



# Agenda

**Notice is hereby given of  
an Extraordinary Council Meeting**

**Tuesday 1 June 2021**

**9:00am**

**Clubrooms  
Waimate Event Centre  
Paul Street  
Waimate**

[www.waimatedc.govt.nz](http://www.waimatedc.govt.nz)

**Notice is hereby given that a meeting of the Council will be held in the Clubrooms, Waimate Event Centre, Paul Street, Waimate, on Tuesday 1 June 2021, 9:00am.**

**Elected Members**

Craig Rowley	Chairperson
Sharyn Cain	Deputy Chairperson
Fabia Fox	Councillor
Sandy McAlwee	Councillor
Miriam Morton	Councillor
Tom O'Connor	Councillor
David Owen	Waimate Councillor
Colin Pankhurst	Councillor
Sheila Paul	Councillor

Quorum – no less than five members

**Significance Consideration**

Evaluation: Council officers, in preparing these reports have had regard to Council's Significance and Engagement Policy. Council and Committee members will make the final assessment on whether the subject under consideration is to be regarded as being significant or not. Unless Council or Committee explicitly determines that the subject under consideration is to be deemed significant then the subject will be deemed as not being significant.

**Decision Making**

The Council, in considering each matter, must be:

- i. Satisfied that it has sufficient information about the practicable options and their benefits, costs and impacts, bearing in mind the significance of the decision;
- ii. Satisfied that it knows enough about and will give adequate consideration to the views and preferences of affected and interested parties bearing in mind the significance of the decisions to be made.

Stuart Duncan  
Chief Executive

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## OPENING

### 1 COUNCIL PRAYER

There was no Council Prayer taken at this meeting.

### 2 PUBLIC FORUM

There was no Public Forum taken at this meeting.

### 3 APOLOGIES

The Chair will call for any apologies.

### 4 VISITORS

Nil

### 5 CONFLICTS OF INTEREST

As per the Local Authorities (Members' Interests) Act 1968 (as below), the Chair will enquire if there are any Conflicts of Interest to be declared on any item on the agenda, and if so, for any member to declare this interest.

**Local Authorities (Members' Interests) Act 1968**

Councillors are reminded that if they have a pecuniary interest in any item on the agenda, then they must declare this interest and refrain from discussing or voting on this item and are advised to withdraw from the meeting table.

### 6 IDENTIFICATION OF MAJOR (URGENT) OR MINOR ITEMS NOT ON THE AGENDA

1. The Chair will call for any major (urgent business) or minor items not on the agenda to be raised according to Standing Orders, as below:

- a. **Standing Orders 3.7.5 – Major Items**

An item not on the agenda for a meeting may be dealt with at the meeting if the local authority by resolution so decides, and the presiding member explains at the meeting at a time when it is open to the public –

- i. The reason why the item was not listed on the agenda; and
    - ii. The reason why discussion of the item cannot be delayed until a subsequent meeting.

- b. **Standing Orders 3.7.6 – Minor Items**

An item not on the agenda for a meeting may be dealt with at the meeting if –

- i. That item is a minor matter relating to the general business of the local authority; and
    - ii. The presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
    - iii. No resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.



## REPORTS

### 7 GENERAL REPORTS

#### 7.1 LTP 2021-31 ADOPTION OF AN UNBALANCED BUDGET

**Author:** Tina Stevenson, Corporate Services Group Manager

**Authoriser:** Tina Stevenson, Corporate Services Group Manager

**Attachments:** Nil

#### PURPOSE

1. The purpose of this report is to seek Council's decision to adopt an Unbalanced Budget for the Long Term Plan 2021-2031 (LTP).

#### BACKGROUND

2. Section 100 of the Local Government Act 2002 requires that Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.
3. However Council may set projected operating revenues at a different level to projected operating expenses if Council resolves that it is financially prudent to do so, having regard to:
  - a. the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
  - b. the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
  - c. the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
  - d. the funding and financial policies adopted by Council.
4. Council's Draft Long Term Plan 2021-31 has been prepared in accordance with the Long Term Plan purpose and following the principles and procedures that apply to the preparation of financial statements and the funding impact statement included in the Long Term Plan. It contains the information required by Part 2 of Schedule 10.
5. In arriving at an unbalanced budget, Council has:
  - a. Projected expenses to ensure the delivery of the desired levels of service and maintain asset integrity, over the course of the LTP and beyond; and
  - b. Ensured that the revenues required to fund these expenses are aligned in the long-term except where Council has elected not to fund depreciation as outlined in our Financial Strategy. Short term debt funding will cover funding shortfalls in early years with recovery planned in the later years of the plan and beyond; and
  - c. Reviewed the allocation of the responsibility for funding these expenses, considering intergeneration equity; balancing rates increases and debt funding where appropriate; and
  - d. Adhered to the Revenue & Financing policy throughout.
6. Additionally, an unbalanced budget has occurred as Council smooths the impact of significant capital works, the dividend income reduction and increased Resource Recovery Park operation contract costs over the term of the plan using increased debt.

**PROPOSAL**

7. Council agree to adopt an Unbalanced Budget.

**ASSESSMENT OF SIGNIFICANCE**

8. This matter is deemed to be of low significance under the Council's Significance & Engagement Policy.

**Budget**

9. There are no additional budget considerations.

**Cost-effectiveness**

10. Cost-effectiveness consideration is not applicable.

**RECOMMENDATION**

1. That the LTP 2021-31 Adoption of an Unbalanced Budget Report is accepted; and
2. That Council, in accordance with the requirements of Section 100 of the Local Government Act 2002, resolves that it is financially prudent to adopt the Long Term Plan Consultation Document 2021-31 that contains budget deficits on certain activities. This decision takes account of:
  - (a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the draft long-term plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
  - (b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
  - (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
  - (d) the funding and financial policies adopted by Council.

**7.2 LONG TERM PLAN 2021-31 - SUPPORTING INFORMATION**

**Author:** Carolyn Johns, Community and Strategy Group Manager

**Authoriser:** Carolyn Johns, Community and Strategy Group Manager

**Attachments:** Nil

**PURPOSE**

1. The purpose of this report is to present the Long Term Plan (LTP) 2021-31 Supporting Information for adoption by Council prior to adopting the LTP 2021-31 Consultation Document.

**BACKGROUND**

2. In accordance with section 93A of the Local Government Act 2002 (LGA), Council has prepared a draft Consultation Document which forms the basis of Council's public consultation for the development of the LTP.
3. Over the past 18 months a number of workshops and meetings have guided the development of the Consultation Document and the information which supports the content of this document. In accordance with section 93G of the LGA, Council must adopt the Supporting Information.
4. Section 93G of the LGA states:

**Information to be adopted by local authority in relation to long-term plan and consultation document**

Before adopting a consultation document under section 93A, the local authority must prepare and adopt the information that—

- (a) is relied on by the content of the consultation document adopted under section 93A; and
  - (b) is necessary to enable the Auditor-General to give reports required by section 93C(4) and 93D(4); and
  - (c) provides the basis for the preparation or amendment of the long-term plan.
5. Council has reviewed a number of the documents that support the content of the Consultation Document and some have already been adopted for inclusion in the Supporting Information. Other documents require adoption at this meeting by Council prior to the Consultation Document being adopted for public release.
6. Documents previously adopted as supporting information to the Long Term Plan 2021-31 Consultation Document are:
  - (i) Revenue and Financing Policy
  - (ii) Financial Contributions Policy
  - (iii) Rates Remission and Postponement Policy
  - (iv) Investment Policy
  - (v) Liability Management Policy
  - (vi) Significance and Engagement Policy
7. The Significant Assumptions, Financial Strategy and Infrastructure Strategy were previously adopted by Council, however as a result of the audit process these have undergone varying amendments and therefore have been included for re-adoption at this meeting. An explanation of changes will be presenting at the meeting.

8. Documents that are now completed and ready for adoption as Supporting Information to the Consultation Document are:
  - (i) Financial Strategy
  - (ii) Infrastructure Strategy
  - (iii) Financial Information including group level Funding Impact Statements
  - (iv) Significant Assumptions
  - (v) Major Projects
  - (vi) Performance Measures
  - (vii) Population Projections
  - (viii) Wellbeing Indicators
  - (ix) Asset Management Plans – Roading, Stormwater, Wastewater, Water Supplies
9. Following adoption, the Consultation Document and all Supporting Information will be released on 9 June 2021 for public consultation using the Special Consultative Procedure as defined by section 93A of the LGA. All Supporting Information will be available on the Council LTP website – [www.waimatedc.govt.nz/LTP](http://www.waimatedc.govt.nz/LTP) and will be available to view at the Council office.
10. Following the consultation period Council will deliberate on all submissions received. Council will adopt a final LTP 2021-31 on 31 August 2021 which is later than the statutory deadline of 30 June 2021.

### **Options**

11. That Council adopts the aforementioned documents as Supporting Information to the Consultation Document.
12. That Council does not adopt the aforementioned documents as Supporting Information, and specifies any amendments

### **ASSESSMENT OF SIGNIFICANCE**

13. In accordance with Council's Significance and Engagement Policy, the adoption of the Supporting Information has been assessed as significant because the decision relates to the content of the Supporting Information for the Consultation Document and the Long Term Plan 2021-31.
14. The documents adopted will undergo public consultation as part of the Supporting Information to the Consultation Document.

### **CONSIDERATIONS**

15. If Council chooses not to adopt any of the Supporting Information documents, then those document/s amended would need to go back to AuditNZ for a review of any changes in respect of their audit of the Consultation Document and the Supporting Information. Council could not adopt the Consultation Document until these changes had been completed. This would result in delays to the proposed consultation process and timing.

### **Legislation and Policy**

16. Local Government Act 2002
17. Significance and Engagement Policy

### **FINANCIAL**

18. The LTP process is provided for within existing budgets.

**RECOMMENDATION**

1. That the Long Term Plan 2021-31 – Supporting Information report is accepted; and
2. That Council adopts the following documents, as circulated separately, as Supporting Information for the Consultation Document for the Long Term Plan 2021-31, including the:
  - (i) Financial Strategy
  - (ii) Infrastructure Strategy
  - (iii) Financial Information including group level Funding Impact Statements
  - (iv) Significant Assumptions
  - (v) Major Projects
  - (vi) Performance Measures
  - (vii) Population Projections
  - (viii) Wellbeing Indicators
  - (ix) Asset Management Plans – Roading, Stormwater, Wastewater, Water Supplies
3. That Council authorises the Chief Executive to make any minor and non-material corrections to the LTP 2021-31 supporting information, if necessary, prior to publication.

