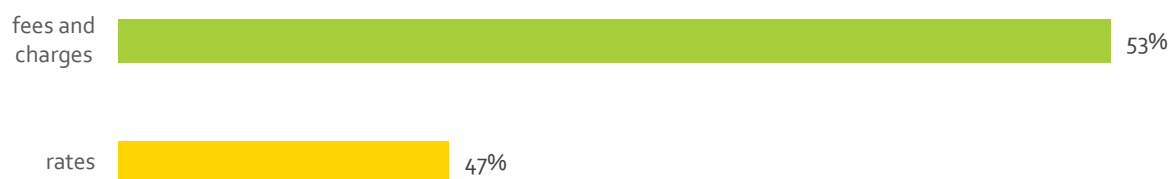
How much it costs | He aha te utu?

Total projected operational expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Building Services	1,469	1,544	1,581	1,608	1,637	1,670	1,706	1,743	1,783	1,827	1,869
	1,469	1,544	1,581	1,608	1,637	1,670	1,706	1,743	1,783	1,827	1,869
REVENUE											
Fees, Charges and Other Income	761	809	831	851	872	894	915	938	962	987	1,011
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
General Rates	709	701	700	696	770	786	817	871	889	924	974
	1,470	1,510	1,531	1,547	1,642	1,680	1,732	1,809	1,851	1,911	1,985
OPERATING SURPLUS/(DEFICIT)											
	1	(34)	(50)	(61)	5	10	26	66	68	84	116

Where the money will come from | Nō hea te pūtea I ahau mai





COMMUNITY PROTECTION TIAKI HĀPORI

- Emergency management
- Noise control
- Regulatory policies
- Mine hazard zone monitoring
- Environmental health, including food safety and alcohol licensing

Community protection | Tiaki hāpori

Overview | Tiro whānui

We are involved in a number of regulatory services from preparing regulations to promoting compliance. This includes liquor licensing, hazard zone monitoring, food licensing, noise control, public pools, gambling venue policy, psychoactive substances policy, responsible freedom camping policy and compliance.

Emergency management is also part of our community protection activity. It involves planning to reduce risks that could result in an emergency situation, responding and recovering from emergency situations that do occur. The government is increasingly expecting natural hazards to be managed in such a way that emergency events and their impacts are reduced. We provide emergency management services to:

- Ensure our community are aware of natural risks and are prepared for these.
- Keep essential services known as lifelines operating in and after an emergency.
- Keep people safe during and after an emergency event.
- Put arrangements in place to recover after an emergency event.

Our plans for community protection services | A mātau mahere mo tiaki hāpori

We have no major projects planned for community protection services – it's mostly business as usual. During the life of this plan we will look at progressing food verifications remotely and online in addition to physical premises inspections. We may also develop an enforcement policy within the next three years (within existing budgets).

What you can expect from us | Ōu tūmanako mā mātou

We've included some measures in the following table to show you what you can expect from us and the services we provide. We'll report on our progress to meeting these annually in our Annual Reports.

How we will measure our performance

Baseline

Targets

You can expect: that the Council will carry out its role in public food safety by enforcing the Food Act 2014.

All known food premises are monitored for compliance with relevant legislation as measured by the food premises database.

71% monitored (2019/20)

2021/22: 100% of all food premises are assessed annually.
 2022/23: 100% of all food premises are assessed annually.
 2023/24: 100% of all food premises are assessed annually.
 2024/25-31: 100% of all food premises are assessed annually.

You can expect: that the Council will carry out its role in public safety by implementing the Sale and Supply of Alcohol Act 2012.

New and renewed On/Off and Club Liquor Licences are issued within three months of receiving the application, providing there are no objections and the application is complete, as measured by audit(s) of application records

100% issued within three months (2019/20)

2021/22: 100% are issued within three months.
 2022/23: 100% are issued within three months.
 2023/24: 100% are issued within three months.
 2024/25-31: 100% are issued within three months.

You can expect: Excessive noise complaints will be responded to by the Council.

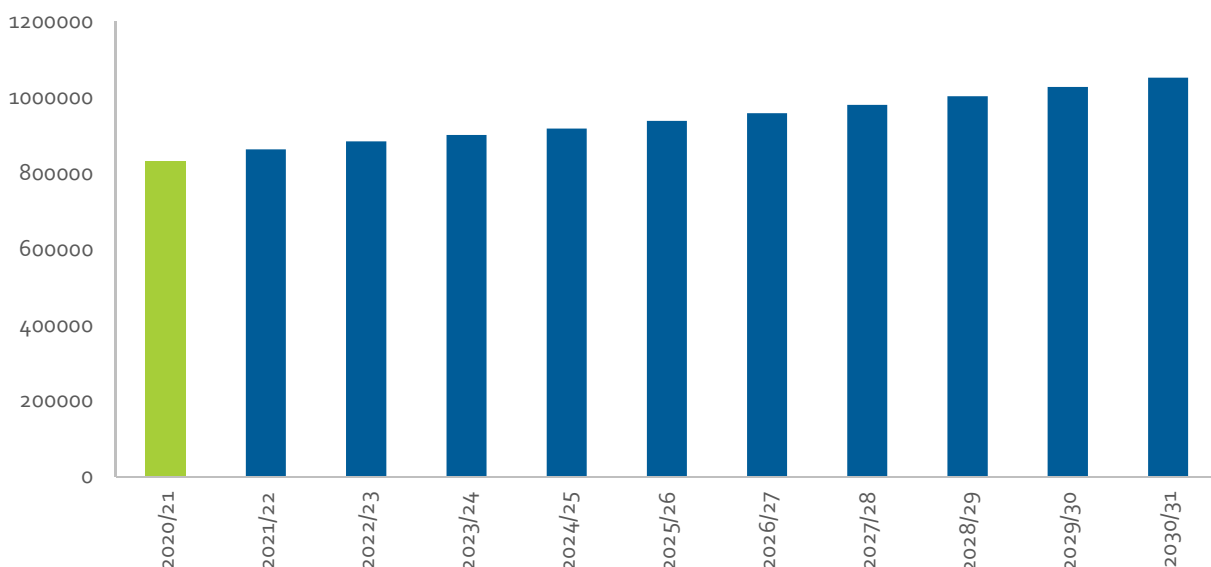
All complaints regarding excessive noise are investigated within two hours of the complaint being received, as measured by contractor's monthly report (from service request database).

100% investigated within two hours (2019/20)

2021/22: 100% investigated within two hours.
 2022/23: 100% investigated within two hours.
 2023/24: 100% investigated within two hours.
 2024/25-31: 100% investigated within two hours.

How much it costs | He aha te utu?

Total projected operational expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Emergency Management	371	368	377	385	393	402	411	420	430	441	451
Health	335	384	393	400	407	416	425	435	445	456	467
Liquor Licensing	125	110	113	115	117	119	121	124	127	130	133
	831	862	883	900	917	937	957	979	1,002	1,027	1,051
REVENUE											
Fees, Charges and Other Income	110	112	115	118	121	124	127	130	133	137	140
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
General Rates	733	796	844	840	943	970	1,018	1,049	1,107	1,140	1,211
	843	908	959	958	1,064	1,094	1,145	1,179	1,240	1,277	1,351
OPERATING SURPLUS/(DEFICIT)	12	46	76	58	147	157	188	200	238	250	300
	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
CCTV and Abandoned Mines	0	37	37	38	39	39	40	41	42	43	44
	0	37	37	38	39	39	40	41	42	43	44
REVENUE											
Fees, Charges and Other Income	0	0	0	0	0	0	0	0	0	0	0
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
General Rates	0	39	41	41	46	47	49	51	54	55	58
	0	39	41	41	46	47	49	51	54	55	58
OPERATING SURPLUS/(DEFICIT)	0	2	4	3	7	8	9	10	12	12	14

Where the money will come from | Nō hea te pūtea I ahau mai

fees and charges  11%

rates  89%



ANIMAL CONTROL MANA KARAREHE

- Dog registration
- Owner education
- Animal control
- Control of wandering dogs and stock

Animal control | Mana kararehe

Overview | Tiro whānui

We are involved in a number of regulatory services from preparing regulations to promoting compliance. This includes dog registration, education and control and control of other animal nuisances.

Our plans for animal control | A mātau mahere mo Mana kararehe

We have no major projects planned for animal control services – it’s mostly business as usual. Over the life of this plan we will investigate options for enabling our customers to register their dog/s online.

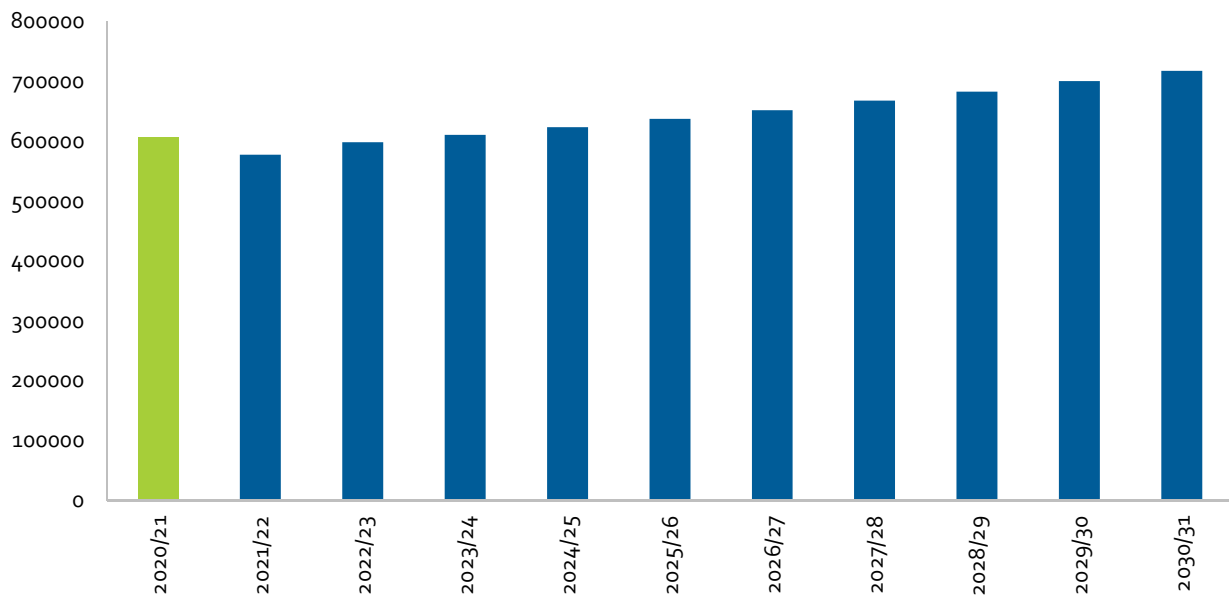
What you can expect from us | Ōu tūmanako mā mātou

We’ve included some measures in the following table to show you what you can expect from us and the services we provide. We’ll report on our progress to meeting these annually in our Annual Reports.

How we will measure our performance	Baseline	Targets
You can expect: that the Council will ensure compliance with the Dog Control Act 1996 and bylaw, and the Impounding Act 1955, to provide for public safety.		
Known dogs in the District are registered annually, as measured by registration records.	99% registered (2019/20)	2021/22: ≥97% of known dogs are registered. 2022/23: ≥97% of known dogs are registered. 2023/24: ≥97% of known dogs are registered. 2024/25-31: ≥97% of known dogs are registered.
Complaints about wandering stock on public roads are responded to within two hours, as measured by the contractor’s monthly report.	100% within three hours (2019/20)	2021/22: 100% of complaints responded to within two hours. 2022/23: 100% of complaints responded to within two hours 2023/24: 100% of complaints responded to within two hours 2024/25-31: 100% of complaints responded to within two hours
Dog attack complaints are responded to within two hours, as measured by the contractor’s monthly report.	100% responded to in time (2019/20)	2021/22: 100% of complaints responded to within two hours. 2022/23: 100% of complaints responded to within two hours. 2023/24: 100% of complaints responded to within two hours. 2024/25-31: 100% of complaints responded to within two hours.

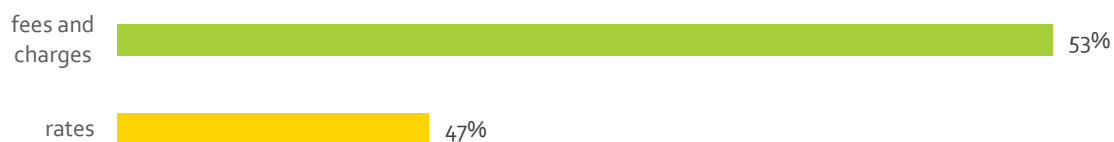
How much it costs | He aha te utu?

Total projected operational expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Dog Registration	316	308	316	323	330	337	345	353	361	371	380
Animal Control	291	269	282	287	293	300	306	314	321	329	337
	607	577	598	610	623	637	651	667	682	700	717
REVENUE											
Fees, Charges and Other Income	343	335	344	353	361	370	379	388	399	409	419
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
General Rates	333	257	280	279	314	323	339	350	370	380	404
	676	592	624	632	675	693	718	738	769	789	823
OPERATING SURPLUS/(DEFICIT)											
	69	15	26	22	52	56	67	71	87	89	106

Where the money will come from | Nō hea te pūtea | ahau mai





SUPPORT SERVICES NGĀ RATONGA TAUTOKO

- Forestry
- Property
- Overheads
- Fleet management
- Subdivision
- Project operations

Support Services | Ngā ratonga tautoko

Overview | Tiro whānui

Our Support Services Group includes the sub-activities of property, forestry, subdivision, fleet management, overheads and project operations (previously encompassing all Council Business Units).

Our property function includes managing a range of corporate buildings such as Council libraries, area offices, depots, dog pounds and property that supports a range of our activities. Wastewater, water supply and land drainage buildings are not included in the property function (these are covered in those activities), with the exception of the land.

As part of our Support Services Group, we own three main forestry blocks; and we purchase and develop land and provide infrastructure to ensure that our communities have the opportunity to purchase land for homes and other activities.

We operate a project operations team and through the fleet management activity, manages our fleet of vehicles and construction and maintenance plant and equipment.

We operate a number of support areas, otherwise known as overheads, which assist all of our activities to deliver on their objectives where it is not cost efficient or practicable for each activity to have its own dedicated team. Examples include Finance, Human Resources, Information Technology amongst others. These overheads are fully re-charged out across the activities of Council (using a cascade / waterfall method) across the rest of the organisation.

The Support Services group
mainly contributes to the
following community outcomes



Healthy Environment
Te Mauri o te Taiao



Vibrant and Safe Communities
Te Oranga pai o te Hapori

Our plans for Support Services | A mātau mahere mo Ngā ratonga tautoko

In previous long term plans there has not be a separate group of activities to cover those activities that are seen as the more internal facing activities of Council. To ensure transparency across all of our business, we introduced a Support Services Group of activities for this plan.

Many of these activities with the Support Services Group are not legislatively required, however help support the deliverables of Council and/or are activities that contribute to the overall community wellbeing of the district.

For the most part, Support Services over the coming ten years is looking at a business as usual approach. There are some projects already underway including the refurbishment of the Ngatea Library and a

subdivision at Ngatea. These projects will all continue as will the continuation of the Climate Action Working Party to address how we can play our part in reducing emissions, particularly through the fleet management and forestry activities.

Changes to levels of service | Ngā Whakarerekē atu o ngā ratonga

We haven't changed any of our service levels for this group, however we have defined a performance measure to help measure our success. This is provided below under 'What you can expect from us'.

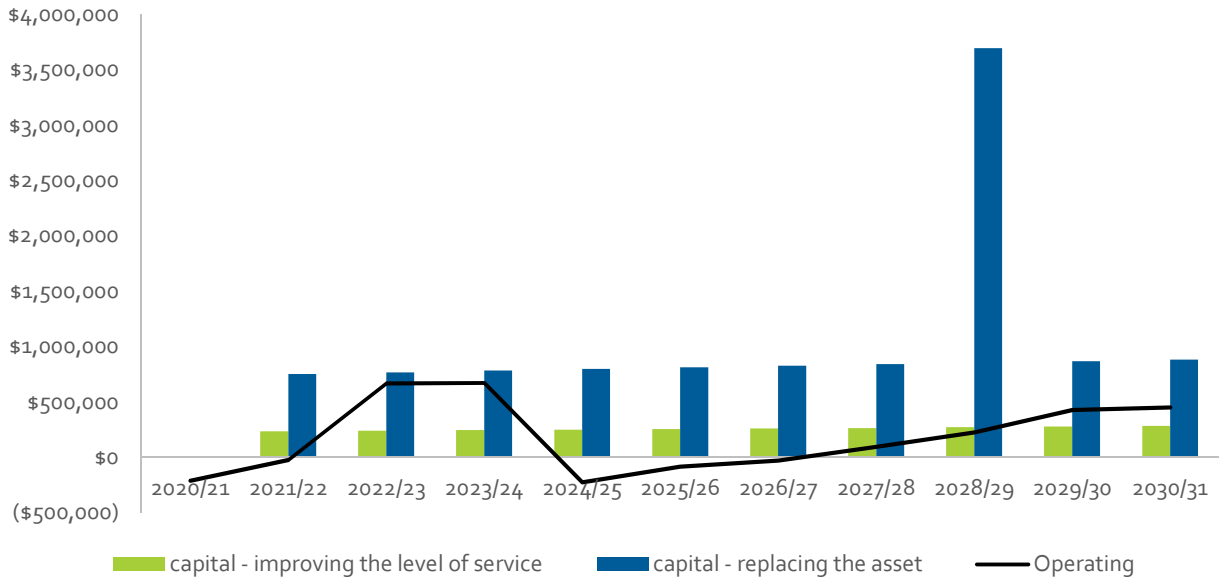
What you can expect from us | Ōu tūmanako mā mātou

We've included some measures in the following table to show you what you can expect from us and the services we provide. We'll report on our progress to meeting these annually in our Annual Report.

How we will measure our performance	Baseline	Targets
You can expect: We will operate in a financially prudent manner		
Debt complies with the limits set in the council's financial strategy (Affordability benchmark/debt benchmark) as measured by external debt as a proportion of total revenue	2019/20: 127%	2021/22: Total net external debt will not exceed 175% of total revenue in any year. 2022/23: Total net external debt will not exceed 175% of total revenue in any year. 2023/24: Total net external debt will not exceed 175% of total revenue in any year. 2024/25-31: Total net external debt will not exceed 175% of total revenue in any year.
Critical computers systems available for internal and external customers.	2019/20: 99%	2021/22: ≥99% 2022/23: ≥99% 2023/24: ≥99% 2024/25-31: ≥99%

How much it costs | He aha te utu?

Total projected expenditure



	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
EXPENDITURE											
Business Units	(141)	(26)	123	225	339	471	617	772	937	1,119	1,310
Overheads	577	14	14	15	15	15	16	16	16	16	17
Other P&L	(593)	(708)	(60)	(161)	(1,181)	(1,190)	(1,288)	(1,325)	(1,401)	(1,439)	(1,540)
Property	(265)	587	600	602	611	631	636	643	685	740	674
Plant	143	(78)	(80)	(81)	(83)	(84)	(86)	(87)	(89)	(90)	(92)
Forestry	56	185	69	70	72	73	74	76	77	79	81
	(213)	(26)	666	670	(227)	(84)	(31)	95	225	425	450
REVENUE											
Fees, Charges and Other Income	417	868	4,441	5,051	378	386	394	401	409	417	424
External Subsidies	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(346)	(361)	(381)	(406)	(429)	(445)	(460)	(479)	(502)	(523)	(546)
General Rates	(314)	(328)	(343)	(362)	(387)	(402)	(418)	(437)	(461)	(483)	(507)
	(243)	179	3,717	4,283	(438)	(461)	(484)	(515)	(554)	(589)	(629)
OPERATING SURPLUS/(DEFICIT)	(30)	205	3,051	3,613	(211)	(377)	(453)	(610)	(779)	(1,014)	(1,079)

Where the (operating) money will come from | Nō hea te pūtea ahau mai



Hauraki District Council: Funding impact statement for 2021-31 for Support Services | Te tauākī pūtea mo 2021-31

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	(315)	(328)	(343)	(362)	(387)	(402)	(418)	(437)	(461)	(483)	(507)
Targeted rates	(345)	(361)	(381)	(406)	(429)	(445)	(460)	(479)	(502)	(523)	(546)
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	281	246	251	256	260	265	269	274	279	283
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)
Local Authorities fuel tax, fines, infringement fees, and other receipts	399	168	4,252	4,857	178	181	185	188	191	194	197
Total Operating Funding (A)	(261)	(296)	3,718	4,284	(438)	(462)	(484)	(515)	(554)	(589)	(629)
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	9,353	9,516	10,959	11,327	10,729	11,078	11,421	11,758	12,199	12,681	13,010
Finance Costs	(265)	(85)	(117)	(294)	(435)	(415)	(483)	(483)	(515)	(510)	(565)
Internal charges and overheads applied	(10,277)	(10,926)	(11,202)	(11,429)	(11,602)	(11,840)	(12,113)	(12,338)	(12,629)	(12,970)	(13,234)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding (B)	(1,189)	(1,495)	(360)	(396)	(1,308)	(1,177)	(1,175)	(1,063)	(945)	(799)	(789)
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	928	1,199	4,078	4,680	870	715	691	548	391	210	160
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	1,190	6,002	379	463	3,784	386	366	381	3,260	654	387
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding (C)	1,190	6,002	379	463	3,784	386	366	381	3,260	654	387
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0

	2020/21 Annual plan	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
- to improve the level of service	1,725	4,436	365	371	3,770	384	393	401	410	420	431
- to replace existing assets	759	2,560	1,042	1,159	1,094	1,094	1,117	1,136	4,019	1,458	1,194
Increase (decrease) in reserves	(366)	206	3,050	3,614	(210)	(377)	(453)	(607)	(779)	(1,015)	(1,077)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding (D)	2,118	7,202	4,457	5,144	4,654	1,101	1,057	930	3,650	863	548
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(928)	(1,200)	(4,078)	(4,681)	(870)	(715)	(691)	(549)	(390)	(209)	(161)
FUNDING BALANCE ((A - B) + (C - D))	0	1	0	1	0	0	0	1	(1)	(1)	1
SOURCES OF OPERATING FUNDING											

The funding impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to clause 7 of the Local Government (Financial Reporting and Prudence) Regulations 2014. It covers the 10-year period from 2021/22 to 2030/31 and outlines the Council's sources of funding and its plan to apply them. Generally accepted accounting practice does not apply to the preparation of the funding impact statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from generally accepted accounting practice are the non-inclusion of depreciation and the inclusion of internal charges.

Significant negative effects | Ngā mahi tukino nui

Our services are provided to maintain or improve the wellbeing of our communities. While our services and activities make positive contributions, sometimes they can also cause negative effects on our communities. The following table provides an outline of the significant negative effects we've identified for our activities.

