

Getting BACK TO THE FUTURE

LONG TERM PLAN
Waitaki 2021-2031



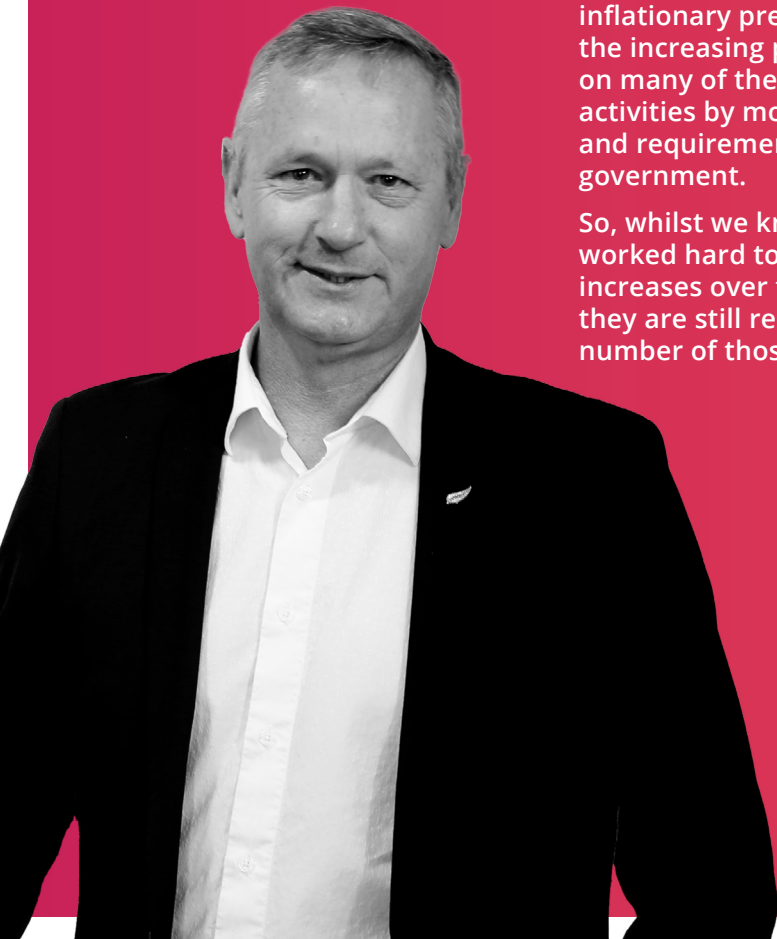
CONSULTATION DOCUMENT

 **Waitaki**
DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI

GREETINGS WAITAKI!

2020 is behind us but the repercussions of the past year keep making themselves felt as we work on the Council's Long Term Plan (LTP).

Waitaki is not alone in that, with a lot of pressure on council budgets and services throughout New Zealand.



Over the past 6 years, I have been proud of our efforts to drive efficiency in our organisation. We have managed to do more in a number of our activities, while keeping rates increases to a modest level.

Last year, we responded to the challenges of COVID, and we had a zero average rate increase for Waitaki. We knew that was putting off some inevitable increases, but it was the right thing to do at the time.

This year we are feeling that inflationary pressure, plus the increasing pressure put on many of the Council's activities by more legislation and requirements from central government.

So, whilst we know we have worked hard to minimise rate increases over the next 10 years, they are still relatively high for a number of those years.

That means it is even more important to hear from you on your thoughts about the proposals in the LTP.

The plan shows our ongoing, significant commitment to looking after infrastructure, and although the future control of water and wastewater supplies is yet to be decided, we are committed to making sure that Waitaki residents have the best water infrastructure that we can afford.

There are a range of other projects and initiatives, plus increased costs for what we are already doing. We are more than just an infrastructure provider as we work towards making Waitaki the best place to be, and we want the LTP to reflect that with projects that really help make our wonderful Waitaki such a great place to live.

Do we have the right things in the plan to achieve that? Is it too little? Or too much? Please take the time to give us your comments - they are appreciated.

Help us, as we look ahead and plan for Waitaki's future.

A stylized, handwritten signature in white ink, likely belonging to Gary Kircher.

Gary Kircher
Mayor for Waitaki

CONTENTS

Introduction	4	Waste Management	11	Rates increases, decreases or status quo?	19
Government-led Three Waters Reform	6	Indoor Sports and Events Centre	12	Rates changes for your property	20
Council's Strategic Priorities	7	Rates Affordability	14	Auditor's Report	21
COVID-19 Recovery	9	Our Infrastructure	17	Feedback Form	23
Climate Change	10	Our reserves and debt levels	18		

ASSUMPTIONS & SUPPORTING DOCUMENTS

As you review the proposals and options presented, we ask that you also take into account relevant background information used in developing this plan. This document has been prepared using the best available information including strategies, policies and future forecasts.

As with any planning, there are assumptions made about how the future will unfold. Supporting documents will help you understand the plan including assumptions and financial budgets. The supporting documents include our Financial Strategy and our 30 year Infrastructure Strategy.



CONCURRENT CONSULTATIONS

At the same time as this Long Term Plan consultation, we are also consulting on some proposed minor changes to our:

Revenue and Financing Policy

This outlines how we determine the sources of funding for our capital and operating expenses.

Policy on Development Contributions and Financial Contributions

This determines how we charge development contributions so that a fair share of infrastructure costs (such as new or upgraded roads, water and wastewater pipes) are paid for by those undertaking development.

We would love your feedback on these policies. More information is available on our website and from Council offices. You can make a submission online or via email to consult@waitaki.govt.nz or send your feedback to the address on the submission form.

The consultation period for these policies is the same as the Long Term Plan – opens 21 April and closes 12 noon, 21 May!

INTRODUCTION

Welcome to our Consultation Document for our 2021-2031 LTP - the plan that sets out what Waitaki District Council is planning to do over the next 10 years.

This Consultation Document provides the community with a summary of the overall direction Council intends to take over the next 10 years, in line with Council's legal obligations, infrastructure needs and community priorities. The document includes an overview of our key issues, what we're planning, how we propose to fund the activities and services, and the impact this may have on ratepayers.

It is a balancing act between service realities, community needs and aspirations, and the community's willingness to pay.

The plan is underpinned by supporting documentation which provides more detail in regard to the infrastructure, financial budgets and activities of Council.

"Give us some feedback on what you think Waitaki's future might look like. Your ideas matter!"

**- Cr Bill Kingan
Corriedale Ward**
(Farmer, lawn bowler, bagpiper)

"Waitaki is already amazing, but what do we want it to be like in ten years' time? How do we try to prepare for everything the future throws at us?"