**7.3 LONG TERM PLAN 2021-31 CONSULTATION DOCUMENT**

**Author:** Carolyn Johns, Community and Strategy Group Manager

**Authoriser:** Carolyn Johns, Community and Strategy Group Manager

**Attachments:** 1. Long Term Plan 2021-31 Consultation Document [↓](#) 

**PURPOSE**

1. To receive the Audit Opinion on the Consultation Document for the Long Term Plan(LTP) and;
2. To present to Council the draft Consultation Document for the Long Term Plan (LTP) 2021-31 with the Audit Opinion for adoption.

**BACKGROUND**

3. In accordance with section 93 of the Local Government Act 2002 (LGA) Council must review its LTP every three years. For the last 18 months Council has been preparing the Long Term Plan 2021-31 for public consultation. Council must use the Special Consultative Procedure for adopting a LTP. The Consultation Document forms the basis of this procedure.
4. The purpose of the Consultation Document (as defined in section 93B of the LGA) is to provide an effective basis for public participation in local authority decision-making process relating to the content of the long-term plan by:
  - a. providing a fair representation of the matters that are proposed of inclusion in the long-term plan, and presenting these in a way that:
    - i. explains the overall objectives of the proposals, and how rates, debt, and levels of service might be affected; and
    - ii. can be readily understood by interested or affected people; and
  - b. identifying and explaining to the people of the district or region, significant and other important issues and choices facing the local authority and district or region, and the consequences of these choices; and
  - c. Informing discussions between the local authority and its communities about the matters in paragraphs (a) and (b).
5. A draft Consultation Document has been prepared, meeting this purpose and the legislative requirements for content including key issues and the proposed content of the financial and infrastructure strategies, as set out in section 93C of the LGA.
6. Section 93C(4) stipulates that the Consultation Document must contain a report from the Auditor-General on:
  - a. Whether the consultation document gives effect to the purpose set out in section 93B; and
  - b. The quality of the information and assumptions underlying the information provided in the consultation document.
7. The draft Consultation Document has undergone review by Audit New Zealand (Council's auditors). Following the audit a number of minor amendments and additional disclosures have been added in the Consultation Document to ensure clarity to the reader.
8. Once Council adopts the Consultation Document, Audit New Zealand will provide an audit report, on behalf of the Auditor-General, which will be included in the Consultation Document. Council can then adopt the Consultation Document with the inclusion of the audit report for public consultation.

**Options**

9. Council adopts the Consultation Document for the Long Term Plan 2021-31.
10. Council amends the Consultation Document for the Long Term Plan 2021-31.

**CONSIDERATIONS**

11. If any amendments are made to the draft Consultation Document, these would need to be reviewed by Audit New Zealand prior to the adoption of the Consultation Document. Non-adoption at this meeting will likely cause time delays to the LTP consultation process. It would also result in further audit costs.

**Legislation and Policy**

12. Local Government Act 2002, specifically section 93.
13. Significance and Engagement Policy.

**ASSESSMENT OF SIGNIFICANCE**

14. The Consultation Document is a significant document for Council as it forms part of the Long Term Plan 2021-31 process. It is required by the LGA to be consulted on using the Special Consultative Procedure.

**CONSULTATION**

15. The consultation period will open and be publically notified on 09 June 2021 and will close on 09 July 2021. The Consultation Document is the key element of the consultation. It will be distributed to residents via the Trader (including an extended mail drop to reach all residents) on 17 June 2021.
16. The Consultation Document will also be available on the Council website at [www.waimatedc.govt.nz/LTP](http://www.waimatedc.govt.nz/LTP) and hard copies will be available at the Council office, the Library and the Event Centre.
17. The Supporting Information will be available on the Council's website and at the Council office.
18. Promotion of the Consultation Document will include advertising in print media in such papers as the Trader, the News and Views and the Courier. Social media will include regular posting on Council's Facebook page, a live Facebook chat session and use of Council's website.
19. Community Chat events have been scheduled for various locations around the District and will be hosted by Councillors and Council staff. These are drop-in events and will provide a forum for members of the public to speak to Councillors and staff and ask any questions raised by the Consultation Document and Supporting Information.
20. Verbal, NZ Sign Language and Te Reo Maori submissions will be received on 30 June 2021 at the Event Centre between 12pm and 3pm.
21. Hearings, for those who wish to speak to their submission, are planned for 27 July 2021. Submission feedback will be considered following these hearings and decisions will be made by Council on 28 July 2021.
22. The full LTP document will then be prepared for the final audit process. Adoption of the LTP is planned for 31 August 2021 which is later than the statutory deadline of 30 June 2021.

**FINANCIAL**

23. The LTP process is provided for within existing budgets.

**RECOMMENDATION**

1. That Council accepts the Long Term Plan 2021-31 Consultation Document report; and
2. That Council receives the Audit Opinion on the Consultation Document for the Long Term Plan 2021-31; and
3. That Council adopts the Consultation Document, including the Audit Opinion, for the Long Term Plan 2021-31 for public consultation; and
4. That, if necessary, the Chief Executive be authorised to make any minor and non-material corrections to the Long Term Plan Consultation Document before the Long Term Plan Consultation Document is publically notified.





**Draft for Audit v4**  
**Long Term Plan 2021-2031**  
**Consultation Document**

Submissions close at 4pm on 8 July 2021







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# Mayor & Chief Executive Message

Tēnā kotou katoa - greetings all

**With more and more people discovering the Waimate District as a wonderful place to live, work, play and explore, we're experiencing steady growth. To facilitate this growth, we need to plan ahead, understand our challenges, identify our opportunities and capitalise on our strengths. And that's where you come in.**

Now is your chance to help influence the direction and priorities that affect you the most.

It is with great pleasure that we present to you the Long Term Plan 2021-2031 Consultation Document. This document provides a snapshot of what we plan to do over the next 10 years and raises some important discussion around some of the big issues we will face together as a district.

We want you to know exactly what shapes and defines our budgets and understand how we plan to meet the increasing demand on Council services. It is critical that we continue sustainably growing our district and we realise Council has a major role in ensuring the quality of life for all residents.

However, increased levels of service, infrastructure renewals and additions all cost money – and plenty of it at that, therefore we need you to help us decide how we will meet these commitments. Keeping rates manageable is always at the forefront of Council's operations, therefore take a moment to consider what we're proposing and let us know what you think.

You will notice our focus remains heavily on investing and maintaining core infrastructure, addressing major projects and negotiating the challenges fast approaching on the horizon, combined with the drivers highlighted in the key issue on page 6. To achieve these goals and to ensure there is no reduction in services, we're proposing rate increases of 9.9% for 2021/22, 7% for both 2022/23 and 2023/24 and an average of 2.5% for the remaining seven years of this Long Term Plan. With this option, it is Council's view that we can deliver, maintain and increase some levels of service.

It may be that you want Council's money to be spent on others things, it may be that you have other ideas entirely or it may be that you like what we're proposing and want us to 'just get on with it'. Whatever your thoughts, be sure to complete a submission and work with us to enhance our district's future.



# What is the Long Term Plan?

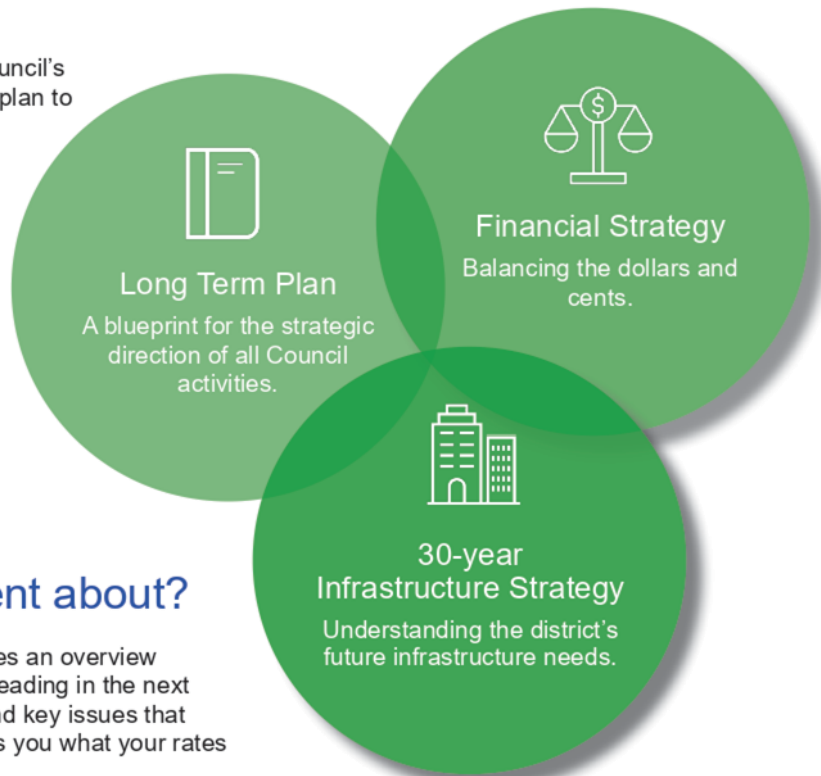
The Long Term Plan, or LTP for short, is a detailed planning document prepared every three years by Council which sets out Council's direction for the next 10 years.

It details how we plan to pay for Council's activities and key projects, how we plan to manage all of our assets and infrastructure and how we intend to achieve our vision and community wellbeing.

Two other key documents sit alongside and inform the LTP.

These are:

- Financial Strategy
- 30-year Infrastructure Strategy



## What's this document about?

The Consultation Document provides an overview of where Council sees the district heading in the next decade. It outlines specific plans and key issues that we want YOUR input on. It also tells you what your rates may look like in the next 10 years.

This is your opportunity to tell us what you think and have a say in the district's future. Good, bad or otherwise, we welcome and strongly encourage your feedback so Council can make informed decisions that best reflect the views and needs of our communities.

## Why you should care

**The LTP affects everyone in the district, not just ratepayers.**

Whether it's water supply, sewage treatment, rubbish and recycling, roads, footpaths, parks and reserves, the Library, building control or animal management – to name just a few, it's about working together to achieve common ground and deliver on what's best for the wider district and the communities that reside within.