Activity	Significant negative effects
All activities	<ul style="list-style-type: none"> Ongoing expenditure and increasing costs of service, compliance with national standards and policy initiatives are invariably passed onto the ratepayer.
Governance and leadership	<ul style="list-style-type: none"> The difficulty of balancing the needs and wants of differing sectors of the community, including residents versus out-of-District ratepayers. Interest groups may dominate decision-making processes.
Iwi Liaison	<ul style="list-style-type: none"> The difficulty of balancing the needs and wants of differing sectors of the community.
Policy development	<ul style="list-style-type: none"> Policy can sometimes be of advantage to some individuals or groups at the expense of others. It is expected that by not addressing climate change, we will have an adverse effect on the environment.
Land transport	<ul style="list-style-type: none"> There can be conflict between the use of the environment for the construction, maintenance and ongoing use of the land transport network and cultural values. During construction, physical works will generate dust, noise, vibration and inconvenience through delays, having a negative effect on the community and users. Pollutants and sediments can wash off roads into the neighbouring ecosystems, having a negative effect on the receiving environment.
Water supply	<p>Environmental:</p> <ul style="list-style-type: none"> The public water supply draws water from the rivers and streams within our district. This reduces the flow in the streams and is perceived to have negative environmental effects on this resource. Economic cost of operating the water supply activity in a manner that reduces the environmental impact, and complies with environmental standards and resource consents. <p>Economic:</p> <ul style="list-style-type: none"> Competition for water rights with other industries. More expensive to comply with standards. Major expenditure required to build and maintain infrastructure. Some people expect water to be free. The costs of the water supply span more than one generation. If not carefully and responsibly managed and apportioned one generation could benefit at the expense of another. <p>Cultural:</p> <ul style="list-style-type: none"> Potential conflicts between use of the resource and cultural values. <p>Social:</p> <ul style="list-style-type: none"> The ease with which clean water that is safe to drink is obtained by people connected to the public water supply, can lead to wasteful use.

Activity	Significant negative effects
Wastewater	<p>Environmental:</p> <ul style="list-style-type: none"> Negative effects on the environment, such as from spills, could occur as a result of non-compliance with consent conditions, or natural disasters. Possible wastewater overflows during rain events can result in contamination of stormwater systems and downstream waterways. If the ingress of heavy rainfall and / or groundwater becomes excessive, public wastewater networks can overflow diluted sewerage into the environment, if the network doesn't have sufficient capacity. <p>Economic:</p> <ul style="list-style-type: none"> The costs of the wastewater infrastructure can span more than one generation. If not carefully and responsibly managed and apportioned one generation could benefit at the expense of another. <p>Cultural:</p> <ul style="list-style-type: none"> Potential conflicts between disposal of treated wastewater and cultural values. <p>Social:</p> <ul style="list-style-type: none"> No negative social effects arising from the provision of a public wastewater service are foreseen.
Land drainage	<p>Environmental:</p> <ul style="list-style-type: none"> Loss of natural wetland habitat. Peat shrinkage and lowering of water table. Reduction of bio-diversity. Pollution with fertilisers and other pollution. Land drainage leads to more ground settlement. Over drainage of sensitive soils. <p>Economic:</p> <ul style="list-style-type: none"> Some productive land lost to the protection of drainage channels. Increased maintenance and pumping costs. Intensive farming negates diversity options. Legislation changes and consequent cost. <p>Cultural:</p> <ul style="list-style-type: none"> Lost or destroyed historic environment. <p>Social:</p> <ul style="list-style-type: none"> Intensive farming negates diversity options. Employment options limited.
Stormwater	<p>Environmental:</p> <ul style="list-style-type: none"> The stormwater system discharges water to the rivers and streams of the district. This discharge may contain residual pollutants. Water quality could potentially be affected by stormwater runoff from roads and land contains contaminants and sediments which eventually reach waterways. The stormwater reticulation concentrates discharge to a single point source, which may cause erosion of the receiving channels. <p>Economic:</p> <ul style="list-style-type: none"> The cost of piping open drains is high and the consequential increase in depreciation funding is more expensive than maintaining open drains. <p>Cultural:</p> <ul style="list-style-type: none"> Stormwater could potentially be captured and conveyed to a different catchment. Potential conflict between discharge to water and cultural values. <p>Social:</p> <ul style="list-style-type: none"> Points of entry to the reticulation could present a danger to people or traffic.

Activity	Significant negative effects
Solid waste	<ul style="list-style-type: none"> • There are potential negative effects on the environment as waste is deposited to landfills. The landfill we use to deposit our refuse is fully consented and must meet the environmental standards that are set out in those consents. • Closed landfills can potentially have negative effects on the environment and public health and require long term monitoring and control which has ongoing cost implications.
Community services	<p>The location and design of community facilities can attract anti-social behaviour such as vandalism, graffiti and bullying as well as litter, traffic congestion, and noise effects for surrounding residents.</p> <p>Pools:</p> <ul style="list-style-type: none"> • The social wellbeing of individuals could be impacted by near-drowning, drowning incidents or perception of a danger of drowning. • The economic wellbeing of our community can be negatively impacted as the cost of pools is subsidised by rates. • Swimming pools are high energy and chemical users. <p>Hauraki Rail Trail:</p> <ul style="list-style-type: none"> • Overcrowding on peak days in Karangahake on River Road forcing HRT visitors to park on narrow driveways. • The trail provides access to undesirable activities on the network: motorcycling, horse riding, and vandalism. • Increased amount of litter from the trail users. <p>Halls:</p> <ul style="list-style-type: none"> • Increase in Hall fees could have a negative economic impact.
Community growth	<ul style="list-style-type: none"> • Increased visitor numbers to scenic and heritage sites can have a negative impact on the environment. • Some developments within the district that benefit the economy and create jobs may negatively impact the environment.
Regulatory	<ul style="list-style-type: none"> • Some members of our communities may perceive the interpretation and delivery of rules and regulations/legislation to be restrictive and may limit growth. • Some members of the community may find the compliance costs unaffordable.
Community protection	<ul style="list-style-type: none"> • The requirements of alcohol and food licensing may be cost-restrictive to small businesses.

Capital Projects | Ngā kaupapa matua

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Land Transport										
Land Transport - Levels Of Service										
Minor improvements	506,000	537,572	564,051	585,485	607,734	630,828	654,799	679,681	705,509	732,319
New footpaths - Paeroa	90,000	93,690	97,250	100,946	104,782	108,763	112,896	117,186	121,640	126,262
New footpaths - Plains	25,000	-	-	-	-	-	-	-	-	-
New footpaths - Waihi	90,000	93,690	97,250	100,946	104,782	108,763	112,896	117,186	121,640	126,262
New road extensions	150,000	156,150	162,084	168,243	174,636	181,272	188,161	195,311	202,733	210,436
Access and mobility	170,000	176,970	183,695	190,675	197,921	205,442	213,249	221,352	229,764	238,495
New kerb channel stormwater control - Paeroa	55,000	57,255	59,431	61,689	64,033	66,467	68,992	71,614	74,335	77,160
New kerb channel stormwater control - Plains	30,000	31,230	32,417	11,216	11,642	-	-	-	-	-
Hammond Lane carpark (Ngatea)	201,000	-	-	-	-	-	-	-	-	-
Paeroa urban streetscape	500,000	-	-	-	-	-	-	-	-	-
Waihi urban streetscape	200,000	1,041,000	-	-	-	-	-	-	-	-
Land Transport - Levels Of Service	2,017,000	2,187,557	1,196,178	1,219,200	1,265,530	1,301,535	1,350,993	1,402,330	1,455,621	1,510,934
Land Transport - Renewals										
Footpath renewal - Paeroa	28,400	29,564	30,688	20,413	21,189	21,994	22,830	23,698	24,598	25,533
Footpath renewal - Plains	18,300	19,050	19,774	20,526	21,306	22,115	22,956	23,828	24,733	25,673
Footpath renewal - Waihi	69,800	72,662	75,423	23,666	24,565	25,499	26,468	27,474	28,518	29,601
Minor improvements	158,000	164,478	170,728	177,216	183,950	190,940	198,196	205,727	213,545	221,660
Unsealed roading renewals	100,000	104,100	108,056	112,162	116,424	120,848	125,440	130,207	135,155	140,291
Sealed road resurfacing	1,300,000	1,353,300	1,404,725	1,794,591	1,862,785	1,933,571	2,007,047	2,083,314	1,757,015	1,823,782
Pavement rehabilitation	980,000	1,020,180	1,058,947	2,243,238	2,328,481	2,416,964	2,508,808	2,604,143	1,324,519	1,374,851
Drainage renewals	140,000	145,740	151,278	157,027	162,994	169,187	175,617	182,290	189,217	196,407

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Structures component replacement	200,000	208,200	216,112	128,986	133,888	138,975	144,256	149,738	155,428	161,335
Traffic services renewal	85,000	88,485	91,847	95,338	98,960	102,721	106,624	110,676	114,882	119,247
Car parks	14,500	67,040	11,130	5,608	5,821	6,042	6,272	6,510	6,758	7,015
Land Transport - Renewals	3,094,000	3,272,799	3,338,708	4,778,771	4,960,363	5,148,856	5,344,514	5,547,605	3,974,368	4,125,395
Land Transport - Total	5,111,000	5,460,356	4,534,886	5,997,971	6,225,893	6,450,391	6,695,507	6,949,935	5,429,989	5,636,329
Water Supply										
Water - Levels of Service										
District water demand management	50,000	-	-	-	-	-	-	-	-	-
Manganese treatment – Phase 1 online monitoring - Phase 2 green sand filter	100,000	6,982,500	-	-	-	-	-	-	-	-
Waihi membrane redundancy and growth strategy	50,000	-	-	-	-	-	-	-	-	-
Colour, turbidity and pH monitoring at intakes	160,000	-	-	-	-	-	-	-	-	-
Generators for treatment plants	-	-	247,826	-	-	-	-	-	-	-
Waihi WTP plant screening	-	5,250	-	-	-	-	-	-	-	-
Ventilation for membrane cell rooms, MCC's, etc.	30,000	-	-	-	-	-	-	-	-	-
Sanitary survey for water supply extensions district wide	-	-	33,044	-	-	-	-	-	-	-
2nd intake for Paeroa (Resilience)	-	31,500	-	-	-	-	-	-	-	-
Waihi raw water storage and resilience	-	-	-	-	-	-	-	-	-	1,120,961
Network connection to Waitakaruru reservoirs	20,000	-	-	-	-	-	-	-	-	-
Plains and Paeroa water connection	-	1,050,000	-	48,435	-	90,759	-	-	-	-
Waihi second membrane	250,000	2,362,500	-	-	-	-	-	-	-	-
Water - Levels of Service	660,000	10,431,750	280,870	48,435	-	90,759	-	-	-	1,120,961
Water - Renewals										
District cast iron pipe renewal	150,000	157,500	165,218	172,983	180,940	189,082	197,402	206,088	214,949	224,192

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
District treatment asset renewals	127,000	139,650	154,203	169,523	186,971	201,688	210,562	219,827	229,279	239,138
District upgrading and replacing of SCADA equipment	2,000	2,100	2,754	2,883	3,016	3,151	3,948	4,122	4,299	4,484
District water meter renewals	200,000	210,000	242,319	253,708	265,379	277,321	289,523	302,262	315,259	328,815
District wide pipe renewal programme (service continuity)	750,000	892,500	1,101,450	634,270	663,446	693,301	723,807	755,654	788,147	822,038
Karangahake Mackaytown PRV refurbishments	-	-	5,507	-	-	-	-	-	-	-
Paeroa UV lamps	-	4,200	-	-	4,825	-	-	-	6,448	-
Kerepehi membrane renewals	-	-	-	-	-	-	987,009	-	-	-
Kerepehi reticulation pump 1 VSD	12,000	-	-	-	-	-	-	-	-	-
Kerepehi treated water flowmeter	-	-	-	-	-	13,866	-	-	-	-
Kerepehi UV lamps renewal	4,400	4,725	-	5,189	5,489	57,985	6,054	-	-	-
Kerepehi Waihou pump 1 VSD	-	-	-	-	-	-	21,188	-	-	-
Paeroa membrane renewals	-	-	550,725	-	-	-	-	-	-	-
Waihi membrane renewals	-	-	352,464	-	-	-	-	-	-	-
Waihi plant outflow meter	-	-	12,116	-	-	-	-	-	-	-
Waihou intake consents	-	-	-	-	120,627	-	-	-	-	-
Waihou intake control upgrade	90,000	-	-	-	-	-	-	-	-	-
Waitakaruru backwash VSD	-	12,600	-	-	-	-	-	-	-	-
Waitakaruru caustic storage tank	-	-	-	-	-	-	32,900	-	-	-
Waitakaruru dose pump renewals	10,000	-	22,029	-	-	-	-	-	-	-
Waitakaruru filter media renewal	-	-	-	-	-	-	78,961	-	-	-
Waitakaruru mud pump	-	-	-	-	7,238	-	-	-	-	-
Waitakaruru recycle pump	-	-	-	-	7,238	-	-	-	-	-
Waitakaruru retic 1 VSD	-	12,600	-	-	-	-	-	-	-	-
Waitakaruru reticulation flowmeter	-	11,550	-	-	-	-	-	-	-	-
Mangatarata intake flowmeter	-	11,550	-	-	-	-	-	-	-	-
Mangatarata intake VSD	-	11,550	-	-	-	-	-	-	-	-
Waitakaruru UV lamps renewal	-	9,135	-	-	-	11,093	-	-	-	-
Raw water tank Kerepehi	100,000	-	1,101,450	-	-	-	-	-	-	-

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Concrete pipe replacement	500,000	525,000	550,725	-	-	345,390	360,587	376,453	392,641	409,524
Kerepehi raw water main	100,000	3,150,000	-	-	-	-	-	-	-	-
Waitakaruru raw water main (Mangatarata intake to plant)	-	-	-	-	-	-	-	-	-	406,535
Repair the gabions at the Quarry intake	-	-	22,029	-	-	-	-	-	-	-
Pressure improvements to Orongo	-	94,500	-	-	-	-	-	-	-	-
Communications/control integration for Waitakaruru and Quarry and Mangatarata intake	55,000	-	-	-	-	-	-	-	-	-
Housing of generator Kerepehi	-	15,750	-	-	-	-	-	-	-	-
Risk management plan for the Quarry	30,000	-	-	-	-	-	-	-	-	-
Reseal Kerepehi WTP access road	20,000	-	-	-	-	-	-	-	-	-
Mangatarata intake pump renewal	-	15,750	-	-	-	-	-	-	-	-
Paeroa raw water main – AC samples for analysis	-	-	-	-	-	-	6,580	-	-	-
Self-cleaning colour sensors for Paeroa and Waihi	150,000	-	-	-	-	-	-	-	-	-
Water - Renewals	2,300,400	5,280,660	4,282,989	1,238,556	1,445,169	1,792,877	2,918,521	1,864,406	1,951,022	2,434,726
Water - Total	2,960,400	15,712,410	4,563,859	1,286,991	1,445,169	1,883,636	2,918,521	1,864,406	1,951,022	3,555,687
Wastewater										
Wastewater Levels of Service										
Kerepehi upgrade WWTP	-	-	991,305	1,037,896	4,342,558	4,537,973	2,632,025	-	-	-
Turua upgrading WWTP	-	-	-	518,948	542,820	2,155,537	2,250,381	-	-	-
Paeroa upgrading WWTP	650,000	1,575,000	2,753,625	5,766,091	4,101,305	630,274	-	-	-	-
Ngatea new pumpstation	-	51,975	54,520	456,674	-	-	-	-	-	-
Ngatea new rising main from Kerepehi to Ngatea	-	283,500	892,175	1,868,213	-	-	-	-	-	-
Step screen Junction Road	-	-	55,073	518,948	-	-	-	-	-	-
Pump Stations SCADA	60,000	63,000	66,087	69,193	72,376	60,506	-	-	-	-
Generator Shed Waihi	-	21,000	-	-	-	-	-	-	-	-

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Waitakaruru WWTP extension and network study and construction	75,000	-	275,363	-	-	-	-	-	-	-
Paeroa northern sewer	100,000	577,500	605,798	-	-	-	-	-	-	-
Kerepehi sewer	50,000	-	330,435	-	-	-	-	-	-	-
Whiritoa upgrading WWTP	-	315,000	-	-	120,627	126,055	526,405	-	-	-
Wastewater consents (district wide)	600,000	-	-	-	-	-	-	-	-	-
Wastewater Levels of Service	1,535,000	2,886,975	6,024,381	10,235,963	9,179,686	7,510,345	5,408,811	-	-	-
Wastewater - Renewals										
District wide pipe renewals condition	150,000	157,500	165,218	172,983	180,940	705,907	1,710,816	1,786,092	2,006,193	2,241,921
Waihi east - pipe renewals hydraulic	65,000	57,750	-	-	-	-	-	-	-	-
Paeroa - pipe renewals hydraulic	715,000	-	-	-	-	-	329,003	343,479	358,249	-
District wide reactive renewals plants pumpstations	35,000	36,750	38,551	40,363	42,219	44,119	46,060	48,087	50,155	52,311
District wide replacement pumpstation cabinets etc.	410,000	-	82,609	86,491	90,470	94,541	98,701	103,044	107,475	112,096
District wide sewer pump renewals	250,000	65,100	89,217	107,249	97,708	92,020	76,329	31,600	58,753	101,634
Kerepehi aerator component renewals	-	-	-	-	3,016	-	-	-	-	-
Kerepehi biobaffle replacement FTW	-	-	-	-	-	46,010	-	-	-	-
Kerepehi waveband renewals	-	-	-	-	-	-	98,701	-	-	-
Ngatea aerator component renewals	-	-	-	-	12,063	-	-	-	-	-
Paeroa aerator component renewals	-	1,050	-	-	-	12,605	-	-	-	-
Paeroa flow meter renewals	-	-	-	28,830	-	-	-	-	-	-
Paeroa meters	-	94,500	-	-	-	-	-	-	-	-
Paeroa storage chamber pump	-	26,250	-	-	-	-	-	-	-	-
Paeroa UV lamp renewals	-	-	-	7,611	-	-	-	-	-	-
Paeroa UV renewal	-	42,000	-	-	-	-	-	-	-	-
Paeroa VSD renewals	-	10,500	-	-	-	-	-	-	-	-
Turua aerator component renewals	-	-	-	5,766	-	-	-	-	-	-
Waihi aerator component renewals	-	10,500	-	-	-	12,605	-	-	-	-
Waihi resource consents	-	-	-	-	-	-	-	-	-	747,307

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Waihi SCADA instrumentation renewals	-	8,400	-	14,992	15,681	16,387	-	-	-	-
Waitakaruru prostep onsite set renewals	12,320	4,116	-	-	-	-	-	-	-	-
Waitakaruru resource consents	75,000	-	-	-	-	-	-	-	-	-
Waitakaruru STP component renewals	28,000	15,288	8,635	-	-	-	-	-	-	-
Whiritoa aerator component renewals	-	-	-	-	6,031	-	-	-	-	-
Whiritoa irrigation block renewals	150,000	-	-	-	-	-	-	-	-	-
Pit rim sewer	-	31,500	-	-	-	-	157,921	-	-	-
New storage tanks at Waihi STP	40,000	-	-	-	-	-	-	-	-	-
Ngatea WWTP diffuser inspection required in 2021	10,000	-	-	-	-	-	-	-	-	-
Turua rising main – replacement of cast iron section	5,000	-	-	-	-	-	-	-	-	-
Waihi second rising Main to Plant	500,000	-	-	-	-	-	-	-	-	-
New rising main and pumpstation for Wellington SsPS	-	-	-	-	-	119,752	-	-	-	-
Wastewater - Renewals	2,445,320	561,204	384,230	464,285	448,128	1,143,946	2,517,531	2,312,302	2,580,825	3,255,269
Waste Water - Total	3,980,320	3,448,179	6,408,611	10,700,248	9,627,814	8,654,291	7,926,342	2,312,302	2,580,825	3,255,269
Land Drainage										
Land Drainage - Renewals										
WPDD central north pump station	-	-	70,048	-	-	-	-	-	-	-
WPDD Hopai West pump station	80,000	-	-	-	-	-	-	-	-	-
WPDD Mangawhero flume replacement	400,000	-	-	-	-	-	-	-	-	-
WPDD Martinovich pump station	-	-	-	-	69,614	-	-	-	-	-
WPDD Miranda pump station	-	-	41,819	-	-	-	-	58,397	-	-
WPDD Rowerawe pump station	50,000	-	-	-	-	-	-	-	59,915	-
WPDD (F1) - primary SB reconstruction	400,000	308,100	-	-	217,545	278,185	-	-	-	492,261
Land Drainage - Renewals	930,000	308,100	111,867	-	287,159	278,185	-	58,397	59,915	492,261
Land Drainage - Total	930,000	308,100	111,867	-	287,159	278,185	-	58,397	59,915	492,261
Stormwater										

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Stormwater - Levels Of Service										
Stormwater Kaiuaa upgrades	5,000	5,250	-	-	-	-	-	-	-	-
Stormwater Ngatea upgrades	-	22,050	-	25,371	-	28,993	-	34,348	-	37,365
Stormwater Paeroa upgrades	58,000	-	71,594	-	88,057	-	106,597	-	143,300	-
Stormwater Turua upgrades	5,000	-	-	-	-	-	-	6,870	-	-
Stormwater Waihi upgrades	-	63,000	-	78,419	-	95,802	-	-	71,650	-
Stormwater consent compliance Kerepehi industrial subdivision	-	-	71,594	-	-	-	-	-	-	-
Stormwater Kaiuaa stormwater consents	50,000	52,500	-	-	-	-	-	-	-	-
Stormwater treatment upgrades - Paeroa	-	-	16,522	-	18,094	18,908	19,740	-	21,495	-
Stormwater treatment upgrades - Waihi	-	-	16,522	-	18,094	18,908	19,740	-	21,495	-
Stormwater treatment upgrades - Ngatea	-	-	16,522	-	18,094	18,908	19,740	-	21,495	-
Stormwater treatment upgrades - Turua	-	-	2,754	-	3,016	3,151	3,290	-	3,582	-
Stormwater treatment upgrades - Kaiuaa	-	-	551	-	603	630	658	-	716	-
Stormwater treatment upgrades - Whiritoa	-	-	1,101	-	1,206	1,261	1,316	-	1,433	-
Stormwater treatment upgrades - Kerepehi	-	-	1,101	-	1,206	1,261	1,316	-	1,433	-
Stormwater Flora Street	-	-	-	-	-	-	-	384,697	-	-
Stormwater - Levels Of Service	118,000	142,800	198,261	103,790	148,370	187,822	172,397	425,915	286,599	37,365
Stormwater - Renewals										
Stormwater Waihi comprehensive stormwater discharge consent	100,000	78,750	-	-	-	-	-	-	-	-
Stormwater Paeroa comprehensive stormwater discharge consent	100,000	78,750	-	-	-	-	-	-	-	-
Stormwater Plains comprehensive stormwater discharge consent	100,000	78,750	-	-	-	-	-	-	-	-
Stormwater Whiritoa comprehensive stormwater discharge consent	100,000	78,750	-	-	-	-	-	-	-	-
Stormwater Waihi renewals	8,000	8,400	8,812	9,226	9,650	10,084	10,528	20,609	21,495	29,892

