

MATAMATA PIAKO

LONG TERM PLAN RAUTAKINGA TŪROA 2024 - 2034



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RAUTTA KINGA TŪROA

LONG TERM PLAN

2024
2034



te kaunihera ā-rohe o
matamata-piako
district council

HE KUPU WHAKATAKI ME
TE TIROHANGA WHĀNUI

INTRODUCTION AND
OVERVIEW

WĀHANGA
SECTION

1

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He mihi | Welcome

For our district to be a vibrant, progressive place we must continue to look ahead and make future-focussed decisions.

While there is a lot of uncertainty in the current environment, we have to plan ahead based on the information we have available. An example of this is our three waters infrastructure - while we may not know what the government's proposal means for us just yet, we know we must continue to make improvements to our water and waste water infrastructure to meet the new national standards.

We need to strike a balance between what is affordable and essential in these uncertain times, and what we really need to progress with to ensure this district remains not just a well-serviced community, but a place that puts people at the heart of everything we do. We believe we have developed a plan that will do that.

We've had to grapple with some complex issues but we've kept affordability front and centre. Removing and deferring projects, and changing how we account for some of our assets in a bid to keep costs down. In some areas, we have no choice but to proceed to meet legal requirements.

We will look after what we've got and make the most of our community assets and facilities, and maintain services critical to our community. Volunteers significantly benefit our community and Council will support some of these groups through grants so they can continue to do work that often goes unseen.

After weighing up your feedback, we've agreed on the areas we need to and should progress over the next ten years. In 2024/2025, that requires an additional \$7.7 million in rates and an average of \$2.3m for the years following.

This has been a very challenging plan to develop and it has been important to understand the views of the community as we made these critical decisions for our community. To the people who made submissions, thank you for taking the time to test our thinking on the things we must do or should do, and letting us know whether we're on the right track.



Adrienne Wilcock
Mayor

Anei te Rautakinga

Tūroa | Introducing the Long Term Plan

Your guide to Council's 10-year plan

Every three years Council produces a Long Term Plan that sets the direction for the next 10 years, outlining our key aims, objectives and priorities for the Matamata-Piako district. The Plan also:

- Describes the type of district our communities have told us they want: our Community outcomes
- Identifies the key projects to take place over the next 10 years
- Provides an overview of each activity we will carry out and the services we will provide for the next 10 years
- Determines how much this will all cost and how we will fund it

Producing a Long Term Plan is a Council obligation under the Local Government Act 2002. It is an important way for our community to have a say on where we are heading, and it helps ensure our planning is robust.

In completing the Long Term Plan we are required to do a number of things, including:

- Take a sustainable development approach to promote community interests
- Carry out our business in a clear, transparent and accountable manner
- Operate in an efficient and effective manner, using sound business practices
- Take into account community views by offering clear information and the opportunity to present views
- Provide opportunities for Māori to contribute to decision making
- Collaborate and co-operate with other agencies and councils to achieve desired outcomes



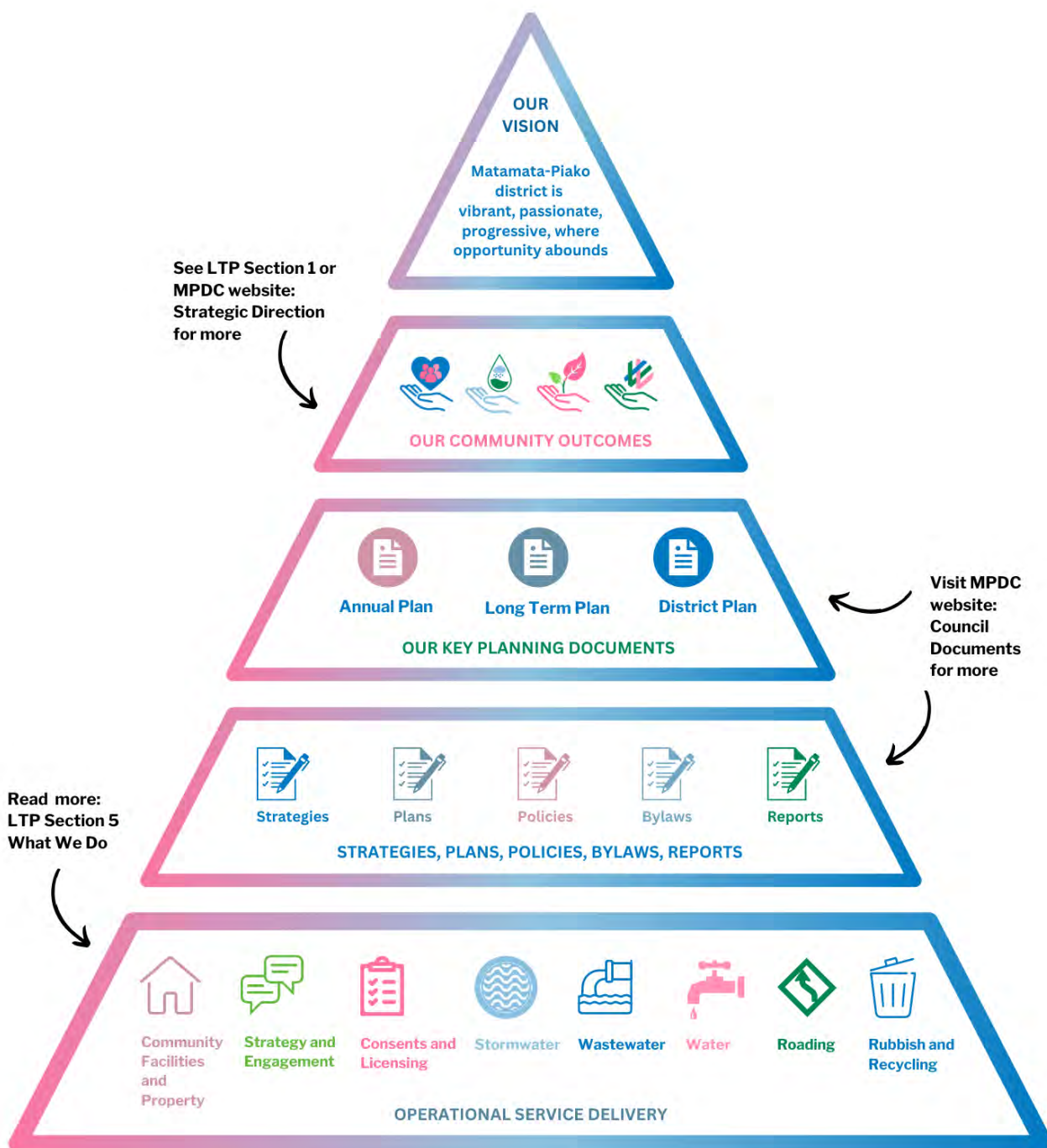
We produce an Annual Plan in the two years that we don't produce a Long Term Plan. The Annual Plan highlights any changes or variances from the Long Term Plan for the coming year. If the proposed Annual Plan does not include significant differences from the content of the Long Term Plan for that year then we are not required to consult the community on it.

