

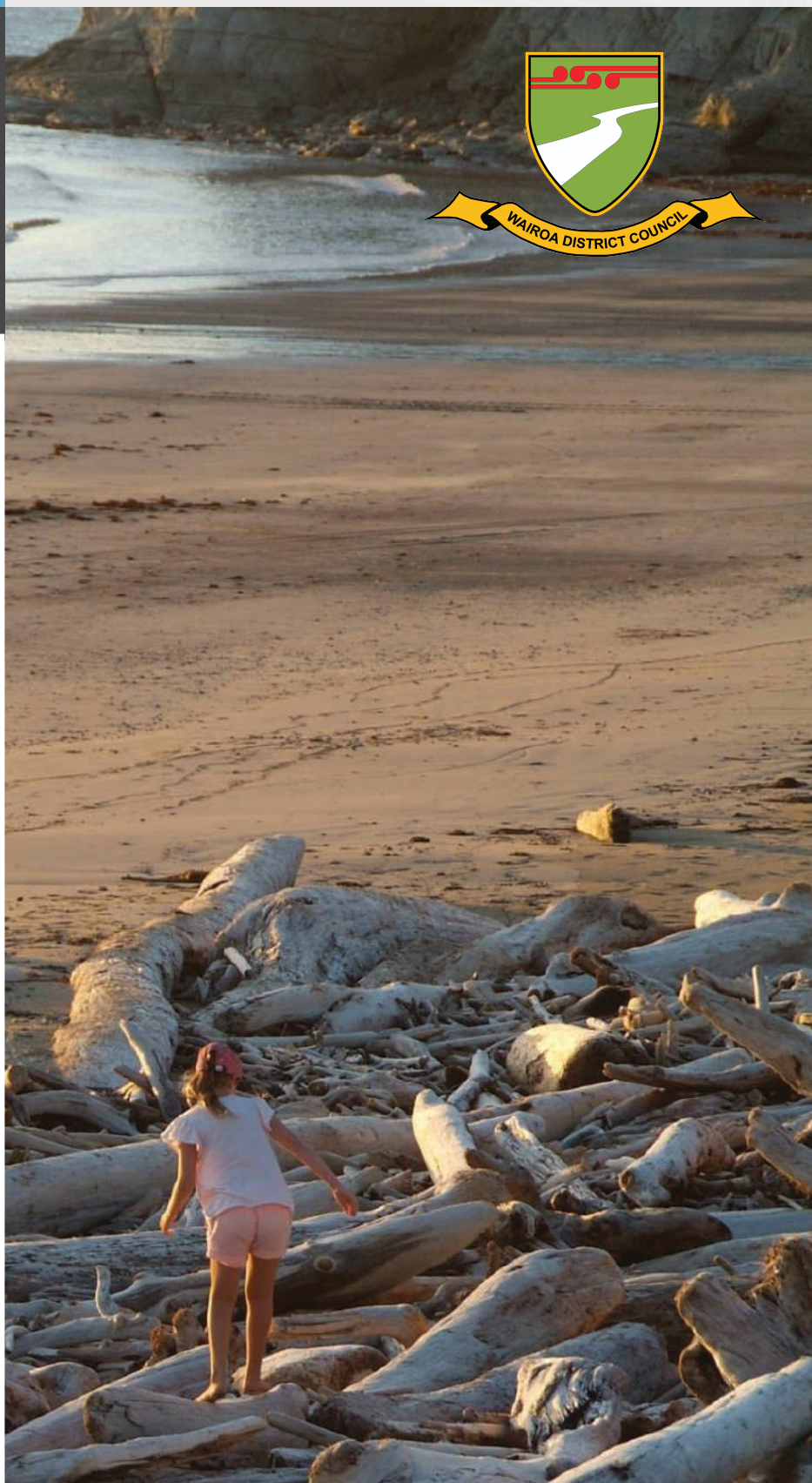
Mahere Pae Tawhiti
Long Term Plan
2018 - 2028

Tuhinga Akoako
Consultation
Document



HAPAITIA

uplifting our community



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MESSAGE FROM THE MAYOR & CEO



NĀ NGĀ PAKIHIWI O Ō TĀTAU TĪPUNA, KA TAEA E TĀTAU TE TITIRO WHAKAMUA. FROM THE SHOULDERS OF OUR ANCESTORS, WE ARE ABLE TO SEE THE FUTURE.

Welcome to our Consultation Document on the Long-term Plan (LTP). The 2018-28 LTP provides an opportunity for our community: individuals, iwi, hapū, local organisations and businesses; to become involved with Council's direction, priorities, work programme and budgets for the next 10 years. "Hāpaitia" is Council's vision for this LTP engagement and includes key themes of sustainability, having pride in our place, keeping you at the forefront of our operations as a local government body, and getting on with the job. Although economic development remains a key priority for us, maintaining our levels of services and infrastructure is our core business. Council will be investing in infrastructure over the life of this plan to provide a foundation for strong and resilient communities.

We will continue to focus on growing our population, transforming our district, and delivering a world class service. We are not prepared to sit back and do nothing. Decisions will be made with the whole community in mind. We will be facing some significant challenges over the next 30 years including demographic change, climate change, and resilience and affordability of our infrastructure. We understand that some of these decisions might be difficult but they will be necessary for us to all achieve our goals together. We would like to commend this Council and staff for having the courage to tackle these issues head-on with the best of intentions.