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Stormwater Paeroa renewals	8,000	8,400	8,812	9,226	9,650	10,084	10,528	20,609	21,495	29,892
Stormwater Ngatea renewals	6,000	6,300	6,609	6,919	7,238	7,563	7,896	20,609	21,495	29,892
Stormwater Kerepehi renewals	3,000	3,150	3,304	3,460	3,619	3,782	3,948	6,870	7,165	11,210
Stormwater Turua renewals	3,000	3,150	3,304	3,460	3,619	3,782	3,948	6,870	7,165	11,210
Stormwater Kaiua renewals	3,000	3,150	3,304	3,460	3,619	3,782	3,948	6,870	7,165	11,210
Stormwater rain gauges - Ngatea	8,000	-	-	-	-	-	-	-	-	-
Stormwater rain gauges - Whiritoa	2,000	-	-	-	-	-	-	-	-	-
Stormwater Criterion Bridge stormwater pump station upgrade	40,000	241,500	253,334	-	-	-	-	-	-	-
Stormwater - Renewals	481,000	589,050	287,479	35,751	37,395	39,077	40,796	82,437	85,980	123,306
Storm Water - Total	599,000	731,850	485,740	139,541	185,765	226,899	213,193	508,352	372,579	160,671
Waste Management										
Waste Management - Levels Of Service										
Waihi transfer station - weighbridge	150,000	-	-	-	-	-	-	-	-	-
Waihi landfill leachate connection	-	-	-	-	-	56,791	-	-	-	-
Waste Management - Levels Of Service	150,000	-	-	-	-	56,791	-	-	-	-
Waste Management - Renewals										
Replace steps at the transfer stations	15,000	-	-	-	-	-	-	-	-	-
Waste Management - Renewals	15,000	-	-	-	-	-	-	-	-	-
Waste Management - Total	165,000	-	-	-	-	56,791	-	-	-	-
Community Services										
Community Facilities - Levels of Service										
Waihi casket berm	6,000	-	6,316	-	6,629	-	6,958	-	7,325	-
Paeroa casket berm	6,000	-	6,316	-	6,629	-	6,958	-	7,325	-
Miranda casket berm	6,000	-	-	-	6,629	-	-	-	7,325	-
Waihi ashes garden	-	15,405	-	-	16,573	-	-	17,848	-	-

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Paeroa ashes garden	-	15,405	-	-	16,573	-	-	17,848	-	-
Waihi, Paeroa, Ngatea halls - stage extension purchase	6,000	-	-	-	-	-	-	-	-	-
Miranda ashes garden	-	-	15,790	-	-	-	17,395	-	-	-
Patetonga toilet	100,000	-	-	-	-	-	-	-	-	-
Public toilet security gates	28,000	-	-	-	-	-	-	-	-	-
Community Facilities - Levels of Service	152,000	30,810	28,422	-	53,033	-	31,311	35,696	21,975	-
Community Facilities - Renewals										
Waihi Hall - renewal of sound system	6,000	-	-	-	-	-	-	-	-	-
Paeroa Hall - renewal of sound system	6,000	-	-	-	-	-	-	-	-	-
Ngatea Hall - renewal of sound system	6,000	-	-	-	-	-	-	-	-	-
Ngatea Hall replace blinds	-	-	-	-	-	4,526	-	-	-	-
Ngatea Hall replace fridge dishwasher	-	-	-	-	5,524	-	-	-	-	-
Ngatea Hall replace LED lights	-	-	-	15,091	-	-	-	-	-	-
Ngatea Hall replace Zip	-	4,622	-	-	-	-	-	-	-	-
Paeroa - cemetery - carpark renewal	7,499	-	-	-	-	-	-	-	-	-
Paeroa - RSA cemetery - carpark renewal	3,408	-	-	-	-	-	-	-	-	-
Ngatea Memorial Hall water units	-	3,081	-	-	-	-	-	-	-	-
Paeroa Hall replace blinds	-	-	-	-	-	3,960	-	-	-	-
Paeroa Hall replace formica bench in toilets	-	-	-	-	5,524	-	-	-	-	-
Pensioner housing renewals - Paeroa	25,000	31,837	22,106	26,948	27,622	56,570	28,992	29,746	30,519	31,252
Pensioner housing renewals - Plains	19,000	40,053	22,106	26,948	16,573	16,971	17,395	29,746	24,416	31,252
Pensioner housing renewals - Waihi	17,000	32,864	14,737	21,559	22,098	22,628	23,194	23,797	24,416	25,002
Waihi Hall kitchen benchtop	-	-	-	-	-	13,848	-	-	-	-
Waihi Hall replace fluorescent lights	-	-	-	-	-	16,971	-	-	-	-
Waihi Hall replace hot water cylinder	-	-	-	-	2,210	-	-	-	-	-
Community Facilities - Renewals	89,907	112,457	58,949	90,546	79,551	135,474	69,581	83,289	79,351	87,506
Community Facilities - Total	241,907	143,267	87,371	90,546	132,584	135,474	100,892	118,985	101,326	87,506

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Recreation - Levels of Service										
District Libraries - Radio Frequency Identification	22,000	-	-	-	-	-	-	-	-	-
Waihi Event Centre drinking fountain	4,000	-	-	-	-	-	-	-	-	-
Pump track in Hugh Hayward Domain - joint funding(75,000)	-	-	-	-	82,867	-	-	-	-	-
Paeroa Domain adult fitness equipment - joint funding (20,000)	-	-	-	21,559	-	-	-	-	-	-
Hugh Hayward Domain - adult fitness equipment - joint funding(20,000)	-	-	-	-	22,098	-	-	-	-	-
Waihi - adult fitness equipment - joint funding(20,000)	-	-	-	-	-	22,628	-	-	-	-
Skate park Whiritoa - extension joint funding (20,000)	-	-	-	21,559	-	-	-	-	-	-
Whiritoa Beach Reserve - electric BBQ - joint funding (7,500)	-	7,702	-	-	-	-	-	-	-	-
Whiritoa Beach Reserve - additional playground swings	-	25,675	-	-	-	-	-	-	-	-
Whiritoa Beach Reserve - concrete next to new water tank at surf club - joint funding (3,000)	3,000	-	-	-	-	-	-	-	-	-
District wide - rubber matting for playground resurface	-	46,215	47,370	48,507	49,720	50,913	52,186	-	-	-
Hauraki Rail Trail - Waihi extension	1,470,000	-	-	-	-	-	-	-	-	-
New ramp access for Ngatea pool	-	154,050	-	-	-	-	-	-	-	-
Training lights for Paeroa Domain - joint funding (100,000)	-	-	-	107,794	-	-	-	-	-	-
Training lights for Hugh Hayward Domain - joint funding (100,000)	-	-	105,268	-	-	-	-	-	-	-
Victoria park fencing	15,000	-	-	-	-	-	-	-	-	-
Kerepehi domain fencing for dogs	15,000	-	-	-	-	-	-	-	-	-
Leach's field fencing for dogs	5,000	-	-	-	-	-	-	-	-	-
Extension of Hugh Hayward cycleway to connect to northern subdivisions	20,000	-	-	-	-	-	-	-	-	-
Recreation - Levels of Service	1,554,000	233,642	152,638	199,419	154,685	73,541	52,186	-	-	-

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Recreation - Renewals										
District Libraries - book budget	144,384	148,282	151,989	155,637	159,528	163,357	167,441	171,794	176,261	180,491
Waihi Event Centre - ceiling fan renewal	-	-	-	-	-	-	-	83,289	-	-
Waihi Event Centre - roof renewal	-	-	-	-	-	-	-	-	109,870	-
Waikino Domain - entranceway upgrade	-	5,135	-	-	-	-	-	-	-	-
Paeroa - Railway Reserve skate park	-	71,890	-	-	-	-	-	-	-	-
Paeroa - renewals recreation	5,000	9,243	14,737	5,390	5,524	5,657	5,798	5,949	6,104	6,250
District Pools - miscellaneous renewals	5,000	25,675	26,317	10,779	5,524	5,657	5,798	5,949	6,104	6,250
Plains - renewals Recreation	6,000	5,135	5,263	16,169	5,524	5,657	5,798	5,949	6,104	6,250
Waihi Event Centre replace security lighting	-	-	-	-	8,287	-	-	-	-	-
Waihi - renewals recreation	5,000	5,135	54,739	40,962	5,524	5,657	5,798	5,949	6,104	6,250
Waihi Event Centre replace hot water cylinder	-	-	-	-	5,524	-	-	-	-	-
Waihi Event Centre replace ventilation fans	-	-	-	-	44,196	-	-	-	-	-
Kaiaua playground - replacement swing set	-	8,730	-	-	-	-	-	-	-	-
Kerepehi playground - replacement modular playground	-	46,215	-	-	-	-	-	-	-	-
Paeroa Domain playground - replacement swing set	-	-	8,948	-	-	-	-	-	-	-
Turua playground - replacement modular playground	-	-	47,370	-	-	-	-	-	-	-
Whiritoa playground - replacement for pole climber	-	-	15,790	-	-	-	-	-	-	-
Victoria Park playground - replacement modular playground	-	-	-	48,507	-	-	-	-	-	-
Pioneer Park - replacement climbing frame	-	-	-	-	38,671	-	-	-	-	-
Edwards Reserve - replacement modular playground	-	-	-	-	-	39,599	-	-	-	-
Plains - minor reserve - carpark renewals	152,504	2,141	-	-	-	-	-	-	-	-

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Paeroa - minor reserve - carpark renewals	13,372	-	-	-	-	-	-	-	-	-
Paeroa - Centennial - carpark renewal	20,064	-	-	-	-	-	-	-	-	-
Waihi - Morgan Park - carpark renewal	2,511	-	-	-	-	-	-	-	-	-
Waihi - Victoria Park - carpark renewal	1,906	-	-	-	-	-	-	-	-	-
District pools - heat pump at each pool	-	-	73,687	75,456	77,342	-	-	-	-	-
District pools - water pump at each pool	-	20,540	21,054	21,559	-	-	-	-	-	-
District pools - covers	-	15,405	15,790	16,169	-	-	-	-	-	-
Lane ropes at the three pools	-	20,540	21,054	21,559	-	-	-	-	-	-
Hauraki Rail Trail – resurfacing	78,142	80,252	110,584	113,238	116,068	94,082	96,434	66,924	68,664	77,117
District pools - pool toys	-	-	-	-	16,573	16,971	17,395	-	-	-
Recreation - Renewals	433,883	464,318	567,322	525,425	488,285	336,637	304,462	345,803	379,211	282,608
Recreation - Total	1,987,883	697,960	719,960	724,844	642,970	410,178	356,648	345,803	379,211	282,608
Support Services										
Property - Levels of Service										
Depot upgrade and rationalisation	1,000,000	-	-	-	-	-	-	-	-	-
Ngatea North stage 4	3,000,000	-	-	3,392,536	-	-	-	-	-	-
Waihi office/ library generator	70,000	-	-	-	-	-	-	-	-	-
Ngatea depot - fence for dogs	10,000	-	-	-	-	-	-	-	-	-
Property overheads	122,890	125,768	127,811	130,035	132,597	135,409	138,383	141,547	144,985	148,508
Property - Levels of Service	4,202,890	125,768	127,811	3,522,571	132,597	135,409	138,383	141,547	144,985	148,508
Property - Renewals										
Chambers restaurant Waihi - replace roof	-	-	-	-	-	-	-	-	40,448	-
Hauraki House - replace air conditioning units	12,000	20,400	12,485	12,722	12,951	16,480	16,760	17,045	17,335	17,612
Hauraki House - internal lift upgrade	-	-	104,040	-	-	-	-	-	-	-
Miscellaneous property renewal	252,000	257,040	262,181	267,162	271,971	276,867	281,573	286,360	291,228	295,888
Ngatea library and service centre	1,300,000	-	-	-	-	-	-	-	-	-

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Paeroa croquet clubrooms roof replacement	-	-	-	-	-	-	-	22,727	-	-
Paeroa Library - replace air conditioning units	-	-	-	-	-	-	-	-	69,340	-
Waihi museum earthquake strengthening	200,000	-	-	-	-	-	-	-	-	-
Waihi museum replace roof	46,000	-	-	-	-	-	-	-	-	-
Waihi service centre air conditioning renewal	-	-	-	-	-	-	-	-	127,123	-
Whiritoa emergency centre asphalt carpark	-	-	-	19,083	-	-	-	-	-	-
Whiritoa emergency centre replace roof	-	-	-	-	-	-	-	-	46,227	-
Property - Renewals	1,810,000	277,440	378,706	298,967	284,922	293,347	298,333	326,132	591,701	313,500
Support services Level of Service										
Corporate overheads	233,392	238,830	242,699	246,954	251,812	257,152	262,772	268,720	275,235	282,034
Support services Level of Service	233,392	238,830	242,699	246,954	251,812	257,152	262,772	268,720	275,235	282,034
Support services renewals										
Corporate system upgrade (Authority)	-	-	-	-	-	-	-	2,840,874	-	-
Plant renewals	500,000	510,000	520,200	530,084	539,625	549,339	558,677	568,175	577,834	587,079
Technology renewals (including CCTV)	250,000	255,000	260,100	265,042	269,813	274,669	279,339	284,087	288,917	293,540
Support services renewals	750,000	765,000	780,300	795,126	809,438	824,008	838,016	3,693,136	866,751	880,619
Support Services - Total	6,996,282	765,000	780,300	795,126	809,438	824,008	838,016	3,693,136	993,874	880,619
Capital - Levels of service	10,622,282	16,278,132	8,251,260	15,576,332	11,185,713	9,613,354	7,416,853	2,274,208	2,184,415	3,099,802
Capital - Renewals	12,349,510	11,631,028	10,190,550	8,227,427	8,840,410	9,992,407	12,331,754	14,313,507	10,569,124	11,995,190
Capital -Total	22,971,792	27,909,160	18,441,810	23,803,759	20,026,123	19,605,761	19,748,607	16,587,715	12,753,539	15,094,992

Council-controlled organisations | Ngā rōpū i raro i te mana o te Kaunihera

We appoint directors to two council-controlled organisations; Waikato Local Authority Shared Services and New Zealand Local Government Funding Agency Limited. An organisation is considered to be a council-controlled organisation if a council, or multiple councils, have:

- 50% or more of the votes at any meeting of the members, or
- have the right to appoint 50% or more of the trustees, directors or managers.

We have no significant policies or objectives about the ownership and control of Waikato Local Authority Shared Services or New Zealand Local Government Funding Agency Ltd. Appointment of directors to these organisations is made within our Appointment and Remuneration of Directors Policy.

Waikato Local Authority Shared Services

Waikato Local Authority Shared Services (WLASS) is a Council Controlled Organisation (CCO) solely owned by the 12 Waikato local authorities – Waikato Region, Hamilton City, Hauraki District, Matamata-Piako District, Otorohanga District, Rotorua District, South Waikato District, Taupō District, Thames-Coromandel District, Waikato District, Waipā District and Waitomo District.

WLASS was established in 2005 to promote shared services between local authorities across the Waikato region. By encouraging and enabling the councils to work together, WLASS helps councils to reduce costs, achieves effectiveness and efficiency gains, reduces duplication of effort, eliminates waste through repetition, promotes and contributes to the development of best practice, and helps to improve customers' experiences.

Much of the work of WLASS is undertaken by working parties or advisory groups made up of staff from the shareholding councils, with expertise and interest in particular services. WLASS provides a legal entity representing all of the shareholding councils, and can enter into contracts and agreements with external suppliers. The WLASS chief executive officer facilitates and co-ordinates the various working parties.

Member councils pay a small annual levy, depending on their size, to run the WLASS. Services obtained by members are funded on a user pays basis, whereby each council pays for and receives the financial benefit of its share of any particular service. The decisions about potential projects or services are made by the Directors, who make up the WLASS Board.

The WLASS Board has six Directors; an independent Chair and Council representatives appointed by the local authorities. The Directors do not receive any fees or expenses for the work undertaken on behalf of WLASS.

What they do

There are currently nine major initiatives operating under the WLASS umbrella, plus a support role for collaborative work streams of the Waikato Mayoral Forum. The initiatives are:

- Energy and Carbon Management.
- Future Proof Growth Strategy for the Hamilton, Waipā and Waikato sub-region (we don't fund this).
- Historic Aerial Photos.
- Joint procurement initiatives.
- Local Government Contractor Health & Safety Pre-qualification Scheme
- Regional Infrastructure Technical Specifications (RITS)
- Shared Valuation Data Service (SVDS).

- The Waikato Regional Aerial Photography Syndicate (WRAPS).
- Waikato Building Consent Group.
- Waikato Regional Transportation Model.
- Waikato Regional Transport Model (WRTM)
- Waikato Regional Asset Technical Accord (RATA).
- Waikato Data Portal.

How we measure their performance

WLASS must produce a statement of intent each year, and we report its performance against these intentions every year in our annual report. The priorities and performance measures for 2020/21 are:

Priority	Performance Measure	Target
Prioritise and develop opportunities that add value to councils by achieving one or more of our objectives	<ul style="list-style-type: none"> • Business cases will include measurable benefits linked to one or more of the outcomes sought • Opportunity assessments are supported by councils (evidenced by Board minutes) 	Projected savings to councils of \$300,000 75% of councils
Develop opportunities and deliver projects within agreed budgets and timelines	<ul style="list-style-type: none"> • Opportunities/ projects are developed/ delivered within agreed timelines • Opportunities/ projects are developed/ delivered, within approved budget 	80% 90%
Ensure projects realise their expected benefits	<ul style="list-style-type: none"> • Measurable benefits are actively monitored and reported against • Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised) 	Six-monthly \$200,000+ projects Within 15 months 90% of projected quantifiable benefits are realised
Ensure existing services are meeting the needs of councils	<ul style="list-style-type: none"> • The services we provide (below) are considered by Councils who use that service to meet or exceed their expectations (evidenced by an annual survey): <ul style="list-style-type: none"> ○ RATA – roading & waters ○ Waikato Building Clusters ○ Regional Infrastructure Technical Specifications ○ Energy and Carbon management ○ Professional Services Panel ○ Health & Safety pre-qualification 	80% of councils
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice	<ul style="list-style-type: none"> • Across these groups, ideas for future consideration and/or initiatives are identified each year 	Six per annum

We report on their performance against these intentions every year in our annual report. If you want to find out more, see their website at <http://www.waikatolass.co.nz>.

New Zealand Local Government Funding Agency Limited

The New Zealand Local Government Funding Agency Limited (LGFA) is enabled under the Local Government Borrowing Act 2011. LGFA is owned by the Crown and 30 local councils from across New Zealand. The Board of Directors includes independent and non-independent directors and are appointed by the councils and the Crown.

What they do

The primary purpose of the LGFA is to raise debt funding either domestically and/or offshore in either New Zealand dollars or foreign currency and provide debt funding to participating local authorities. The intention of this is to optimise the debt funding terms and conditions for participating councils, which can result in savings in annual interest costs.

How we measure their performance

The LGFA must produce a statement of intent each year, and we report its performance against these intentions every year in our annual report. The performance targets for 2020/21 are:

- LGFA's net interest income for the period to:
 - 30 June 2021 will be greater than \$18.8 million.
 - 30 June 2022 will be greater than \$20.2 million.
 - 30 June 2023 will be greater than \$29.0 million.
- LGFA's annual issuance and operating expenses (excluding AIL) for the period to:
 - 30 June 2021 will be less than \$6.8 million.
 - 30 June 2022 will be less than \$6.8 million.
 - 30 June 2023 will be less than \$7.0 million.
- Total lending to participating borrowers at:
 - 30 June 2021 will be at least \$11,664million.
 - 30 June 2022 will be at least \$12,260 million.
 - 30 June 2023 will be at least \$12,681 million.
- Conduct an annual survey of Participating Borrowers who borrow from LGFA and achieve at least an 85% satisfaction score as to the value added by LGFA to the borrowing activities.
- Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.
- Achieve 85% market share of all council borrowing in New Zealand.
- Review each Participating Borrower's financial position, its headroom under LGFA policies and arrange to meet each Participating Borrower at least annually.
- No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.
- Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.
- Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.

If you want to find out more, see their website at www.lgfa.co.nz. The 2021/22 Statement of Intent is expected to be finalised by 30 June 2021 and will be available on this website.

Exempt council-controlled organisations

We can exempt small organisations from being council-controlled organisations, meaning they do not have to meet the same level of reporting. These exempt organisations are:

- Destination Coromandel Trust
- Hauraki Rail Trail Charitable Trust
- Martha Trust

We do however need to ensure that these organisations have roles and responsibilities that are aligned with our objectives and outcomes for our communities.

Civic Financial Services Limited (Civic) is exempt from being a council-controlled organisation under the Local Government Act 2002. Civic is owned by 72 of 78 local authorities. The Local Authority Protection Programmed (LAPP) Disaster Fund was set up by the Local Government New Zealand and Civic in 1993. Civic is the administration manager for LAPP.

Council organisations

We also appoint elected members or other representatives to a number of other smaller organisations. These organisations are classified as 'council organisations' under the Local Government Act 2002 because we have the right to appoint one or more directors, or have a vote (but not 50% or more of the vote). Some of these organisations are required to have a Council representative due to their funding agreement with us, and some others invite us to appoint a member. We need to ensure these organisations have roles and responsibilities that are aligned with our objectives and outcomes for our communities. The town promotion agencies, Positive Paeroa and Go Waihi, are examples of council organisations.

Revenue and Financing Policy | Te Kaupapa here ō nga pūtea me te moni-ā-tau

Introduction

Our Revenue and Financing Policy sets out the ways in which we intend to pay for each activity we're involved in, and why.

We've developed this policy in line with the Local Government Act 2002 which specifies how the Revenue and Financing Policy must be developed.

We must first identify the activities that we're involved in. We use the term 'activity' to describe goods or services provided by us or on our behalf.

In relation to each activity to be funded, we then must consider:

- the community outcomes to which the activity primarily contributes
- the distribution of benefits between the community as a whole, any identifiable part of the community and individuals
- the period in or over which those benefits are expected to occur
- the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

After completing the analysis above, we must then consider the overall impact of the funding allocation on the current and future social, economic environmental and cultural wellbeing of the community.

This Policy should be read in conjunction with our Funding Impact Statement. The Funding Impact Statement puts the Revenue and Financing Policy into practice. It details the revenue requirement for each of our activities and provides examples of rates for sample properties.

Our revenue and financing direction

Throughout the preparation of this Policy, the following directions with regard to the funding of our activities have guided us:

- to minimise and smooth rates increases (this is a direction in our Financial Strategy)
- to not assume that rates are the only available funding source (this is a component of minimising rates)
- to explore alternative funding sources in the first instance, where possible and appropriate (endeavours in this area have been and will continue to be made).

In developing this policy we have considered our activities, how they contribute to our community outcomes, who benefits from them (and for how long), and who creates a need or increases the cost of our activities. The funding arrangement of our activities requires careful consideration. User fees and charges (and targeted rates) cannot be utilised to a point where the cost becomes prohibitive and could potentially impact the community's use of the service. This is why we've balanced the use of user fees and charges and targeted rates with other funding sources.

We've also considered the costs and benefits of funding each activity distinctly from other activities. We aim to be balanced and fair and also endeavour to uphold suitable transparency, as well as administrative efficiency. For the

most part we've chosen to fund distinctly for transparency. Most activities are funded separately but there are some cases where we're proposing not to separate the rate funding for activities due to the cost, or to ensure simplicity. The rate funding for a range of activities is combined into the general rate, e.g. Landfill Aftercare, Passive Reserves, District Grants and Donations, Animal Control, Emergency Management, CCTV, Property, Subdivision, Resource Management Policy Development, Strategic Policy Development.

After identifying our activities, and assessing who benefits from those activities or causes the need for them, we considered who should pay for them. Our draft proposed funding showed that 62% of our rates would be collected from the Uniform Annual General Charge (UAGC), which is a set charge that every property pays. The remaining 38% would be collected through the General Capital Value Rate. We call this a 62/38 split, where in our 2018-28 long term plan, we had a 45/55 split. This would mean a higher UAGC for all properties in the district, with a smaller portion of rates set on the capital value of a property.

As part of the policy development, we look at the overall impacts of our decisions, and how those decisions may affect community wellbeing, now and in the future. When we considered the 62/38 split, and what it would mean for rates, we decided to adjust the overall funding to be in line with our previous long term plan, so that 45% of rates would be from the UAGC, and 55% from capital value. This meant moving \$2.08 million in rates income that would've been split evenly across all properties (UAGC), to be charged proportionate to the capital value (CV) of a property. In general this means that ratepayers with higher value properties will pay more and ratepayers with lower valued properties will pay less. We consider that provides more equitable rates over the district as our work on affordability shows that many of our ratepayers will find it difficult to pay their rates.