We produce an Annual Report every year. This reviews our performance, letting the community know whether we did what we said we would. It also checks financial performance against the budget and Financial strategy.



The diagram on the next page illustrates how our activities, planning and reporting, community outcomes and vision link together to provide services and infrastructure for the benefit of our community.

Council's strategic planning and implementation framework



Ā koutou korero mai | What you told us

Community feedback on the Long Term Plan

Community consultation on the draft Long Term Plan and associated policies was open from 21 March to 21 April 2024. We received 572 submissions across all topics and policies, from individuals and organisations, during this period.

22 submitters presented their submission to Council at the hearing held on 8 and 9 May 2024. At the hearing, Council also considered all submissions. Deliberations were held on 22 May 2024, and giving consideration to the submissions received, Council made decisions on the key topics.

Final decisions on the Long Term Plan

Topics we consulted on

There were nine issues that we asked our community for feedback on. In the consultation document, and on the Long Term Plan website, we outlined Council's proposed option for responding to each of these issues and the reasons and costs associated with that option. We also outlined an alternative option for each. The issues were grouped under the headings 'What we're proposing to reduce', 'What we're proposing to keep the same' plus a rates and debt topic.

Below you can read about each of these nine topics, the options we put forward, the feedback we received and the final decisions we have made for inclusion in the Long Term Plan.

What we proposed to reduce



Te Aroha Spa – this topic received the most submissions during the consultation period (60 submissions). Community feedback showed a majority of respondents supported our proposed option to continue exploring options (52%), while 43% of respondents supported the alternative option to stop work on the spa altogether.

This topic was robustly debated during the Council deliberations. Council voted (seven for, four against) to proceed with the proposed option of \$200,000 for scoping and planning works in 2025/26 and up to \$5 million for capital works in 2026/27 to develop or refurbish the spa or make other improvements.

Council noted that an important factor in the project going ahead is that we can confidently offset the cost of the project from the increased revenue the completed facility would need to deliver.

Roading Renewals – We have agreed to spread out the road pavement renewal programme over a longer period, closely monitor the quality of the road network, and prioritise work to try to keep the roads to the current standard. This option was supported by 44% of respondents, while 49% supported the alternative option to keep roading renewals at the current level.

Following a change in the government’s land transport priorities, we have also chosen to optimise the roading programme’s co-funding potential by reallocating funds toward road pavement renewals. This results in a budget of \$6.05m for 2024/25, \$6.4m for 2025/26 and \$6.8m for 2026/27, which is an increase on what was proposed.



The topic of **Walking and Cycling Improvements** had a high level of engagement during consultation, with 56 submissions received. Of these, 30% were in support of our proposed option to stop budgeting for new walking and cycling connections and safety improvements, and 57% favoured the alternative option to continue to steadily improve walking and cycling connections, but over a longer timeframe.

Council’s final decision was to adopt the proposed option because of our focus on keeping rates down and prioritising the must do projects. In making this decision, we were also mindful of the new Government Policy Statement on Land Transport, which makes it less likely that Council would be able to access funding for walking and cycling. This has resulted in Council removing these capital projects from its application. The budget does still include \$50,000 for Matamata pedestrian improvements on Bridie Ave, and ongoing renewal and maintenance of the existing network. In addition, in light of the public feedback received, we will be investigating alternative options to fund walking and cycling projects into the future.

We received 49 submissions on the topic of **Additional Playgrounds**. The majority (51%) supported Council’s proposed option to limit playground improvements to the planned new playgrounds in Matamata and Te Aroha. Support for the alternative option of cutting costs further by deferring the Te Aroha playground was 37%.

We are committed to delivering a significant play project in each town, and with the majority of respondents supporting this option, we have chosen to go ahead with this investment. We have budgeted \$1.5m in 2024/25 for the Matamata playground and \$1.5m in 2026/27 for the Te Aroha playground. Plus, we will continue to maintain and renew existing play equipment at a cost of \$54,000 per year.



Town centre upgrades



On the topic of **Town Centre Infrastructure Upgrades**, our proposal was to prioritise maintaining and renewing existing infrastructure and delivering on Pride of Place; a majority (57%) of the 49 submissions agreed with this approach.

This decision is consistent with our approach across the Plan to focus on the must dos, and it is supported by both the feedback from this consultation and previous feedback we have received, which emphasised the value the community place on partnerships and activities that create a sense of vibrancy and connection.

On the topic of a **Stage for Matamata Civic Centre**, Council have decided to remove this project from our work programme and maintain the level of service we currently provide. This decision reflects Council's desire to keep costs down by focusing on the must do projects.

The majority (62%) of the 37 submissions received on this topic supported removal of this project.

Matamata Civic Centre - Stage



What we proposed to reduce

Services we provide



When considering the **Services We Provide** to our community, we have chosen not to make any significant cuts to services as we believe the services we choose to deliver are those that make a huge difference to the wellbeing of our community.