**- Cr Melanie Tavendale
Oamaru Ward**
(Deputy Mayor, Community stalwart, nautical but nice)

"What do you care about most? Community facilities? Keeping rates affordable? Tell us what you and your whanau need"

**- Cr Hana Halalele
Oamaru Ward**
(Educator, community advocate, getting things done specialist)

"Whinging afterwards is too late, make sure your voice is part of the conversation"

**- Cr Guy Percival
Corriedale Ward**
(Farmer, water skier, poultry wrangler)

"What do you want your rates spent on? Read the plan and let council know what you think"

**- Cr Colin Wollstein
Oamaru Ward**
(Accountant, trail rider, adventurer)

"The LTP is all about forward planning, and future proofing the wonderful Waitaki for the enjoyment of generations to come!"

**- Cr Kelli Williams,
Oamaru Ward**
(Real estate agent, helicopter pilot, animal collector)

"When it comes to the future you can let it happen, make it happen or wonder what happened"

**- Cr Ross McRobie
Ahuriri Ward**
(Real estate agent, keen cyclist, model train buff)



Key things you need to know

To do what we are planning, we have proposed a rates rise of 8.9% in the first year of the plan, and an average of 5.3% over the following nine years.

" Covid has made life tough for small businesses in our district. What should council be doing to help them recover so that Waitaki's economy can thrive? "

- Cr Jeremy Holding
Oamaru Ward
(Small business owner, surfing coach, outdoorsman)

" Message for the pessimists: You're wrong about the future! It'll give us more boom and zoom than gloom and doom. "

- Cr Jim Hopkins
Oamaru Ward
(Radio commentator, writer, raconteur)

WE WANT TO HEAR FROM YOU!

We are seeking your feedback on the following four key initiatives:

Council's Strategic Direction

see page

What do you think we should be doing to achieve our community outcomes and strategic priorities?

7

COVID-19 Recovery

see page

What else can we do to support our community?

9

Climate Change

see page

What should we be focusing on?

10

Waste management

see page

What waste minimisation and education activities would you like to see Council doing?

11

We also want your feedback on the following two important issues. We have considered the options for each and have highlighted our preferred option. The preferred options have been included in our financial forecasts:

Indoor Sports and Events Centre

see page

Which option do you prefer?

12

Rates affordability

see page

Should we look at smoothing the rates increases?

16

...and anything else you'd like to tell us

Submissions close 12 noon,
Friday 21 May 2021.

You can find information on how to make a submission at the end of this document.



GOVERNMENT-LED THREE WATERS REFORM (WATER, WASTEWATER & STORMWATER)

Effective water infrastructure is a necessity for a healthy community – it provides clean water to your taps, removes wastewater from homes and businesses, and protects our assets from floods by managing storm water.

It is the often-unseen infrastructure that plays a vital role in the overall health of our community and wellbeing of our environment.

In July 2020, the Government announced a funding package of \$761 million to provide COVID-19 stimulus to councils nationwide to maintain and improve Three Waters infrastructure on the proviso they support further consideration of local government water services delivery arrangements.

The Government funding package is part of a series of actions in response to many councils across New Zealand struggling to meet the water regulatory framework that was put in place after the Government inquiry into the 2016 campylobacter outbreak in Havelock North that was caused by contamination of the town's drinking water supply.

Waitaki District Council, along with all councils nationwide, signed a Memorandum of Understanding (MoU) with the Government in August 2020, committing it to the first stage of the water reform programme to access a \$7.46m share of the stimulus package. This funding has allowed the Council to further improve fresh and wastewater infrastructure across the District with a lower impact on ratepayers than previously possible.

It is important to note that signing the stage one MoU does not commit Waitaki District Council to anything beyond stage one or to change the way it delivers Three Waters services, and there is an 'opt out' clause available. Council expects to engage with the community on the opt out decision in late 2021, and any decision to participate is likely to be given effect to at some point in the 2023/4 financial year.

What does this mean for the Waitaki District Council Long Term Plan?

The Government's water reforms do add an element of uncertainty about how water services in Waitaki will be delivered in the long-term. We will know more after the Government's announcements in April/May of this year.

At this stage, due to the uncertainties as to the outcomes of the Three Waters review, Council must assume that we will continue to deliver Three Waters services over the life of this LTP and we have based our planning on this assumption.

"This will be the biggest restructure of the way councils deliver water services since the 1980s and will require significant input from Council over the next two years. This includes providing data and information to Government to support the reform process and working with other councils across Otago and Canterbury"

- Marty Pacey,
Water Services Manager
(Engineer, keen hiker, sharpshooter)

The MoU with central Government states the Waitaki District Council is:

1. Willing to explore different ways of delivering water services - drinking water, wastewater, and stormwater
2. Willing to share information on our network and services with neighbouring councils and central Government and that we are open to discussions about how we might be able to work together in the future.

The second stage of the Government water reforms proposes councils consider joining together to set up a small number of large entities to deliver water services on a regional or multi-regional scale. The entities would be publicly owned, with councils as shareholders but the Council would no longer be directly responsible for these services and they would be separately billed to you.

 You can find more information on the reform programme and the proposed timeline here: www.dia.govt.nz/Three-Waters-Reform-Programme



COUNCIL'S STRATEGIC PRIORITIES

Our Planning Cycle

As part of Council's planning cycle Council developed a new Strategic Framework document in 2020. The framework includes the four well-beings (economic, social, cultural and environmental) that have been reinstated back into the Local Government Act 2002 since the last Long Term Plan (LTP).

Council must now consider its broader role in fostering liveable communities, as well as providing core infrastructure and services, and ensuring that principles relating to decisions take into account the aspect of well-being. What this means is that we need to consider the well-being of our community in our planning and operations. In order to promote social, economic, environmental and cultural well-being, Council is focused on achieving our community outcomes.

Community outcomes

Community outcomes describe how Waitaki District Council aims to meet the current and future needs of our communities with good-quality local infrastructure, providing local public services and performance of regulatory functions.

Community outcomes set the direction for our LTP and all activities included in the LTP that the Council undertakes contribute towards achieving these outcomes.

So, what is our planning cycle?

We start with a **Strategic Framework** that sets the Council's vision, community outcomes and our strategic priorities and we review this before we start our planning for the LTP. Focusing on our strategic priorities will enable us to achieve what we want for our community – our community outcomes.

The **Long Term Plan** sets Council's strategic direction and work programme for a 10 year period although we do review this every three years. It outlines the services we will provide, the projects we plan to undertake, the cost of doing the work, and how it will be paid for. It also sets the rates for year one of the LTP.

The **Annual Plan** is Council's work programme over a one year period (July to June) and details how it will be paid for. We produce an annual plan in years two and three of the LTP cycle.

The Annual Plan also sets the rates for years two and three of the LTP.

The **Annual Report** is produced every year and this is where we report back to the community on what we said we would do in the LTP.

COUNCIL'S PLANNING CYCLE



"A community that focuses on the wellbeing of its people is one that thrives and builds resilience."