Types of expenditure

Broadly speaking we have two types of expenditure:

- **Operating expenditure:** the spend required for the day-to-day functioning of the Council as a business. It includes things like maintenance, electricity and wages.
- **Capital expenditure:** the money spent on acquiring, building, upgrading or renewing physical assets, such as buildings, or water treatment plants.

Operating expenditure and capital expenditure are funded differently. The details of the different funding mechanisms used are outlined in this Policy.

Legislation requires that we make adequate provision in our Long Term Plan to meet our identified expenditure needs. Generally, this will mean that all expenditure is funded. However, we do make a number of exceptions to this.

Whilst we do seek to fully fund our operating expenditure in each year, there may be occasions when this is not practical. Operating expenditure may be funded by prior years' surpluses or anticipated future years' surpluses. This approach aligns to a direction in our Financial Strategy to minimise and smooth rate increases.

We make decisions not to fund depreciation expenditure where it is financially prudent not to do so. Details of assets where the depreciation is not funded are listed in our 'Financial and General Assumptions', which can be found on our website or within the 2021-2031 Long Term Plan.

When making decisions not to fund depreciation expenditure, we've had regard to:

- whether at the end of its useful life, the replacement of the asset will be funded by way of a grant or subsidy from a third party
- whether we've decided not to replace an asset at the end of its useful life
- whether the original cost of constructing the asset has been fully funded
- whether fully funding depreciation in the short-term will result in an unreasonable burden on ratepayers.

In some activities we take over ownership of assets from developers when subdivisions are completed. For accounting purposes this needs to be shown as income in the cost of service statements and funding impact statements for those activities. We don't take this income into account as a funding source in this Policy.

Operating expenditure funding sources

The mechanisms for funding applied under this policy are those set out under section 103(2) of the Local Government Act 2002. Our policy on funding operating expenditure is to utilise sources of funds in priority shown on the table below along with a definition of the funding source and when we would use it.

Funding source	Priority of application	Definition	When we'll use it
Grants and subsidies	1.	Funding received from other agencies, usually for a specific purpose.	We'll use grants or subsidies from central government or other organisations where available, usually for a specific purpose. This approach minimises the cost to the community of undertaking projects and activities. In analysing the benefits and costs to the community of various project and activity options, we'll consider the availability of grants and subsidies.
User fees and charges	2.	Fees charged to individuals or groups who are directly using our services.	<p>User fees and charges are generally applied where there is a direct benefit to an individual. The use of fees and charges may be balanced with other funding sources. We set our fees and charges annually to reflect increases in costs or changes to charging structures. The Fees and Charges schedule is available on our website.</p> <p>The fees and charges revenue targets set out in this policy are subject to influences beyond the Council's control. Therefore, they are by their nature variable and subject to change. Any drop in anticipated revenue from them will be compensated by rates.</p>
Investment fund income	3.	Income received from our Investment Fund.	Generally used to reduce the amount of Uniform Annual General Charge required.
Rates	4.	Includes the Uniform Annual General Charge (UAGC), General Rates and Targeted Rates.	Where the above listed funding sources are not available, we will fund its expenditure requirements by rates. There are a variety of rating types to recognise the different circumstances. See under Rating Type Classifications heading for further description.
Special funds	5.	Revenue received in the past set aside for a particular purpose.	Special funds may be used to fund specific community projects that we have selected.
Internal borrowing	6.	We operate an internal treasury function. This means that we use the cash surpluses from some activities to lend to other activities that need to borrow.	We do this to reduce our overall cost of borrowing. We charge interest on the funds lent to the borrowing activities, and receive interest on the funds borrowed from the lending activities. We will fund short term deficits with internal borrowing that we have deemed prudent.
External borrowing	7.	Borrowing from external sources.	<p>We may need to borrow funds externally to ensure there are adequate funds to meet our overall operational cash flow requirements. External borrowing is not linked or tied to specific activities.</p> <p>We use borrowing to smooth rates increases in the short term and to cover short term operating deficits.</p>

Capital expenditure funding sources

As with operating expenditure, the mechanisms for funding applied under this Policy are limited to those set out under section 103(2) of the Local Government Act 2002. Our policy on funding capital expenditure is to utilise sources of funds in priority shown on the table below along with a definition of the funding source and when we would use it.

Funding source	Priority of application	Definition	When we'll use it
Grants and subsidies	1.	Funding received from other agencies, usually for a specific purpose.	We will use grants or subsidies from central government or other organisations where available and usually for a specific purpose. This approach minimises the cost to the community of undertaking projects and activities. In analysing the benefits and costs to the community of various project and activity options, we will consider the availability of grants and subsidies.
Financial Contributions/ Development Contributions	2.	Contributions made by developers to help fund new or expand existing (increase capacity) infrastructure that has reached its capacity as a result of growth.	Where available, we may charge Development Contributions in accordance with our Development Contributions Policy, to recover previous capital expenditure or to seek contributions toward future capital expenditure that is intended to create additional capacity. We may charge Financial Contributions in accordance with our District Plan.
Depreciation	3.	Allocating funding over the life of a capital asset so that it can be replaced at the end of its useful life.	We will use depreciation from current and prior years that has not already been applied to fund asset replacements. Depreciation on assets is funded in the same way that the operating costs for the relevant activity are funded.
Proceeds from asset sales	4.	Funds gained from selling our assets, e.g. property.	Funding received from selling physical assets will initially be used to repay debt associated with the activity that funded it. Following this, any remaining funds will be used to fund other capital expenditure within that same activity.
Reserves - past surpluses	5.	Funds held from past surpluses, a bit like a savings account.	Where past surpluses are available, these may be used to fund capital expenditure.
Borrowing – internal	6.	We operate an internal treasury function. This means that we use the cash surpluses from some activities to lend to other activities that need to borrow.	Where the options 1 – 5 are not available to fund capital expenditure it will be necessary to borrow the sum required. We operate an internal treasury function. We use the cash surpluses from some activities to lend to other activities that need to borrow. We do this to reduce our overall cost of borrowing. We charge interest on the funds lent to the borrowing activities, and pays interest on the funds borrowed from the lending activities.
Borrowing – external	7.	Borrowing from external sources.	We may need to borrow funds externally to ensure there are adequate funds to meet our overall capital cash flow requirements. External borrowing is not linked or tied to specific capital projects or activities.

Borrowing enables us to fund our activities over the life of our assets. For example, the life of a water treatment plant is approximately 50 years. We consider the funding mix for this asset so that today's ratepayers pay their fair share, as do tomorrow's ratepayers. This is known as intergenerational equity.

Rating types

We use different types of rates to fund our activities, depending on factors outlined in this policy. The different types of rates we charge are described in detail below.

Uniform Annual General Charge (UAGC)

The UAGC is a fixed charge per rating unit. It is used to fund activities that deliver benefit to the whole District.

General Rate – Capital Value

The General Rate is assessed on all rating units in the District based on capital value. It is used to fund activities where we believe the activity delivers a public benefit to the whole of the community and where a fixed charge per rating unit is not considered appropriate.

We apply a capital value general rate differentially, which means some pay a higher rate than others based on their land use. Our differential rates are explained in the table below.

Differential General Rate	Description
Residential/Rural	Means all rating units used primarily for residential, recreational, cultural use or primarily or predominately for the purposes of agriculture, viticulture, horticulture or silviculture.
Commercial/Industrial	Means all rating units used for commercial or industrial purposes, including utility networks.
Mineral Extraction Land Use	Means all mineral value rating units that are not used in precious metal mining.
Mining Land Use	Means all mineral value rating units that are used in precious metal mining.

Targeted Rates

We use targeted rates (as defined in the Local Government (Rating Act) 2002) to appropriately charge those that directly benefit from or use the service. Targeted rates are chosen where the services provided are specific to a particular community or area within the District and it is not considered fair to charge all ratepayers. Details of our targeted rates, how the targeted rates are calculated, and revenue to be generated by targeted rates is detailed in our Funding Impact Statement.

How we fund our activities

The table below provides more detail on how we intend to fund our activities.

Group / activity	Activity funded	Indicative operating funding source	Indicative capital funding sources by priority of application
Governance and Leadership	Democracy	100% Rate – Capital Value – General	None
	Iwi liaison	100% Rate - Uniform Annual General Charge	None
	Resource management policy development	Policy: 100% Rate – Capital Value - General Private Plan Changes: 100% Fees and Charges	None
	Strategic policy development	100% Rate – Capital Value – General	None
Land transport	Carriageways and bridges	60-85% Subsidies 15-40% Rate – Capital Value Rooding	1. Waka Kotahi Subsidy 2. Development/Financial Contributions 3. Depreciation 4. Reserves 5. Borrowing – internal 6. Borrowing – external
	Footpaths	60-85% Subsidies 15-40% Rate – Uniform Annual Charge - Ward	
	Lighting	60-85% Subsidies 15-40% Rate – Capital Value Rooding	
	Network management	60-85% Subsidies 15-35% Rate – Capital Value Rooding 0-5% Fees and Charges	None
	Amenity	95-100% Rate – Capital Value Rooding 0-5% Fees and Charges	1. Waka Kotahi Subsidy 2. Development/Financial Contributions 3. Depreciation 4. Reserves 5. Borrowing – internal 6. Borrowing – external
	Public transport	100% Rate - Capital Value Rooding	None
	Local public transport	50-100% Rate - Capital Value Rooding 0-50% Fees and charges	None
	Safety	100% Uniform Annual General Charge	1. Waka Kotahi Subsidy 2. Development/Financial Contributions 3. Depreciation 4. Reserves 5. Borrowing – internal 6. Borrowing – external
	Stock underpass subsidies	100% Rate - Capital Value Rooding	None
Carparks	90-100% Ward – Annual Charge 0-10% Fees and Charges	1. Development Contributions/Financial Contributions 2. Depreciation 3. Reserves 4. Borrowing – internal 5. Borrowing – external	

Group / activity	Activity funded	Indicative operating funding source	Indicative capital funding sources by priority of application
Land transport	Town centre upgrades	60% Rate – Uniform Annual Charge – Ward 20% Rate – Capital Value – Ward Business 20% Rate – Annual Charge – Ward Business	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external
Water supply	Water supply	100% Rate – Targeted (annual charge and volume charge)	1. Grants and subsidies 2. Development/Financial Contributions 3. Depreciation 4. Reserves 5. Borrowing – internal 6. Borrowing – external
Wastewater	Wastewater	85-100% Rate – Targeted Charge (Pan Charge) 0-15% Fees and Charges	1. Grants and subsidies 2. Development/Financial Contributions 3. Depreciation 4. Reserves 5. Borrowing – internal 6. Borrowing – external
Stormwater	Urban stormwater	85% Rate – Targeted – Capital Value 15% Rate - Capital Value – General	1. Grants and subsidies 2. Development/Financial Contributions 3. Depreciation 4. Reserves 5. Borrowing – internal 6. Borrowing – external
Land drainage	Land drainage	85% Rate – Targeted – Land Value 15% Rate - Capital Value – General	1. Development/Financial Contributions 2. Depreciation 3. Reserves 4. Borrowing – internal 5. Borrowing – external
	Flood protection	85% Rate – Targeted – Land Value 15% Rate - Capital Value – General	
Waste management	Transfer stations	0-100% Rate – Capital Value – General 0-100% Fees and Charges	1. Development/Financial Contributions 2. Depreciation 3. Reserves 4. Borrowing – internal 5. Borrowing – external
	Kerbside collection	0-100% Rate – Targeted – Annual Charge 0-100% Fees and Charges	None
	Waste minimisation	30-80% Rate – Capital Value – General 20-50% Grants and Subsidies 0-20% Fees and charges	None
	Landfill aftercare	100% Rate – Capital Value – General	1. Borrowing – internal 2. Borrowing – external
Community recreation	Libraries	93-96% Rate – Uniform Annual General Charge 4-7% Fees and Charges	1. Development/Financial Contributions 2. Depreciation 3. Reserves 4. Borrowing – internal 5. Borrowing – external
	Swimming pools	93-96% Rate – Uniform Annual General Charge 4-7% Fees and Charges	

Group / activity	Activity funded	Indicative operating funding source	Indicative capital funding sources by priority of application
Community recreation	Event centre	40-45% Rate – Uniform Annual General Charge 40-45% Rate – Uniform Annual Charge – Ward 10-20% Fees and Charges	
	Sports fields	47-50% Rate - Uniform Annual General Charge 47-50% Rate - Uniform Annual Charge – Ward 0-6% Fees and Charges	
	Recreation reserves	98-100% Rate - Uniform Annual Charge – Ward 0-2% Fees and Charges	
	Traveller's reserves	98-100% Rate – Capital value -- Rooding 0-2% Fees and Charges	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external
	Town centres	60% Rate – Uniform Annual Charge – Ward 20% Rate – Capital Value – Ward Business 20% Rate – Annual Charge – Ward Business	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external
	Passive reserves	100% Rate – Uniform Annual General Charge	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external
	Sports coordinator	100% Rate – Uniform Annual General Charge	None
	Cycleway (Hauraki Rail Trail)	75% Rate – Uniform Annual General Charge 25% Rate – Capital Value – General (Differential on Commercial/Industrial)	1. Grants and subsidies 2. Depreciation 3. Reserves 4. Borrowing – internal 5. Borrowing – external
Community facilities	Town halls	80-90% Rate - Uniform Annual General Charge 10-20% Fees and Charges	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external
	Rural hall assistance	100% Rate - Targeted Community Hall Rates	1. Development/Financial Contributions 2. Depreciation 3. Reserves 4. Borrowing – internal 5. Borrowing – external
	Cemetery Burials	100% Fees and Charges	1. Reserves 2. Borrowing – internal 3. Borrowing – external
	Cemetery Reserves	100% Rate - Uniform Annual General Charge	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external

Group / activity	Activity funded	Indicative operating funding source	Indicative capital funding sources by priority of application
Community facilities	Public conveniences	77-80% Rate – Capital Value Rooding 17-20% Rate – Uniform Annual General Charge 0-3% Fees and Charges	1. Development/Financial Contributions 2. Depreciation 3. Reserves 4. Borrowing – internal 5. Borrowing – external
	Elderly person housing	100% Fees and Charges	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external
	Interest	100% Rate – Uniform Annual Charge – Ward	None
Manaaki Toiora	Economic project assistance	100% Rate - Capital Value District differential on commercial/industrial	None
	Social initiatives	\$56,000 Investment Income Remainder - Rate – Capital Value - General	None
	Event coordination	50% Rate - Uniform Annual General Charge 50% Rate - Capital Value - General differential on commercial/industrial	None
	Visitor information services	50 % Rate – Uniform Annual General Charge 50% Rate - Capital Value – General (differential on commercial/industrial)	None
	Grants and donations – District	100% Rate – Uniform Annual General Charge	None
	Grants and donations – Local	100% Rate –Uniform Annual Charge - Ward	None
	Whakawhanaunga / Extended relationships	100% Rate – Uniform Annual General Charge	None
Regulatory	Resource management implementation	40-70% Rate – Capital Value – General 30-60% Fees and charges	None
	Building services	45-55% Rate – Capital Value - General 45-55% Fees and charges	None
	Health	75-90% Rate - Uniform Annual General Charge 10-25% Fees and Charges	None
	Alcohol licensing	40-60% Rate - Uniform Annual General Charge 40-60% Fees and charges	None
	CCTV and abandoned mines monitoring	100% Rate – Uniform Annual General Charge	None
	Emergency management	100% Rate – Uniform Annual General Charge	None
	Dog registration	100% Fees and Charges	None

Group / activity	Activity funded	Indicative operating funding source	Indicative capital funding sources by priority of application
	Animal control	85-95% Rate - Uniform Annual General Charge 5-15% Fees and charges (Fines)	None
Support services	Property	100% Fees and Charges	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external
	Forestry	100% Fees and Charges (timber sales)	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external
	Subdivision	100% Fees and Charges (section sales)	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external
	Plant	100% Fees and Charges (internal charges)	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external
	Business units	100% Fees and Charges (internal charges)	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external
	Overheads	100% Fees and Charges (internal charges)	1. Depreciation 2. Reserves 3. Borrowing – internal 4. Borrowing – external

Financial statements | Pūrongo pūtea

Hauraki District Council funding impact statement for 2021-31 (whole of council)

	2020/21 Annual plan \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	11,169	11,962	12,254	12,550	13,816	14,369	14,945	15,540	16,155	16,798	17,465
Targeted rates	20,619	21,357	22,844	24,861	25,775	26,639	27,518	28,666	30,162	31,525	32,999
Subsidies and grants for operating purposes	2,689	3,253	3,300	3,355	3,733	3,836	3,947	4,062	4,179	4,307	4,425
Fees and charges	2,985	4,188	4,262	4,367	4,472	4,583	4,693	4,810	4,936	5,064	5,187
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	399	168	4,252	4,857	178	181	185	188	191	194	197
Total Operating Funding (A)	37,861	40,928	46,912	49,990	47,974	49,608	51,288	53,266	55,623	57,888	60,273
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	27,801	33,012	32,737	35,129	35,285	36,493	36,169	37,069	38,222	39,573	40,305
Finance Costs	1,613	1,475	1,573	1,836	1,863	1,999	2,090	2,002	1,801	1,742	1,545
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding (B)	29,414	34,487	34,310	36,965	37,148	38,492	38,259	39,071	40,023	41,315	41,850
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	8,447	6,441	12,602	13,025	10,826	11,116	13,029	14,195	15,600	16,573	18,423
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	1,700	3,784	2,279	2,396	5,094	3,444	11,312	13,214	3,820	2,926	3,005
Development and financial contributions	0	1,027	931	852	822	775	709	619	524	453	396
Increase (decrease) in debt	7,500	12,779	17,338	6,971	12,134	8,107	6,137	5,997	2,676	(2,446)	(117)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding (C)	9,200	17,590	20,548	10,219	18,050	12,326	18,158	19,830	7,020	933	3,284
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure											

	2020/21 Annual plan \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	5,443	10,622	16,278	8,251	15,576	11,186	9,613	7,417	2,274	2,184	3,100
- to replace existing assets	10,805	12,350	11,631	10,191	8,227	8,840	9,992	12,332	14,314	10,569	11,995
Increase (decrease) in reserves	1,399	1,059	5,241	4,802	5,073	3,416	11,582	14,276	6,032	4,753	6,612
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding (D)	17,647	24,031	33,150	23,244	28,876	23,442	31,187	34,025	22,620	17,506	21,707
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(8,447)	(6,441)	(12,602)	(13,025)	(10,826)	(11,116)	(13,029)	(14,195)	(15,600)	(16,573)	(18,423)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

Reconciliation of Comprehensive Income Statement to Funding Impact Statement

OPERATING SURPLUS/(DEFICIT)	1,310	1,056	5,241	4,808	5,071	3,415	11,583	14,275	6,034	4,751	6,610
Depreciation/Assets written off	9,135	10,477	10,861	11,761	11,974	12,231	13,785	14,081	14,248	15,551	15,573
Subsidies and grants for capital expenditure	(1,700)	(3,784)	(2,279)	(2,396)	(5,094)	(3,444)	(11,312)	(13,214)	(3,820)	(2,926)	(3,005)
Development and financial contributions	0	(1,027)	(931)	(852)	(822)	(775)	(709)	(619)	(524)	(453)	(396)
Less Doubtful Debts	0	0	0	0	0	0	0	0	0	0	0
Vested Asset Income	(281)	(281)	(290)	(296)	(303)	(311)	(318)	(328)	(338)	(350)	(359)
Gains and Losses	(17)	0	0	0	0	0	0	0	0	0	0
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	8,447	6,441	12,602	13,025	10,826	11,116	13,029	14,195	15,600	16,573	18,423

Prospective statement of financial position

Forecast as at 30 June for the 10 years to 2031

	2020/21 Annual plan \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Assets											
Current assets											
Cash and cash equivalents	292	1,721	756	586	337	862	705	526	1,105	312	722
Receivables	8,255	8,598	9,274	9,856	10,063	10,125	11,620	12,275	11,311	11,607	12,075
Derivative financial instruments	0	0	0	0	0	0	0	0	0	0	0
Other financial assets	87	87	87	87	87	87	87	87	87	87	87
Prepayments	0	0	0	0	0	0	0	0	0	0	0
Inventories	306	306	306	306	306	306	306	306	306	306	306
Non-current assets held for resale	0	0	0	0	0	0	0	0	0	0	0
Total current assets	8,940	10,712	10,423	10,835	10,793	11,380	12,718	13,194	12,809	12,312	13,190
Non-Current assets											
Derivative financial instruments	0	0	0	0	0	0	0	0	0	0	0
Investments in associates	0	0	0	0	0	0	0	0	0	0	0
Other financial assets											
- Investments in CCOs and similar entities	645	645	645	645	645	645	645	645	645	645	645
- Community loans	5	5	5	5	5	5	5	5	5	5	5
- Investments in joint ventures	0	0	0	0	0	0	0	0	0	0	0
- Investments in other entities	101	101	101	101	101	101	101	101	101	101	101
Total other financial assets	751	751	751	751	751	751	751	751	751	751	751
Property, plant & equipment	620,543	634,533	669,906	689,955	705,823	734,885	756,182	766,519	791,725	805,617	810,160
Intangible assets	568	568	568	568	568	568	568	568	568	568	568
Forestry assets	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311
Investment properties	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	623,173	637,163	672,536	692,585	708,453	737,515	758,812	769,149	794,355	808,247	812,790
Total assets	632,113	647,875	682,959	703,420	719,246	748,895	771,530	782,343	807,164	820,559	825,980
Current liabilities											
Payables and deferred revenue	6,447	4,402	4,196	4,734	4,704	4,923	4,750	4,876	5,059	5,280	5,339
Derivative financial instruments	759	759	759	759	759	759	759	759	759	759	759
Borrowings and other financial liabilities	8,000	7,000	10,000	3,000	4,000	4,000	11,000	4,000	8,000	6,000	0
Employee entitlements	1,861	2,382	2,393	2,429	2,471	2,520	2,576	2,635	2,698	2,768	2,843
Provisions	340	340	340	340	340	340	340	340	340	340	340

	2020/21 Annual plan \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Total Current Liabilities	17,407	14,883	17,688	11,262	12,274	12,542	19,425	12,610	16,856	15,147	9,281
Non-Current Liabilities											
Derivative financial instruments	2,808	2,808	2,808	2,808	2,808	2,808	2,808	2,808	2,808	2,808	2,808
Borrowings and other financial liabilities	42,500	48,000	57,000	66,000	72,000	77,000	66,000	65,000	57,000	51,000	51,000
Employee entitlements	360	476	479	486	494	504	515	527	540	554	569
Provisions	202	202	202	202	202	202	202	202	202	202	202
Deferred tax liability	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	45,870	51,486	60,489	69,496	75,504	80,514	69,525	68,537	60,550	54,564	54,579
Total liabilities	63,277	66,369	78,177	80,758	87,778	93,056	88,950	81,147	77,406	69,711	63,860
Net assets (assets minus liabilities)	568,836	581,506	604,782	622,662	631,468	655,839	682,580	701,196	729,758	750,848	762,120
<i>Represented by:</i>											
EQUITY											
Accumulated Funds	411,319	410,152	415,250	419,915	424,843	428,115	439,555	453,687	459,578	464,186	470,653
Other reserves	3,118	3,025	3,168	3,311	3,454	3,597	3,740	3,883	4,026	4,169	4,312
Asset revaluation reserve	154,399	168,329	186,364	199,436	203,171	224,127	239,285	243,626	266,154	282,493	287,155
TOTAL EQUITY	568,836	581,506	604,782	622,662	631,468	655,839	682,580	701,196	729,758	750,848	762,120