We received 43 submissions on this topic, of which 63% agreed with our proposal to continue providing all the current services, to mostly the same standard. 21% supported the alternative option to reduce services to get the rates increase lower.

Te Aroha Library - we believe libraries are an essential service, and have committed to \$4.7m in 2026-28 to investigate and deliver a suitable building to ensure Te Aroha continues to have library services for years to come. Options of relocating, upgrading or a new build will be investigated.

This was a topic that received a high number of submissions (52) and a clear majority (82%) supported the proposed option to invest in the Te Aroha library.

Te Aroha Library





Our Approach to Rates and Debt – Council has confirmed its approach in this Long Term Plan, accepting that our rates need a significant increase in the year ahead to manage the significant increase in costs that we are facing. This option was supported by 50% of those who submitted on this topic (total of 34 submission received). 24% supported the alternative option to borrow money to help cover the cost, with the remainder not choosing either option.

We don't think borrowing money to pay for day to day operating costs is a sustainable approach, as it shifts the burden to future ratepayers. Equally it would not be sustainable to keep rates artificially low when the costs to deliver our basic services are increasing significantly. We believe the rates increases we have landed on strike a financially responsible balance between keeping rates as low as we reasonably can, while enabling us to catch up on the growing demands from increased government regulation, growth in our district and the impact of inflation and current economic conditions.

Other topics we informed our community about

Alongside the nine topics we consulted on, there were a number of other issues that we wanted to inform our community about:

What has increased

- **Resource recovery centre** - Providing rubbish and recycling services to the community is important. Over the next two years we will be upgrading our existing sites to keep them compliant and operational. Alongside these improvements, we will develop a business case for more future focussed options for handling our waste, including the option of one centralised resource recovery hub.
- **Morrinsville stormwater upgrades** - We have budgeted for improvements to the Morrinsville CBD's stormwater network and for improved planning and modelling of stormwater in Matamata and Te Aroha. This work will help to determine the impacts on our community from severe weather events into the future.
- **Wastewater treatment plant upgrades** - Council needs to upgrade all of our wastewater treatment plants to comply with the new environmental regulations. We have increased funding for these upgrades, and will implement this work in stages to minimise the cost impact to the community.
- **Matamata stadium** – This project is already well underway. Initially \$2m was committed to the project, but this has increased by \$1m given increasing construction costs since the initial funding was committed.

What we're unsure about

- **Waitoa water** - Council is unsure at this stage whether or not we will need to invest in a water supply for Waitoa. Council resolved to continue working on options and to consult with the community in due course.

Looking further ahead

- **Swimzone Morrinsville** - the pool is nearing the end of its asset life and Council will be looking to upgrade or replace it, with work budgeted to progress over 4 years starting from year 5 (2028/29) of the Long Term Plan.
- **Water meters** - We will continue to investigate water meters. Council notes that water is a precious resource, and paying for actual consumption is a proven way to reduce water use.

Adoption of the Long Term Plan 2024-2034

The final Long Term Plan for 2024-2034 was adopted by Council on 3 July 2024. The Audit opinion on the Plan is included in Section 9

Tō tātou rohe – he pitomata | Our District – a snapshot

The table below gives a summary of some key statistics for our district - including land area, number of electors and land value, and shows how these figures have changed over the last three years. The graphics on the following two pages, outline projected population and land use changes for our district over the next 30 year period. You can read more about how we expect our district to grow and change in Section 2 – Key assumptions, and Section 4 – Infrastructure strategy, of this Plan.

Area 175,477 hectares	2021/22	2022/23	2023/24
Number of electors (enrolled) *	23,767	24,407	26,165
Number of rating units **	15,699	15,995	16,424
Value of improvements**	\$5,887,261,200	\$7,325,667,796	\$7,444,941,799
Net land value**	\$10,257,434,400	\$12,344,004,651	\$12,512,505,401
Total capital value**	\$16,114,695,600	\$19,669,672,450	\$19,957,447,200
Total rates***	\$39,035,000	\$41,210,000	\$47,081,000
Average total rates per rating unit	\$2,486	\$2,576	\$2,867

* Electoral enrolment centre

** At the end of the preceding financial year

*** Excludes metered water rates, targeted rates from industries, lump-sum contributions and penalties

Our District - a snapshot

Data sources
Census 2018, Te Ngira

2055

Situated in the Waikato Region, Matamata-Piako district is a special part of the world. It's no wonder our district is projected to grow by around 10,000 people over the next thirty years.



37,636

Matamata 8,606
Morrinsville 8,659
Te Aroha 5,209
Rural 15,383



48,130

Matamata 10,525
Morrinsville 10,786
Te Aroha 7,197
Rural 20,001



32% over 65 yrs



23% over 65 yrs

Population changes

Our community is growing. An increasing aging population provides opportunities and challenges that require balance. We have to look carefully at the affordability of rates and invest in the right things at the right time to maintain services such as recreational facilities and pedestrian safety.



19% under 15 yrs

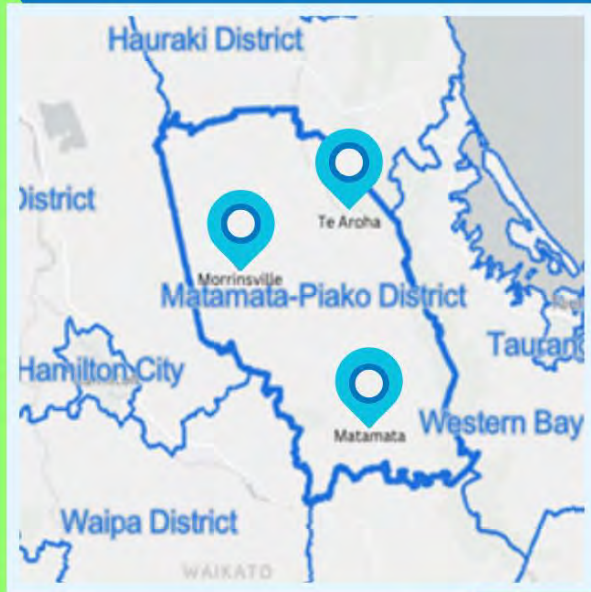


17% under 15 yrs

2025

HOW MATAMATA PIAKO WILL GROW AND CHANGE OVER THE NEXT 30 YEARS

Our District - a snapshot



2055

Our district has stunning landscapes including extensive farmland across the Hauraki Plains, peat swamps, the Waihou, Waitoa and Piako river systems, wetlands and the bush clad Kaimai Ranges.