In order to achieve our strategic objectives there are some significant projects proposed in this document. These are explained from pages 19 to 29 and will support what you told us in pre-engagement about the long-term objective of Wairoa being a great place to work, live, and play.

We are all aware of the challenges we face; our rural isolation, our population and demographic profile, and our ageing infrastructure. This means we have to be especially prudent with our finances.

Council's financial and infrastructure strategies are summarised on pages 10 to 17 of this document and demonstrate how Council will seek to overcome these challenges in a prudent, affordable, and creative way.

We know that we have to really consider the need to increase rates, but in order to maintain levels of service and if we are serious about investing in our future these increases are unavoidable. We will keep this as affordable as possible by not rating for some

depreciation, spending investments wisely, and using borrowing to fund long-term infrastructure.

Council expects to incur an accounting shortfall in 8 of the 10 years - its investment portfolio will be spent and borrowings will more than treble compared to the current level. Our Financial Strategy shows we will use less than 60% of available debt capacity, and this will continue for 30 years and beyond. As members of the Local Government Funding Agency and through our existing debenture trust deed we have access to competitive fixed borrowing rates for the long-term.

We know there are inevitable risks associated with this approach. If interest rates were to increase by 1%, this would mean a 1% increase in rates. If we had to borrow another \$1 million to reinstate some key infrastructure this would equate to 0.5% on rates.

However, we've done our sums and we have reviewed our asset management plans. If something goes wrong, or something unexpected happens, we have allowed sufficient capacity in our funding plans to allow for this. This is responsible and prudent planning that demonstrates we have considered all aspects - including risk management. Our key infrastructure assets are insured and we have support from key funding agencies such as NZTA and the Local Authority Protection Programme.

The award of long term operations and maintenance contracts gives us price certainty for periods of 3 - 5 years.

In terms of managing risk, our approach will be to reprioritise projects, or delay projects, or increase rates. Although the average rates increase over the first 3 years is 5.4%, it is only 2.5% over the seven years that follow. Therefore we are confident that Council will be able to respond to changes and any possible risk without increasing the burden on our ratepayers.

We believe our funding approach is responsible and prudent and now invite you to tell us what you think. Become involved with this consultation process and tell us what your thoughts are by contacting Council on 06 838 7309 or visit our website.

🌐 www.wairoadc.govt.nz (search for #LTP2018.)


Mayor Craig Little


CEO Steven May

MISSION, VISION & COMMUNITY OUTCOMES

Council's direction is about uplifting all of our community together in an affordable and creative way whilst at the same time understanding the impact we have on our environment. This plan takes a long term view of improving our infrastructure and maintaining our core levels of service. We will also look for new and creative solutions to see Wairoa prosper, including through our relationship with central government agencies and working collaboratively (locally, regionally and nationally) to achieve the best outcomes for the Wairoa district.

Investing in our infrastructure, our core services and in our future will require rates increases; however, Council will use its reserves to keep rates at an affordable level.

There are many challenges including upgrades to infrastructure, social, cultural and economic imperatives and our 2018-2028 LTP seeks to address those in an innovative and cost-effective way. Council is aware of the need to grow our population and build our economic capabilities, but doing this in a way that is in step with infrastructure developments. Our goal is to partner with others to bring about real change for Wairoa.

"Hāpaitia" is the theme for this Consultation Document, it's about all of us working together to uplift our whole community. We need

to look at upgrades to core infrastructure, to grow our population, and be aware of our impact on our environment. We need to consider good social, cultural and economic outcomes for our communities, maintain our core levels of services, and in some cases improve them. Council cannot do this alone, and "Hāpaitia" is about our entire community coming together and working with others (like central government agencies) to ensure they fulfil their responsibilities, and working with businesses to bring employment to Wairoa. 'Hāpaitia te ara tika mō ngā uri whakatipu' – 'setting the right path together for our future generations'



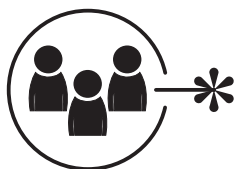
MISSION

The Wairoa District Council exists so that residents and visitors alike can enjoy the community in which they live and visit, supported by local decision-making to promote the social, economic, environmental and cultural well-being of the Wairoa District in the present and for the future.



VISION

- Connected Communities
- Desirable Lifestyles
- Treasured Environments



COMMUNITY OUTCOMES

Economic wellbeing

1. A strong, prosperous and thriving economy
2. A safe and integrated infrastructure

Social and cultural wellbeing

3. A community that values and promotes its culture and heritage
4. Safe and accessible recreational facilities
5. Supportive, caring and valued communities
6. Strong district leadership and a sense of belonging

Environmental wellbeing

7. A safe and secure community
8. A lifetime of good health, education and wellbeing
9. An environment that is appreciated, protected and sustained for future generations.



PRIORITIES

1. Improved transport (including airport and roading)
2. Sustainable and affordable infrastructure
3. An enhanced CBD area with thriving businesses
4. Protect and enhance our natural environment
5. Enhance and maintain our indoor and outdoor recreation opportunities
6. Continue to promote our district as a great place to live, work and play
7. Sustain meaningful partnerships with iwi, community groups, whānau and hapū across our district
8. Continue to be an active participant in the Te Wairoa Reorua Strategy 2040 and continue to celebrate and promote the unique cultural heritage of Te Wairoa
9. Facilitate improved economic opportunities for our rangatahi and tamariki
10. Facilitate a safe environment for our residents and visitors to live, work and play.