So with that in mind, what does **YOUR FUTURE** look like?

## Key dates

Here are some of the key dates you will need to keep an eye on:

Wednesday 9 June	Consultation begins and submissions open
Monday 21 June to Monday 28 June	Community chat sessions (see page 32 for details)
Wednesday 30 June	Verbal submissions recorded (12pm to 3pm)
Thursday 8 July at 4pm	Consultation ends and submissions close
Tuesday 27 July	Council to hear submissions
Wednesday 28 July	Council to make submission decisions
Tuesday 31 August	Long Term Plan 2021-2031 adopted

## What we're seeking feedback on



There is one key issue that we'd like your feedback on.

**Managing impact on rates** – how a number of areas, such as COVID-19, the reduction of the Alpine Energy dividend, rural water scheme upgrades, and introduction of the new kerbside rubbish and recycling service will affect how much you pay in rates in the next 10 years.

You can also comment on our proposed changes to policies, wellbeing indicators, the financial and infrastructure strategies, plus any other matters you'd like to provide feedback on.





# Key Issue: Managing Impact On Rates

These are unprecedented times and in a time of uncertainty and a challenging economic landscape, Council is mindful of trying to balance the proposed rates increases against the impact and affordability for you all as ratepayers. Some significant factors will and have had a major impact on rates, such as the catch-up from COVID-19, the heavily reduced dividend from Alpine Energy Limited, the rural water scheme upgrades and the overall increase in borrowing.

## What's driving the increase?

Prior to any inflationary rates increase, the below factors have to be accounted for in the first year of this LTP and all play a major part in the proposed increase.

We understand these drivers will result in a significant hike straight off the bat, therefore our proposed option reflects increasing our debt level to help reduce and smooth the impact on rates over the duration of the LTP. When we refer to smoothing the rates impact, this means we will borrow funds to lessen the initial impact of large increases in year one of this LTP.

### COVID-19 +3.6%

Prior to COVID-19, the 2020/21 rates were forecast to increase by 7.7%. In response to the pandemic and acknowledging the potential difficulty and pressures on families and businesses, Council opted to reduce the overall rates increase to 4%.

While this provided some relief we now need to find a way to catch-up \$377,700. This means that the rates impact for 2021/22, or year 1 of the LTP, requires Council to recover the loss of income to ensure the same levels of service can be provided in the future.

### Alpine Energy Limited shareholder dividend +3.5%

Council is a 7.54% shareholder in Alpine Energy Limited, and as a shareholder we receive a dividend each year. Typically, this income has been approximately \$750,000 per annum, with a vast majority helping to offset rates. The funding is also used for our district's Economic Development activity.

However, following the Commerce Commission's review on electricity networks, which resulted in a cap being placed on the total revenue any lines company could earn, Council's return on this investment has plummeted to \$411,000 in 2020/21, and is forecast to slump to \$187,000 in the 2021/22 financial year.

To ensure we can continue to fund our expenditure, Council is required to cover the loss in rates.

### Rural water scheme upgrades +4.9%

Council is committed to ensuring our rural water schemes comply with the New Zealand Drinking Water Standards, and have invested and continue to invest in significant infrastructure upgrades. The rating impacts of these investments are an increase in borrowing, interest and depreciation charges, which means these costs will result in some large targeted rates increases for the rural water schemes.

### Introduction of the new kerbside rubbish and recycling service +3.2%

Following consultation in April 2020, Council will be implementing a new kerbside rubbish and recycling service in July 2021. In addition, there has been an increase in Resource Recovery Park operation costs, therefore a total increased rate requirement of \$339,800.

### All other general increases +1.4%

## Borrowing

The large capital works programme will result in large borrowing required in the first two years of the LTP. Additional borrowings of \$9.5 million will be drawn down in the first two years, with forecast repayments of \$9 million over the remaining eight years. Ultimately, this will have flow on effects when it comes to paying the interest on the debt associated with each option.

## It's decision time

We do not have any control over the key issues and challenges driving the increases we are facing as outlined on page 6, however we do have control, and options, on how we manage the impact of these issues.

We are presenting three options with Option 1 being to accept the challenges up front meaning a larger rates increase in year 1 and cost the least in the long run. Options 2 & 3 propose to "smooth" the impact of these challenges over the 10 years using borrowings to ensure we continue to provide the services you expect, however these two options result in interest costs and cost more in the long run.

As we look to the future, we now need YOU to decide the three options presented. It's important to note, the percentages referred to below reflect the total amount of money we receive from rates revenue, NOT the percentage each ratepayer's bill would go up by. Your own rates bill will differ depending on the services provided and the area you reside.

Without these proposed rates increases, we would have to reduce existing levels of service, cut or defer some of the planned projects and programmes and potentially hold back the district's growth.

**Do you agree with Option 2, our preferred rates option? – if not, tell us why?**



## Option 1: Unsmoothed

No additional borrowings required

Option 1 reflects a substantial rates increase in Year 1 of this LTP, allowing for the COVID-19 catch-up and other challenges, and transitioning to a significant reduction in increase in years 2 and 3. This option will see an average rates increase of 2.4% per annum for years 4 to 10. While this option reflects the largest immediate increase, proceeding with the unsmoothed proposal is the least expensive in the long run. This is due to the fact borrowing for smoothing is not required and therefore no extra interest costs apply.



	2020/21 (current year)	2021/22	2022/23	2023/24
Average rates (per rating unit)*	\$2,992	\$3,458	\$3,614	\$3,653

\*Average rates per rating unit is based on the total rates income Council will collect (plus GST), divided by the total number of rateable properties.

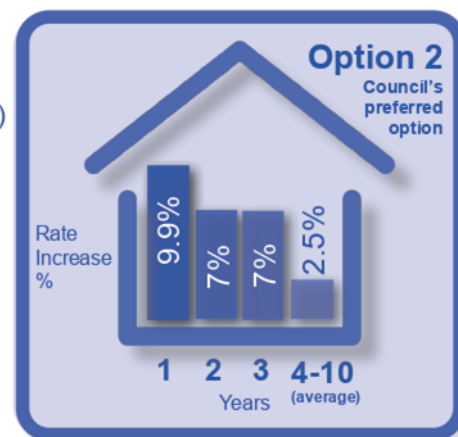
## Option 2: Smoothed over 3 years

### Council's preferred option

Additional borrowings of \$1.35 million (compared to Option 1)

For this LTP, our preferred option is to carry out rates smoothing. Rates smoothing helps to provide stability on rate increases and prevents any volatile rates hikes. Through this option, we propose to smooth the impact over the next 10 years, taking a sizeable hit in the first three years, before gradually spreading the cost for the remaining seven years.

We believe it's of critical importance to keep the maximum rates increase below 10%, therefore we feel this option is the best for the vast majority of ratepayers overall. This will require Council to borrow funds, resulting in additional interest costs of approximately \$67,000 in the first three years of the LTP, or \$162,600 over the full 10 years. Interest is assumed at 3% per annum.



	2020/21 (current year)	2021/22	2022/23	2023/24
Average rates (per rating unit)*	\$2,992	\$3,259	\$3,474	\$3,699

## Option 3: Smoothed over 3 years

### The softer approach

Additional borrowings of \$1.6 million (compared to Option 1)

Option 3 reflects an increase of 8.4%, 8.3% and 8.1% for the first three years of the LTP, with an average increase of 2.5% for the remaining seven years. While this option appears to be the most manageable and steady overall, it's important to understand the extra interest required to service this proposal works out to be the most expensive in the long run. This proposal will also require borrowing funds and will equate to approximately \$83,000 of additional interest over the first three years, or \$207,000 over the full 10 years. Interest is assumed at 3% per annum.



	2020/21 (current year)	2021/22	2022/23	2023/24
Average rates (per rating unit)*	\$2,992	\$3,215	\$3,469	\$3,734

\*Average rates per rating unit is based on the total rates income Council will collect (plus GST), divided by the total number of rateable properties.

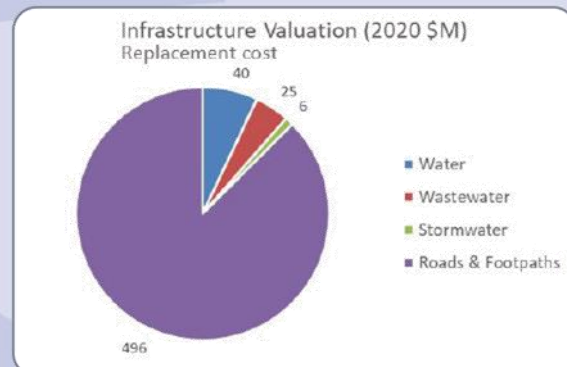
For more information on rates, and potential smoothing options visit [waimatedc.govt.nz/council/ltp](http://waimatedc.govt.nz/council/ltp)



# Infrastructure Strategy

Council is committed to providing quality roads and footpaths, supplying clean water, removing and treating wastewater (sewage) and providing fit-for-purpose infrastructure for all our communities.

This section reflects how we will manage this commitment and provides an overview of Council's priorities, challenges and strategic direction.



## Our core infrastructure

### Water

Council operates and manages one on-demand water scheme (Waimate Urban) and six rural water supplies. Waimate owns a 14 per cent share in the Downlands Water Scheme, collecting water rates and passing them on to the Timaru District Council, who manage the operation of the scheme. Water is obtained from a range of surface and groundwater sources through the means of river intakes, infiltration galleries and bores. Water treatment plants, storage reservoirs, tanks and pump stations are operated to distribute the water to approximately 3199 connections via 898km of pipe.



### Sewerage

The Waimate urban area is served by a community sewerage scheme with a total of 1,850 connections. Sewage is collected through 39.2km of gravity pipe and rising mains, including two pump stations and conveyed to a waste water treatment plant and disposal system. Treated effluent is discharged on to land.



### Roads and Footpaths

Council operates and maintains 646km of sealed roads, 693km of unsealed roads, 48.5km of kerb and channel, 62.7km of footpaths, just under 3,500 culverts and 182 bridges (plus an additional 85 concrete fords).



### Stormwater

Council operates and manages a stormwater network including 15.5km of pipework, open drains and a number of sumps and soakholes. Stormwater is conveyed to disposal points (natural waterways, soakpits and streams).