Land use changes

Data sources
Census 2018, Te Ngira



139,573
hectares

Agriculture

Farming is central to our district and is a core part of who we are in Matamata-Piako. In fact, over 75% of the land in our district is used for agriculture.

Manufacturing is the second largest sector, with much of it also linked to agricultural production including meat, dairy and food processing.

2025



3,834
hectares

Residential



2,132
hectares

Forestry



29,878
hectares

Other land use
eg horticulture,
wetlands, park
and reserves,
urban centres



137,599
hectares



4,671
hectares



3,663
hectares



29,484
hectares

**HOW MATAMATA PIAKO
WILL GROW AND CHANGE
OVER THE NEXT 30 YEARS**

Te Kaunihera I Council

Your elected representatives

Councillors and Mayor



ADRIENNE
WILCOCK
Koromatua I
Mayor



CALEB J ANSELL
Matamata Ward



KEVIN TAPPIN
Matamata Ward



JAMES
SAINSBURY
Matamata Ward



SUE WHITING
Matamata Ward



BRUCE
DEWHURST
Morrinsville Ward



SHARON DEAN
Morrinsville Ward



DAYNE HORNE
Morrinsville Ward



JAMES THOMAS
Koromatua
Tautoko I Deputy
Mayor
Morrinsville Ward



SARAH-JANE
BOURNE
Te Aroha Ward



PETER JAGER
Te Aroha Ward



RUSSELL SMITH
Te Aroha Ward



GARY
THOMPSON
Te Toa Horopū ā
Matamata Piako

Tō tātou kāwanatanga | Our governance



Independent Chair: Jaydene Kana
 Independent member: Joanne Aoake
 Members:
 Mayor Adrienne Wilcock,
 Cr Gary Thompson,
 Cr Bruce Dewhurst,
 Cr Kevin Tappin,
 Cr James Thomas (Dep Mayor)



4 Wards:
 Matamata
 Morrinsville
 Te Aroha
 Te Toa Horopū ā Matamata Piako



Mayor +
 13 Councillors



Ensures Council has appropriate risk management and internal and financial control systems.



RISK AND ASSURANCE COMMITTEE



The Mayor and Councillors represent their communities and make decisions for the District.



They are supported by Council's Chief Executive Officer and staff: advice, implementation of Council decisions, day-to-day operations.

TE MANA WHENUA FORUM



Has the opportunity to contribute to Council processes and provide recommendations to Council for consideration in decision-making.



Member Representatives from: Council, Ngāti Hauā, Ngāti Rāhiri-Tumutumu, Raukawa, Ngāti Maru, Ngāti Whanaunga, Ngāti Pāoa and Ngāti Hinerangi. Ngāti Tamaterā has the ability to join but is not currently represented.



Details overleaf

HEARINGS COMMISSION



Hearing and determining

- Applications for resource consents under Resource Management Act 1991
- Objections under Dog Control Act 1996



Members:
3 Councillors
Coordinator:
Cr Kevin Tappin
(no chairperson)

DISTRICT LICENSING COMMITTEE



Consider and determine alcohol license applications under Sale and Supply of Alcohol Act 2012



Chair:
Cr Sue Whiting
Dep Chair:
Cr Russell Smith
Members:
Appointed from list of appropriately qualified people

WAHAROA AERODROME COMMITTEE



Established 2015 under Ngāti Hauā Claims Settlement Act 2014

- Recommendations: Waharoa Aerodrome land
- Final decisions: Access & parking that affect Raungaiti Marae
- Administering body: In relation to any review of the Reserve Management Plan



Chairs:
Mokoro Gillet & Mayor Adrienne Wilcock
Members:
Cr James Thomas (Dep Mayor), Cr Kevin Tappin, 3 members appointed by Ngāti Hauā Iwi Trust Board trustees

CHIEF EXECUTIVE OFFICER PERFORMANCE COMMITTEE



Annual review of performance and remuneration of CEO



Members:
Mayor Adrienne Wilcock,
Cr James Thomas (Dep Mayor),
Cr Bruce Dewhurst,
Cr James Sainsbury,
Cr Sue Whiting

Te whai wāhi a te iwi ki ngā whakataunga a te kaunihera | Māori engagement in decision making

The iwi in our district include: Ngāti Hako, Ngāti Hauā, Ngāti Hinerangi, Ngāti Korokī Kahukura, Ngāti Maru, Ngāti Pāoa, Ngāti Rāhiri Tumutumu, Ngāti Tamaterā, Ngāti Tara Tokanui, Ngāti Whanaunga, Raukawa and Waikato-Tainui.

One of the goals within Council's strategic direction framework is 'genuine partnership with mana whenua'. To help achieve this goal we have the following governance structures and staff roles.

Te Manawhenua Forum mō Matamata-Piako

Council and forum members established Te Manawhenua Forum mō Matamata-Piako as a formal process of representation for Māori within the district. The forum is a standing committee of Council and the structure was developed through discussions with Māori nominated representatives. The Forum meets bi-monthly.

The purpose of Te Manawhenua Forum mō Matamata-Piako, as outlined in its 'Heads of Agreement', is "to facilitate tangata whenua contribution to Council's decision making." The Forum considers matters to sustainably promote the social, economic, environmental and cultural wellbeing of Māori communities for today and for the future.