Prospective statement of changes in net assets/equity

Forecast as at 30 June for the 10 years to 2031

	2020/21 Annual plan \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
TOTAL EQUITY											
As at 1 July	555,794	577,243	581,506	604,782	622,662	631,468	655,839	682,580	701,196	729,758	750,848
Comprehensive Revenue & Expense for the year	13,042	4,263	23,276	17,880	8,806	24,371	26,741	18,616	28,562	21,090	11,272
As at 30 June	568,836	581,506	604,782	622,662	631,468	655,839	682,580	701,196	729,758	750,848	762,120
TOTAL EQUITY CONSISTS OF:											
Accumulated Funds											
As at 1 July	410,152	409,239	410,152	415,250	419,915	424,843	428,115	439,555	453,687	459,578	464,186
Transfers from/(to):											
Asset Revaluation Reserve on disposal of PPE	0	0	0	0	0	0	0	0	0	0	0
Restricted Reserves	(143)	(143)	(143)	(143)	(143)	(143)	(143)	(143)	(143)	(143)	(143)
Surplus/(Deficit) for the year	1,310	1,056	5,241	4,808	5,071	3,415	11,583	14,275	6,034	4,751	6,610
As at 30 June	411,319	410,152	415,250	419,915	424,843	428,115	439,555	453,687	459,578	464,186	470,653
Other Reserves											
As at 1 July	2,920	2,882	3,025	3,168	3,311	3,454	3,597	3,740	3,883	4,026	4,169
Transfers to Retained Earnings	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)
Transfers from Retained Earnings	199	199	199	199	199	199	199	199	199	199	199
As at 30 June	3,063	3,025	3,168	3,311	3,454	3,597	3,740	3,883	4,026	4,169	4,312
Forestry Revaluation Reserves											
As at 1 July	0	0	0	0	0	0	0	0	0	0	0
Revaluation gains/(losses)	0	0	0	0	0	0	0	0	0	0	0
As at 30 June	0	0	0	0	0	0	0	0	0	0	0
Asset Revaluation Reserves											
As at 1 July	142,667	165,122	168,329	186,364	199,436	203,171	224,127	239,285	243,626	266,154	282,493
Revaluation gains/(losses)	11,732	3,207	18,035	13,072	3,735	20,956	15,158	4,341	22,528	16,339	4,662
Transfer of revaluation reserve to retained earnings PPE	0	0	0	0	0	0	0	0	0	0	0
As at 30 June	154,399	168,329	186,364	199,436	203,171	224,127	239,285	243,626	266,154	282,493	287,155

	2020/21 Annual plan \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Asset Revaluation Reserves consist of:											
<i>Operational Assets</i>											
Land	43,514	46,402	46,402	46,402	50,137	50,137	50,137	54,478	54,478	54,478	59,140
Buildings	16,994	16,231	16,231	17,787	17,787	17,787	19,572	19,572	19,572	21,483	21,483
Library Books	0	0	0	0	0	0	0	0	0	0	0
<i>Infrastructural Assets</i>											
Wastewater System	12,340	14,255	14,255	19,470	19,470	19,470	25,526	25,526	25,526	32,060	32,060
Water System	11,109	9,368	9,368	12,417	12,417	12,417	15,958	15,958	15,958	19,778	19,778
Drainage Network	8,121	8,094	8,094	11,346	11,346	11,346	15,122	15,122	15,122	19,196	19,196
Land Transport Network	62,321	73,979	92,014	92,014	92,014	112,970	112,970	112,970	135,498	135,498	135,498
<i>Restricted Assets</i>											
Land	0	0	0	0	0	0	0	0	0	0	0
Buildings	0	0	0	0	0	0	0	0	0	0	0
Total	154,399	168,329	186,364	199,436	203,171	224,127	239,285	243,626	266,154	282,493	287,155
Fair value through other comprehensive income and expense reserve											
As at 1 July	55	0	0	0	0	0	0	0	0	0	0
Change in fair value	0	0	0	0	0	0	0	0	0	0	0
As at 30 June	55	0	0	0	0	0	0	0	0	0	0
As at 30 June	568,836	581,506	604,782	622,662	631,468	655,839	682,580	701,196	729,758	750,848	762,120

Prospective statement of comprehensive revenue and expense

Forecast as at 30 June for the 10 years to 2031

	2020/21 Annual plan \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
REVENUE											
Rates	31,788	33,319	35,098	37,411	39,591	41,008	42,463	44,206	46,317	48,323	50,465
Subsidies and Grants	4,389	7,037	5,579	5,751	8,828	7,280	15,259	17,276	8,000	7,233	7,430
Development/Financial Contributions	0	1,027	931	852	822	775	709	619	524	453	396
Other Revenue	3,664	4,831	8,514	9,224	4,651	4,763	4,877	4,997	5,127	5,258	5,384
Other Gains/(Losses)	17	281	290	296	303	311	318	328	338	350	359
TOTAL REVENUE	39,858	46,495	50,412	53,534	54,195	54,137	63,626	67,426	60,306	61,617	64,034
EXPENDITURE											
Employee Benefit Expenses	14,385	15,879	15,953	16,194	16,471	16,801	17,170	17,565	17,987	18,454	18,951
Depreciation and Amortisation	9,135	10,477	10,861	11,761	11,974	12,231	13,785	14,081	14,248	15,551	15,573
Finance Costs	1,613	1,475	1,573	1,836	1,863	1,999	2,090	2,002	1,801	1,742	1,545
(Gains)/Losses	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	13,415	17,608	16,784	18,935	18,816	19,691	18,998	19,503	20,236	21,119	21,355
TOTAL EXPENDITURE	38,548	45,439	45,171	48,726	49,124	50,722	52,043	53,151	54,272	56,866	57,424
Share of Joint Venture Surplus/(Deficit)	0	0	0	0	0	0	0	0	0	0	0
Share of Associates Surplus/(Deficit)	0	0	0	0	0	0	0	0	0	0	0
SURPLUS/(DEFICIT) BEFORE TAX	1,310	1,056	5,241	4,808	5,071	3,415	11,583	14,275	6,034	4,751	6,610
Income Tax Expense	0	0	0	0	0	0	0	0	0	0	0
SURPLUS/(DEFICIT) AFTER TAX	1,310	1,056	5,241	4,808	5,071	3,415	11,583	14,275	6,034	4,751	6,610
OTHER COMPREHENSIVE REVENUE & EXPENSE											
Gain/(Loss) on Revaluation	11,732	3,207	18,035	13,072	3,735	20,956	15,158	4,341	22,528	16,339	4,662
Movement in fair value of available for sale financial instruments	0	0	0	0	0	0	0	0	0	0	0
TOTAL COMPREHENSIVE REVENUE & EXPENSE	13,042	4,263	23,276	17,880	8,806	24,371	26,741	18,616	28,562	21,090	11,272

Prospective cash flow statement

Forecast as at 30 June for the 10 years to 2031

	2020/21 Annual plan \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000	Forecast 2028/29 \$000	Forecast 2029/30 \$000	Forecast 2030/31 \$000
Cash Flows from operating activities											
Receipts from rates revenue	32,101	33,289	34,742	36,949	39,155	40,724	42,172	43,858	45,895	47,921	50,037
Receipts from other revenue	8,070	12,582	14,704	15,707	14,530	13,040	19,641	22,585	15,037	13,050	13,170
Interest received											
Dividends received											
Goods and services tax (net)		0	0	0	0	0	0	0	0	0	0
Payments to suppliers and employees	(30,574)	(34,895)	(32,929)	(34,548)	(35,267)	(36,214)	(36,274)	(36,871)	(37,964)	(39,268)	(40,157)
Interest paid	(1,613)	(1,475)	(1,573)	(1,836)	(1,863)	(1,999)	(2,090)	(2,002)	(1,801)	(1,742)	(1,545)
Net cash flow from operating activities	7,984	9,501	14,944	16,272	16,555	15,551	23,449	27,570	21,167	19,961	21,505
Cash Flows from investing activities											
Advance payments received	0	0	0	0	0	0	0	0	0	0	0
Receipts from sale of property, plant & equipment	0	0	0	0	0	0	0	0	0	0	0
Advance payments made	0	0	0	0	0	0	0	0	0	0	0
Purchase of property, plant & equipment	(16,248)	(20,979)	(27,909)	(18,442)	(23,804)	(20,026)	(19,606)	(19,749)	(16,588)	(12,754)	(15,095)
Purchase of intangible assets	0	0	0	0	0	0	0	0	0	0	0
Net cash flow from investing activities	(16,248)	(20,979)	(27,909)	(18,442)	(23,804)	(20,026)	(19,606)	(19,749)	(16,588)	(12,754)	(15,095)
Cash Flows from financing activities											
Proceeds from borrowings	12,500	12,500	19,000	12,000	10,000	9,000	0	3,000	0	0	0
Repayment of finance lease liabilities											
Repayment of borrowings	(5,000)	(8,000)	(7,000)	(10,000)	(3,000)	(4,000)	(4,000)	(11,000)	(4,000)	(8,000)	(6,000)
Net cash flow from financing activities	7,500	4,500	12,000	2,000	7,000	5,000	(4,000)	(8,000)	(4,000)	(8,000)	(6,000)
Net increase(decrease) in cash and cash equivalents	(764)	(6,978)	(965)	(170)	(249)	525	(157)	(179)	579	(793)	410
Cash and cash equivalents at the start of the year	1,056	8,699	1,721	756	586	337	862	705	526	1,105	312
Cash and cash equivalents at the end of the year	292	1,721	756	586	337	862	705	526	1,105	312	722

Reserve funds statement

Forecast as at 30 June for the 10 years to 2031

	Opening Balance \$000	Deposited into Reserve \$000	Withdrawn from Reserve \$000	Closing Balance \$000	Activity that the reserve relates to
Other Reserves					
District Community Recreation	24	0	0	24	Community Services
Plains Community Recreation	140	0	0	140	Community Services
Paeroa Community Recreation	236	0	0	236	Community Services
Waihi Community Recreation	540	0	0	540	Community Services
Dist. Community Projects Assistance	866	1,990	(560)	2,296	All Activities
Economic Development Projects	77	0	0	77	Community Services
Quarry Renewal	1,000	0	0	1,000	Corporate
	<u>2,883</u>	<u>1,990</u>	<u>(560)</u>	<u>4,313</u>	
Asset Revaluation Reserves					
Land	43,195	15,945	0	59,140	All Activities
Buildings	16,231	5,252	0	21,483	All Activities
Wastewater System	14,255	17,805	0	32,060	Wastewater
Water System	9,368	10,410	0	19,778	Water
Drainage Network	8,094	11,102	0	19,196	Land Drainage
Land Transport Network	73,979	61,519	0	135,498	Land Transport
	<u>165,122</u>	<u>122,033</u>	<u>0</u>	<u>287,155</u>	

District Community Projects Assistance Fund

This reserve fund is to provide funding for community projects.

District, Paeroa, Plains, and Waihi Community Recreational Funds

These reserve funds are historic, and were used to accumulate Financial Contributions before changing to a Development Contributions regime. The balances will be used to fund Recreation and Community Facilities capital works.

Economic development projects

This reserve fund is to provide funding for community development projects.

Quarry Renewal Fund

This reserve fund is to provide funding for the cost of rehabilitating Tetley's Quarry post-closure.

Asset Revaluation Reserves

These reserve funds are to hold the net balances from gains/losses from asset revaluations.

Notes supporting our financial statements

Note 1: Statement of Accounting Policies for the Forecast Years 2021-2031

Reporting entity

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

HDC provides local infrastructure, local public services, and performs regulatory functions to our communities. HDC does not operate to make a financial return.

HDC has designated itself as a public benefit entity (PBE) for financial reporting purposes.

These prospective financial statements are for Hauraki District Council as a separate legal entity. Consolidated perspective financial statements comprising of the Council and its subsidiaries and associates have not been prepared.

The financial information contained within these documents is prospective financial information in terms of Financial Reporting Standard 42 Prospective Financial Statements (PBE). The purpose for which this has been prepared is to enable the public to participate in decision making processes as to the services to be provided by the Council over the next ten financial years, and to provide a broad accountability mechanism of the Council to the community. The financial information in the LTP may not be appropriate for purposes other than those described.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Budget figures

The budget figures are those approved by the Council in its 2021-31 Long Term Plan. The budget figures have been prepared in accordance with PBE FRS 42, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Standards issued and not yet effective.

Financial instruments

In March 2019, the XRB issued PBE IPSAS 41 Financial Instruments. PBE IFRS 41 supersedes parts of PBE IPSAS 29 Financial Instruments: Recognition and Measurement. It also supersedes PBE IFRS 9 Financial Instruments. PBE IPSAS 41 is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The main changes under PBE IPSAS 41 are:

- Introduces a new 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. This could result in some instruments moving from amortised cost accounting to fair value accounting, or vice versa.
- Applies a forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing.
- Introduces a hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. Entities that adopt PBE IPSAS 41 have a choice of either adopting the new hedging model of PBE IPSAS 41 or continuing to apply the hedging model of PBE IPSAS 29.

The Council has determined that adopting PBE IPSAS 41 will not materially impact the financial statements of Council.

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with PBE FRS42 Prospective Financial Statements, NZ PBE (Tier1) IPSAS and other applicable Financial Reporting Standards, as appropriate for New Zealand public benefit entities.

It is a requirement of the LGA to present prospective financial statements that span 10 years as part of a Long Term Plan. This provides an opportunity for ratepayers and residents to review the prospective financial results and position of HDC.

The information in these statements may not be appropriate for purposes other than those prescribed above. Prospective financial statements are revised annually to reflect updated assumptions and costs. These financial statements are for the period 1 July 2021 to 30 June 2031 and are presented in New Zealand dollars, and rounded to the nearest thousand (\$000), unless otherwise stated.

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

The prospective financial statements for each year of the LTP were authorised for issue by the Hauraki District Council on 23 June 2021. HDC is responsible for the prospective financial statements presented, including underlying assumptions underlying prospective financial statements and other disclosures.

There is no intent to update the 2021-31 statements subsequent to presentation.

To meet all requirements of the local government legislation we provide three sets of financial information as set out in the table below.

Set of financial information	Key differences between these three sets of information
Usual Generally Accepted Accounting Principles (GAAP) regulated statements of financial position, comprehensive revenue and expenses, etc.	The GAAP regulated financial statements must adhere to GAAP requirements;
Non-GAAP compliant Funding Impact Statements (FIS's)	The FIS is intended to make the sources and applications of HDC funds more transparent to its stakeholders than might be the case if only the usual GAAP financial statements were provided. The FIS is prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014 and is required by the LGA; and
Annual Plan disclosure statement as required by the Local Government (Financial Reporting and Prudence) Regulations 2014.	The Long Term Plan disclosure statement is to disclose HDC's planned financial performance in relation to various benchmarks to help our communities assess whether HDC is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Measurement Base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, biological assets and financial instruments.

Judgements and estimations

The preparation of prospective financial statements using public benefit entity (PBE) standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates, with a significant risk of material adjustment in the next year, are discussed in the relevant notes within this section. Significant judgements and estimations include asset revaluations, impairments, certain fair value calculations and provisions.

Subsidiaries

HDC has no subsidiaries.

Associates

HDC's associate investment is accounted for in the financial statements using the equity method. An associate is an entity over which HDC has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the financial statements is increased or decreased to recognise HDC's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

HDC discontinues recognising its share of further deficits if the share of deficits of an associate equals or exceeds its interest in the associate. After HDC's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that HDC has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, HDC will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where HDC transacts with an associate, surpluses or deficits are eliminated to the extent of HDC's interest in the associate.

Joint ventures

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

For jointly controlled operations, the Council recognises in its financial statements the assets it controls, the liabilities and expense it incurs, and the share of revenue that it earns from the joint venture..

Revenue

Accounting policy

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below.

Rates revenue

The following policies for rates have been applied:

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

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as revenue in advance until such time as the Council provides, or is able to provide, the service.

Waka Kotahi roading subsidies

The Council receives funding assistance from Waka Kotahi, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of the Council's local pools. Revenue from entrance fees is recognised upon entry to the pool.

Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

Infringement fees

Infringement fees mostly relate to noise and dog infringements. Revenue is recognised when the infringement notice is paid.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (for example, land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Critical judgements in applying accounting policies

Accounting for donated or vested land and buildings with use or return conditions

The Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received. The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

Borrowing costs

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

Grant expenditure

The Council's grants awarded have no substantive conditions attached. Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

Taxation

Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable, which are stated with GST included.

Where GST is not recoverable as 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.

Fringe Benefit Tax (FBT)

Where a fringe benefit tax liability arises this has been charged to operating expenditure.

Leases

Finance leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade and other receivables

Trade and other receivables are recorded at the amount due, less any provision for un-collectability. 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.

Inventories

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

Financial assets

HDC classifies its financial assets into four categories. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured 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 the surplus or deficit.

Purchases and sales of investments are recognised on trade-date, the date on which HDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and HDC has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. HDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar

instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are as follows.

1. 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 it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. Derivatives are classified as current if they mature within 12 months of balance date, and are classified as non-current if they mature greater than 12 months after balance date.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

2. Loans and Receivables

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 maturities greater than 12 months after the 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 and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made 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 the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

3. Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that HDC has the positive intention and ability to hold to maturity. After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

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.

HDC does not hold any assets in this category at present.

4. 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. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. HDC includes in this category:

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

Impairment of financial assets

Loans and receivables

Impairment of a loan or a receivable is established when there is objective evidence that HDC will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

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

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 objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

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 the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Accounting for derivative financial instruments

HDC uses derivative financial instruments to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its Investment and Liability Management Policy, HDC does not hold or issue derivative financial instruments for trading purposes. HDC's interest rate swap portfolio was valued as at 30 June 2020 by Council staff using software provided by Hedgebook, and the 2021-31 Long Term Plan assumes no change to this valuation. The movement in fair value has been included in surplus/(deficit) in the Statement of Comprehensive Revenue and Expense. HDC did not hold any forward foreign exchange contracts at balance date.

Non-current assets held for sale

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

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

Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group). The only asset currently included in this category is property held for sale.

Property, plant and equipment

Property, plant, and equipment consist of:

Operational assets – These include land, buildings, landfill post-closure, library books, plant and equipment, and motor vehicles.

Restricted assets – Restricted assets are mainly parks and reserves owned by the Council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by the Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Land (operational and restricted) 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.

Revaluation

Land and buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

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

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.

Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and 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 its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Over the tenure of the 2021 Long Term Plan it is assumed that water, wastewater, stormwater and drainage assets will be revalued on 1 July 2023; 2026; and 2029.

Depreciation

Land and assets under construction are not depreciated.

All other assets are depreciated on a straight line basis that will spread the cost of the asset, less any residual value, over the expected useful life of the asset. The useful lives of assets have been identified on a component-by-component basis. The useful lives and associated depreciation rates of major classes of assets has been estimated as follows:

Asset class	Asset Subclass	Estimated useful life	Depreciation rate range
Roading	Seal	10-20 years	5%-10%
	Base Course	20-100 years	1%-5%
	Surface water channels	10-75 years	1.3%-10%
	Culverts	75 years	1.3%
	Footpaths	15-75 years	1.3%-6.7%
	Bridges	30-100 years	1%-3.3%
	Street Lighting	25 years	4%
	Retaining walls	85 years	1.2%
	Railings	20-50 years	2%-5%
	Signs	12.5-20 years	5%-8%
Buildings	Structure	80 years	1.3%
	Roof cladding	30 years	3.3%
	Electrical/Mechanical	25 years	4%
	Plumbing	30 years	3.3%
	Internal wall linings	25 years	4%
	Lifts	25 years	4%
	Air conditioners	15 years	6.7%
	Site improvements	25 years	4%
All other assets	Water reticulation	70-120 years	0.8%-1.4%
	Water treatment	10-100 years	1%-10%
	Wastewater reticulation	65-130 years	0.8%-1.5%
	Wastewater treatment	10-80 years	1.3%-10%
	Stormwater reticulation	50-130 years	0.8%-2%
	Drainage and flood protection	20-200 years	0.5%-5%
	Library books	8 years	12.5%
	Vehicles	3-21 years	4.8%-33.3%
	Equipment	2-94 years	1.1%-50%
	Technology	2-10 years	10%-50%
	Furniture and fittings	7-10 years	10%-14.3%

Assets purchased during the financial year are depreciated on a remaining month's basis.

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

Impairment of property, plant, and equipment

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

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

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

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

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

class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units' approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Critical accounting estimates and assumptions

Estimating the fair value of land, buildings, and infrastructure

Land (operational, restricted, and infrastructural)

All land was valued at 30 June 2019.

The most recent valuation of land was performed by Quotable Values NZ Ltd, who are qualified, independent valuers. All values were confirmed as being suitable for financial reporting.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Adjustments have been made to the 'unencumbered' land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Over the tenure of the 2021 Long Term Plan it is assumed that land will be revalued on 30 June 2022; 2025; 2028; and 2031.

Buildings (operational and restricted)

All buildings were valued at 1 July 2017 plus additions/development at cost, less disposals. Building valuations were completed by independent valuers, and confirmed as being suitable for financial reporting.

Specialised buildings were valued by SPM Assets Ltd at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) were valued by SPM Assets Ltd, using market data provided by Curnow Tizard Ltd at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

The valuation of earthquake prone buildings does not include any adjustment

Over the tenure of the 2021 Long Term Plan it is assumed that buildings will be revalued on 1 July 2023; 2026; 2030.

Infrastructural assets

Roading assets were valued by an independent valuer, WSP-OPUS Limited as at 1 July 2019.

Water, Wastewater, Stormwater and Drainage Assets were valued by Council staff and peer reviewed by an independent valuer, Waugh Valuers Ltd as at 1 July 2017.

Infrastructural assets are also carried at fair value, which is deemed to be depreciated replacement costs because the assets are of a specialised nature. The depreciated replacement costs are determined on the basis of valuations prepared every three years. The revaluation process involves assessing the current optimised replacement cost of a brownfields basis, using highest and best use basis and remaining useful lives.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Over the tenure of the 2021 Long Term Plan it is assumed that water, wastewater, stormwater and drainage assets will be revalued on 1 July 2023; 2026; and 2029.

Critical judgements in applying accounting policies

Classification of property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

Intangible assets

Software acquisition and development

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use.

Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Asset class	Asset Subclass	Estimated useful life	Depreciation rate range
Technology	Software	3-10 years	10%-33.3%

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.

For further details, refer to the policy for impairment of property, plant, and equipment above. The same approach applies to the impairment of intangible assets.

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

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 its cost, including transaction costs.

After initial recognition, HDC measures all investment property 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 the surplus or deficit.

Trade and deferred revenue

Trade and other payables are recorded at their face value.

Employee benefits

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability.

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

Critical accounting estimates and assumptions

Estimating retirement and long service leave obligations

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis.

Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows.

The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

A weighted average discount rate of 2.67% (2019: 5.0%) and an inflation factor of 2.72% (2019: 2.92%) were used.

Long-term benefits

Long service leave and retirement leave entitlements that are payable beyond 12 months have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and
- the present value of the estimated future cash flows. A discount rate of 6% and an inflation factor of 4% were used. The discount rate is based on expected interest rates for terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

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

Superannuation schemes

HDC has not entered into a defined benefit scheme. Payments to defined contributions schemes are expensed in the surplus or deficit when incurred.