## Our priorities and challenges

Ageing assets, addressing increased traffic and changing (heavy) transport demands, improving road safety and improving water supplies are all challenges for Council. Over the next 10 years investments to improve levels of service will be the priority, and renewal programmes will ramp up for water services and pavement rehabilitation works. Some shorter-term investment is also required to meet additional demand associated with growth. Council's priorities in respect to roading and footpaths, water, sewerage and stormwater are:

- Maintain the district's roads to a safe standard and fit-for-purpose for the long term.
- Use efficient and effective asset management practices to maximise life of all assets to provide a resilient network.
- Demonstrate to customers that Council is managing the assets responsibly.
- Ensure that the levels of service required by customers is provided at the lowest long term cost to the community.
- Customers will be regularly consulted over the price/quality trade-offs resulting from alternative levels of service.
- Provide a continuous supply of potable water to meet agreed demands.
- Maintain sewage disposal and treatment facilities to protect public health through ensuring good sanitary standards and freshwater management.
- Manage the impacts of land use change and growth.

## Capital delivery

Council plan to deliver 100% of all capital projects over the life of the Long Term Plan, with the financial model developed based on this. There is a risk that capital projects will not be completed in any given year, and carried over to subsequent years. Any delay in projects will reduce operational costs and depreciation expense, however there could also be an increase in required budget to complete the project. Any delay to the planned Drinking Water Standards New Zealand compliance projects will delay the levels of service increases.

To manage the risk of delays Council has engaged additional resourcing, scheduled capital projects for 2021/22 and sourced materials ahead of time – these are just some of the things we have done to ensure we can complete our capital program.

The capital programme for 2021/22 is the largest over the ten year period, due to compliance with New Zealand drinking water standards and progressing stimulus fund projects.

Delays in projects can be due to third party funding, such as funding from Waka Kotahi NZTA not being available at the levels expected or when planned.

## Conditions of assets

The condition of our water reticulation is good, but is expected to be challenged as pipes near their expected life. The condition of asset components at the treatment plants and pump stations is good to excellent. Wastewater reticulation condition is adequate, and is more frequently challenged as pipes near their expected life. Most of the Wastewater Treatment Plants is relatively new, with the condition of the assets excellent.

There are no pipe condition ratings for stormwater pipe assets but we consider the condition to be in good order, with the network relatively limited and proven to be inadequate for some locations during times of heavy rainfall.

The roading network is in good order, and levels of service are structured around the One Network Road Classification approach.



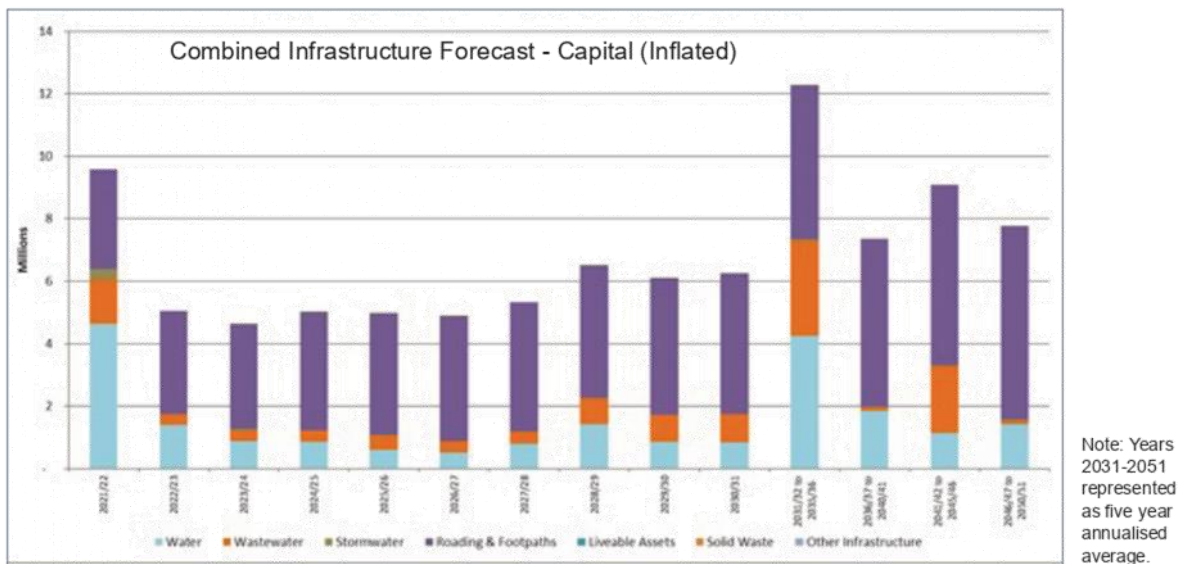
## Asset data reliability

The asset data held for water supply and sewerage has been a focus for improvement over the last six years. Roading and footpath data continues to be sound. Accurate asset condition data is critical to asset planning. Council have a commitment to ensuring reliability of data collection and analysis.

The reduced reliability associated with less accurate condition ratings could impact future financial forecasting. However, this is currently mitigated by empirical assessment of assets proposed for renewal. For example, roads identified for resealing are assessed alongside mains identified for renewal are investigated in regards to historical leaks, bursts and criticality.

## Combined infrastructure forecast

With a positive economic outlook, we need to ensure that what we have now is well maintained and renewed as necessary to remain fit-for-purpose. Timely investment is the key to our strategy going forward, therefore the below table shows the capital infrastructure investment varies as a result of our priorities.



## Our plan

**Council's strategic direction to ensure that its decisions address both the priorities and long and short-term issues are:**

### Water supply

- The application of a prioritised approach to the replacement of aged water mains to ensure impacts on customer level of service is limited. Priority is given to those assets displaying poor condition, high failure rates, high criticality and that have potential to effect a high number of consumers. Comprehensive asset management planning is required to maintain a satisfactory level of service.
- Council will continue its programme of water scheme treatment plant upgrades in order to achieve compliance with the current Drinking Water Standards for New Zealand. Where the proposed water reform programme indicates that legislative change is likely, and alternative compliance pathways become available, Council will review the programmed upgrades to ensure that cost-effective compliance is achieved. This may mean that the actual level of capital expenditure for 2021/22 will

be lower than the level currently budgeted for. This in turn will reduce debt, operational costs, interest and depreciation.

- If the Water Services Act does not allow for redefinition of the proposed capital upgrades and the enactment is delayed, Council may experience compressed time to construct the centralised treatment options. This could result in 2021/22 treatment plant capital programmes continuing into the 2022/23 financial year.
- Progressively renew and upgrade our rural townships to address leakage and access to water services for growth.

### Sewerage

- The application of a prioritised approach to the replacement of aged and poor condition sewer mains to ensure impacts on customer level of service is limited. Priority is given to those assets displaying poor condition, high failure rates, high criticality and that have potential to affect a high number of consumers. Comprehensive asset management planning is required to maintain a satisfactory level of service.
- A combined approach to replacing aged and poor condition pipes, alongside a detailed inflow investigation to provide capacity and resilience in the waste water network.

### Stormwater

- Implementation of the Stormwater Management Plan once the global consent is issued. The global consent application is currently being processed by Environment Canterbury Regional Council with affected parties currently being consulted. Some risks exist if approvals are not provided, or National Policy is amended during the process.

### Roading

We have ongoing renewals planned for our roading assets, where we renew road surfaces as needed. Investment in pavement renewal will be increased due to our ageing pavements, in order to keep up with the wear and tear caused by traffic, particularly heavy vehicles, to our roads. Investment in footpath renewals and new footpaths will increase in order to provide an acceptable level of service.

We will increase our focus on improving drainage of our roading network to:

- Prevent and minimise water damage to the pavement and to increase the pavement life.
- Reduce traffic safety risk caused by water on the road surface.
- Reduce storm damage caused by uncontrolled water flows over roads.

We will also focus on improving safety across our roads by improving delineation and signage, completing intersection improvements and increase education and engagement through South Canterbury Road Safety.

## Three Waters Reform

In July 2020, the Government announced the Three Waters Reform Programme. This programme consisted of a \$761 million funding package over the next three years to provide immediate post COVID-19 stimulus to local authorities, enabling them to maintain and improve three waters infrastructure. Initial funding was only made available to councils that signed up to the Memorandum of Understanding, of which our Council was included. Refer to On the Horizon (page 25) for more information.

Towards the end of 2021, Council will need to establish its strategic direction (opt-in or opt-out). Any decision to participate is likely to be given effect at some point in the 2024/25 financial year. Until further information is available this is difficult to determine and remains unknown. Council will seek feedback from the community on this significant issue before making any decision. As a Council, we will continue to communicate and engage with Government over the proposed Reform Programme and the impacts on the district's three waters service delivery, with the objective of continuing to sustain and deliver agreed community outcomes for the district's varied communities.



## Resilience

Resilience is the ability to cope with and recover from adverse events. It requires active planning to cope with a disaster, restore functionality, and rebuild the societal and economic fabric. Communities that actively plan for resilience are less prone to disaster, recover faster and endure less hardship than those that do not.

Planning for every disaster scenario is impossible, so the next step is to plan to contain damage. Planning involves understanding the chaos, the pressures and the trauma, then building redundancy, preparing for insurance, training and improving. Bouncing back to recover the social and economic soul of the community is the next component in planning for resilience.

We understand there is a high expectation of continuing functionality and service delivery, and therefore resilience is based on a design philosophy which acknowledges that failure will occur. Resilience requires early detection and recovery, but not necessarily through re-establishing the failed system.

Council is also considering the performance of its infrastructure and services in the face of climate change, including drought, severe storms, sea level rise and natural disasters.

## Ageing infrastructure

Over many years, Council has progressively placed considerable focus on continuing to meet the infrastructure needs of the communities within the district, and where possible carried out significant work approaching ageing and dated infrastructure assets.

We are now entering a vitally important timeframe to ensure our community's needs are met, with ongoing concentration and decision making centered around the deferral of renewals or applying a pro-active approach and getting on with the job. These decisions are informed by factors such as criticality (how important they are), performance and overall risk.

Management of ageing infrastructure is closely aligned with the discussion of system resilience. The key aspect is the recognition of failure mechanisms for our assets, and initiation of a suitable response to minimise cost and disruption to the community. Underground pipe networks represent the greatest risk because of their extent and inaccessibility.