- Helen Algar,
Safer Waitaki
(Humanitarian, Waitaki wellbeing wonder-woman)

Waitaki **THE BEST PLACE TO BE!**

Waitaki - Whenua taurikura

EMPOWERING OUR PEOPLE AND PLACE TO THRIVE

Whakapuāwai takata, Whakapuāwai whenua

COMMUNITY OUTCOMES *economic***PROSPEROUS
DISTRICT**

Attractive to new opportunities
Support local businesses
Foster a diverse and resilient economy

*social and
cultural***STRONG
COMMUNITIES**

Enable safe and healthy communities
Connected, inclusive communities
Promoting a greater voice for Waitaki
Celebration of our community identity

**QUALITY
SERVICES**

Robust core infrastructure and services
Community facilities and services we are proud of

environment**VALUED
ENVIRONMENT**

Protecting our diverse landscapes and water bodies
Meeting environmental and climate change challenges

STRATEGIC PRIORITIES

Providing high-quality core infrastructure and services

Determining the best way to deliver 3-waters for the community

Working with the community to respond to COVID-19 challenges

Creating a District Plan that is fit for Waitaki's future

Striving towards better Council performance

Driving best value for rates

Ensuring we get core business done while delivering on our strategic priorities and achieving our community outcomes

Engagement with the community and partners

Strategies, plans and partnerships

Long Term Plan and Annual Plan

Our service delivery approach

Monitoring and reporting on our progress

QUESTION 1

What do you think Council could do to help achieve our community outcomes?

What do you think Council could do to help achieve our strategic priorities?

COVID-19 RECOVERY

This LTP is being prepared in a world still reeling from the impacts of COVID-19 – including global border closures, economic recession, a challenging job environment, and overall uncertainty.

We appreciate this is a difficult time for many people who live here. Fortunately, so far it appears the Waitaki District is finding itself not as negatively affected by the economic effects of COVID-19 as early estimates suggested and is faring a lot better than many other districts. This is partly due to our strong primary industry sector as well as not being as reliant on tourism as other areas in New Zealand. However, we are under no illusion that as a community the effects of the pandemic could persist through 2021 and beyond.

What are we doing to support our community?

Council has committed to facilitating the Waitaki District's COVID-19 recovery in a fair, sustainable and integrated way. The following initiatives have already been introduced by Council in response to the COVID-19 outbreak:

- An average zero percent rates change for 2020/21. We will continue to work hard to keep rates rises as low as possible
- We have been prudent with our money, building up reserves which we can now access to help keep rates as low as possible
- A Council support and stimulus funding package (up to \$2 million) including:
 - A Mayoral Relief Fund - individual welfare requests from individuals/ families
 - An Economic Resilience Fund - financial support for new projects which can demonstrate an economic benefit
 - A Community Resilience Fund - financial support for new projects which can demonstrate a broader community benefit
- A reduction in rentals for tenants of Council managed property who are demonstrating financial hardship from COVID-19
- A new Community Recovery Coordinator position at Council to assist Waitaki in recovering from COVID-19 (fixed term 2020-2021)
- Free car parking in Ōamaru (March – September 2020)
- A "buy local" campaign
- A Tourism Waitaki campaign "We Are Missing You" to attract tourism
- As an organisation we have become more digital – wherever possible our staff are able to work from home. This means that in the event of another lockdown we can continue providing services to our community
- We will continue to be cautious about how much debt we take on
- We have continued and will keep up with our Capital works programme taking advantage of the Government's shovel ready and stimulus funding. This benefits our community by supporting the local economy

"The work we do to protect our little blue penguins is dependent on funds generated by tourism. Without our visitors the future for the colony will be challenging."

- Dr Philippa Agnew,
Ōamaru Blue Penguin Colony
(Scientist, environmentalist, nature lover)



?

QUESTION 2

Is there anything else that you think Council should do to help the community recover from COVID-19?

CLIMATE CHANGE

The issue of climate change is a global one in nature but one that will be addressed through small changes to our individual daily routines through the decisions we make. The Council wants to play our part.

Climate change could mean any or all of the following for Waitaki:

- Warmer temperatures (more hot days, fewer frosts)
- More wet conditions (winter and spring)
- Significant decreases in snow
- More windy days
- An increase in storm intensity
- Local wind extremes
- More thunderstorms
- Sea-level rise
- Accelerated coastal erosion

Responding to climate change

In our Strategic Framework we have identified meeting environmental and climate change challenges as a key community outcome. The impacts of climate change are being considered in our work on strategies and plans, including this LTP, our Infrastructure Strategy, our Financial Strategy, our Coastal Roads Strategy and our District Plan.

The Infrastructure Strategy outlines the broader objectives of Council in response to (amongst other things) climate change and natural hazards with regard to how assets are planned for and managed. We take account of the impact of climate change in a number of ways, but predominantly through design and construction standards, identification of hazards, and mitigation (such as insurance) over the life of the LTP and Infrastructure Strategy.

When planning our capital projects we consider the potential impacts of climate change and the mitigation of those impacts. We are also reviewing rules in our District Plan and are now required to consider the effects of climate change in our resource consenting process.

The purpose of our Coastal Roads Strategy is to make sure that we maintain connectivity of our coastal roads that are subject to coastal erosion. The work that we have undertaken to date on dealing with coastal erosion includes placement of rock protection in erosion prone areas, realigning a section of road (including land purchase) and increasing resilience by upgrading a bridge to enable an alternative route in case of road closure.

We introduced our Rural Resilience Project in response to the frequency and severity of storm events and that work has included improving drainage, installing more wash-over pads, strengthening water course embankments, culvert clean-outs and re-instating roadside swales. This work has now become part of our normal business.

Council recognises the importance of reducing our greenhouse gas emissions. In 2019 we commissioned a greenhouse gas inventory report to provide some base data to help understand our organisation's emissions. This will be used to track and compare emissions over time.



"We need to adapt and plan for the effects of climate change in Waitaki, to safeguard our whenua for future generations, before it is too late."

- Tilly King
Head Girl, Waitaki Girls High School,
(Enviro club leader, climate
activist, dog walker extraordinaire)



QUESTION 3

What would you like to see Council focus on in response to climate change?

WASTE MANAGEMENT

In 2008 Council made the decision to encourage the private market to provide waste services.

The most significant impact of this approach was the cessation of Council-controlled kerbside waste collection. Cessation of Council kerbside collection arose from careful consideration of our community – including the fact that only 13 percent of residents were using the Council-run service.

We also hoped that the introduction of a 'user pays' system would encourage waste minimisation, in that those who are producing less waste pay less than those who produce more waste.

We still continue to be involved in waste management in the District by:

- Supporting the Waitaki Resource Recovery Trust in providing a range of options for waste minimisation and diversion
- Providing four rural recovery parks in Hampden, Kurow, Otematata and Ōmārama
- Providing three rural recycling centres in Enfield, Papakaio and Herbert
- Providing public litter bins around the district on footpaths, public reserves and at campgrounds
- Continuing to monitor and manage littering and illegal dumping throughout the District
- Offering a Cloth Nappy Scheme
- Funding and facilitating the Enviroschools programme
- Facilitating Waste Minimisation programmes, seminars and workshops.