Provisions

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

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires HDC to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration

received. When no consideration is received a provision is recognised based on the probability that HDC will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if HDC assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the HDC has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

Equity

Equity is the community's interest in HDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- accumulated funds
- other reserves
- asset revaluation reserves.

Other reserves

Other reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Other reserves are those subject to specific conditions accepted as binding by HDC and which may not be revised by HDC without approval by HDC. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Asset revaluation reserves

This relates to the revaluation of property, plant and equipment to fair value.

Cost allocation

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

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

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

Critical accounting estimates and assumptions

In preparing these financial statements HDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill aftercare provision

HDC has responsibility under resource consents to provide ongoing maintenance and monitoring of three closed landfills. The cash outflows for landfill post closure are expected to occur over 30 years. The long-term nature of the

liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 2.66%.

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example HDC could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example storm water, wastewater and water supply pipes that are underground. This risk is minimised by HDC performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns, ground condition and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then HDC could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk HDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of HDC's asset management planning activities, which gives HDC further assurance over its useful life estimates.
- Experienced independent valuers perform/review HDC's infrastructural asset revaluations.

Critical judgements in applying Council's accounting policies

Classification of property

The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of HDC's social housing policy. These properties are accounted for as property, plant and equipment.

Funding impact statement: rating implications | Te tauākī pūtea – te hiraunga ki ngā take kaunihera

This statement should be read in conjunction with the HDC's Revenue and Financing Policy, available in our LTP document. All figures in this statement include GST at the prevailing rate.

Separately Used or Inhabited Part of a Rating Unit (SUIP)

Separately used or inhabited rating units include any part of a rating unit used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of tenancy, lease or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation or actual separate use. For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one separately used or inhabited part.

In particular, for farms

A farming unit with one dwelling will be treated as one use/part, with each additional dwelling counting as an additional separately used part of the rating unit. Each additional dwelling will be assessed as a separate unit for the purposes of assessing any rate calculated on the basis of a SUIP.

In particular, for businesses

Separately used and inhabited parts refers to the ability to use part or parts of the rating unit for independent commercial/industrial operations. A separately used and inhabited part includes where the property has been set-up to accommodate, or is accommodating, separate businesses

The Council sets the following rates on the basis of Separately Used or Inhabited Parts of a Rating Units:

- community halls
- refuse collection targeted rates
- ward business targeted rates.

Lump Sum Contributions

HDC is not inviting lump sum contributions in respect of any targeted rates.

Uniform Annual General Charge (UAGC)

The UAGC is a fixed charge per rating unit. It is used to fund the following activities: iwi liaison, libraries, swimming pools, solid waste, animal control, health, liquor licensing, building services, civil defence, sports fields, events centres, passive reserves, sports co-ordinators, cemetery reserves, town halls, community initiatives.

HDC sets a Uniform Annual General Charge on each rating unit within the Hauraki District.

In the 2021/22 year this charge is estimated to be \$660.51 (2020/21 \$617.16).

The revenue sought is approximately \$6,360,156 (2020/21 \$6,095,062).

General rate – capital value - district

The General Rate is assessed on all rating units in the district based on capital value. It is used to fund activities where HDC believes the activity delivers a public benefit to the whole of the community and where a fixed charge per rating unit is not considered appropriate. In particular, for the purpose of funding the following activities: democracy, policy development, solid waste building services, resource management implementation, civil defence, land drainage,

urban stormwater, economic development, information centres, Destination Coromandel, community initiatives, and other sundry activities.

HDC sets the capital value general rate differentially. The differential is based on land use, based on the categories below:

- **Residential/Rural** - means all rating units used primarily for residential, recreational, cultural purposes or primarily or predominately for the purposes of agriculture, viticulture, horticulture or silviculture.
- **Commercial/Industrial** - means all rating units used for commercial or industrial purposes, including utility networks.
- **Mineral Extraction** - means all mineral value rating units that are not used in precious metal mining.
- **Mining** – means the rating unit with the valuation number 05030/009.00 that is used in precious metal mining.

The 2021/22 estimated rates (in cents per dollar of capital value) per category are:

Differential General Rate	Estimated Rate in the Dollar	Revenue Sought 2021/22
Residential/Rural	0.10324	\$6,083,426
Commercial/Industrial	0.26843	\$1,341,650
Mineral Extraction Land Use	1.03243	\$15,964
Mining Land Use	40.94000	\$332,362

Targeted rates

HDC uses targeted rates (as defined in the Local Government (Rating Act) 2002) to collect funds over areas of benefit. Targeted rates are chosen where the services provided are specific to a particular community or area within our District and it is not considered fair to charge all ratepayers, or where it is more transparent to set a separate rate to fund a specific activity. Details of HDC's targeted rates, how the targeted rates are calculated and revenue to be generated by targeted rates is detailed below.

Roading rate

The Roothing Rate is assessed on all rating units in the District based on capital value. It is used to fund the roading activity, travellers reserves, and public toilets. HDC is phased from a differential capital value roading rate to a flat capital value roading rate over three years from 2018/19 to 2020/21.

The 2021/22 estimated rates are:

Targeted Rate	Estimated Rate in the Dollar	Revenue Sought 2021/22
Capital Value Roothing	0.08795	\$5,935,188

Ward

HDC sets three targeted rates, one for each ward, based on an annual charge per rating unit for the purpose of fully and partially funding activities within the ward. These activities include footpaths and street-cleaning, information and visitors' centres, town centres, sports fields and recreation reserves, events centres, township co-ordinators and other sundry activities. The charges will be set on a uniform basis per category with the categories based on the matter location.

The Paeroa Ward Targeted Rate is set on all rating units situated within the Paeroa Ward.

The Plains Ward Targeted Rate is set on all rating units situated within the Plains Ward.

The Waihi Ward Targeted Rate is set on all rating units situated within the Waihi Ward.

Annual charges

For each rating unit within each of the wards annual charges are set, which for 2021/22 are estimated at:

Category	Annual Charge	Revenue Sought 2021/22
Paeroa Ward	\$413.30	\$1,133,219
Plains Ward	\$305.80	\$805,351
Waihi Ward	\$349.07	\$1,393,502

Ward - business

HDC sets targeted rates for each ward, based on a differential annual charge per separately used or inhabited part of a commercial and industrial rating unit for the purpose of partially funding activities within the ward. These activities include, information and visitor centres, town centre improvements, and economic development. The rate funding of these activities comes partly from this targeted rate, partly from the ward targeted rate and also from general rates.

The charges will be set on a differential basis on categories based on location and land use. These rates will only be assessed on separately used or inhabited commercial and industrial parts of commercial and industrial rating units. HDC sets its Community Facilities Business Rate on the basis of separately used and inhabited parts.

For the purposes of this rate separately used and inhabited parts refers to the ability to use part or parts of the rating unit for independent trading operations. A separately used and inhabited part will be classified where the property has been set-up to accommodate, or is accommodating, separate businesses.

Separately used or inhabited commercial and industrial parts of commercial and industrial rating units in the rural areas of the Paeroa and Waihi Wards will be assessed a rate equivalent to half the rate assessed on urban rating units. In the Plains Ward the rural rate assessed is equivalent to 56% of the rate assessed on urban rating units. This is due to Positively Promoting the Plains being funded equally by urban and rural rating units.

The categories for the **Paeroa Ward Business Targeted Rate** are:

- **Paeroa Ward Urban** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the valuation rolls 5001, 5002, 5003 and 5004.
- **Paeroa Ward Rural** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the Paeroa Ward but outside the valuation rolls 5001, 5002, 5003 and 5004.

The categories for the **Plains Ward Business Targeted Rate** are:

- **Plains Ward Urban** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the valuation roll 4771.
- **Plains Ward Rural** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the Plains Ward but outside the valuation roll 4771.

The categories for the **Waihi Ward Business Targeted Rate** are:

- **Waihi Ward Urban** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the valuation rolls 5020 and 5030.
- **Waihi Ward Rural** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the Waihi Ward but outside the valuation rolls 5020 and 5030.

Annual charges

On each separately used or inhabited part of a rating unit within each of the wards, HDC sets the following annual business rate charges.

The 2021/22 estimated rates are:

Category		Annual Charge	Revenue Sought 2021/22
Paeroa Ward	- Urban	\$155.53	\$36,837
	- Rural	\$77.77	\$1,116
Plains Ward	- Urban	\$180.61	\$10,906
	- Rural	\$101.14	\$9,212
Waihi Ward	- Urban	\$240.37	\$50,773
	- Rural	\$120.18	\$2,275

Capital Value Rates

HDC sets targeted rates for each ward, based on capital value on commercial and industrial rating units, for the purpose of partially funding activities within the ward. These activities include, information and visitor centres, town centre improvements, and economic development. The rate funding of these activities comes partly from this targeted rate, partly from the ward targeted rate and also from general rates.

The charges will be set on a differential basis on categories based on location and land use. These rates will only be assessed on separately used or inhabited commercial and industrial parts of commercial and industrial rating units. HDC sets its Community Facilities Business Rate on the basis of separately used and inhabited parts.

For the purposes of this rate separately used and inhabited parts refers to the ability to use part or parts of the rating unit for independent trading operations. A separately used and inhabited part will be classified where the property has been set-up to accommodate, or is accommodating, separate businesses.

Separately used or inhabited commercial and industrial parts of commercial and industrial rating units in the rural areas of the Paeroa and Waihi Wards will be assessed a rate equivalent to half the rate assessed on urban rating units. In the Plains Ward the rural rate assessed is equivalent to 56% of the rate assessed on urban rating units. This is due to Positively Promoting the Plains being funded equally by urban and rural rating units.

The categories for the **Paeroa Ward Business Targeted Rate** are:

- **Paeroa Ward Urban** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the valuation rolls 5001, 5002, 5003 and 5004.
- **Paeroa Ward Rural** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the Paeroa Ward but outside the valuation rolls 5001, 5002, 5003 and 5004.

The categories for the **Plains Ward Business Targeted Rate** are:

- **Plains Ward Urban** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the valuation roll 4771.
- **Plains Ward Rural** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the Plains Ward but outside the valuation roll 4771.

The categories for the **Waihi Ward Business Targeted Rate** are:

- **Waihi Ward Urban** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the valuation rolls 5020 and 5030.
- **Waihi Ward Rural** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the Waihi Ward but outside the valuation rolls 5020 and 5030.

The 2021/22 estimated rates (in cents per dollar of capital value) are:

Category	CV Rate in the dollar	Revenue Sought 2021/22
Paeroa Ward Urban	0.04002	\$36,527
Paeroa Ward Rural	0.02001	\$1,426
Plains Ward Urban	0.02708	\$9,743
Plains Ward Rural	0.01517	\$10,375
Waihi Ward Urban	0.03414	\$51,789
Waihi Ward Rural	0.01707	\$1,259

Community halls

HDC sets targeted rates on all rating units in Community Hall Rating Areas for the purpose of funding community halls. A separate targeted rate will be set for each Community Hall Rating Area.

For maps of the Community Hall Rating Areas, refer to the HDC website: www.hauraki-dc.govt.nz/rating-area-maps

Land value rates

HDC sets targeted rates, based on land value, on each of the following categories based on location.

The categories are:

- **Kaihere Hall** – all rating units situated within the Kaihere Hall Rating Area.
- **Patetonga Hall** – all rating units situated within the Patetonga Hall Rating Area.

The 2021/22 estimated rates (in cents per dollar of land value) are:

Category	LV Rate In the dollar	Revenue Sought 2021/22
Kaihere Hall	0.00437	\$4,707
Patetonga Hall	0.00140	\$1,777

Annual charges

HDC sets the following targeted rates, based on an annual charge per separately used or inhabited part of a rating unit.

The targeted rates are:

- **Hikutaia Hall Targeted Rate**– all rating units situated within the Hikutaia Hall Rating Area within the Hauraki District.
- **Kaiaua Hall Targeted Rate**- all rating units situated within the Kaiaua Hall Rating Area.
- **Karangahake Hall Targeted Rate**– all rating units situated within the Karangahake Hall Rating Area.
- **Kerepehi Hall Targeted Rate**– all rating units situated within the Kerepehi Hall Rating Area.
- **Mangatangi Community Centre Targeted Rate**– all rating units situated within the Mangatangi Community Centre Rating Area within the Hauraki District.
- **Netherton Hall Targeted Rate**– all rating units situated within the Netherton Hall Rating Area.
- **Turua Hall Targeted Rate**– all rating units situated within the Turua Hall Rating Area.
- **Waikino Hall Targeted Rate**– all rating units situated within the Waikino Hall Rating Area.
- **Waitakaruru Hall Targeted Rate**– all rating units situated within the Waitakaruru Hall Rating Area.

In the 2021/22 year the estimated charges are:

Category	Annual Charge	Revenue Sought 2021/22
Hikutaia Hall	\$23.00	\$2,553
Kaiaua Hall	\$10.00	\$4,962
Karangahake Hall	\$25.00	\$3,701
Kerepehi Hall	\$15.00	\$4,319
Mangatangi Community Centre	\$23.00	\$1,058
Netherton Hall	\$20.45	\$3,414
Turua Hall	\$22.00	\$8,844
Waikino Hall	\$23.00	\$4,830
Waitakaruru Hall	\$25.30	\$5,946

Land drainage

HDC sets targeted rates for each of the Drainage Districts for the purpose of funding drainage activity within those drainage districts.

For maps of the Drainage Districts, refer to the HDC website, www.hauraki-dc.govt.nz/rating-area-maps

Drainage rates (D rates)

HDC sets land value rates on each rating unit within the following locations for the purpose of funding drainage activity.

The targeted rates are:

- **Eastern Plains** – all rating units situated within the Eastern Plains Drainage District, excluding those residential, commercial and industrial, and community land use rating units within the townships of Kerepehi and Turua.
- **Western Plains** – all rating units situated within the Western Plains Drainage District, excluding those residential, commercial and industrial, and community land use rating units within the town of Ngatea.
- **Komata North Drainage District** – all land situated within the Komata North Drainage District.
- **Opukeko Drainage District** – all land situated within the Opukeko Drainage District excluding those residential, commercial and industrial, and community land use rating units within the town of Paeroa.
- **Tirohia-Rotokohu Drainage District** – all land situated within the Tirohia-Rotokohu Drainage District excluding those residential, commercial and industrial, and community land use rating units within the town of Paeroa.
- **Taramaire Drainage District** – all land situated within the Taramaire Drainage District.

The 2021/22 estimated rates (in cents per dollar of land value) are:

Category	LV Rate in the dollar	Revenue Sought 2021/22
Eastern Plains D Rate	0.05311	\$369,556
Western Plains D Rate	0.07599	\$516,759
Komata North D Rate	0.10693	\$80,922
Opukeko D Rate	0.15007	\$44,529
Tirohia-Rotokohu D Rate	0.16216	\$123,463
Taramaire D Rate	0.08623	\$11,607

Flood protection rates (F Rates)

HDC sets land value rates on a differential basis on each rating unit within the following locations for the purpose of funding flood protection activity.

For maps of the Flood Protections Areas, refer to the HDC website, www.hauraki-dc.govt.nz/rating-area-maps

The targeted rates are:

- **Flood Protection Class 1 (F1)** – all rating units situated within the Western Plains Drainage District Flood Protection Area 1.
- **Flood Protection Class 2 (F2)** – all rating units situated within the Western Plains Drainage District Flood Protection Area 2.
- **Flood Protection Taramaire** – all rating units situated within the Taramaire Flood Protection area.
- **Flood Protection Kaiaua** – all rating units situated within the Kaiaua Flood Protection area.

The 2021/22 estimated rate (in cents per dollar of land value) is:

Category	LV Rate in the dollar	Revenue Sought 2021/22
Western Plains F1	0.10242	\$68,025
Western Plains F2	0.02421	\$6,699
Taramaire	0.09933	\$9,446
Kaiaua	0.00477	\$8,380

Pump rates (P rates)

HDC sets a land area rate on a uniform basis on all land within the following category based on provision of service, for the purpose of funding the replacement of drainage pumps.

Western Plains Class P – all land serviced by the Hopai West, Martinovich, Central, North and Rowerawe West pump stations.

For maps of the land serviced by pump stations, refer to the HDC website, www.hauraki-dc.govt.nz/rating-area-maps

The 2021/22 estimated rates (in dollars per hectare of land area) are:

Category	Rate per Hectare	Revenue Sought 2021/22
Western Plains Class P	\$27.57	\$43,588

Urban stormwater

HDC sets targeted rates on all non-rural land use rating units in the towns of Paeroa, Ngatea, Kerepehi, Turua, Waihi, Whiritoa and on some rating units within the Kaiaua Coastal Area for the purpose of funding the urban stormwater activity.

For maps of the urban stormwater rating areas, refer to the HDC website, www.hauraki-dc.govt.nz/rating-area-maps

Capital value rates

HDC sets capital value targeted rates on each rating unit within the following locations.

The targeted rates are:

- All rating units within the Paeroa Stormwater Rating Area.
- All rating units within the Ngatea Stormwater Rating Area.
- All rating units within the Kerepehi Stormwater Rating Area.
- All rating units within the Turua Stormwater Rating Area.
- All rating units within the Waihi Stormwater Rating Area.
- All rating units within the Whiritoa Stormwater Rating Area.
- All rating units within the Kaiaua Stormwater Rating Area.

The 2021/22 estimated rates (in cents per dollar of capital value) are:

Category	Capital value rate in the dollar	Revenue Sought 2021/22
Paeroa	0.04219	\$309,690
Ngatea	0.06597	\$189,786
Kerepehi	0.06581	\$56,015
Turua	0.13529	\$85,729
Waihi	0.02658	\$258,987
Whiritoa	0.01466	\$47,944
Kaiaua	0.06318	\$89,601

Water supply

HDC sets targeted rates for water supply based on, the volume of water supplied and, the number of connections to the supply on all rating units connected to a water supply, for the purpose of funding the water supply activity. Water supply rates are billed separately twice yearly on varying dates in the various water supply areas.

For the purposes of water supply, properties are 'connected' to a water supply when the means to connect has been installed, i.e. a water lead has been installed from HDC water main to the boundary.

Annual charges

HDC sets an annual charge per connection to a water supply on each rating unit within the following category based on the provision of a service:

- Connected – all rating units with a connection to an HDC water supply.

The 2021/22 estimated annual charge is \$131.69 (2020/21 \$124.23) per metered connection.

Every connection will be charged the annual charges in conjunction with their usage charges for water consumed.

Water volume rates (metered supply)

HDC sets a targeted rate per unit of water supplied to each rating unit connected to an HDC water supply.

The 2021/22 estimated rates (in cents per cubic metre of water supplied) are:

	2021/22
Base Rate – Consumption up to 200 cubic metres	213.34c
Step One – Consumption between 200 and 400 cubic meters	179.08c
Step Two – All consumption over 400 cubic metres	161.95c

The revenue sought from water supply targeted rate annual charges and water volume rates is approximately \$8,700,193 (2020/21 \$8,208,000).

Wastewater

HDC sets targeted rates for wastewater based on an annual charge per rating unit for unconnected rating units, or per water closet / urinal (pan) for connected rating units. Rating units used primarily as a residence for one household will only be charged one pan charge. The targeted rates are for the purpose of funding the wastewater activity.

Annual charges

Unconnected

HDC sets an annual charge on all rating units not connected to an HDC wastewater scheme but with part of a boundary within 30 metres of a wastewater main belonging to an HDC wastewater scheme.

The 2021/22 estimated annual charge per rating unit is:

	Uniform Charge	Revenue Sought 2021/22
Per rating unit	\$333.30	\$211,646

Connected

HDC sets an annual charge per wastewater pan on all rating units connected to an HDC wastewater scheme.

The 2021/22 estimated annual charge per wastewater pan is:

	Uniform Charge	Revenue Sought 2021/22
Per pan	\$663.10	\$3,910,117

Rating units used primarily as a residence for one household will be treated as having one pan.

There may be further reductions in pan charges for educational establishments dependent upon regulations made under section 25 of the Local Government (Rating) Act 2002. HDC's remission policy on wastewater charging for educational establishments should be read in conjunction with this policy.

Refuse collection targeted rates

HDC sets targeted rates for refuse collection and kerbside recycling based on a uniform charge per separately used or inhabited part of a rating unit serviced by a HDC funded refuse collection.

The targeted rates are for the purpose of funding the kerbside recycling activity, and the administration of the refuse collection activity. The annual charge is on a differential basis (based on location and the provision of service).

Annual charges

HDC sets an annual charge per separately used or inhabited part of a rating unit on a differential basis (based location and the provision of service). Whiritoa rating units have an increased number of collections per year.

The categories are:

- **District Collected** – all rating units serviced by HDC's kerbside recycling collection excluding those in the Whiritoa township.
- **Whiritoa Collected** – all rating units serviced by HDC's kerbside recycling collection in the Whiritoa township.

The 2021/22 estimated annual charges are:

Category	Uniform charge	Revenue Sought 2021/22
District Collected	\$43.99	\$281,512
Whiritoa Collected	\$57.20	\$28,730

Penalties for late payments and due date of payments

Payment methods

The above rates are payable at HDC Offices at William Street, Paeroa, Orchard Road, Ngatea and Rosemont Road, Waihi between 8.00am and 4.30pm Monday to Friday. Payments may also be made by way of Direct Debits and Automatic Payments. Direct Credits in the form of telephone and internet banking services are also accepted. Credit card payments on the HDC website are also accepted.

Rates (excluding water rates) due dates

Excluding water supply targeted rates, the above rates are by way of four instalments, the dates of such instalments being:

Instalment Number	Due date	Penalty added
One	25 August 2021	27 August 2021
Two	24 November 2021	26 November 2021
Three	23 February 2022	25 February 2022
Four	25 May 2022	27 May 2022

Rates (excluding water rates) penalties for late payment

The following penalties will be added to outstanding rates (excluding water supply rates):

- A penalty of 10% will be added to the amount of any instalment remaining unpaid by the relevant due date above. The penalty will be added on the date stated in the 'Penalty Added' column in the tables above.
- A further penalty of 10% will be added to all rates assessed in a previous year which remain unpaid on 1 March 2022. The penalty will be added on 1 March 2022.

Water supply targeted rates due dates

Water supply targeted rates are by way of two instalments per year for those rating units that have received less than 10,000kl over the last two billing periods. Those rating units who have used more than 10,000kl over the last two billing periods, will be billed bi-monthly.

Instalment dates are staggered throughout the year. Refer to HDC's website to find a map of the various reading areas www.hauraki-dc.govt.nz/rating-area-maps. For a list of rating units (over 10,000kl as described above) by assessment number refer to HDC's website. These rating units will be billed bi-monthly. The dates of instalments are:

For rating units billed twice a year:

Instalment Number	Reading area	Due date	Penalty added
One	1- Ngatea township - Paeroa township - Waihi township	25 August 2021	27 August 2021
One	2 – Turua and surrounds – Paeroa commercial –Waihi commercial – Waihi gold	29 September 2021	1 October 2021
One	3 – Waitakururu and Ngatea North – Waihi rural	27 October 2021	29 October 2021
One	4 – Kerepehi and Ngatea South – Ohinemuri and Kaimanawa	24 November 2021	26 November 2021
One	5 - Netherton	29 December 2021	31 December 2021
One	6 - Karangahake/Mackaytown - Waikino	26 January 2022	28 January 2022
Two	1- Ngatea township - Paeroa township - Waihi township	23 February 2022	25 February 2022
Two	2 – Turua and surrounds – Paeroa commercial –Waihi commercial – Waihi gold	30 March 2022	1 April 2022

Instalment Number	Reading area	Due date	Penalty added
Two	3 – Waitakururu and Ngatea North – Waihi rural	27 April 2022	29 April 2022
Two	4 – Kerepehi and Ngatea South – Ohinemuri and Kaimanawa	25 May 2022	27 May 2022
Two	5 - Netherton	29 June 2022	1 July 2022
Two	6 - Karangahake/Mackaytown - Waikino	27 July 2022	29 July 2022

For rating units billed bi-monthly:

Instalment Number	Due date	Penalty added
One	20 August 2021	
Two	20 October 2021	27 October 2021
Three	20 December 2021	
Four	20 February 2022	
Five	20 April 2022	29 April 2022
Six	20 June 2022	

Water supply targeted rates penalties for late payment

The following penalties will be applied to water supply rates:

For rating units billed twice a year:

- An additional charge of 5% will be added to all current and previous years' rates that remain outstanding on date showing in the "Due Date" column in the tables above for Instalment Number One. The penalty will be added on the date showing in the "Penalty Added" column in the tables above for Instalment Number One.
- An additional charge of 5% will be added to all current and previous years' rates that remain outstanding on date showing in the "Due Date" column in the tables above for Instalment Number Two. The penalty will be added on the date showing in the "Penalty Added" column in the tables above for Instalment Number Two.