Council's approach has been to collect data to understand condition and performance, as well as identify critical assets. In other words, it's important that we continue to focus effort and resource where it is needed most.

## Financial impact

Council faces the challenge of ageing pipe assets that are due for replacement and a roading network that is under constant pressure. This infrastructure is vital to the economy of the district and beyond, along with the wellbeing of the community.

We are mindful that the cost of all this infrastructure is significant. In fact, the combined forecast for operations and maintenance as well as capital identified is considerable.

Core infrastructure costs (capital and operating) exceeding \$20 million per year is a challenge for a small community and that's why smart planning is vital.

On the infrastructure side, a focus on criticality and prioritisation is key to investing where it will provide the greatest benefit.

Alongside this Infrastructure Strategy, the Financial Strategy discusses the options for funding these infrastructural challenges. Moving ahead, Council is focussed on continuing to support the district and its residents, and this means providing a fair balance of revenue methods and providing fit-for-purpose services.



# Money Matters

With so many major projects on the horizon and a myriad of challenges ahead, it's critical we have a robust financial plan to meet the costs.



Our Financial Strategy sets out how we intend to fund the proposed work programme and provides clear guidance as to how we make decisions about income, expenditure, borrowing and investments.

In its everyday operation, Council face plenty of challenges, but none more so than providing services in a cost-effective way to ensure rates remain manageable and fair for all. We do this by sharing the costs across different user groups, ensuring equity between current and future generations and where possible, maintaining a strong financial position.

We understand changes within the district will occur, but in Council's opinion, these are unlikely to have any significant impact on Council's planning, projects and continued levels of service during the term of this LTP.

Our Financial Strategy remains a relatively conservative and low risk strategy, although we are proposing to make use of debt to an extent that has not been experienced previously. We are maintaining and improving levels of service in our infrastructure in a way that leads to a fair distribution of cost over the life of the asset.

## The challenges ahead

Some of the drivers of Council's activities and services include economic activity, changes in population, expectations of the community and the requirements of central government and other regulators to meet legislation. These factors, in turn, affect operating and capital expenditure requirements.

The population of the Waimate District is forecast to increase by 4.38% over the next 10 years. Further to the previous LTP, Council believes the district's infrastructure still requires significant investment - with the primary focus on replacing and improving existing assets. Investment in potable water quality, sewer renewals and additional demand projects will result in a significant change in the debt profile of Council.

While Council is not assuming significant land use change over the next 10 years, past land use changes have, and continue to, impact on Council's delivery of services particularly for road maintenance in rural areas.

COVID-19 has caused an increase in the level of uncertainty in relation to economic and demographic projections, however the impact on the Waimate District is deemed to be minor. Other key uncertainties include the Government's Three Waters Reform Programme and Resource Management Act 1991 (RMA) reform, along with climate change (refer to On the Horizon for more information on these Government-led changes).

With this in mind, there is great potential for continuing economic development within the Waimate District over the next 10 years. There is a high expectation the district will continue to grow and Council considers its infrastructure has sufficient capacity for future demand, therefore Council believes that maintaining and improving levels of service are the primary concerns going forward.

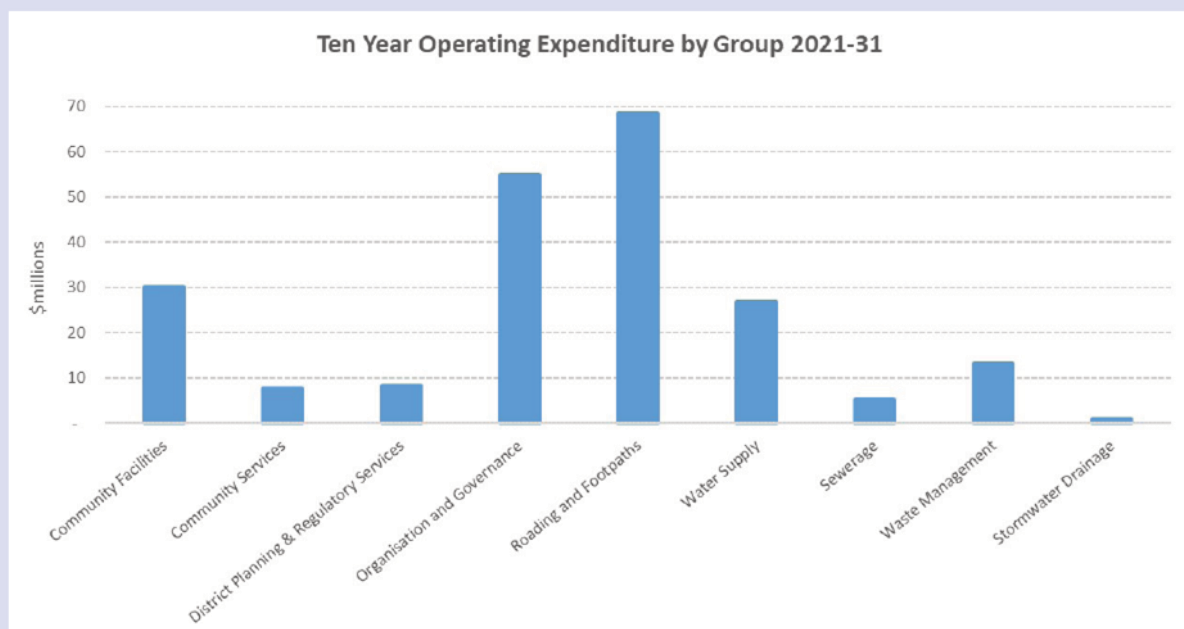
## Financial overview

### Expenditure

Operating expenditure covers the day-to-day running of our activities. Simply put, it's what we expect to spend to deliver the services outlined throughout this LTP.

Council is forecasting an increase in its operating expenditure from \$20.25 million in 2021/22 to \$23.42 million in 2030/31. Council continually reviews the cost and the way it delivers its operations to ensure it is undertaking the activities in a way that is most cost effective for households and businesses, however drivers of increases in costs such as the price of materials, contract fees, insurance and inflation have a very real influence.

The total cost by activity group is shown in the graph below, identifying the level of operating expenditure for each area of Council operations.



### Capital expenditure requirements

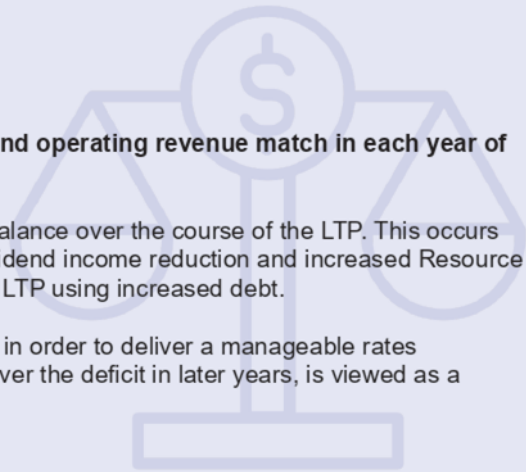
Over the next decade, Council is forecasting capital expenditure of \$68 million. This spend is linked to renewing existing assets and meeting the additional demand or increased levels of service, with the majority of our capital spends focusing on roading, water supply and sewerage projects.

## Balancing the books – or not?

**A balanced budget is where the operating expenditure and operating revenue match in each year of the LTP.**

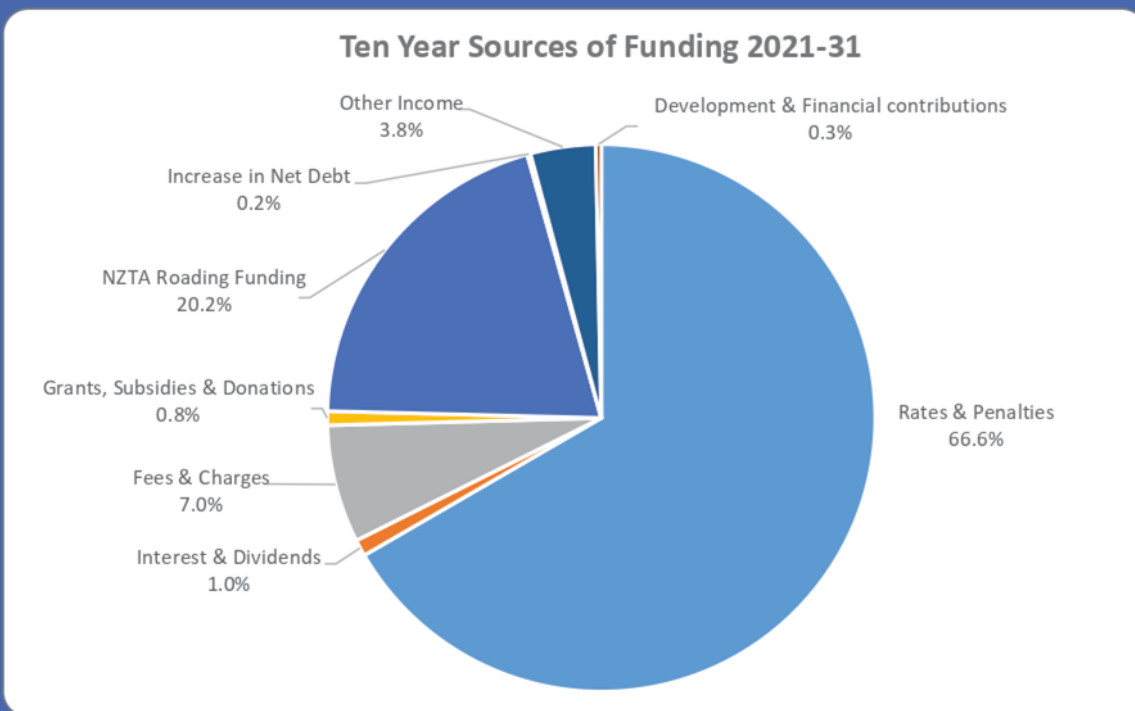
Under this LTP, Council is proposing a budget that doesn't balance over the course of the LTP. This occurs as we smooth the impact of significant capital works, the dividend income reduction and increased Resource Recovery Park operation contract costs over the term of the LTP using increased debt.

Council is planning deficits in the first three years of the LTP in order to deliver a manageable rates requirement, which when combined with a clear plan to recover the deficit in later years, is viewed as a prudent approach.