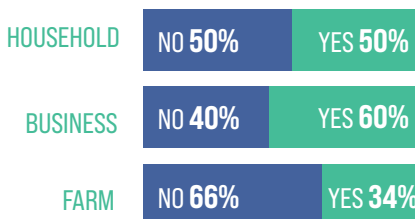
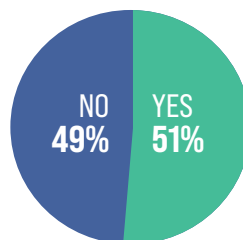
Waste Management Survey

Last year we carried out a survey with residents to find out how many residents are using private contractors for kerbside waste (rubbish, recycling and green waste) collection, how much they are spending, and whether the services are meeting their needs.

The waste management survey found that the majority of residents (81%) are using private contractors (there are three companies providing kerbside services) for kerbside waste collection and that levels of satisfaction are relatively high (80% of residents are satisfied with the service provided).

PREPAREDNESS TO PAY FOR KERBSIDE COLLECTION

Proportion of respondents prepared to pay for a Council kerbside waste collection service in their rates at a cost of approx. \$350/year



As part of the survey, we asked residents whether they would be willing to pay for a Council run kerbside waste collection service at a cost of \$350 each year and the results were fairly evenly split between yes and no.

When considering proposed projects for this LTP, Councillors considered the possibility of providing a multi bin kerbside recycling service but based on the results of the waste management survey and the additional cost to ratepayers (\$350 each year), Councillors decided not to proceed with this option.

The waste management survey found that nearly three quarters (74%) of respondents would like to see Council do more waste minimisation and education activities. In 2020 we created a new Solid Waste Manager position whose role it is to promote a more sustainable environment and raise awareness about how we can manage solid waste more effectively in Waitaki.



If you would like to find out more about the survey results please see Council's website.

"The future of recycling in Waitaki is looking very positive as more people look to do the right thing; people want cleaner air, and no rubbish going to landfill and we're continuing to work on recycling markets overseas to help achieve that"

- Trish Hurley
Waitaki Resource Recovery Park
(Operations Manager, problem solver, educator)



QUESTION 4

What waste minimisation and education activities would you like to see Council doing?

INDOOR SPORTS & EVENTS CENTRE

Over the last several years the community and Council have debated the merits of an indoor sports and events centre being located in Ōamaru.

A feasibility study was completed in 2017 that outlined options for such a facility and subsequently Council decided the idea had merit but at the time decided to cap Council costs at \$7million (50% of the \$14 million total projected cost). Since that time, an increasing number of people in the community have become more vocal about having a sports and events centre – a facility that not only provides improved opportunities for sport and physical activity for all age groups, but one that also could hold cultural events and events that helped grow our economy.

Following a series of meetings and workshops including community representatives and elected members, the scope of the project has increased as the functions and capacity of the facility have firmed up. The result of the workshops show the desired specifications for the proposed facility include the following:

- 6 courts for multiple uses, and including regional and national fixtures
- Conference facilities to complement existing operations
- Toilets and changing areas
- Creche
- Fully air conditioned
- 150 car parks
- Catering kitchen
- Café and bar facilities
- Gymnasium
- Sufficient storage space
- Provision for spectators

The projected construction cost for a facility that meets these specifications is in the vicinity of \$24 million (uninflated cost) with an annual operating cost of \$1 million (uninflated and including repayment of the loan used to fund a contribution by Council).

There have been very positive discussions with individuals and families in the district, with indications that a significant percentage of the development cost may come from the private sector. It is expected that philanthropic trusts and other funding sources (such as private individuals and families in the district) will provide up to \$14 million. Accordingly, Council believes it should cap the ratepayer's contribution at \$10 million (uninflated) with the remaining funding coming from sources other than Council.

" This would be a great opportunity for the kids in Waitaki who would want to get more involved in sports – especially if they can play in any weather! "

- Toeafiafi Halalele
(Oamaru Intermediate School student, netball, basketball, touch)



Before we commit to building a facility we need to be very clear about the detail – what can be delivered and where, for the projected cost of \$24m. Whether the project goes ahead is dependent on the certainty of external funding

Council has contracted a company to undertake a business case that will outline the scale of the project, the potential site, the cost of construction, the annual operating costs and the possible funding sources for the project. The business case will be used to gain community support and funding.

Until the business case is finalised (due for completion by the end of June 2021) we are asking about the level of funding you think Council should commit to. Community support is critical for this project to succeed. A decision to build a facility will not be made until we are certain about what could be delivered within the funding constraints. If the business case signals a higher cost than \$24 million then the external funding target will need to be increased. If the external funding target is not achieved then either the scope of the project will need to change or the project will be abandoned in which case we will reconsult with you.

If the project does not go ahead, the revenue and related costs currently included in the LTP will have to be removed. This will cause Council to have an unbalanced budget in years 2022 and 2023 of the LTP.

Council considers it is financially prudent to have an underlying unbalanced budget for the first two years of the LTP. Council will use excess capacity in its reserves to meet short term requirements to ensure there is no impact on its ability to maintain service levels and to limit any adverse financial impact on the community.

"It would be great for the Oamaru community to get together and play multiple sports and to showcase our talents here in our small town"

- **Chris-Jack Kauapa**
(Waitaki Boys High School student, basketballer, rugby player)

"That would be awesome if we built a big sports centre our community can all use"

- **Sione Uliti Po'uha**
(Waitaki Boys High School student)



We are asking for your feedback on the project; to budget for and develop a 6 court indoor sports and events centre with construction beginning in 2022 and completed in 2024.

With each of the funding options listed below there will be no change to the scope of the project only the level of funding through rates. The rates stated below include construction, operating costs and debt servicing of internal borrowings. In options One, Two and Three the amount of Council's internal debt is shown.

OPTIONS

Option One

(Council's preference)

Council's contribution capped at a maximum \$10 million

Internal debt: \$1,814,325 in year 2023 and \$9,795,806 in year 2024.

The impact on your rates*:

An increase of **\$10.06** in 2024 and increasing to **\$67.30** each year from 2025

Option Two

Council's contribution capped at \$12 million.

Internal debt: \$3,814,325 in year 2023 and \$11,738,806 in year 2024.

The impact on your rates*:

An increase of **\$21.15** in 2024 and increasing to **\$78.68** each year from 2025

Option Three

Council's contribution capped at \$14 million.

Internal debt: \$5,814,325 in year 2023 and \$13,681,806 in year 2024.

The impact on your rates*:

An increase of **\$31.45** in 2024 and increasing to **\$89.29** each year from 2025

Option Four

To decline the proposal (no impact on your rates).

* This includes inflation and GST

?