These priorities are considered in terms of demographic change, financial sustainability, long term sustainability and where the right partnerships are necessary to ensure they are met now and into the future.

COUNCIL PROVIDED
SERVICES OVERVIEW



ROADS

Total Length 898km

568.2km unsealed
301.5km sealed



BRIDGES & CULVERTS

134 bridges
40 large culverts



**PUBLIC
STORMWATER
NETWORK**

Total Length 66.4km



**WATER
CONNECTIONS**

2,301 Households
(Tuai, Frasertown, Mahanga
& Wairoa)



**COMMUNITY
CENTRE**

92,868 visits

25m pool
38,337 visits

Learn to swim pool
6,525 visits

Fitness Centre
27,943 visits

Gym
18,011 visits

Function room
2,052 visits



**GREEN SPACES &
SPORTS GROUND**

13 hectares



**PARKS &
RESERVES**

1,898 hectares



LIBRARY

62,867 items issued

47,146 visitors

14,529 computer sessions

6,238 Wifi users

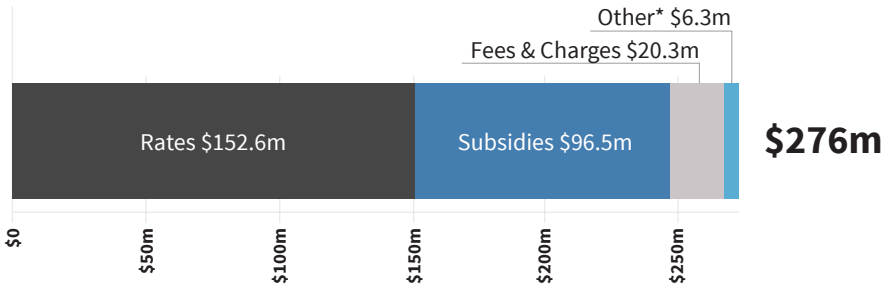


**PUBLIC
TOILETS**

14 across the District



FUNDING



* includes: investments, rentals, petrol tax

TEN YEARS OF COUNCIL REVENUE

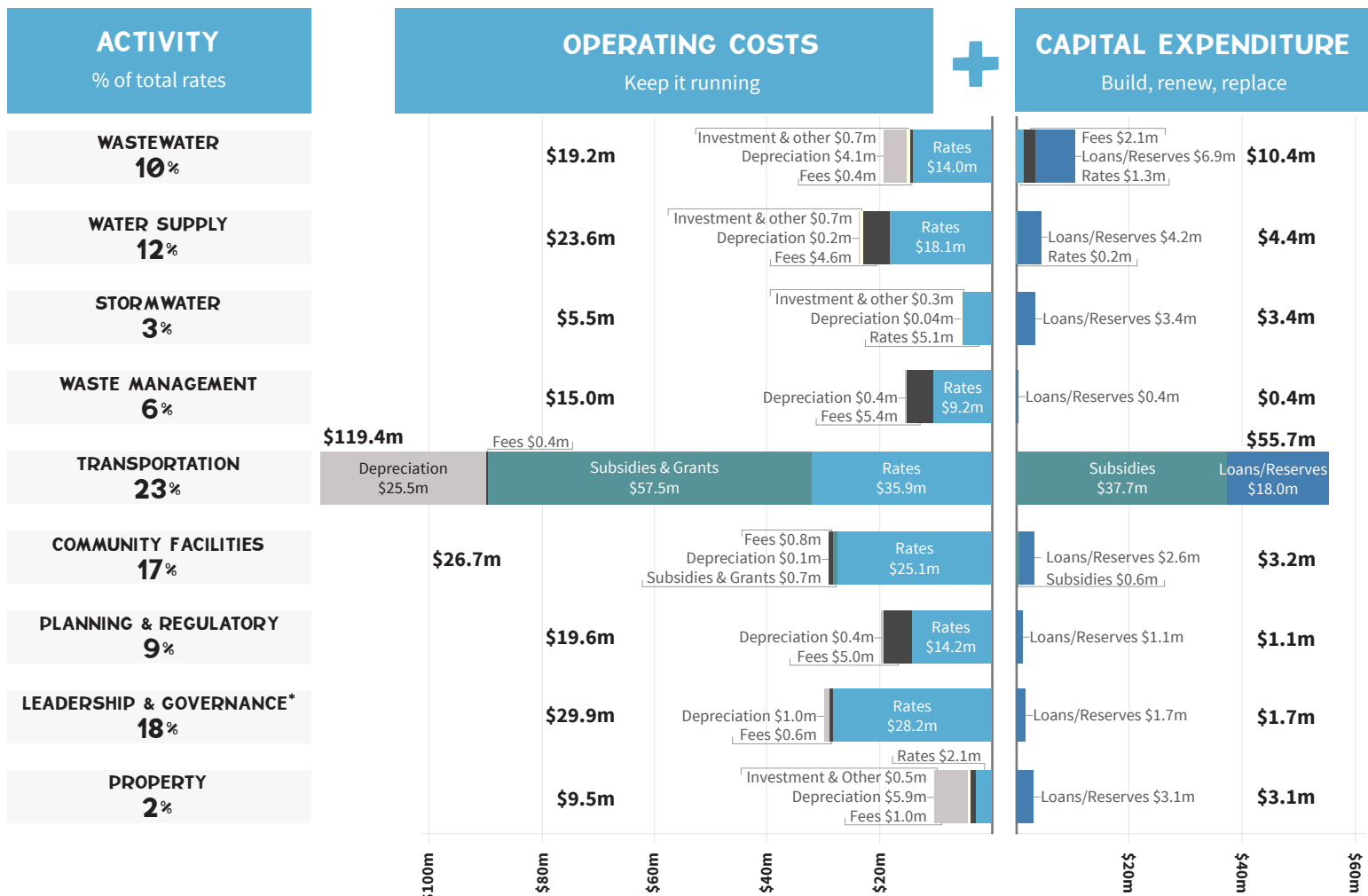
In order to deliver its planned activities over this Long-term Plan Council requires a total of \$276 million in revenue over the ten year period. This will be derived as shown on the left.