## Footing the bill

The total cost of Council activities is funded from a number of sources. Rates remain the major source of funds for Council with the below graph illustrating how Council intends to use funding for the plan ahead. Other income includes petrol tax income, commissions, forestry revenue, rental income and other miscellaneous income.





## Let's talk debt



Council presently has a strong financial position, which means we have the capacity to increase debt. In the past, Council has opted to preserve this capacity in order that borrowings can be undertaken in exceptional circumstances. These circumstances reflect the requirement to be part of a long term strategy to ensure financial sustainability and to be able to fund a response to emergencies and disasters – both of which have applied to Council in recent times.

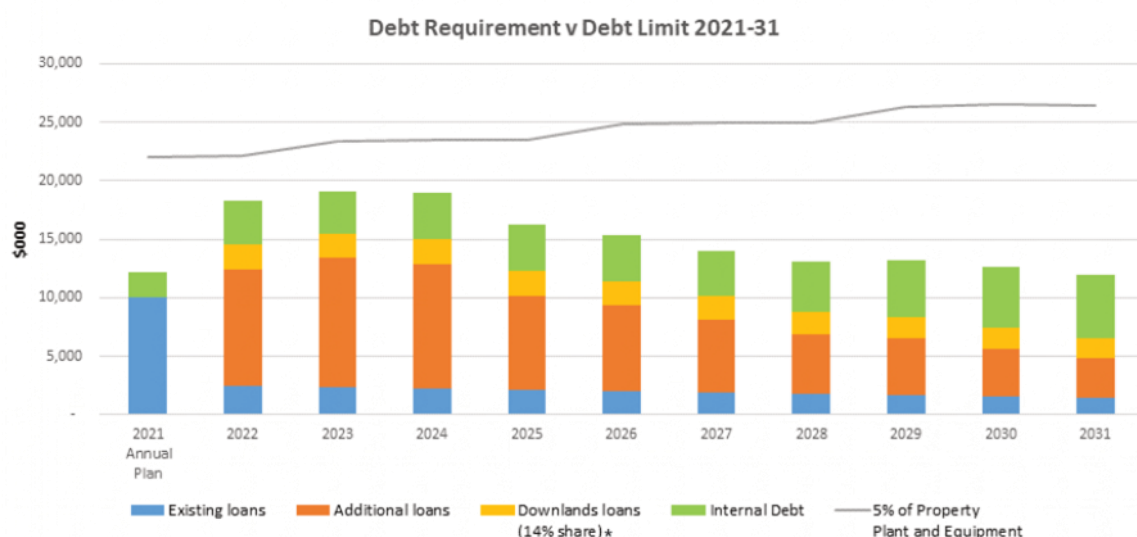
Due to the large capital works over the life of our plan, and the use of debt to smooth the resulting rates impact, our debt will substantially increase.

## Setting the limit

**It's important to understand that Council only borrows externally when it needs to, to meet cash flow requirements.**

As the purpose of Council's external borrowing is predominately to fund the cost of operational or infrastructural asset replacements or development, Council has determined that the most appropriate measure is to limit the level of borrowing as a percentage of the total value of Council's 'Property, Plant & Equipment'. Council considers that capping its limit on borrowing to be no more than 5% of total property, plant and equipment is financially prudent.

It is Council's view that it can deliver and maintain the levels of service and additional demand proposed in the LTP within these limits. Our debt levels peak in 2023, reducing thereafter with significant forestry income in 2025-27 being applied to external debt reduction. Council's intent is to pay the debt back as promptly as possible.



\* Timaru District Council managed water scheme.

## Rates 101 – understanding the basics



Rates differ from property to property, depending largely on things like the value of the property, the location and services received. This section helps set out why we are proposing a rates increase and how we set the maximum limit on rates.

### Rates increases

Council aims to strike a balance between delivering the demands of the district and the rates required to fund this work. Council further plans to use debt to smooth the impact of rating increases over the period of the LTP.

Council is proposing (refer to preferred Option 2, page 8) increases of 9.9% for 2021/22, 7% for both 2022/23 and 2023/24 and an average of 2.5% for the remaining seven years of the LTP.

### Rates limits

Council proposes that its rates increases be limited to not more than 10% for the first three years of the LTP, and not more than 8% for the remaining seven years of the plan. This represents a change from the previous rates limit of 8% across the 10 years. It is Council's view that it can deliver and maintain the levels of service and additional demand proposed in the LTP within these limits.



## What does this mean for your rates?



To give you an idea of the rates increases we are talking about next year, we have provided some examples of typical properties in our district. The following tables show the proposed rates for year one (2021/22) of the LTP based on preferred Option 2.

Some of the services provided by Council are optional and for some the rate varies depending on the amount of water (for example) that you require.

RATING ZONE Capital Value	URBAN RESIDENTIAL PROPERTY		
	\$250,000	\$400,000	\$600,000
Services included:			
Serviced Water	✓	✓	✓
Serviced Sewer	✓	✓	✓
Kerbside rubbish and recycling service	✓	✓	✓
Current year rates (2020/21)	\$2,324	\$2,526	\$2,795
+ General rates increase	\$40	\$64	\$96
+ Civic amenities rates increase	\$116	\$116	\$116
+ Kerbside rubbish and recycling service increase*	\$77	\$77	\$77
+ Water supply rates increase	\$45	\$45	\$45
+ All other targeted rates increases	\$21	\$19	\$16
<b>Proposed total rates for 2021/22</b>	<b>\$2,624</b>	<b>\$2,847</b>	<b>\$3,145</b>
Increase for the year	\$300	\$321	\$350
Weekly change \$	\$5.80	\$6.20	\$6.70
Change %	12.9%	12.7%	12.5%

\* Note: The new kerbside rubbish and recycling service includes an organic bin, therefore you will no longer need to pay an external contractor for a green-waste bin if you currently have one.

RATING ZONE Capital Value	URBAN COMMERCIAL PROPERTY		
	\$250,000	\$400,000	\$600,000
Services included:			
Serviced Water	✓	✓	✓
Serviced Sewer	✓	✓	✓
Kerbside rubbish and recycling service	✓	✓	✓
Current year rates (2020/21)	\$1,763	\$1,965	\$2,234
+ General rates increase	\$40	\$64	\$96
+ Civic amenities rates decrease	-\$87	-\$87	-\$87
+ Kerbside rubbish and recycling service increase*	\$77	\$77	\$77
+ Water supply rates increase	\$45	\$45	\$45
+ All other targeted rates increases	\$22	\$19	\$16
<b>Proposed total rates for 2021/22</b>	<b>\$1,860</b>	<b>\$2,083</b>	<b>\$2,381</b>
Increase for the year	\$97	\$118	\$147
Weekly change \$	\$1.90	\$2.30	\$2.80
Change %	5.5%	6.0%	6.6%

RATING ZONE Capital Value	RURAL 1 PROPERTY		
	\$300,000	\$1,500,000	\$4,000,000
Services included:			
Water - Otaio/Makikihi (litres)	2,000	10,000	18,000
Hall Rate - Makikihi	✓	✓	✓
Kerbside rubbish and recycling service	✓	✓	✓
Current year rates (2020/21)	\$2,087	\$5,500	\$10,067
+ General rates increase	\$16	\$81	\$215
+ Civic amenities rates increase	\$108	\$108	\$108
+ Kerbside rubbish and recycling service increase*	\$43	\$43	\$43
+ Water supply rates increase	\$33	\$167	\$301
+ All other targeted rates increases/decreases	\$10	-\$9	-\$49
<b>Proposed total rates for 2021/22</b>	<b>\$2,298</b>	<b>\$5,890</b>	<b>\$10,685</b>
Increase for the year	\$211	\$390	\$618
Weekly change \$	\$4.10	\$7.50	\$11.90
Change %	10.1%	7.1%	6.1%

\* Note: The new kerbside rubbish and recycling service includes an organic bin, therefore you will no longer need to pay an external contractor for a green-waste bin if you currently have one.

RATING ZONE Capital Value	RURAL 2 PROPERTY		
	\$750,000	\$1,500,000	\$4,000,000
Services included:			
Water - Cannington (litres)	2,000	10,000	18,000
Hall Rate - Maungati	✓	✓	✓
Kerbside rubbish and recycling service	x	x	x
Recycling drop off service	✓	✓	✓
Current year rates (2020/21)	\$1,927	\$4,277	\$8,048
+ General rates increase	\$37	\$74	\$198
+ Civic amenities rates increase	\$113	\$113	\$113
+ Kerbside rubbish and recycling service increase	-	-	-
+ Water supply rates increase	\$43	\$217	\$391
+ All other targeted rates decreases	-\$2	-\$12	-\$47
<b>Proposed total rates for 2021/22</b>	<b>\$2,118</b>	<b>\$4,669</b>	<b>\$8,703</b>
Increase for the year	\$191	\$392	\$655
Weekly change \$	\$3.70	\$7.50	\$12.60
Change %	9.9%	9.2%	8.1%



Want to know the proposed rates  
for your property?

Find them online at  
[waimatedc.govt.nz/council/ltip](http://waimatedc.govt.nz/council/ltip)





# Let's Talk Policy



If Council make any significant changes to our financial policies or our Significance and Engagement Policy, we are required to let you know and give you a chance to have your say. These policies determine how we decide to collect rates, who we rate, what we rate for and what rate remissions we will apply, among other things. The only policy with notable changes is our Rates Remission and Postponement Policy. The other policies are subject to minor changes only.

## Waimate Event Centre rate remission – Waimate District rural hall

We propose to remove the 25% remission for the Waimate Event Centre rate for ratepayers who contribute to a rural hall. It is considered that all district households have equal access to the Waimate Event Centre and therefore, we see it is fair that all pay an equal amount. It is also recognised that the Waimate Event Centre provides for use and activities in contrast to those offered by rural halls. The impact of this change will be that those rural households previously receiving this remission will see their Waimate Event Centre Rate increase by about \$14.50 per year from \$44.00 to \$58.50 approximately.



Do you support our proposed changes to the Rates Remission and Postponement Policy or any of the other policies?

## Rates penalties remission

Our rates penalties remission has been revamped to allow flexibility with approval of penalty remissions. This includes allowing an application for consideration of one remission of rates penalties within a 24 month period when all outstanding rates are paid within 10 working days of the due date, where no other penalty remission criteria applies. This remission was previously allowed only once every five years.