The Forum includes representatives from Council, Ngāti Hauā, Ngāti Rāhiri-Tumutumu, Raukawa, Ngāti Maru, Ngāti Whanaunga, Ngāti Pāoa and Ngāti Hinerangi. Ngāti Tamaterā also has the ability to join.

Te Toa Horopū ā Matamata Piako

A Māori Ward – Te Toa Horopū ā Matamata Piako was set up in the district for the 2022 elections. This followed a change to legislation which enabled councils to establish Māori wards without the potential for a binding poll generated by just five per cent of electors.

Manawhenua advocated for Council to make this decision, noting the benefits would include making local decision making more inclusive and fairer for everyone. Its establishment was unanimously supported by the members of the forum.

The inaugural Māori Ward Councillor was subsequently elected in the 2022 Local Government elections.

In 2024, prior to the adoption of this Long Term Plan, the coalition government signalled upcoming changes to Māori Wards. The Minister of Local Government announced the government's intention to make changes to the Local Electoral Act which would reintroduce legislative provisions allowing for binding polls on the establishment of Māori wards/constituencies. At the time of adoption of this Plan, legislation had not been passed and Council had not made a decision on the options it wished to process with.

Iwi liaison staff

Within the last three years an Iwi Liaison role has been established alongside increased operational funding to continue progress in this area. Within the next three-year period, an additional staff role is budgeted to support this work.

Projects and Advisory Groups

Iwi representatives have been involved in the development of a number of Council projects including Te Aroha Spa, Morrinsville Recreation Grounds, Wastewater consents and Papakāinga District Plan change.

Spotlight on a project: Papakāinga District Plan change

Council have been developing new rules to better enable Papakāinga development in Matamata-Piako.

The Papakāinga Plan Change (PC 54) seeks to include new rules that enable quality papakāinga development that supports the social, cultural and economic wellbeing of tangata whenua.

Te Manawhenua Forum mō Matamata-Piako formed a working party to help drive the papakāinga process plan change process within the community and to assist with preparing the provisions. The working group consisted of representatives from the iwi authorities and Te Manawhenua Forum. The group was supported by representatives from Te Kooti Whenua Māori, Te Puni Kōkiri, Waikato Regional Council and Council staff. The decision on the plan change is due mid-2024.



Ō tātou whāinga | Our goals

Te whāinga matua | Our purpose

The Local Government Act 2002 sets out the purpose for Councils as follows:

- To enable democratic local decision-making and action by, and on behalf of, communities
- To promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future.



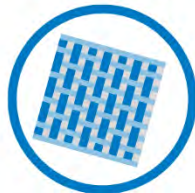
social



economic



environmental



cultural

Te whakakitenga | Our vision

To fulfil this purpose, Council regularly reviews its vision and community outcomes for the district.

Council wants our district to continue to be “our place” for everyone who lives here. It needs to be easy to get around, economically thriving, environmentally sustainable, and with facilities and amenities that are something our communities can be proud of. A place that retains the “small town feel” even as we grow. Where people say “hi” to each other and have a sense of belonging within their community.

Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds

The heart of our community is our people, and the people are the heart of our community



Ō tātou hua ā-hapori | Our community outcomes

Council has identified four community outcomes for our district that together help us to achieve our vision. For each outcome we have identified the key ways in which Council will work toward achieving it.



Outcome #1

He wāhi kaingākau ki te manawa | A place with people at its heart

Priorities

- Be the connector between community, iwi, NGOs and government agencies
- Prioritise community grants that enhance placemaking
- Create vibrant, welcoming town centres
- Strive for liveable, accessible, connected neighbourhoods



Outcome #2

He wāhi puawaitanga | A place to thrive

Priorities

- Seek opportunities to realise Matamata-Piako's economic potential
- Support and encourage quality, sustainable and varied development
- Invest in the right infrastructure at the right time



Outcome #3

He wāhi e poipoi ai tō tātou taiao | A place that embraces our environment

Priorities

- Educate and exemplify continuous improvement in waste minimisation
- Create and maintain green and natural and open spaces
- Demonstrate and advocate for climate friendly and community resilient initiatives



Outcome #4

He wāhi whakapapa, he wāhi hangahanga | A place to belong and create

Priorities

- Genuine partnership with mana whenua
- Partner and plan for multi-purpose sporting, cultural and community hubs
- Support arts and heritage as an important part of our communities

Ō tātou whakapātaritari me ngā angitū | Our key challenges and responses

When planning how we will work toward achieving our vision and community outcomes, we face a range of external factors that influence our decision making.

There are four key challenges that have had a significant impact on the decisions we have made in this Long Term Plan. On the following pages we outline each of these factors – Affordability, Growth and demand, Compliance, and Climate change and resilience. And we describe our response to each. We also discuss an additional factor – Legislative reform – that is adding to the complexity of our planning.