QUESTION 5

Which Option do you think we should choose?

RATES AFFORDABILITY

This is a snapshot of what we do:

Waitaki District Council provides, maintains, protects and manages:

**114** HECTARES
of **FORESTRY**

**1,200** HECTARES
of **PARKS & RESERVES**

**13**
CEMETERIES

**1** **CENTRAL LIBRARY**
& **5** District Branch **LIBRARIES**
with over **50,000** educational resources

**45**
PUBLIC TOILET facilities

**22**
PLAYGROUNDS

**3** **BIKE PARKS**

**6**
CAMPGROUNDS

**4** **SKATE PARKS**

**CULTURAL FACILITIES**
Libraries, Opera House
Museum & Archive, Gallery

**1** **AQUATIC CENTRE**
Providing learn to swim & water safety programmes

**70%** of our population with access to a **PUBLIC RETICULATED WASTE WATER SYSTEM**

**8** **WASTE WATER SYSTEMS** at
Duntroon, Kurow, Lake Ōhau,
Moeraki, Ōamaru, Ōmārama,
Otematata & Palmerston.

**95%** of our population with access to a **PUBLIC WATER SUPPLY**

**15** individual **WATER SUPPLIES** in Waitaki
(10 restricted water supplies and 5 on-demand water supplies)

**1,800KM** of **LOCAL ROADS**

**166KM** of **FOOTPATHS**

**171** **BRIDGES & 10 major CULVERTS**

**2,014** **STREET LIGHTS**

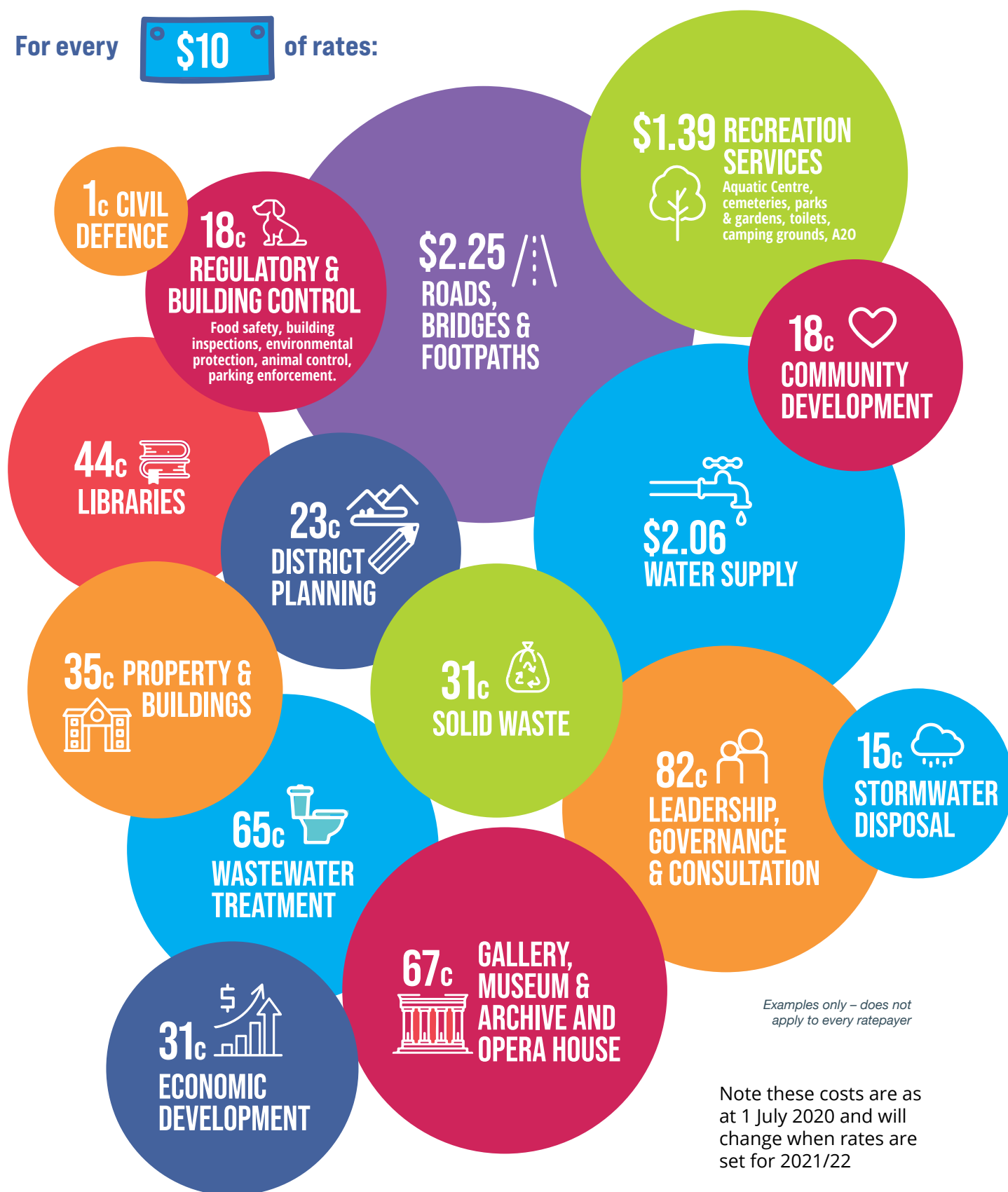
" Just like anyone's household budget, some things are 'nice to haves' some things are 'must haves'... we need to get the balance of spending right in a way that will take in the big picture for Waitaki "

- **Bill Campbell**
East Otago Review
(Journalist, newspaper editor, community organiser)



AND all this comes at a cost of course.
This is a snapshot of the approximate cost in rates:

For every **\$10** of rates:



RATES AFFORDABILITY

We always work hard to keep rates rises as low as possible however after several years of low rates increases we’re facing significant pressure on service delivery.

What this means is that the rates rise this year is likely to be higher than you’ve been used to.

There are a number of reasons why rates will be higher this year than in previous years. In 2020 when we were setting rates we worked towards an average zero percent change. We did this as a way of supporting our community to recover from the effects of COVID-19. However, this has put increased pressure on rates for this year and beyond. We are also facing increases in demands from Central Government, for example around the delivery of Three Waters services.

When we started the process of planning for rates in 2021/22 we were looking at an average rates rise of approximately 22%. We knew that this level of rates rise would place pressure on our community so we have put a lot of thought into ways to keep the rates rise down.

What could we do to keep rates down?

Rates smoothing

Rates smoothing means that the increase in rates would be kept relatively similar between years, rather than a big difference in the rise between years. Several options have been considered for smoothing the level of increase in rates over the first few years of the LTP. The effects of each of these options are outlined in the following table for your information, and we would value your feedback.

The average rate rises under each of the three scenarios are shown in the table below, including the impact on the years immediately following the end of the rate smoothing action.