For rating units billed bi-monthly:

- A penalty of 5% will be added to all current and previous years' rates outstanding on 27 October 2021. The penalty will be added on 29 October 2021.
- A penalty of 5% will be added to all current and previous years' rates outstanding on 27 April 2022. The penalty will be added on 29 April 2022.

Rating base information

The projected number of rating units within our district at 30 June 2021 is 11,527.

The projected total capital value of rating units within our district at 30 June 2021 is \$7,497,969,724.

The projected total land value of rating units within our district at 30 June 2021 is \$4,616,285,547.

Rating changes | Ngā rereketanga o ngā take Kaunihera

Summary of rating changes by type (%)

Forecast Changes by Rate (%)	Budgeted 2020/21	Change 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General Rates - UAGC	5,168	4.3%	7.03%	2.50%	2.50%	10.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
General Rates - CV	6,316	2.1%	7.03%	2.50%	2.50%	10.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Targeted Rates - Land Transport	4,901	8.3%	5.31%	12.72%	12.63%	3.08%	3.08%	3.06%	3.05%	3.05%	3.04%	3.04%
Targeted Rates - Paeroa Community Facilities	945	2.4%	4.31%	1.25%	1.22%	1.19%	1.18%	1.20%	1.25%	1.21%	1.21%	1.21%
Targeted Rates - Paeroa Community Facilities Business	206	1.6%	-68.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Plains Community Facilities	659	-1.4%	6.23%	1.60%	1.58%	1.57%	1.56%	1.56%	1.54%	1.55%	1.52%	1.50%
Targeted Rates - Plains Community Facilities Business	95	1.7%	-63.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Waihi Community Facilities	1,189	0.3%	1.95%	0.97%	1.08%	1.04%	1.02%	1.02%	0.99%	0.96%	0.99%	0.95%
Targeted Rates - Waihi Community Facilities Business	162	1.4%	-43.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Wastewater	3,584	5.2%	0.00%	2.50%	2.50%	7.50%	7.50%	7.50%	12.50%	17.50%	12.50%	12.50%
Targeted Rates - Western Plains 'D'	441	3.0%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Eastern Plains 'D'	292	1.6%	10.00%	10.00%	5.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Komata North 'D'	59	4.5%	20.00%	20.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Opukeko 'D'	34	4.1%	15.00%	10.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Tirohia-Rotokohu 'D'	107	1.3%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Taramaire 'D'	10	3.5%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Taramaire 'F'	7	1.1%	20.00%	2.50%	2.49%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Western Plains 'F1'	56	-1.3%	5.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Western Plains 'F2'	6	15.7%	4.99%	2.51%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.49%
Targeted Rates - Western Plains 'P'	37	3.0%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Paeroa Stormwater	269	1.6%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Ngatea Stormwater	138	0.9%	20.00%	20.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Kerepehi Stormwater	49	1.4%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Turua Stormwater	50	0.9%	50.00%	20.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Waihi Stormwater	225	0.1%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Whiritoa Stormwater	42	2.9%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Kaiaua Stormwater	59	1.4%	33.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Waste Collection and Recycling	208	1.3%	30.00%	7.50%	102.50%	22.50%	5.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Targeted Rates - Rural Hall Rates	0	0.0%		2.70%	2.50%	2.40%	2.50%	2.40%	2.50%	2.60%	2.59%	2.40%
Rates excluding water	25,310	3.6%	4.48%	4.71%	5.58%	6.86%	3.90%	3.85%	4.57%	5.42%	4.84%	4.95%
Cap for rates excluding water		3.9%	8.2%	7.4%	7.0%	7.0%	7.1%	7.0%	7.1%	7.2%	7.2%	7.1%
Targeted Rates - Water	7,137	3.0%	6.00%	7.50%	10.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Water Charges Cap		5.4%	11.2%	10.4%	10.0%	5.5%	5.6%	5.5%	5.6%	5.7%	5.7%	5.6%
Total Rates	32,447	3.5%	4.8%	5.3%	6.6%	5.8%	3.6%	3.5%	4.1%	4.8%	4.3%	4.4%

Summary of rating changes by type (\$000)

Forecast Rates (\$000's)	Budgeted 2020/21	Change 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31
General Rates - UAGC	5,168	4.26%	5,531	5,669	5,811	6,392	6,647	6,913	7,190	7,477	7,776	8,087
General Rates - CV	6,316	2.05%	6,759	6,928	7,102	7,812	8,124	8,449	8,787	9,139	9,504	9,884
Targeted Rates - Land Transport	4,901	8.34%	5,161	5,817	6,552	6,754	6,962	7,175	7,394	7,620	7,851	8,090
Targeted Rates - Paeroa Community Facilities	945	2.41%	985	998	1,010	1,022	1,034	1,046	1,059	1,072	1,085	1,098
Targeted Rates – Paeroa Community Facilities Business	206	1.59%	66	68	69	71	73	75	77	78	80	82
Targeted Rates - Plains Community Facilities	659	-1.36%	700	711	723	734	746	757	769	781	793	804
Targeted Rates - Plains Community Facilities Business	95	1.68%	35	36	37	38	39	40	41	42	43	44
Targeted Rates - Waihi Community Facilities	1,189	0.32%	1,212	1,224	1,237	1,250	1,262	1,275	1,288	1,300	1,313	1,326
Targeted Rates - Waihi Community Facilities Business	162	1.39%	92	95	97	99	102	104	107	110	112	115
Targeted Rates - Wastewater	3,584	5.16%	3,584	3,674	3,766	4,048	4,352	4,678	5,263	6,184	6,957	7,826
Targeted Rates - Western Plains 'D'	441	2.99%	449	461	472	484	496	508	521	534	547	561
Targeted Rates - Eastern Plains 'D'	292	1.58%	321	353	371	380	390	400	410	420	430	441
Targeted Rates - Komata North 'D'	59	4.53%	70	84	87	89	91	93	96	98	100	103
Targeted Rates - Opukeko 'D'	34	4.06%	39	43	44	45	46	47	48	49	51	52
Targeted Rates - Tirohia-Rotokohu 'D'	107	1.28%	107	110	113	116	119	121	125	128	131	134
Targeted Rates - Taramaire 'D'	10	3.52%	10	10	11	11	11	11	12	12	12	13
Targeted Rates - Taramaire 'F'	7	1.14%	8	8	9	9	9	9	10	10	10	10
Targeted Rates - Western Plains 'F1'	56	-1.33%	59	61	62	64	65	67	69	70	72	74
Targeted Rates - Western Plains 'F2'	6	15.73%	6	6	6	6	6	7	7	7	7	7
Targeted Rates - Western Plains 'P'	37	2.98%	38	39	40	41	42	43	44	45	46	47
Targeted Rates - Paeroa Stormwater	269	1.62%	269	276	283	290	297	305	312	320	328	336
Targeted Rates - Ngatea Stormwater	138	0.88%	165	198	203	208	213	219	224	230	235	241
Targeted Rates - Kerepehi Stormwater	49	1.43%	49	50	51	52	54	55	56	58	59	61
Targeted Rates - Turua Stormwater	50	0.88%	75	89	92	94	96	99	101	104	106	109
Targeted Rates - Waihi Stormwater	225	0.14%	225	231	237	243	249	255	261	268	274	281
Targeted Rates - Whiritoa Stormwater	42	2.94%	42	43	44	45	46	47	48	50	51	52
Targeted Rates - Kaiaua Stormwater	59	1.37%	78	80	82	84	86	88	90	93	95	97
Targeted Rates - Waste Collection/Recycling	208	1.29%	270	290	587	719	759	778	797	817	838	859
Targeted Rates - Rural Hall Rates	0	0.00%	37	38	39	40	41	42	43	44	45	46
Rates excluding water	25,310	3.90%	26,443	27,690	29,233	31,238	32,456	33,707	35,248	37,158	38,955	40,883
Targeted Rates - Water Meter Charges	7,137	3.00%	7,565	8,133	8,946	9,170	9,399	9,634	9,875	10,122	10,375	10,634
Total Rates	32,447	3.70%	34,009	35,822	38,179	40,408	41,855	43,341	45,122	47,280	49,329	51,517

Examples of changes to rates (sample properties)

	2020/21 Actual	2021/22 Forecast
Rural		
Low value (\$550,000)		
Plains	\$2,306	\$2,386
Paeroa	\$2,839	\$2,910
Waihi	\$2,000	\$2,061
Medium value (\$1,573,000)		
Plains	\$4,856	\$4,969
Paeroa	\$6,112	\$6,204
Waihi	\$3,935	\$4,017
High Value (\$4,471,000)		
Plains	\$12,914	\$13,132
Paeroa	\$16,599	\$16,756
Waihi	\$9,928	\$10,074
Residential		
Low value (\$210,000)		
Plains	\$2,115	\$2,213
Paeroa	\$2,196	\$2,271
Waihi	\$2,110	\$2,174
Medium value (\$345,000)		
Plains	\$2,444	\$2,561
Paeroa	\$2,508	\$2,586
Waihi	\$2,401	\$2,468
High value (\$555,000)		
Plains	\$2,957	\$3,101
Paeroa	\$2,994	\$3,076
Waihi	\$2,854	\$2,925
Commercial/Industrial		
Low value (\$121,000)		
Plains	\$3,149	\$3,061
Paeroa	\$3,298	\$3,130
Waihi	\$3,143	\$3,125
Medium value (\$330,000)		
Plains	\$3,834	\$4,000
Paeroa	\$4,056	\$4,047
Waihi	\$3,837	\$3,997
High value (\$924,000)		
Plains	\$5,779	\$6,670
Paeroa	\$6,209	\$6,652
Waihi	\$5,808	\$6,474

Balanced budget statement | Te taurite ō ngā pūrongo pūtea

We're required by legislation to operate a balanced budget for each activity, i.e. our projected revenues in any particular year must be set at a level to meet that year's projected operating expenditure.

The elected Council can resolve not to balance its budget, as long as it can show it's acting prudently and has future or past surpluses to offset the current deficits.

We're forecasting surpluses in each year of the plan. Some of these surpluses are because of subsidies on roading and wastewater capital projects. Without these subsidies the surpluses would be smaller.

In a number of activities, we've decided it's prudent not to fully fund operating expenses in each year because of past or future year surpluses. Examples include where there is cyclical expenditure such as Council elections. The elections occur every three years, and are funded over the three-year period rather than seeing a spike in funding for one year. This means there is under-funding for one year and surplus funding for the other two years. Similarly, there is expenditure in creating/reviewing the District Plan. The District Plan is a document that has a multi-year lifespan with the bulk of the expenditure occurring in the first years of development. We consider that it's more equitable to fund the review of this document over the life of the Plan and not in the year the expenditure is incurred.

Some other activities are running small deficits in a few years. In each case the surpluses in other years are sufficient to offset these deficits.

In all these cases we believe it is prudent to run a deficit in those years.

Financial reporting and prudence regulations disclosure statement | Ngā pitopito kōrero Pūtea for the period commencing 1 July 2021

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its Long Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

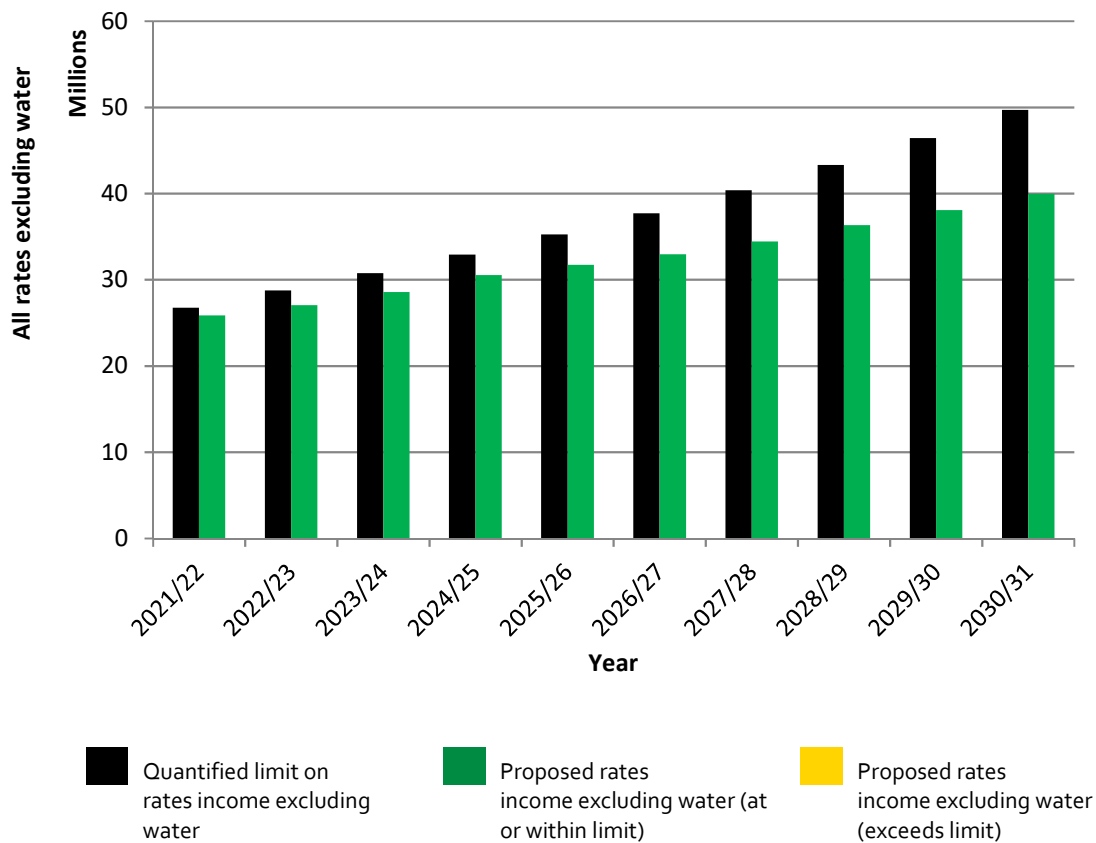
Rates affordability benchmark

The Council meets the rates affordability benchmark if:

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

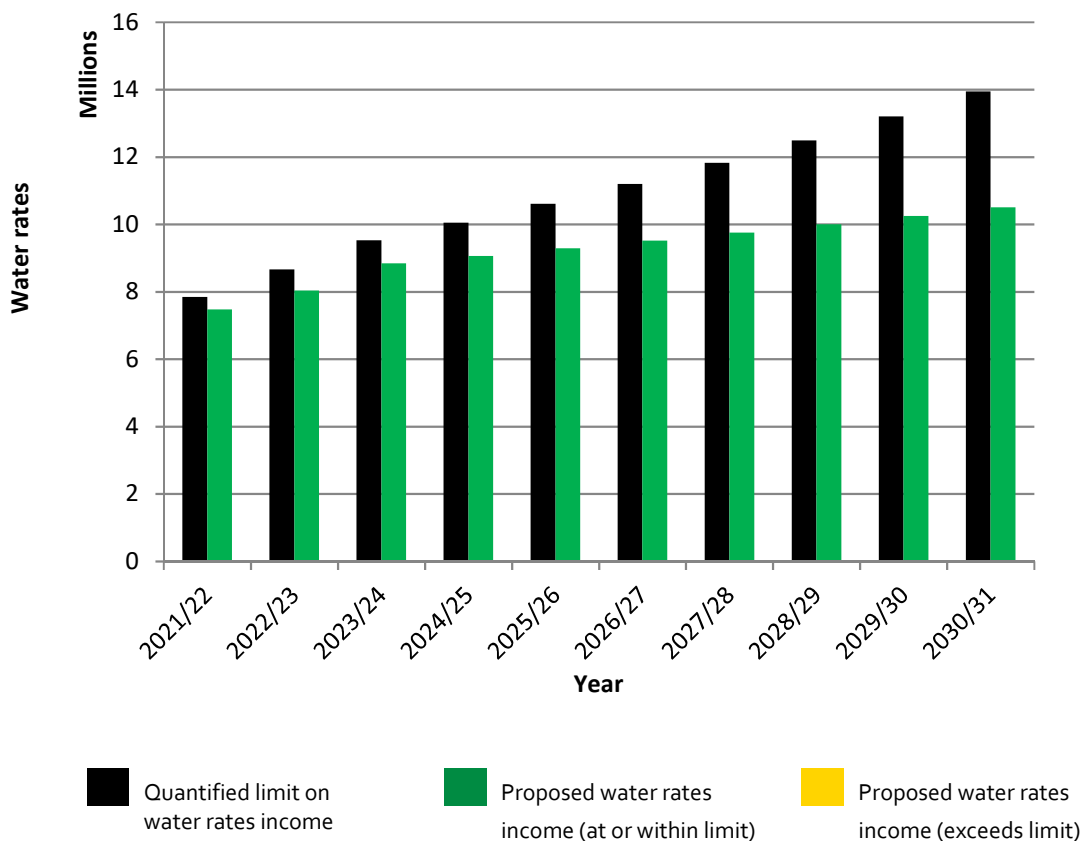
Rates excluding water rates (income) affordability

The following graph compares the Council's planned rates (excluding water rates) with a quantified limit on rates. The quantified limit is that the income from all rates excluding water, will be no more than the 2020/21 income from all rates excluding water plus annual increases of the Local Government Cost Index plus 4.5%.



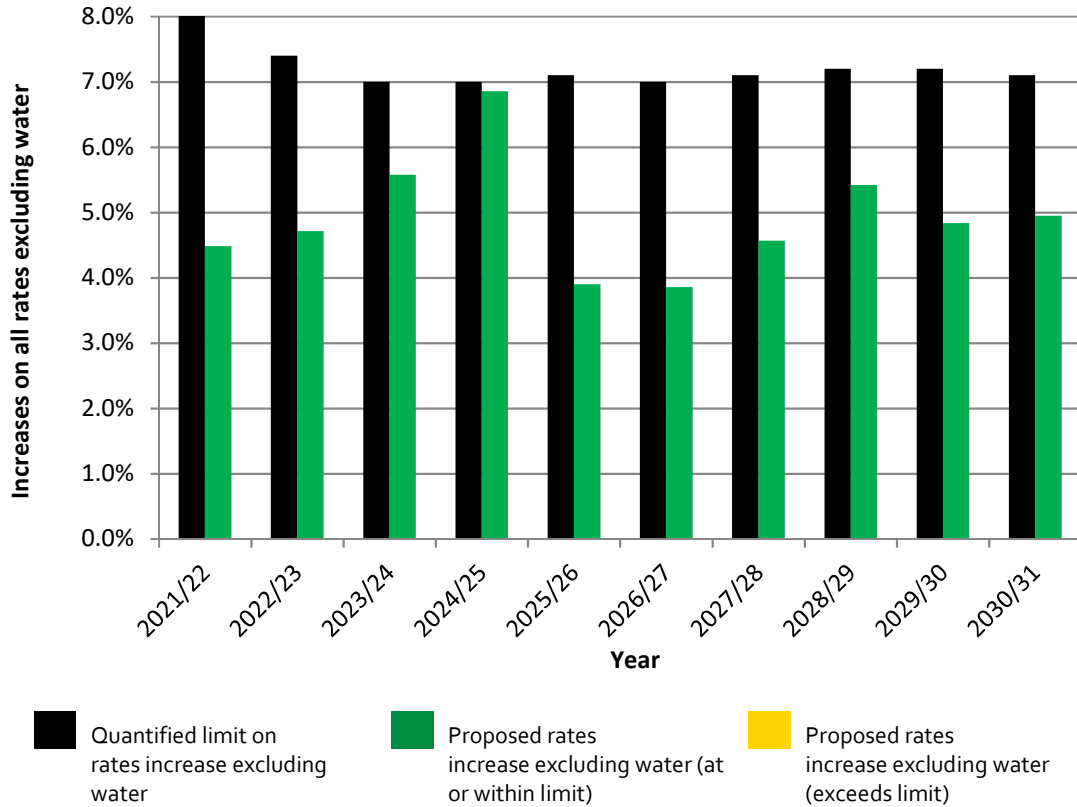
Water rates (income) affordability

The following graph compares the Council's planned water rates with a quantified limit on rates. The quantified limit is that the income from all rates excluding water, will be no more than the 2020/21 income from water rates, plus annual increases of the Local Government Cost Index plus 7.5% for the first three years of the plan, and annual increases of the Local Government Cost Index plus 3.0% for the last seven years of the plan.



Rates excluding water (increases) affordability

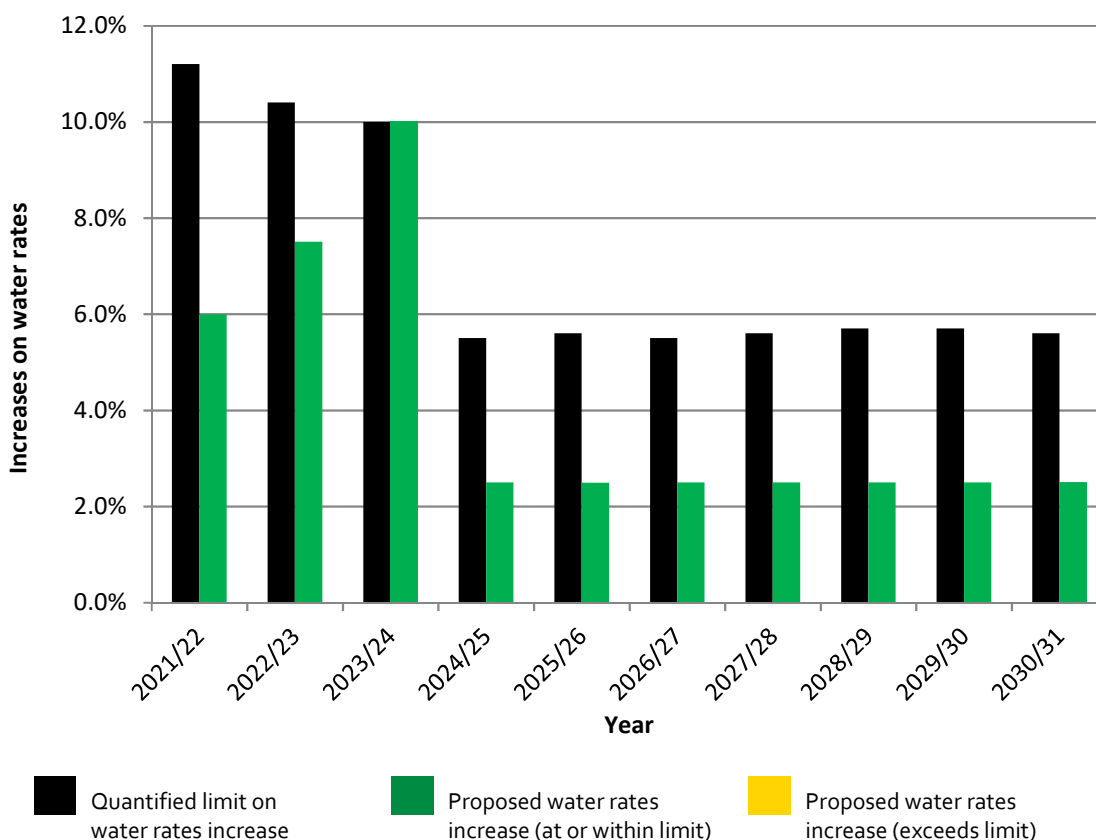
The following graph compares the Council's planned rates increases (excluding water rates) with a quantified limit on rates increases contained in the Financial Strategy included in this Long Term Plan. The quantified limit is that the percentage increase in rates will be no more than the Local Government Cost Index plus 4.5% for all rates excluding water.