## Application for and review of remissions

From 2022 the inclusion of a 31 May deadline for application for remissions, or a declaration of the status of a property confirming eligibility for a remission, will improve the quality of information on which rates remissions are then applied when the annual rates are calculated. We encourage ratepayers to communicate with us to ensure we have the best information available to apply our remission policy fairly.

For more information, you can refer to our draft Rates Remission and Postponement Policy, and all other policies at [waimatedc.govt.nz/council/ltp](http://waimatedc.govt.nz/council/ltp)

## Want to know more?



This Consultation Document covers our key issues and questions as we develop the Long Term Plan 2021-2031. To read our Supporting Information go to [waimatedc.govt.nz/council/ltp](http://waimatedc.govt.nz/council/ltp)

- Assumptions
- Financial Information incl. rates examples
- Financial Strategy
- Infrastructure Strategy
- Major Projects
- Performance Measures
- Population Projections
- Wellbeing Indicators

### Policies:

- Financial Contributions
- Investment
- Liability Management
- Rates Remission and Postponement
- Revenue and Financing
- Significance and Engagement

### Asset Management Plans:

- Roading
- Stormwater
- Wastewater
- Water Supplies

# Major Projects

Ever wondered what major projects will be carried out over the next 10 years throughout the Waimate District? Below you will see a brief overview, including proposed works that have been brought forward as a result of Government's stimulus funding of \$3.36 million.

## Drinking Water Compliance Upgrades \*

**Timeframe:** 2021/22

**Proposed total budget:** \$2.909 million (Hook Waituna, Lower Waihao, Waikakahi Rural Water Schemes)

**Project description:** Water treatment plant upgrades and installation of backflow protection. Compliance monitoring improvements.

## Urban Water Upgrades to Bakers / Court / Hunts / Fitzmaurice Roads \*\*

**Timeframe:** From 2021/22 to 2028/29

**Proposed total budget:** \$980,000

**Project description:** Addition of a booster pump station and the extension of urban water services. Increased level of service.

## Rural Water Scheme Renewals \*

**Timeframe:** 2021-2031

**Proposed total budget:** \$2.036 million

**Project description:** Water treatment plant upgrades, programmed renewals and plant replacements.

## Installation of Urban Water Meters \*

**Timeframe:** 2021/22

**Proposed total budget:** \$472,000

**Project description:** Water metering is being installed as a means to manage demand, water losses and to increase the availability of potable water.

## Otaio/Makikihi Rural Water Scheme

**Timeframe:** 2022/23

**Proposed total budget:** \$127,000

**Project description:** Installation of an additional bore for resilience.

## Resource Recovery Park Entrance

**Timeframe:** From 2022/23 to 2025/26

**Proposed total budget:** \$208,000

**Project description:** Seal and shingle the Resource Recovery Park entrance.

## Urban Water Upgrades and Renewals \*\*\*

**Timeframe:** From 2021/22 to 2030/31

**Proposed total budget:** \$5,465,000

**Project description:** Programmed reticulation and plant renewals. Installation of new infrastructure in the Te Kiteroa area. Increased level of service.

\* Partially or fully Government stimulus funded

\*\* Additional growth/demand project

\*\*\* Partially or fully Government stimulus funded and an additional demand project



**Queen Street Stormwater and Sewer Upgrade \*****Timeframe:** 2021/22**Proposed total budget:** \$471,000**Project description:** Supply and install new stormwater and wastewater systems and laterals.**Te Kiteroa Stormwater and Sewer Line Installation \*\*****Timeframe:** From 2021/22 to 2023/24**Proposed total budget:** \$1,112,000**Project description:** Installation of new infrastructure in the Te Kiteroa area. Increased level of service.**Waimate Sewer Renewals and Upgrades \*****Timeframe:** From 2021/22 to 2030/31**Proposed total budget:** \$5,690,000**Project description:** Addressing ageing infrastructure with scheduled sewer renewals and upgrades.**Septic Waste Reveal Unit \*****Timeframe:** 2021/22**Proposed total budget:** \$81,000**Project description:** Allow Council to monitor and control the discharge of septic waste into the wastewater treatment plant.**Roading****Timeframe:** From 2021/22 to 2030/31**Proposed total budget:** \$38,935,000**Project description:** Continued investment in the roading and footpath network.**Upgrade to Gorge Road Premises****Timeframe:** 2023/24**Proposed total budget:** \$85,000**Project description:** Programmed improvements to the Gorge Road property, including additional office space, storage and bathroom facilities.**Forest Planting****Timeframe:** From 2021/22 to 2030/31**Proposed total budget:** \$396,000**Project description:** Replanting post-harvest.**District Plan Review****Timeframe:** From 2021/22 to 2024/25**Proposed total budget:** \$614,000**Project description:** The District Plan is reviewed every 10 years. The proposed budget is set aside for the next District Plan Review, though will be subject to the outcome of the RMA Reforms.**Camping Upgrades****Timeframe:** From 2021/22 to 2023/24**Proposed total budget:** \$192,000**Project description:** Improvements to Waimate Lakes camping, including the installation of concrete pad for refuse shelters, boat ramp upgrade and the installation of a public toilet dry vault system to allow facilities to operate all year round. Scheduled upgrade to the Tennant Street cabins at Victoria Park. Improvements to toilet blocks and BBQ area at Knottingley Park.**Waimate Cemetery Upgrades \*\*****Timeframe:** From 2021/22 to 2030/31**Proposed total budget:** \$198,000**Project description:** Reseal vehicle access, installation of new ash and burial beams, provide public toilet facility and commence planning to expand cemetery.**Victoria Park Learn to Ride Area****Timeframe:** 2021/22**Proposed total budget:** \$50,000**Project description:** Establish a specialised Learn to Ride Bike Area at Victoria Park.**Library / Local Government Centre Extension****Timeframe:** 2021/22**Proposed total budget:** \$960,000**Project description:** Extension of Library, refurbishment of Council Chamber, adjoining meeting room and amenities.**Waimate Public Toilets****Timeframe:** 2022/23**Proposed total budget:** \$206,000**Project description:** Installation of new Waimate town public toilets.



# On the Horizon

## Climate change

Climate change is one of the biggest challenges of our time. It is already affecting our weather, health and wellbeing, natural environment, food production, biosecurity, infrastructure and our economy.

We know our community cares about climate change, and as a Council, we are aiming to create a better future for the Waimate District, continually exploring new opportunities and doing everything we can to transition to a low-emission, innovative and more sustainable district.

Waimate District is expected to experience sea level rise and more extreme weather patterns as a result of climate change. Sea level rise is considered the lesser of the influences as much of our coastline is elevated above the mean sea level. Extreme rainfall events may cause surface flooding and increased flood damage repair works. The cost of upgrading drainage assets for these extreme events is likely to be prohibitive for Council. There is currently no provision to fund these repairs, with the repair costs typically funded within existing budgets.

Council is continually monitoring the financial effects associated with flood events, and the diversion of existing budgets, and in the past has considered building a "flood event" fund. This monitoring will continue with intervention likely if existing programmed work begins to be adversely affected. Unfortunately this would mean that rates would need to increase to build a "flood event" fund.

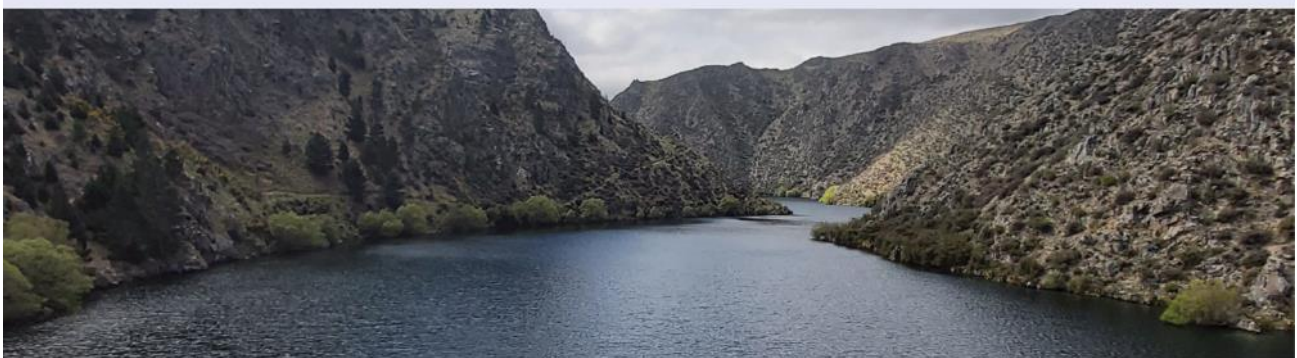


Earlier this year, we commissioned an independent report to better understand what impact Council's everyday activities have on our climate. Rather positively, it was pleasing to see we are playing our part, with our net emissions of -3650 tonnes due to our forest ownership showing we are making a positive contribution overall. We certainly have plenty more to do and as a Council, we'll work through that in the months and years ahead.

Other mitigating measures to reduce emissions undertaken by Council include the replacement of the public pool's coal-based heating system with a modern electric alternative and a gradual transformation of some of Council's vehicle fleet from fossil fuel-based engines to hybrid engines.

As a district, we need to reduce our carbon emissions and do what we can collectively to mitigate the effects of climate change. We need to prepare for the changes that lie ahead and respond to the social, environmental and economic effects of our changing climate.

In other words, climate change will continue to present itself as a core area to monitor, and as a Council, we'll certainly be looking at it with a wide environmental lens and ensuring measures are in place to mitigate the impact of climate change on our communities – all of which will be reflected in our upcoming Climate Change Strategy, guiding us in to the future.





## COVID-19

Few would forget Wednesday 25 March 2020, the day New Zealand first went in to Level 4 lockdown in response to the global outbreak of the COVID-19 pandemic. With the COVID-19 initial response now behind us for the most part, and vaccines on the near horizon, it's now we must look back at the lessons learned and be ready to act in the unlikely return of another pandemic or emergency.

As we clearly saw during lockdown, there is no substitute for being prepared and ready.

Essentially, COVID-19 has created a new normal for us all, and while we take time to adapt to this new way of life, thinking and doing, it's vital we continue to build community resilience and further strengthen the community links we have established through this pandemic.