PROPOSED AVERAGE RATE INCREASE

Financial Year	2021/22	2022/23	2023/24	2024/25	2025/26
LTP Year	Year 1	Year 2*	Year 3*	Year 4*	Year 5*
Option 1 No smoothing	8.95%	7.25%	7.4%	6.5%	7.4%
Option 2 Rate smoothing over two years	8.4%	8.4%	6.9%	6.5%	7.4%
Option 3 Rate smoothing over three years	8.1%	8.1%	8.1%	5.8%	7.4%

* Note under all of these options only rates for year 1 are set. Any subsequent year is subject to change as part of the Annual Plan process – these figures are indicative only. Also note, that another LTP will be prepared before 2024/25.

We are currently reviewing our levels of expenditure to see if there are any savings that could be made to further reduce the rates rise. We will come back to you before the end of June with the results of this review.

OPTIONS

Which option do you think we should choose?

Option One
(Council's preference)
No rates smoothing

Option Two
Smooth rates over the first two years of the LTP.

Option Three
Smooth rates over the first three years of the LTP

QUESTION 6

Which Option do you think we should choose?

OUR INFRASTRUCTURE

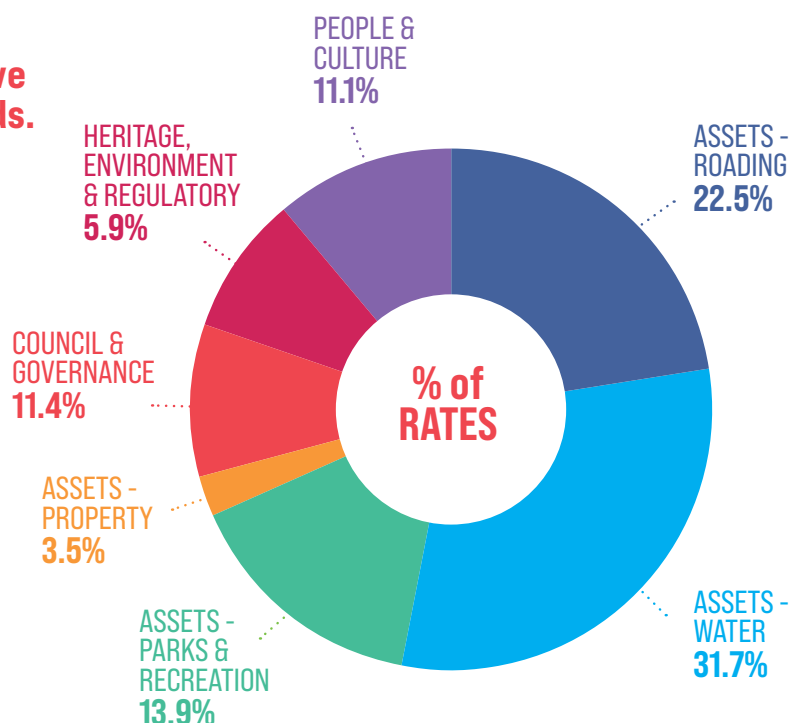
A lot of Council's work relates to maintaining and renewing our infrastructure to make sure we have the infrastructure our District needs.

Our infrastructure network enables us to provide drinking water, wastewater disposal, our transport network and sport and recreation opportunities.

Much of this work is not visible to residents but it is essential for us to continue to thrive as a district.

This graph depicts the percentage of rates required for each of Council's groups of activities. The majority of our spending (71.6%) is related to our \$831 million asset base.

Some of our infrastructure projects which are planned to start within the next ten years are listed in the table below.



SOME PROPOSED INFRASTRUCTURE PROJECTS IN THE LTP

What?	How much?	When does it start?
Water supply upgrades to meet New Zealand Drinking Water Standards:		
Waihemo water main upgrade	\$2.25 million	2021
Otematata water main upgrade	\$1 million	2021
Ōamaru water main upgrade	\$3 million	2021
Stoneburn	\$2 million	2022
Tokarahi	\$3.2 million	2023
Awamoko	\$2.25 million	2024
Windsor	\$2.2 million	2024
Kauru Hill	\$2.2 million	2024
Bushy Creek	\$2.2 million	2024
Lake Ōhau	\$1.16 million	2024
Palmerston wastewater main upgrade	\$926,000	2021
Ōmārama adventure playground	\$400,000	2025
District wide unsealed road metalling	\$800,000 each year	2021
District wide sealed road resurfacing	\$2 million each year	2021
Ōamaru Airport lighting upgrade	\$612,000	2022
Hampden beach landfill removal	\$1.8 million	2022
Sumpter Wharf Ōamaru maintenance	\$830,000	2023
Otematata gardens and seating area	\$104,000	2023

The Council's budgeted capital expenditure is higher than it has been in previous LTPs.

We are also facing uncertain market conditions and this could impact our ability to secure contractors to complete the work.

Over the next 10 years Council has set an asset renewals budget at a level that significantly exceeds expected asset replacements based on age and performance only. This reflects Council's commitment to catch up with previous underspending on maintenance and/or renewals of key infrastructure assets, in particular the Three Waters.

For full details about our asset condition, our asset renewal programme and our plan to deliver the capital programme please refer to our Infrastructure Strategy which can be viewed online on the 'Consultation' page of Council's website www.waitaki.govt.nz.

OUR RESERVES AND DEBT LEVELS

Council expects to be in a very sound financial position, despite the requirement to utilise external debt to fund the replacement of core infrastructure and other capital projects.

We use debt and reserves to fairly share the cost of long life assets across the people that benefit from them, both now and into the future. Over the term of this LTP, we will use reserves extensively, and will continue to use both internal and external debt as needed.

Funded reserves have previously been used to invest in community initiatives which will generate a good return until it is required for the purpose it was collected for. Investments in North Otago Irrigation Co Ltd, Observatory Village Charitable Trust and the Kurow-Duntroon Irrigation Co will be repaid progressively over the ten years of this LTP and provide further funding for capital works.

We are generally satisfied with our projected financial position. We believe it will give us the capacity to respond to both planned events such as replacing pipes and bridges and unplanned impacts like

weather and other natural adverse events. However, we also want to be comfortable that we are collecting an appropriate amount from the community. For example, after reviewing available fund balances, we have reviewed the amount we set aside each year to fund depreciation and resolved to reduce the rate impact of that over the initial years of the LTP.

Council uses internal debt, which is where we temporarily move money from one part of Council to another. We monitor the size of this debt as it has to be repaid and interest must be charged. The measure we use for this monitoring is total debt does not exceed total revenue. This will be achieved over the 10 years with total debt expected to vary between 55% and 99% of total revenue, with the peak occurring in 2027.

RATES INCREASES, DECREASES OR STATUS QUO?

Rates are, and will remain, the most important way in which we fund the activities we undertake.

We have set out in the Financial Strategy our overall goals on rates increases, how we want to achieve those goals and the success we have had in achieving them in the past. One way we choose to consider this is the overall rate increase compared to local government inflation.