COUNCIL'S FORECAST EXPENDITURE

The following information outlines what Council plans to spend for each activity group over the next ten years and how we plan to fund each activity group's expenditure.

'Reserves' are Council's depreciation reserves that are part of what is rated for each year in order to have money set aside to fund our infrastructure replacements to spread the costs of replacing an asset over the asset's expected life. Council also uses these reserves instead of getting external loans for other projects - this is called internal loans/borrowing. Internal loans need to be paid back so that the funds are available for their original purpose, part of repaying these internal loans includes interest that would have been earned from investing the money.

'Depreciation' is a charge in Council's accounts that reflects the use of Council's assets and how long they will be able to be used for by the community. Council does not rate for the full amount of this charge. Sometimes it is prudent to not rate for all of the depreciation charge that is accounted for in Council's accounts because it will not be required in certain circumstances. These circumstances include where Council is not going to replace non-core assets (such as certain halls, furniture and equipment), roading sub-courses (which we are required to depreciate in our accounts but these rarely require full replacement), assets where external funding helps pay for renewals (such as NZTA funding more than 70% of Council's roading renewals), and new assets that were paid for by loans (Council will be rating for the repayment of these loans and believe it is inappropriate for current asset users to pay for that asset twice). This then produces the situation in Council's accounts where total operating costs exceed revenue, a deficit.



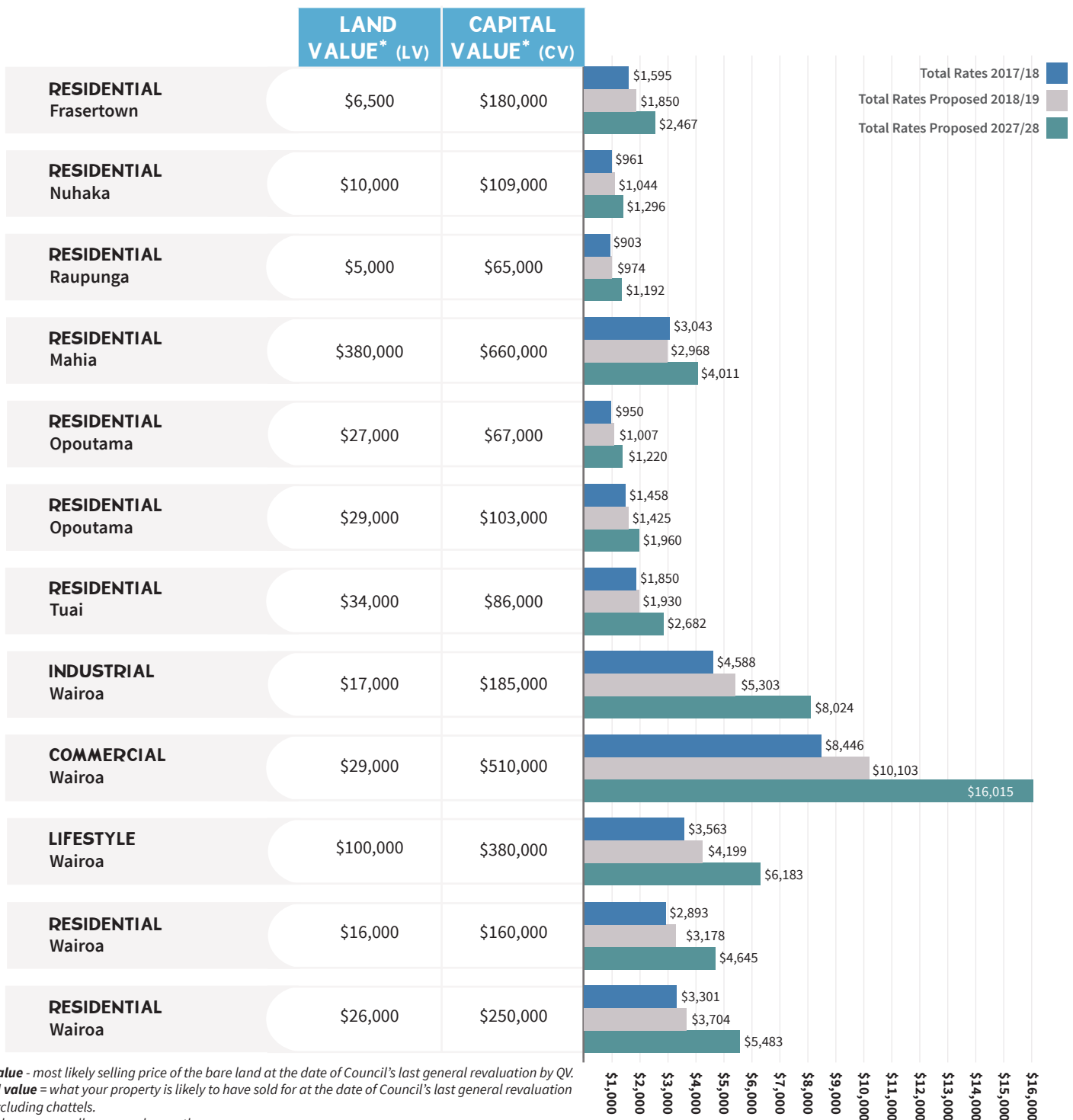
* includes: Council administration, Māori relationships, economic development, visitor information