The global outbreak of the COVID-19 pandemic in 2020 and its ongoing threats to various aspects of national, regional and local wellbeing is considered by Council to be a critical factor in our planning for safeguarding the safety of the district's community and its economic vitality going forward.

In relation to the impact on the district's economy, an assessment of relevant indicators demonstrate a minimal negative impact caused by the pandemic. Data on loss of employment, closure of businesses and a noticeable drop in commodity prices, to name a few, illustrate an overall nominal negative effect.

From an operational standpoint, the pandemic did not generate any material impact on a series of factors (such as impairment of assets or valuation of infrastructural assets) and did not drastically reduce Council's revenue with reduced NZTA subsidy income due to lockdown restrictions disabling maintenance and capital works and less income than budgeted for the Resource Recovery Park while this was required to be closed the only areas to note. Nevertheless, in recognition of the potential for a negative financial impact of COVID-19 on the district economy, the initially proposed rates increase in the 2020/21 financial year was reduced from 7.7% to 4%.

Overall, Council considers the long-term economic effects of COVID-19 to be largely uncertain at this stage.

## Government changes

### Three Waters Reform

Over the past three years, both central and local government have been considering solutions to challenges facing delivery of the three waters services to communities. This has seen the development of new legislation and the creation of Taumata Arowai, the new Water Services Regulator, to oversee and enforce a new drinking water regulatory framework, with an additional oversight role for the management of wastewater and stormwater networks.

Following the major failure in Havelock North's drinking water in 2016, where several people died through health complications attributed to the water contamination; and thousands became sick from the effects of campylobacter, the Government revealed its Three Waters Reform Programme and stimulus funding package – and in July 2020, began stoking up the first sparks of the imminent changes ahead.

In a move to assess the recommendations from the enquiry into the Havelock North Water Contamination event, which was highly critical of the then regulatory framework and challenges councils faced around the three waters, the Government's reform aims to create a small number (4 to 6) of new, publicly-owned and multi-regional drinking water delivery, and asset owning entities.

How these look is anyone's guess at present, but with water serving as a critical component of life, the Waimate District will continue to need drinking water, stormwater and wastewater services regardless of who the service provider is.

The proposed reforms are based on councils handing over their three waters assets (and associated debt), and jobs to whatever the new entity may be. Whilst this still remains "public" ownership, the question is whether the district wants to do that. Also, what does it leave in terms of local representation. It also appears that councils will be expected to collect the revenue required on behalf of these new entities.



In August 2020, the Government signed a Memorandum of Understanding with many local authorities around the country, including our Council. It's important to note putting pen to paper does not bind our Council to any future agreements or decisions, it simply adds us to the ongoing conversation.

As part of that conversation, Council was granted \$3.36 million that has now resulted in proposed work being brought forward and additionally some new projects.

While the reform programme remains undecided, we'll know more in May 2021 and will keep you informed. Whatever the eventual outcome happens to be, we know the delivery of the three waters remains vital to our district, therefore the associated work programmes and budgets have been included in both our Infrastructure Strategy and Financial Strategy.

To stay up to date, visit [dia.govt.nz/three-waters-reform-programme](https://dia.govt.nz/three-waters-reform-programme)

## National Policy Statement on Urban Development

The National Policy Statement on Urban Development 2020 directs local authorities to enable greater supply and ensure that planning is responsive to changes in demand, while seeking to ensure that new development capacity enabled by councils is of a form and in locations that meet the diverse needs of communities and encourages well-functioning, liveable urban environments.

It also requires councils to remove overly restrictive rules that affect urban development outcomes in our cities.

Council is aware that the Waimate District has been classified as a low growth area and have assessed this will have a low impact.

## Resource Management Act

Following a comprehensive review in 2020, the Government has voiced their intentions to repeal the Resource Management Act 1991, otherwise referred to as the RMA. The new laws will see the RMA replaced with three new Acts;

Natural and Built Environments Act (NBA) – to provide for land use and environmental regulation, Strategic Planning Act (SPA) – to integrate with other legislation relevant to development, and require long-term regional spatial strategies and Climate Change Adaptation Act (CAA) – to address complex issues associated with managed retreat and funding.

The new laws will hopefully improve the natural environment, enable more development within environmental limits, provide an effective role for Māori and improve housing supply and affordability.

It is likely also to simplify the planning processes, costs and reduce timeframes.



# Community Wellbeing

**One of the main purposes of local government is to improve the social, economic, environmental and cultural wellbeing of our residents and communities.**

Almost everything we do as a Council contributes to these wellbeings, and while these wellbeings are aspirational and long term, we are working with other agencies to measure progress towards achieving them.



## Social

Involves individuals, their families, whanau, hapu, iwi and a range of communities being able to set goals and achieve them. Such as education, health, strength of community networks, financial and personal security, equity of opportunity and rights and freedoms.



## Economic

Looks at whether the economy can generate the employment and wealth necessary to provide many of the requirements that make for social wellbeing, such as health, financial security and equity of opportunity.



## Environmental

Considers whether the natural environment can sustainably support the activities that constitute healthy community life, such as air quality, fresh water, uncontaminated land and control of pollution.



## Cultural

Looks at the shared beliefs, values, customs, behaviours and identities reflected through language, stories, visual and performing arts, ceremonies and heritage that make up our communities.

We have developed a set of indicators, or ways that we can measure progress and report against the four wellbeings including measures such as waste to landfill, employment rate and amount of spend by visitors to the district. For a full list of wellbeing indicators, refer to our Supporting Information at [waimatedc.govt.nz/council/ltp](http://waimatedc.govt.nz/council/ltp)

# Audit Report

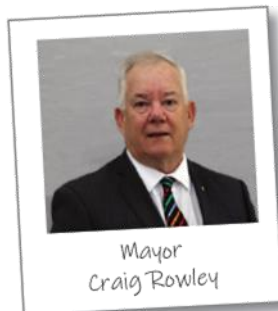




# Your Mayor & Councillors

(the decision makers)

Your Councillors are dedicated to addressing the issues we have discussed in this Consultation Document and want to hear your thoughts about our approach. So if you have any questions get in touch!



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**Waihao Ward**  
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# We're Out and About

Councillors and Council staff are out and about across the district to discuss our plans. Come and see us at one of our community chat sessions detailed below and let us know what you think about our plans and ask any questions you may have.

We'll pop the kettle on – see you there!

## Community chat sessions



Glenavy Hall	Monday 21 June from 7pm to 8pm
Waimate Event Centre	Tuesday 22 June from 5pm to 7pm Wednesday 23 June from 11am to 12pm
St Andrews Hall	Wednesday 23 June from 7pm to 8pm
Cattle Creek Hall	Thursday 24 June from 1pm to 2pm
Maungati Hall	Monday 28 June from 7pm to 8pm

*Call in anytime within the set times and have your say.*

## What happens then?

When you complete a written submission you have the option of appearing at a hearing where you can speak to Council about your submission. If you state that you do wish to speak to Council at a hearing we will get back to you with a time and other details about the hearings. This is not something that you have to do if you submit, it's up to you.

All submissions we receive are given due consideration. Once submissions close we will consider all your feedback and Council will make decisions on the key issue and other matters raised throughout the submission period. We will then summarise all the decisions and let you know the outcomes.

Council will adopt the Long Term Plan 2021-2031 on 31 August 2021, later than the statutory deadline, 30 June 2021.

Following adoption of the LTP Council will then be able to set its rates for the 2021/22 year and issue your rates assessments and invoices. As the rates will be set later than usual, the due date of your rates instalment will be delayed. We will continue to communicate any changes with our ratepayers as this timing is confirmed.



# Tell Us What You Think



There are a few ways you can have your say.....



## Online

### Visit our website

[waimatedc.govt.nz/council/ltip](http://waimatedc.govt.nz/council/ltip) and complete the online submission form

### Facebook Live

Join the Deputy Mayor live on Facebook to answer any questions. Check out the Council Facebook page for times at [facebook.com/waimatedistrictcouncil](https://facebook.com/waimatedistrictcouncil)



## On Paper

Fill in the submission form attached to this document.

### Post to:

Freepost: What's Our Future  
Waimate District Council  
PO Box 122  
Waimate 7960  
(no stamp needed)

### Deliver to:

Waimate District Council  
125 Queen Street  
Waimate

### Email:

Scan and email your submission to [submission@waimatedc.govt.nz](mailto:submission@waimatedc.govt.nz)



## In Person

### Face to face

Drop in to one of the community chat sessions (details on page 32)

### Verbal submission

If you wish to make a verbal submission, come and see us at the Event Centre on Wednesday 30 June between 12pm and 3pm so we can record your submission.

If you wish to make your submission in NZ Sign Language or te reo Māori please contact Council to organise this on 03 689 0000 or [submission@waimatedc.govt.nz](mailto:submission@waimatedc.govt.nz)



Submissions close  
**4pm Thursday 8 July 2021**

## Submission Form

### Long Term Plan 2021-2031



**Waimate**  
District Council

### Personal Details

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Organisation: \_\_\_\_\_

Postal Address: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_

Email: \_\_\_\_\_

### Speak to your submission

Do you wish to speak to your submission at a Council hearing on Tuesday 27 July 2021?

☐

Yes

☐

No

*If yes, please tell us your daytime phone number above and we will contact you to arrange a suitable time.*

### Privacy

A full copy of all submissions will be made publicly available.  
Would you like your personal details withheld?

☐

Yes

☐

No

### Your feedback

#### 1. Key Issue – Managing Impact on Rates (see page 6)

Which rates option do you prefer? Please tick one

☐

**Option 1:** Unsmoothed - No additional borrowings

☐

**Option 2:** Smoothed over 3 years - Council's preferred option - additional borrowings \$1.35m

☐

**Option 3:** Smoothed over 3 years - The softer approach - additional borrowings \$1.6m

*Tell us why, or let us know if you have any other comments.*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



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## 2. Policy Changes (see page 22)

Do you support our changes to the Rates Remission and Postponement Policy? ☐ Yes ☐ No  
*Tell us why or let us know if you have any other comments.*

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## 3. General Feedback

Do you have any further comments to make on any item raised in the Consultation Document or any other items in general?

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Please use additional paper if needed.



[waimatedc.govt.nz/council/ltf](http://waimatedc.govt.nz/council/ltf)





**MEETING CLOSURE**