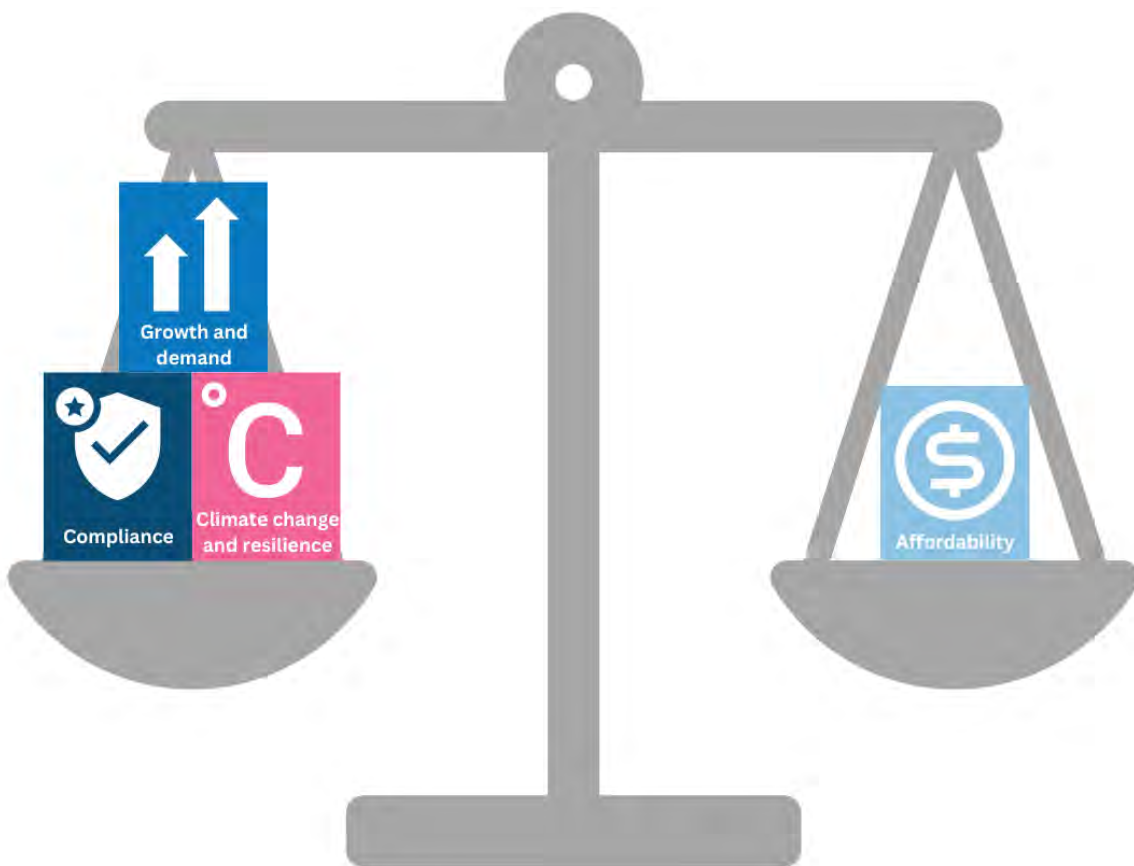


Weighing up these different challenges has meant finding the balance that we think is right for our community, between delivering services and keeping rates in check.

As well as the four challenges outlined below, you can read in more detail about the full range of factors we have taken into account in Section 2 of this Plan - Key assumptions.

To understand in more detail our strategic response to these challenges, from both a financial and service delivery point of view, you can read Section 3 – Financial strategy, and Section 4 – Infrastructure strategy.

Then, to see how all this translates into action, you can read Section 5 – What we do, where we outline our plans for each our activities – from elderly housing and resource consents to roads, footpaths, rubbish services, and more.



Balancing our key drivers

Te ngāwari o te utu | Affordability

We rely on the rates paid by our community to cover approximately two thirds of the cost of providing Council services. That means we know we must balance the need to provide services with the financial impact that this will have for our ratepayers.

Keeping rates as low as possible is always a key consideration for us. But especially this time, with costs rising for everyone, we have made affordability the focus for the Long Term Plan – putting the costs to our community front and centre in all our decision making.

You can review the Affordability assumption in Section 2 of this Plan for more detail on the macroeconomic situation we are facing.

The challenge



The cost for Council to provide services to the community has gone up

Local government has been affected by general price increases across the board, as well as some even bigger cost pressures for products that are in short supply world wide - such as oil, chemicals for water treatment, transportation and labour costs. Costs keep increasing just to provide the same services to the current standard.



Costs have risen for everyone in the community over the last few years





Costs have gone through the roof in recent years. Every household will have seen this in their groceries, insurance, electricity, fuel etc. Significant increases in inflation and interest rates have made it tough for many in our community.



The ability of our community to pay is constrained

Our district has a higher than average proportion of households who are on a fixed income, and find it even harder to cover rate rises.

More about the factors driving up Council costs

<p>Desludging our wastewater plants Wastewater gets treated and discharged back to the environment but the solids left behind also need to be disposed of in an environmentally friendly way. We've been using a process that minimises the build-up but now we need to invest to remove it on an annual basis.</p> 	<p>Interest rate increases Everybody will know that interest rates have continued to increase over the last 12 months. This also affects Council as we borrow money to pay for capital projects, such as building water treatment plants or roads.</p> 
<p>The impact of inflation Household inflation has risen while Council's inflation costs – based on a different bundle of goods, have risen even more sharply.</p> 	<p>Staff costs Our district is growing and that means more assets to maintain, more consents to process and more projects to manage. We need additional staff to meet this demand and to ensure our organisation is resilient and efficient.</p> 

Our response

Prioritising affordability while still delivering services for our community means we will take the following approach in this Long Term Plan period.

Looking after what we've got

We will continue with our maintenance and renewals programmes to ensure our assets remain in average to good condition.

Focusing on the projects we must do

We are focusing on the projects we must do and a small number of the should do projects, where we think they have a critical long term benefit. We have also removed a number of should do or could do projects from our work programme to help reduce cost.

Smoothing our renewal costs

We renew and replace assets based on their useful life, but to keep things more affordable, we are smoothing our renewal costs over the 10 years of the Plan, meaning some years we'll collect slightly less rates, and others slightly more than we need, which will help keep rates increases at more stable levels.

Increasing spending on our roads at a rate below inflation

Inflation means that the cost to complete a normal level of road renewals will now cost us significantly more. To limit increased costs, we're reducing our maintenance and renewal programme. While we aim to keep our roads to the same standard, there is a risk that this will impact the quality of our roads over time e.g. more ruts or potholes.

Increasing the revenue we receive from fees and charges

The costs to deliver our services have increased so we're increasing a number of our fees and charges to help address this. This helps to ensure the users of these services pay a fair share, rather than have to fund the service by collecting more rates. Fees and charges make up around 14% of Council's overall income.