RATES

This section includes information on the rates of our sample properties, the average rates increase including the spread across the different sectors, the district's rating charges over the 10 years, and the composition of the Uniform Annual General Charge (UAGC). There were no changes to the Revenue and Financing Policy after public consultation earlier this year so the way Council funds expenditure and calculates rates remains unchanged. The information presented is based on the draft budget that includes all of Council's preferred options.

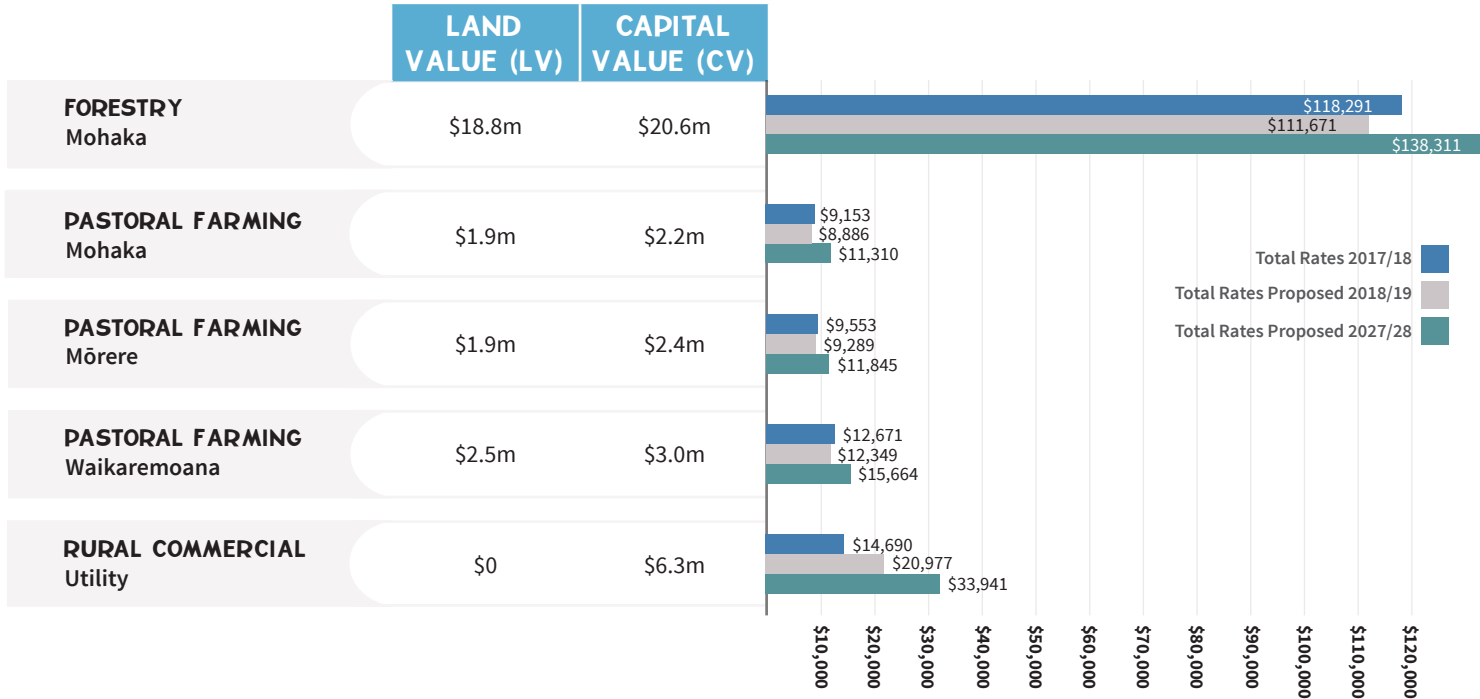
SAMPLE PROPERTIES

The graph below demonstrates what Council's plan will mean for a representative sample of ratepayers. It compares the rates for 2017/18 to those proposed for 2018/19, and the proposed 2027/28 rates.



*Land value - most likely selling price of the bare land at the date of Council's last general revaluation by QV.
 *Capital value = what your property is likely to have sold for at the date of Council's last general revaluation by QV, excluding chattels.
 These values are usually assessed every three years.