Water rates (increases) affordability

The following graph compares the Council's planned water rates increases quantified limits on water rates increases contained in the Financial Strategy included in this Long Term Plan. The quantified limit is that the percentage increase in water rates should not exceed the Local Government Cost Index (LGCI) plus 7.5% per annum for the first three years of the plan, and the Local Government Cost Index (LGCI) plus 3.0% per annum for the last seven years of the plan.

Council's water rates are forecast to be within the cap in each year of the plan. However due to the unpredictability of water consumption resulting from variable year-to-year weather patterns, it is likely that in drier years water rates will breach the cap, with this being offset by lower income in wetter years. Council has not forecast which years are likely to be dry years.



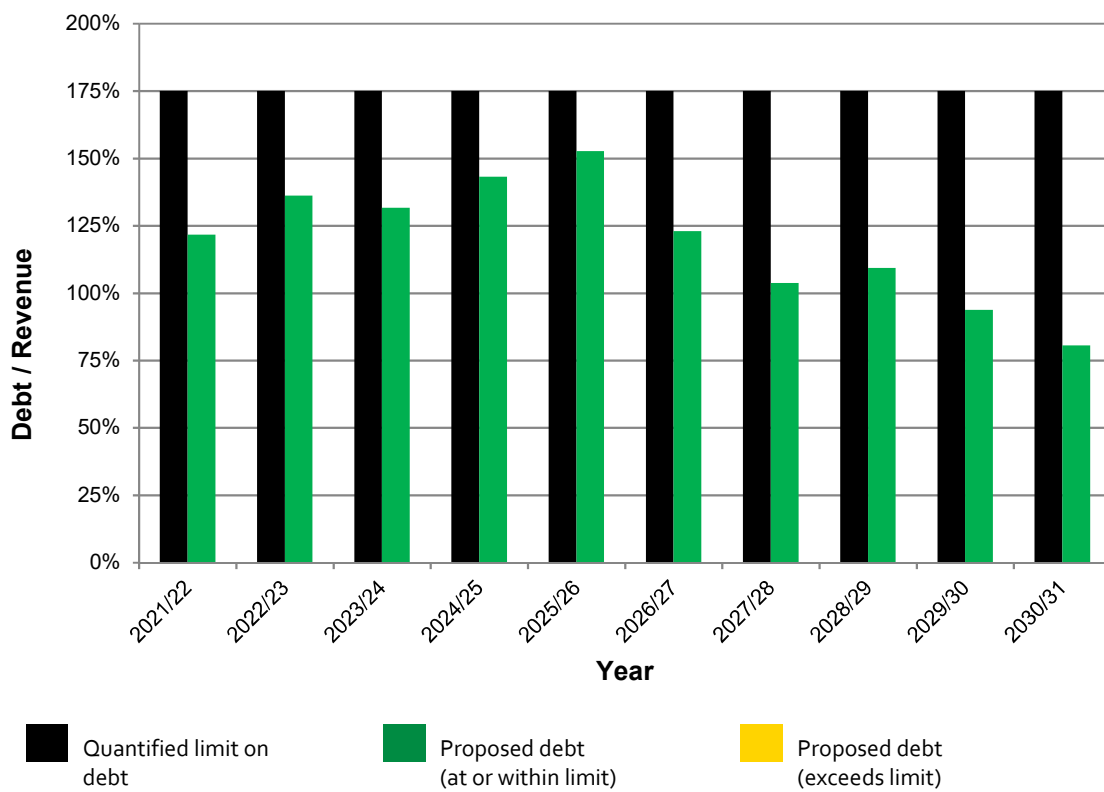
Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has four quantified limits on borrowing:

- debt is equal to or less than 175% of total revenue
- net interest expense is equal to or less than 15% of rates revenue
- net interest expense is equal to or less than 10% of total revenue
- external public debt per assessment is equal to or less than \$8,000

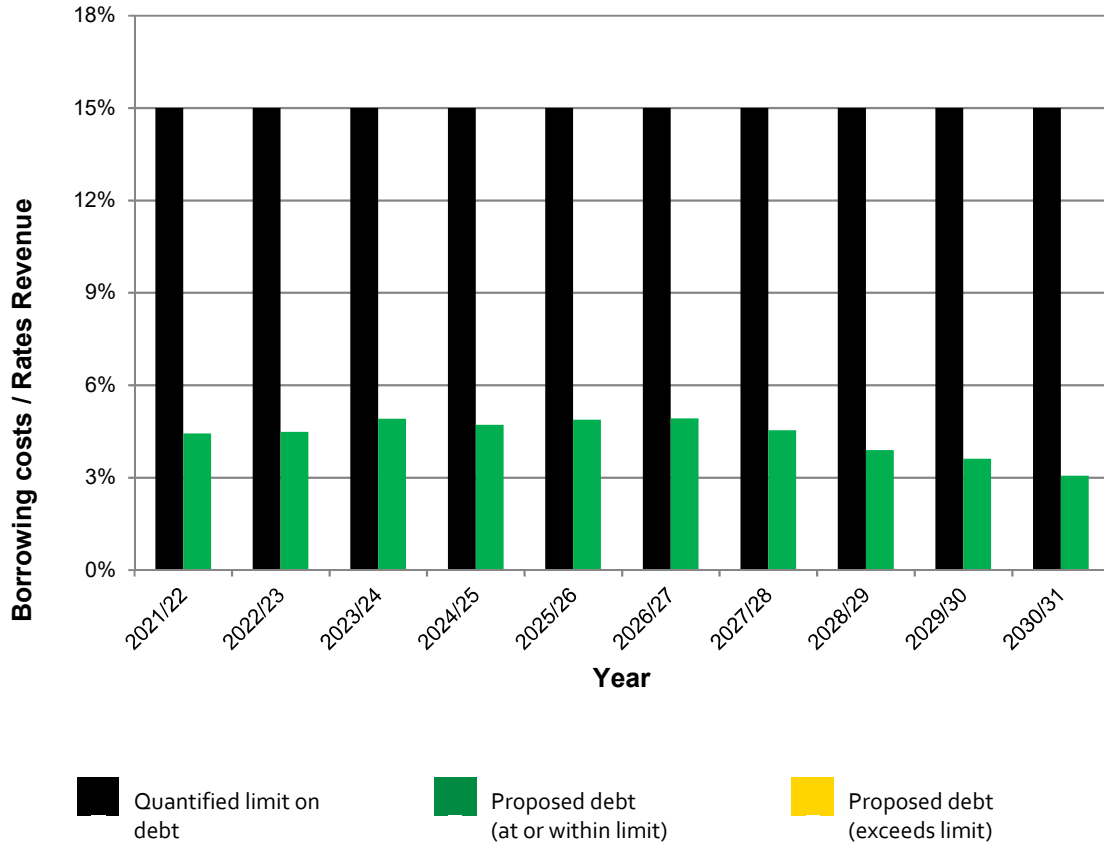
Debt (debt to total revenue) affordability

The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit is that net external debt is equal to or less than 175% of total revenue.



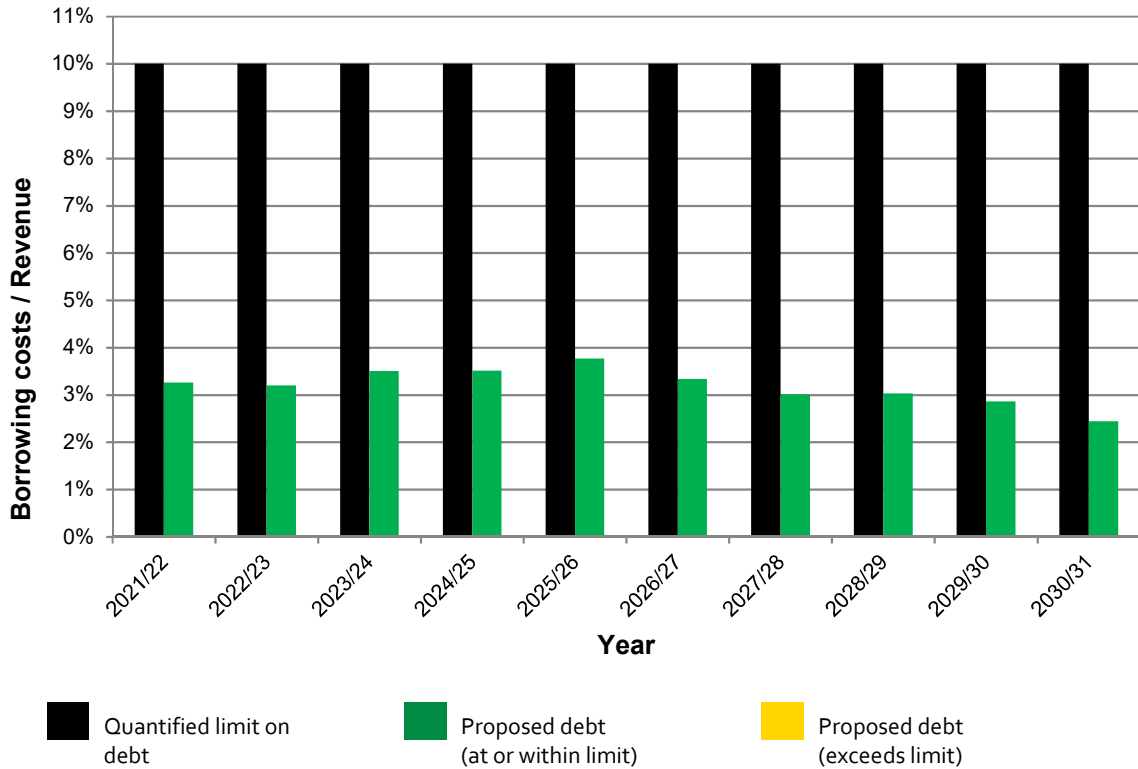
Debt (net interest expense to rates revenue) affordability

The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit is that net interest expense is equal to or less than 15% of rates revenue.



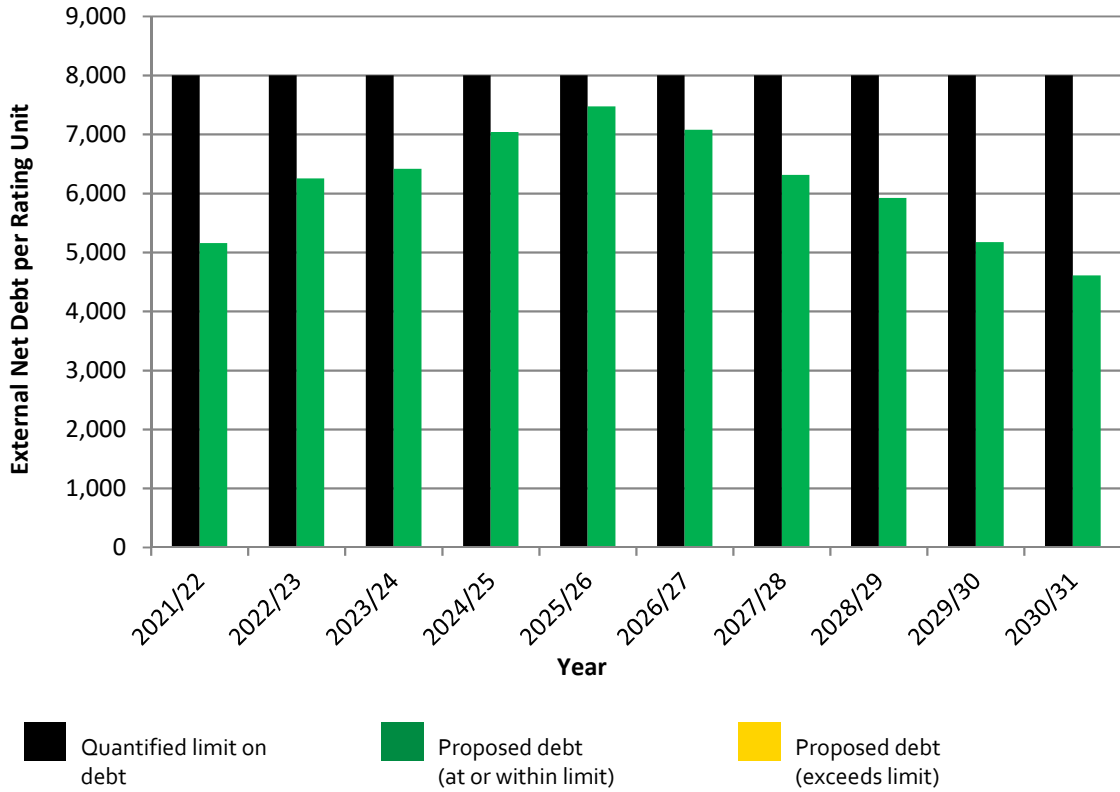
Debt (net interest expense to total revenue) affordability

The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit is that net interest expense is equal to or less than 10% of total revenue.



Debt (external public debt per assessment) affordability

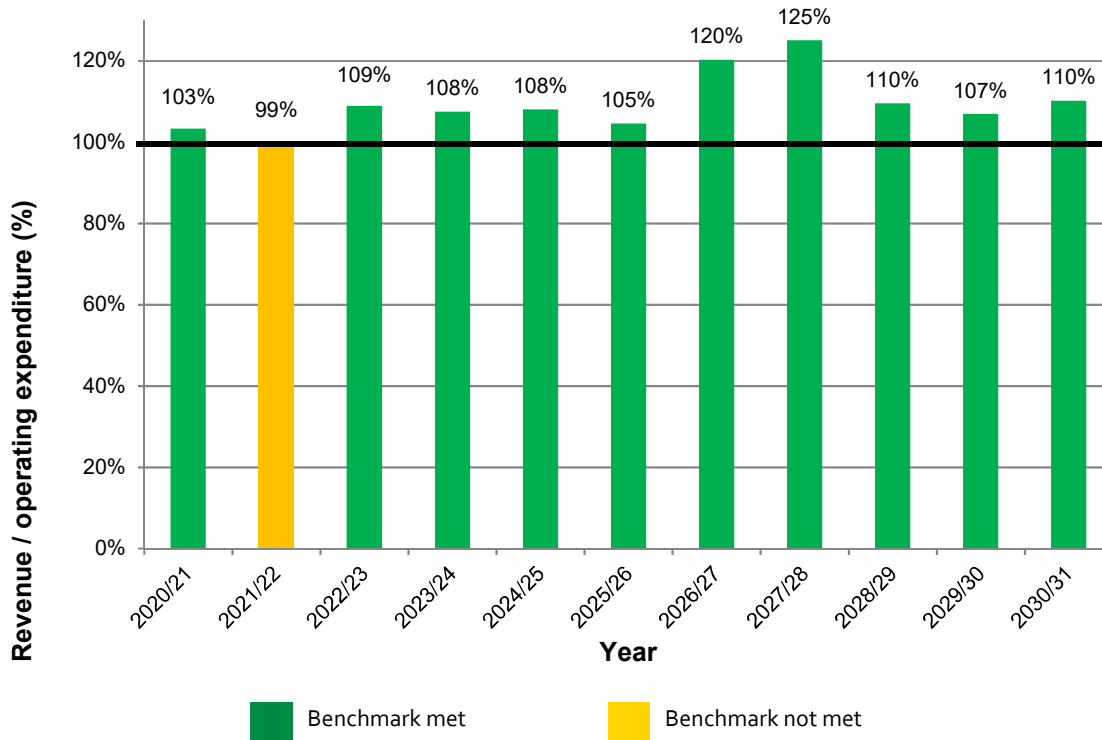
The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit is that external net debt per rating unit is equal to or less than \$8,000 in any year.



Balanced budget benchmark

The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested asset income, 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 revaluation of property, plant, or equipment).

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

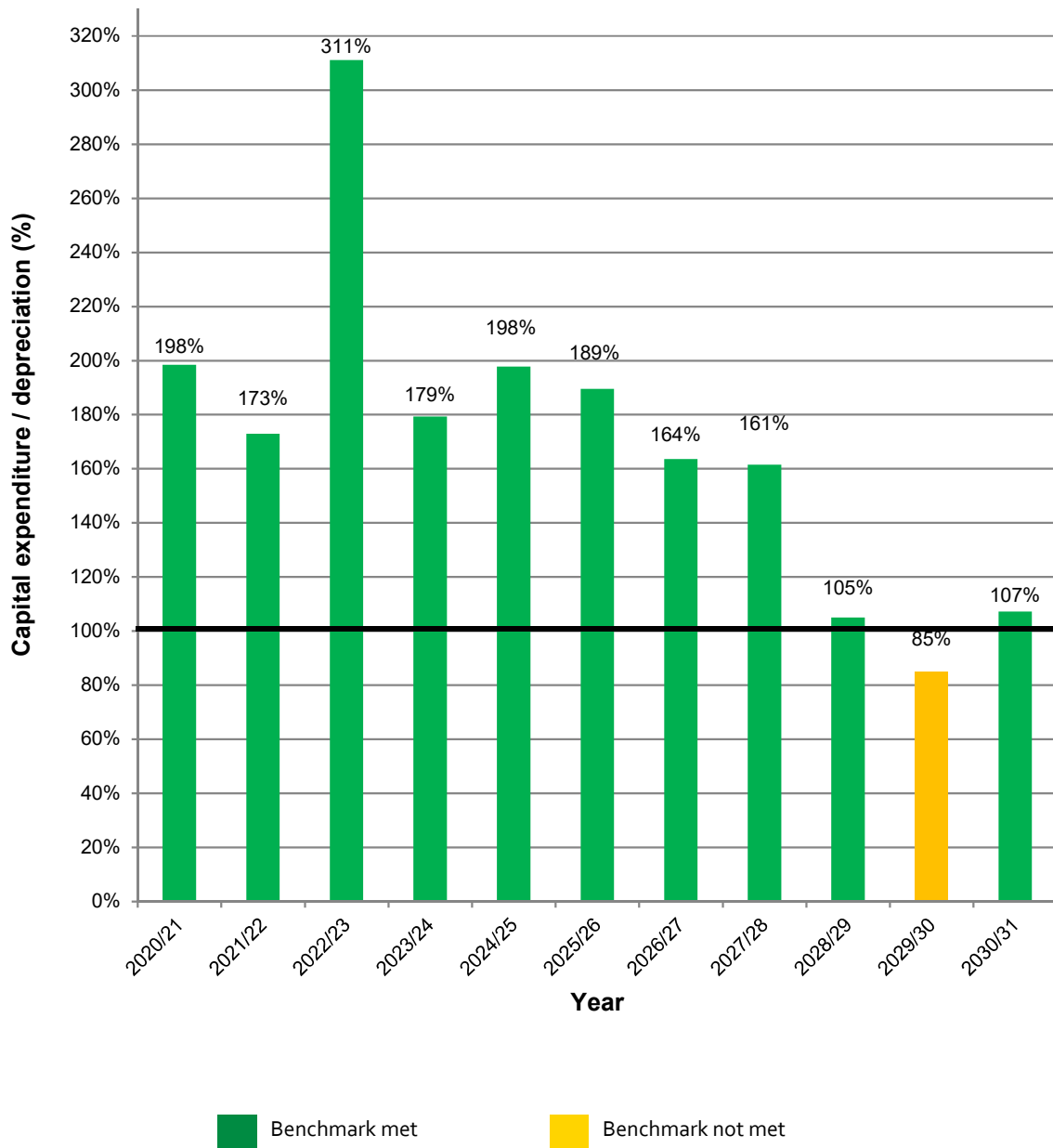


The Council has a policy of smoothing rates increases and also of smoothing the funding of irregularly occurring expenditure over several years (e.g. election costs fall every three years but are funded evenly). This policy can cause surpluses or deficits in individual years.

Essential services benchmark

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

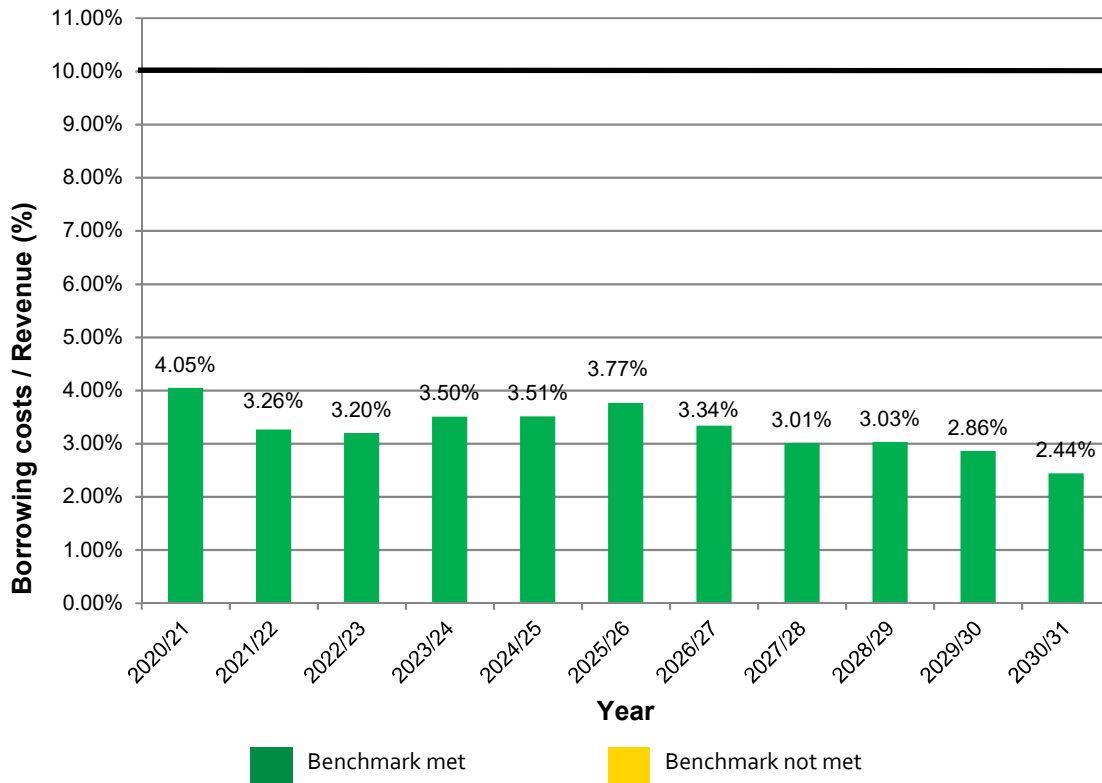
The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested asset income, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.





William Street, Paeroa • PO Box 17, Paeroa 3640
P (07) 862 8609 • 0800 734 834 (*from within district*)
E info@hauraki-dc.govt.nz • www.hauraki-dc.govt.nz