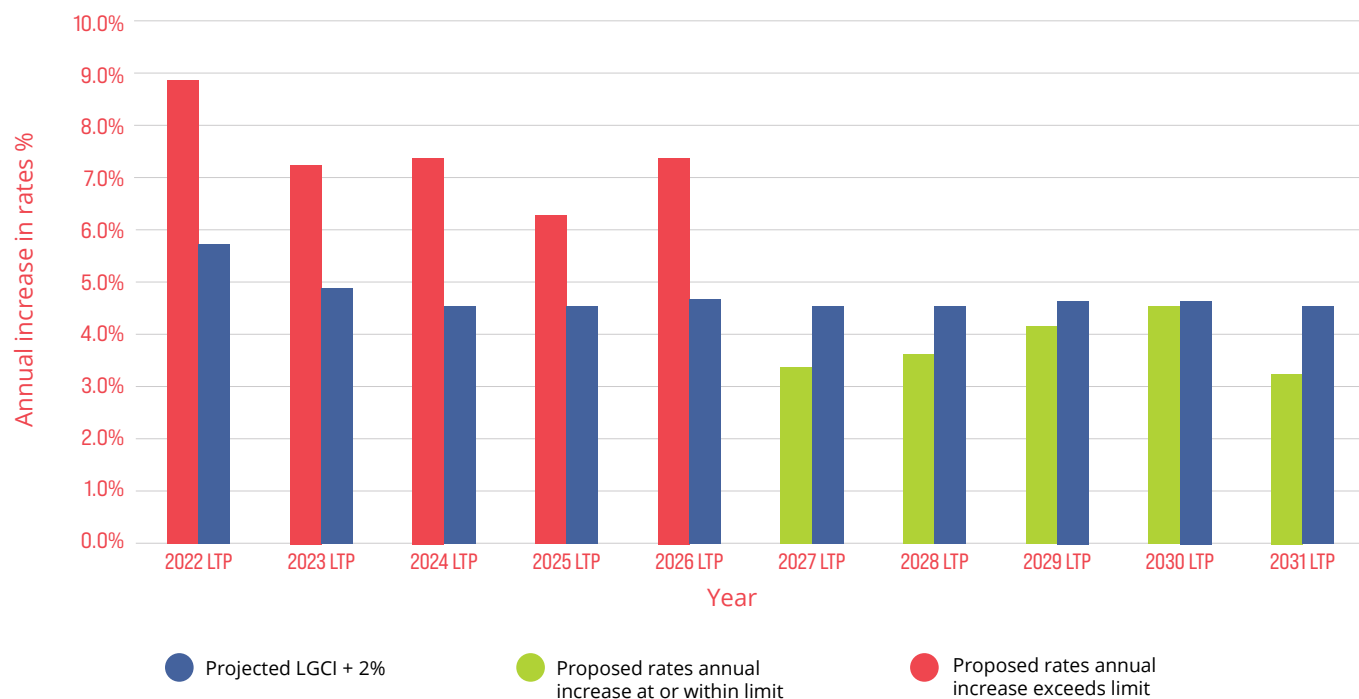
It is clear from the chart below that we have not been able to achieve this target in the first 5 years of the LTP. We have been very satisfied with the success in keeping rates at affordable levels over the past several years. Unfortunately, as the local and national economies recover from the pandemic, and as our focus is now firmly on aging infrastructure and development within the district, this must change.

We use two other measures to monitor the change and impact of rates. The first is that rates should not exceed 70% of total operating expenditure. We expect this to vary between 61% and 69% of operating expenditure over the next 10 years, with the peak occurring in 2031.

The second measure focuses on affordability, where we compare rates on a typical Ōamaru home against projected levels of Married National Superannuation. The limit on that measure is 10% and we expect to sit between 7.5% and 9.5% for the life of the LTP.

RATES INCREASES AFFORDABILITY BENCHMARK

Projected annual increase in Rates Income compared with the projected annual change in the Local Government Cost Index (LGCI) plus 2%



RATES CHANGES FOR YOUR PROPERTY

Why is the rate increase for your property never the same as the figure we talk about?

For simplicity we talk about rates increases in terms of the total amount of rates required. Very few people (and properties) see this exact same increase in their annual rates bill. This is especially true in the year when we’re developing our LTP because the rating revaluation takes place at the same time. As rateable values of properties change by different amounts, what will be charged in rates also varies. When this variation is added to the changes in all the separate rates we use, it means the change you will see is almost as unique as the property you own.

The following tables help illustrate this, providing sample properties covering residential, agricultural and commercial properties. From these examples you can see the variability in the level of rates charged. While these examples may not precisely reflect your specific property, they may assist you in putting the proposed impact on rates into perspective.

** Capital Value (CV) is the value of a property for rating purposes, not the current market value of your home*

	Land Value \$	Capital Value \$	Rates charged 2021	Rates projected 2022	% Change
RESIDENTIAL					
Oamaru	75,000	250,000	2,209	2424	9.73%
Oamaru	110,000	320,000	2,401	2,614	8.87%
Oamaru	270,000	570,000	3,147	3,353	6.55%
Oamaru	195,000	760,000	3,362	3,562	5.95%
Kakanui	100,000	390,000	1,990	2,223	11.71%
Weston	90,000	35,5000	2,372	2,661	12.18%
Goodwood	32,000	140,000	1,580	1,704	7.85%
Hampden	60,000	255,000	1,476	1,589	7.66%
Herbert	35,000	265,000	1,623	1,761	8.50%
Kurow	61,000	230,000	1,772	2,031	14.62%
Lake Ohau	205,000	415,000	1,815	1,906	5.01%
Maheno	30,000	215,000	1,000	1,046	4.60%
Moeraki	84,000	240,000	2,315	3,207	38.53%
Omarama	122,000	310,000	2,039	2,183	7.06%
Otematata	90,000	320,000	1,879	2,053	9.26%
Palmerston	40,000	255,000	2,229	2,290	2.74%
COMMERCIAL					
Oamaru	185,000	440,000	4,390	3,446	-21.50%
Oamaru	1,210,000	5,150,000	33,649	31,230	-7.19%
Omarama	410,000	1,450,000	8,574	9,950	16.05%
Otematata	460,000	740,000	4,174	4,424	5.99%
Palmerston	170,000	640,000	7,631	7,538	-1.22%
AGRICULTURAL					
Ahuriri	6,650,000	7,780,000	15,744	17,255	9.60%
Papakao	13,400,000	16,200,000	33,129	36,145	9.10%
Waitaki Bridge	6,200,000	7,700,000	15,169	16,585	9.33%
Awamoko	1,980,000	2,380,000	6,259	6,856	9.54%
Waihemo	1,230,000	1,540,000	5,579	6,023	7.96%

AUDITOR'S REPORT

To the reader:

Independent auditor's report on Waitaki District Council's consultation document for its proposed 2021-31 long-term plan.