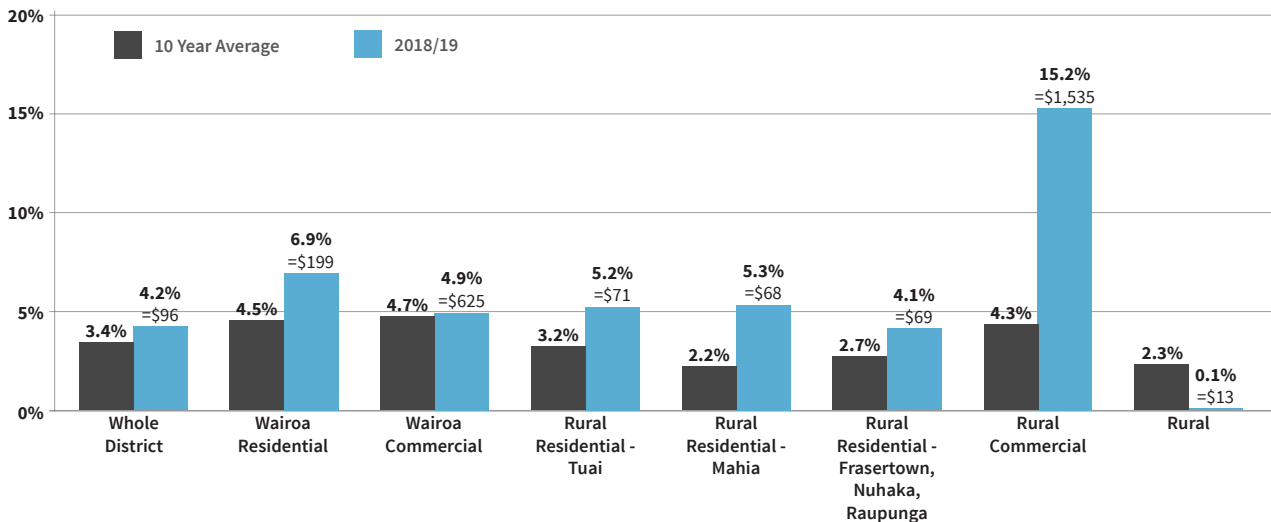
SAMPLE PROPERTIES (CONTINUED)



AVERAGE RATES INCREASE*

The average rates increase proposed for 2018-19 is 4.2%. However, Council's activities are rated in a variety of ways and with a large number of differentials. **Therefore individual ratepayers will be affected differently depending on the value, location and type of property they own.** The rates are calculated based on our Revenue and Financing Policy provisions which includes differentials. Council did not change the policy when they consulted the public recently in response to the submissions received on the proposal.

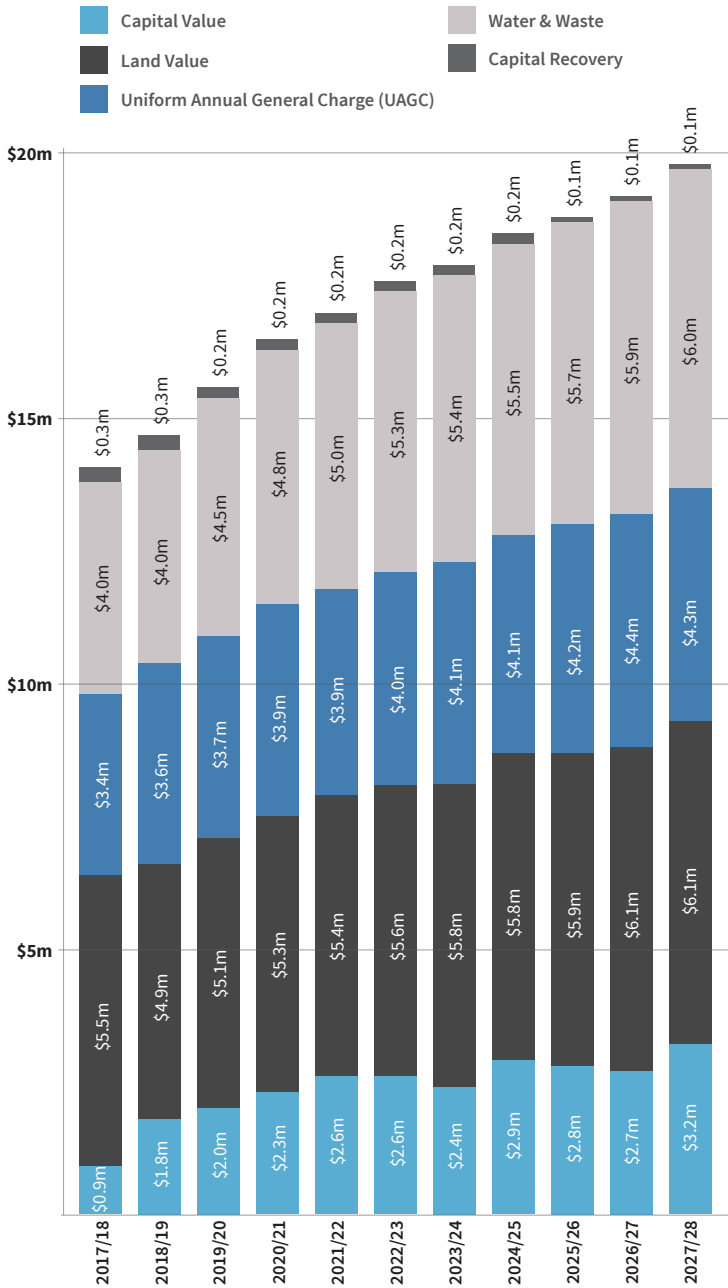
The graph below shows the proposed rates increase for 2018/19 and average for the ten years to 2028 by sector, incorporating the ongoing cost of maintaining levels of service and the projects* that Council intends to undertake.



* average %, average \$

*2 more information on these projects and their potential cost impact on pages 19 to 29.