Increasing our limit on borrowing

To fund the must do capital work required for our three waters activities, we're increasing our debt significantly over the first 3-4 years of this Plan. This pushes our debt over the limit Council has historically set for itself, therefore for this LTP we have increased our limit. The increased limit still keeps our borrowing within the bounds of our key lender.

Running an unbalanced budget

We will be running an 'unbalanced budget' in all 10 years of this Plan. This means that the revenue received each year will be less than the expenses for that year. There are two reasons for this:

a) Not fully-funding depreciation

As part of managing our assets well into the future, we collect money each year to eventually replace them over time. Because costs have been increasing, the cost to replace our assets has risen too, so in order to keep rates down we've taken on some risk in how much money we need to collect each year for certain assets (read more in Section 3 - Financial strategy – unbalanced budget discussion).

b) Paying for costs over a longer time period

A significant project to remove wastewater biosolids (sludge) from our Morrinsville and Te Aroha treatment plants will be completed over the next 5 years but paid for over 15 years.

Find out more

Two key parts of this Long Term Plan: Section 3 - Financial strategy and Section 4 - Infrastructure strategy, set out in more detail our approach to affordability.

Te whakawhānui me te hiahia | Growth and demand

Our towns are growing, and are forecast to continue to grow, while our rural areas are projected to have static or declining population numbers. Most of the population increase will take place within older age groups. Growth helps build thriving communities and increases the number of ratepayers to split the total rates bill across, but that growth also requires improvements to our infrastructure that have an impact on rates.

The challenge



Population growth is driving the need for infrastructure in our towns

Population growth and land intensification increase demand for infrastructure services in urban centres. And this comes at a cost.



Our community's infrastructure and service needs are changing

Our ageing population increases demand for accessibility and changes the way infrastructure assets and services are used.



We need to get the timing right

We don't want to burden ratepayers with costs too early, or leave growth projects too long, resulting in poor service. Getting the timing right is important, and tricky.

Our response

Responding to growth and demand means we will take the following approach to providing services to our growing and ageing population.

Balancing growth and demand with affordability

We are spreading out, and staging our growth projects where we can, to keep costs as low as possible. As well, we are deferring, or not proceeding with, a number of projects.

Using development contributions to help fund projects

We will continue to use development contributions as an income source

Investing at the right time and in the right place

We will plan for sustainable growth and manage demand - investing in infrastructure at the right time and in the right place.

Planning for sustainable expenditure

We will make provision for additional capital and operational expenditure over the next 30 years to meet growth demand. Managing our water and wastewater assets

We have developed master plans for our water schemes in Morrinsville and Matamata and we will now do the same for our wastewater facilities in these centres.

Monitoring growth

We will continue to keep a close eye on indicators of growth such as the number of building consents we are issuing to stay up to date with the rate and nature of growth in the district.

Find out more

You can read Section 4 - Infrastructure strategy and Section 3 - Financial strategy to learn more about our strategic approach to growth and demand.



Te tūtohutanga | Compliance

Councils have responsibilities for protecting the health of people and the environment from the potential adverse effects of their activities. Many of the compliance standards that Council must adhere to – for drinking water, rubbish and recycling and more, have become more stringent in recent years. And that means the associated costs to Council to meet the standards have increased too. Compliance is an area where we are obliged to respond – these are must dos for us.

The challenge



There are more regulations that Council must comply with

We have seen an increase in the level of central and regional government direction particularly with changes to the Drinking Water Standards and new legislative mandates for rubbish and recycling. Most of these changes require significant upgrades to our assets or service levels, which come at a cost to ratepayers.



Our water, stormwater and wastewater consents are due for renewal

The amount of drinking water we take, and the stormwater and treated wastewater we discharge is regulated by Regional Council. We are due to renew our consents for these activities during the life of the Long Term Plan and we know we will face more stringent compliance requirements.



The cost for this work is really significant

In the past we have generally spent around \$15 million per year on our water, wastewater and stormwater assets. In comparison, this plan includes \$43m of must do's in year one, \$37m in year two and \$24.5m in year three. These are significant increases for projects that we must do to comply with the new regulations. For urban ratepayers with water, wastewater and stormwater rates this will have a big impact.



There is a large programme of work to undertake in this area

The volume of work we are required to undertake to ensure we can comply with regulations puts pressure on our capacity to deliver the capital programme. You can read more about this in Section 2 – Key assumptions and Section 4 – Infrastructure strategy

Our response

Responding to our compliance obligations means we will take the following approach.

Focusing on compliance

Our compliance projects are our must dos so we have budgeted for the most significant spend and committed the most resources in this area, and reduced work in other areas.

Meeting our consent obligations

By focusing on our compliance projects we will meet our consent requirements for closed landfills, wastewater, water and stormwater activities.

Taking steps to improve road safety

We will continue to aim to reduce serious and fatal injuries on our roads.

Investing in managing our solid waste

We are investigating options for a resource recovery centre to ensure we can meet legislation and provide for greater separation of different waste streams, including farm waste.

Find out more

Section 4 - Infrastructure strategy outlines our strategic approach in more detail. And Section 5, What we do, details the performance measures and targets we will work to meet under each activity group.



Te huringa āhuarangi me ngā manahautanga | Climate change and resilience

Over the next 10 years, we will be focusing on some key upgrades and strategic planning work that will ensure our assets and services - like drinking water, the stormwater network, and rubbish and recycling - are climate resilient, environmentally sustainable and keep our communities safe. And we want to work with iwi and the wider community to create a climate change strategy that reflects the aspirations of the people in our district.

The challenge



Climate change impacts are projected to increase over time

Extreme weather events are projected to become more frequent and severe, impacting many aspects of our community and environment.



We have a key role in looking after the wellbeing of our community

Council has an important part to play in ensuring our community's wellbeing is protected now and into the future from the impacts of climate change.



Council manages many assets that are vulnerable to a changing climate

We have a responsibility to ensure our assets are protected from the impacts of severe weather events, and continue to function effectively in a range of conditions.