I am the Auditor-General's appointed auditor for Waitaki District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 19 April 2021.

Qualified opinion

In our opinion, except for the effect of the matter described in the basis for qualified opinion section of our report:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021-31 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis for qualified opinion – Inadequate explanation of the matters of public interest relating to the proposed content of the infrastructure strategy

Section 93C(2)(c)(ii) of the Act requires the Council to describe in its consultation document matters of public interest relating to the proposed content of the infrastructure strategy. The disclosures on page 17 about the Council's infrastructure strategy do not adequately describe the content of the strategy and asset management plans. In particular, the Council does not explain its approach to maintaining and renewing its three waters assets. Consequently, the infrastructure strategy disclosures in the consultation document do not provide an effective basis for public participation in the Council's decisions about the proposed content of its 2021-31 long-term plan.

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised)

Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Emphasis of matters

Without further modifying our opinion, we draw attention to the following disclosures.

Uncertainty over three waters reforms

Page 6 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The consultation document was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based.

Uncertainty over external funding of capital projects

Pages 12 to 13 outline that the Council has assumed a significant percentage of the funding to build an indoor sports and events centre will be obtained externally. The external funding contributions are currently uncertain because funding agreements are not in place. There is a risk that the level of funding through rates could be impacted, but the Council indicates that a decision to build the facility will not be made until there is certainty of what can be delivered within funding constraints.

Uncertainty over three waters infrastructure assets forecast

Page 17 outlines that the Council's forecasting for three waters infrastructure asset renewals is based on age and asset failure rates. Planning on this basis increases the risk of disruption in services.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

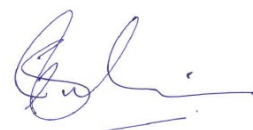
We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this audit and our report on the Council's annual report, we have carried out limited assurance engagements related to the Council's debenture trust deed, which is compatible with those independence requirements. Other than this engagement we have no relationship with or interests in the Council.




Rudie Tomlinson
Audit New Zealand
On behalf of the Auditor-General,
Dunedin, New Zealand

WE WANT TO HEAR FROM YOU!

The Local Government Act requires Council to consult with its communities on proposed actions if they are considered to be significant in terms of Council’s Significance and Engagement Policy.

We value your input, and encourage you to take the time to get involved by reading through the list of significant projects and changes we are proposing for the 2021-31 period, and tell us what you think. You will also find a list of options that we are proposing to resolve any issues, the impact of the proposals on rates, debt levels and on levels of service.

The LTP Budget is based on Council’s preferred options as set out in the feedback form. When reading these options, please keep in mind that for rates funded projects, an additional \$325,000 increases the overall rates impact by approximately 1%. The table on page 16 provides more information on the likely rates impact on individual ratepayers.



Want more information?

Go online! - to the Consultation Page on our website to find other supporting information: www.waitaki.govt.nz

Or give us a call on 03 433 0300.

Keep an eye on our Facebook page as well: @WaitakiDistrictCouncil

More information and a digital copy of this consultation document and feedback form is available on the ‘Consultation’ page of Council’s website www.waitaki.govt.nz

Printed copies of this document will be available at Council offices and Waitaki District Libraries during the consultation period.


- 

Do it online
fill in the online form on our website
- 

Write it
and post it back to us:
Waitaki District Council,
Private Bag 50058,
Ōamaru 9444
- 

Email it
send your feedback to
consult@waitaki.govt.nz
- 

Drop it
to Council offices in
Ōamaru - 20 Thames St, or
Palmerston - 54 Tiverton St.

- 

Talk to us
If you want to present your submission/feedback to Council please let us know by ticking the appropriate box on the feedback form.

Hearings are scheduled for 24 and 25 May. Once the timetable has been finalised we'll contact you to let you know when you'll be speaking.
- Drop in sessions**
We'll be holding informal sessions around the district where there will be opportunities to speak to Councillors. Check out our website for the dates, times and locations.

SAVE TIME
Do it online!



scan this QR code with your phone to go straight to our online feedback form

Key Dates			
Consultation Opens	Consultation Closes	Hearings	LTP Adopted
Wednesday 21 April 2021	12pm, Friday 21 May 2021	24 & 25 May 2021	29 June 2021

LONG TERM PLAN 2021-2031 FEEDBACK FORM



Name..... Organisation (if applicable).....

Address.....

Email.....Phone.....

- ☐ **Please tick if you would like to speak to your submission at the Council Hearings**
You can attend the Hearing in person, or via a zoom link. We will contact you to arrange a time.
Note: All Council Meetings are livestreamed for public viewing and recorded.

What is the best way to contact you?

- ☐ Phone ☐ Email ☐ Post

Note: for your submission to be valid you must include your full name, and a postal address or email address. All submissions, including your name, will be included in public documents.

You're welcome to comment on any aspect of the LTP, including anything you think we may have missed. We are seeking your specific feedback on the 6 topics below.

1. Community Outcomes and Strategic Priorities [page 8]

Question: What do you think Council could be doing to help achieve our community outcomes?

.....

.....

Question: What do you think Council could be doing to help achieve our strategic priorities?

.....

.....

2. COVID-19 Recovery [page 9]

Question: Is there anything else that you think Council should do to help the community recover from COVID-19?

.....

.....

3. Climate Change [page 10]

Question: What would you like to see Council focus on in response to climate change?

.....

.....

4. Waste Minimisation and Education [page 11]

Question: What waste minimisation and education activities would you like to see Council doing?

.....

.....



5. Proposed Indoor Sports and Events Centre (page 12)

Question: Which option do you think we should choose? (Please tick one)

To budget for and develop a 6 court indoor sports and events centre with construction beginning in 2022:

- ☐ **Option One:** Council's preference
Council's contribution capped at a maximum \$10 million
The impact on your rates: An increase of \$10.06 in 2024 and increasing to \$67.30 each year from 2025*
- ☐ **Option Two:**
Council's contribution capped at \$12 million
The impact on your rates: An increase of \$21.15 in 2024 and increasing to \$78.68 each year from 2025*
- ☐ **Option Three:**
Council's contribution capped at \$14 million
The impact on your rates: An increase of \$31.45 in 2024 and increasing to \$89.29 each year from 2025*
- ☐ **Option Four:**
To decline the proposal. No impact on your rates

**This includes inflation and GST*

Do you have any comments?

.....

.....

6. Rates affordability (page 16)

Question: Which option do you think we should choose? (Please tick one)

- ☐ **Option 1:** Council's preference
No rates smoothing
- ☐ **Option 2:**
Smooth rates over the first two years of the LTP
- ☐ **Option 3:**
Smooth rates over the first three years of the LTP

Do you have any comments?

.....

.....

7. Your thoughts and ideas

Is there anything else you would like to tell us about?

.....

.....

.....



Run out of room? Attach more pages if needed