RATES



DISTRICT RATING CHARGES

Council's rating method is determined by its Revenue and Financing Policy and uses the following rating tools:

- Capital value
- Land value
- Uniform Annual General Charge (UAGC)
- Uniform amount per rating unit or connection (three Waters and Waste Management)
- Capital recovery rates – these can be a uniform amount or based on a scale of charges

These methods are applied to particular rate types as described below:

- UAGC fixed amount for each ratepayer
- Solid Waste Management fixed rate for each ratepayer, discounted outside of Wairoa
- Drainage fixed rate for Wairoa and Mahia Townships
- General rate based on Land Value of your property
- Recreation rate based on Capital Value of your property
- Roothing rate based on Land Value of your property
- Services rate based on Capital Value of your property
- Wastewater Management fixed rate per wastewater connection to Council's sewerage system
- Water Supply fixed rate for each rating unit with access to a Council system

The amount that Council plans to collect via each method is shown in the graph on the left.



- 1 | Managing Council Property - 2%
- 2 | Governance, Leadership, Policy & Support Services - 57%
- 3 | Māori Liaison - 7%
- 4 | 30% of Visitor Information Centre Costs - 2%
- 5 | 30% of Economic Development Costs - 6%
- 6 | Wairoa Community Centre Building - 3%
- 7 | Grants - 8%
- 8 | Library - 15%

UNIFORM ANNUAL GENERAL CHARGE (UAGC)*

The UAGC is made up of:

Costs of running the Council, development of policy and Council's corporate overheads, the Library, 50% of the funds used to support the community through grants and the running of the Community Centre, and parts of the Council's costs that provide an equal benefit to all members of the District.

* based on 2017/18 budgets

FINANCIAL STRATEGY SUMMARY

Council is increasing what we borrow to undertake some major infrastructure work in the next three years, including work that had been deferred previously to save money. After this period of increased spending to undertake some major work, our focus will then be to maintain our service levels and we will be rating to carry out core infrastructure renewals. During this time we will be able to start to focus on reducing our debt so that it comes down progressively over a long period so that we have capacity in the future for any borrowing we may need to do to undertake major infrastructure work.

Council's population is expected to remain relatively stable over the next 30 years and with little change to land use there will only be a small increase in the total number of rating units across the district. Council will endeavour to keep costs low so that we can maintain or improve our current levels of service until the community believe they can no longer afford these levels of service, if this happens then Council will have a conversation with the community about key levels of service and make adjustments in line with the community's priorities.

Council's Financial Strategy outlines what financial mechanisms Council will utilise and the framework it will operate in, so Council can carry out work outlined in the Infrastructure Strategy and achieve Council's strategic objectives* in a way that delivers sustained value to the community.

To meet our objectives over the next 10 years Council will need to spend \$365 million (\$83 million of this is capital expenditure). We will fund this expenditure by maximising external revenue sources, employing user pays mechanisms where appropriate, and through prudent treasury management and project funding, whilst continually striving for efficiencies and cost savings.

The strategy has a range of parameters to guide Council's funding decisions. The financial forecasts for the next ten years are assessed against these parameters to ensure Council can provide and maintain existing levels of service and meet additional demand for services. These limits are outlined in the graphs below, along with what Council expects to achieve using these parameters over the next 10 years.

DEBT

Council's debt will increase in order to finance some of the significant infrastructure projects planned for the next ten years. These loans are usually repaid over a long period. Council has established limits on its total debt and the annual cost of servicing debt (interest and loan repayments) to ensure that debt levels remain affordable and repaying this debt is sustainable for the community.

BALANCING THE BUDGET

When setting a budget Council looks at the balance between affordability and financial sustainability- living within its means whilst ensuring there is sufficient funding available for current operating costs and future infrastructure.

Over the next ten years Council expects to report an accounting shortfall of \$8.4 million. This includes the following items that do not impact on Council's immediate solvency or long-term sustainability. The adjustments outlined below amount to \$10 million, which means that over the next 10 years Council will return a 'cash' surplus of \$1.6 million on its operating activities. This excludes capital expenditure which is funded separately. Council therefore believes its funding approach is prudent.

A. Depreciation costs not recovered

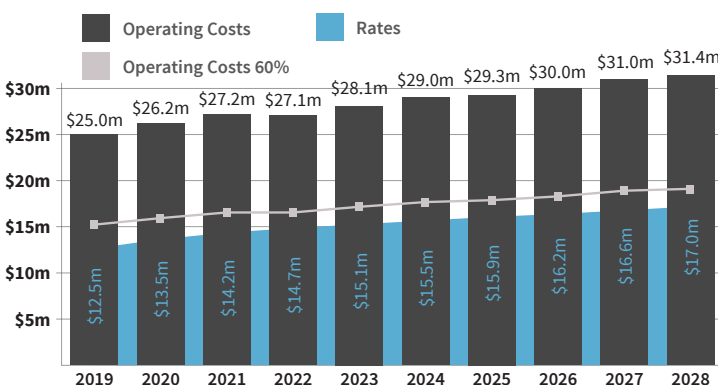
Council does not rate for depreciation on assets that it does not expect to replace in the future, or for those that were previously funded by borrowing and the loan interest and repayments are being rated for instead of depreciation. In addition, Council does not rate for depreciation where external funding is available, in particular subsidies from NZTA for road renewals. The total amount of depreciation that is not rated is \$32 million over the 10 years, and since approximately 70% of this is related to subsidised roading assets, less than \$10 million of this affects the bottom line, in cash terms.