There are increasing obligations on Council to respond

Laws and policies at both a national and regional level mean Councils are increasingly expected to take climate change into account when planning for the future.

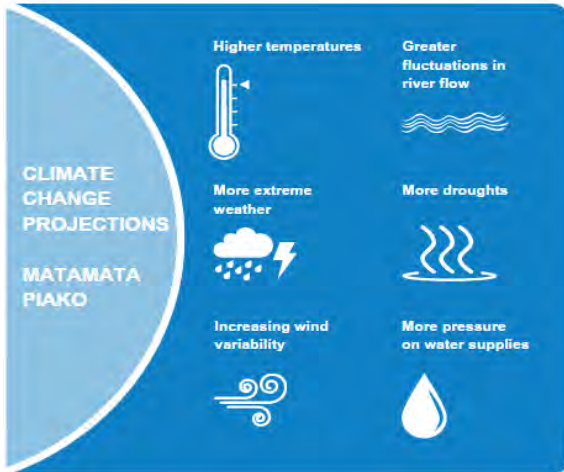


The costs are high

There are significant costs associated with upgrading our infrastructure to be more climate resilient, but the cost of not being prepared – as we have seen in recent weather events – can also be severe.

Climate change projections for Matamata Piako

Waikato Regional Council (WRC) has undertaken work to understand how global climate changes are predicted to impact our region and district into the future. The key impacts are illustrated below. Source: *Matamata-Piako District Climate Impact Report Applying CMIP6 Data*, prepared by CLIM Systems for Waikato Regional Council, October 2021



Our response

Responding to climate change means we will focus on the following areas.

Growing our climate change knowledge

This will include mapping flood risk in our urban areas, modelling stormwater network capacity, an inventory of Council's emissions, and a climate change risk assessment of Council's assets.

Protecting our waterways

In the shorter term this will involve work to reduce the risk of wastewater entering waterways and properties, and in the medium term will also include stormwater sediment control measures.

Increasing drinking water sustainability

Measures will include reducing water loss from our network, public education, increasing the use of grey water and in the medium term, investigating the installation of household water meters.

Reducing our waste

We will continue to divert more waste from landfill and plan for our future solid waste needs.

Developing a climate change strategy

We will engage with iwi and the wider community to develop a plan that improves resilience and meets the aspirations of our community

Finding out more

Read more about our strategic approach and actions in Section 4 - Infrastructure strategy and Section 5 - What we do. And refer to our Climate change rivermap below.

Our climate change rivermap

The climate change rivermap sets out an overview of the work happening across Council's range of activities to plan and prepare for climate resilience.



Ngā whakahoutanga ā- Ture | Legislative change

Below we outline three areas of legislative reform where changes are currently being made or are signalled, and where those changes have significant implications for Council:

- Water services reform
- Resource management reform
- Local government reform

Te whakahoutanga o ngā kaupapahere i ngā wai | Water services reform

The challenge



The ownership and management of water assets is changing

The Water Services Act Repeal Bill returns responsibility for water services delivery to local authorities, while further signalled legislation will bring more changes to the model for the management of Council's water assets over the next two years.



Uncertainty makes planning difficult

While the Local Water Done Well policy indicates the government's general policy direction to Councils, there are still unknowns as to the nature and timeframes of the changes that will occur in the short and medium term.



There are significant budget implications for Council

The management of Council's three waters assets makes up a significant proportion of Council's budget each year. In addition, there are increased compliance costs and costs associated with any change to the model for managing water assets.

Our response

Continuing to manage our three water assets

We will continue to prudently manage these services, which are key to community health and wellbeing.

Responding to legislative change

Over the last year, as Council has developed the Long Term Plan, we have sought to plot a path through uncertainty in respect to water services reform, responding to guidance from the sector, and change as it occurs. This will remain our approach over the coming years. We will respond to the Local Water Done Well policy programme as it is developed and implemented.

Engaging and informing our community

In Section 3 - Financial strategy we have chosen to separate out the costs associated with the three waters and non-three waters activities so as to better communicate to our community how water services impact our financial position.

Begin investigating a new waters management model

We will begin the process of developing options for the new water entities model signalled by the Local Water Done Well policy.

Proactively engaging with partners

We will engage constructively with potential partners in developing any new model for the management of water assets in our district.



Te whakahoutanga o te Ture Whakahaere Rawa | Resource management reform

The challenge



Resource management legislation is key to how Councils function

The laws and policies that direct how Councils manage the environment are central to Council's decision making and actions, so change or uncertainty in this area has a big effect on our planning.



Resource management has seen a lot of change over the last few years

Extensive reform of resource management law has been underway over the last few years, making it challenging for Council to undertake its planning processes.



Central government has started an extensive programme of repeal and reform of resource management laws and policy

The government has begun its programme of repealing and replacing resource management laws and policies, which will have flow on impacts for Councils.

Our response

Continuing to maintain District Plan

Our approach will be to continue with business as usual – maintaining and reviewing our District Plan as scheduled.

Keeping up to date

We will continue to stay up to date with the latest plans and advice in this area, and respond accordingly.

Further detail

You can read Section 2 – Key Assumptions and Section 5 – What We Do for more detail on our response to resource management reform.

Ngā whakahounga Kāwanatanga ā Rohe | Local government reform

The challenge



An extensive review of the local government sector has taken place

The Review into the Future for Local Government has been a significant process for Councils over the last two years. It has explored how councils can maintain and improve the wellbeing of the communities they serve, long into the future.



Next steps are uncertain

The final report from the review panel has now been released with a range of recommendations, but how central government will respond is unclear.



The coalition agreements indicate change in respect to Māori wards

While change is likely, at the time of adopting this plan, legislation had not been passed, and Council had not made a decision on the options it wishes to proceed with.

Our response

We will remain an active participant in local government forums

We will continue to participate in the local government forums for both advice and advocacy.

Watching brief in respect to the Māori ward

We will maintain a watching brief and follow guidance as it comes to hand in respect to our Māori ward.