B. Landfill Aftercare Provision

Council maintains a provision on its balance sheet for the estimated cost of maintaining the landfill site after it is capped at the end of its useful life. This provision is adjusted annually and the adjustment is charged as an expense in Council's accounts. Since this a non cash adjustment and the ultimate outcome is remote and uncertain, this amount (\$250,000) is excluded from the rates calculation.

* see page 4 for more information on Council's strategic objectives

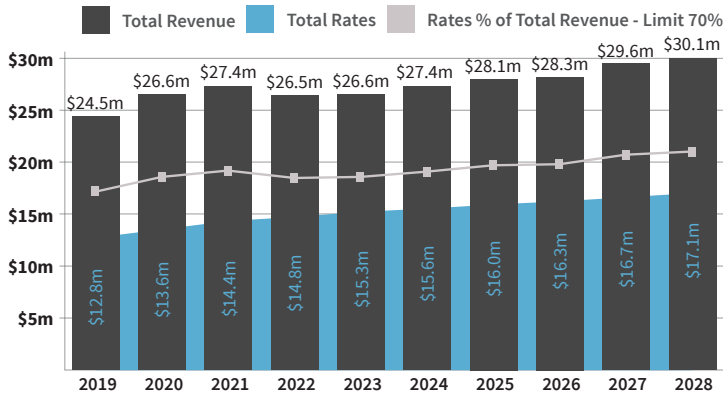
FINANCIAL LIMITS



RATES % OF OPERATING COSTS

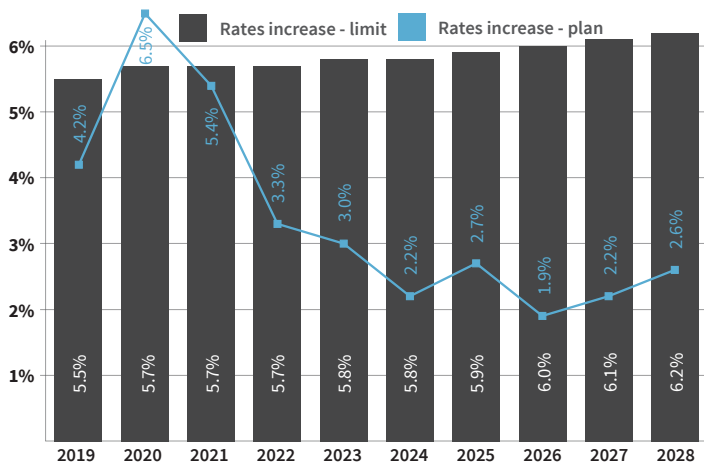
Total rates (excluding capital contribution rates) will not exceed 60% of operating costs.

FINANCIAL STRATEGY SUMMARY



RATES % OF TOTAL REVENUE

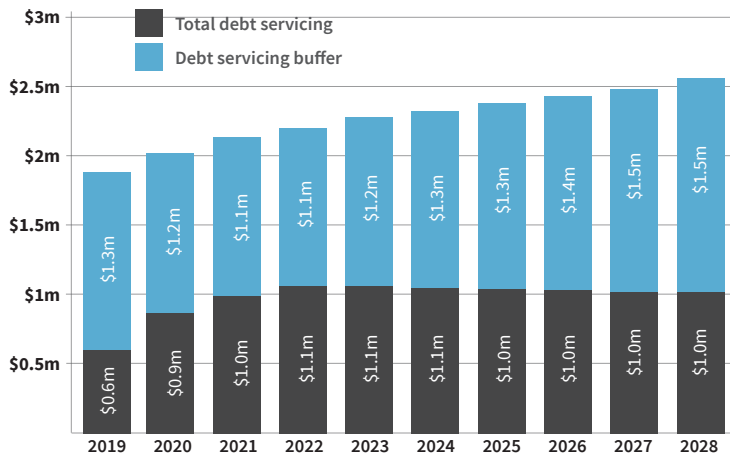
Total rates (including capital contribution rates) shall not exceed 70% of total cash revenue.



RATES INCREASE %

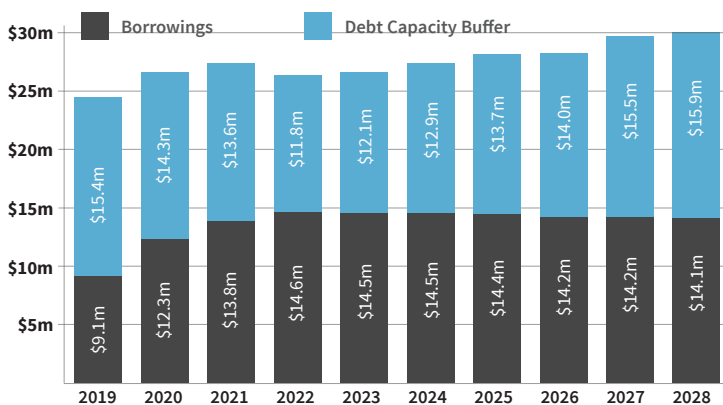
The maximum annual total rates increase shall not exceed inflation (LGCI) plus 3.5%.

Due to the inclusion of some significant projects including the Wairoa Wastewater Facility and CBD upgrades, the rates increase will exceed this limit by 0.8% in 2019/20. However the average increase over the 10 year period is 3.5%. Should we start rating for these projects in advance to smooth the effect on rates?



LOAN INTEREST & REPAYMENTS

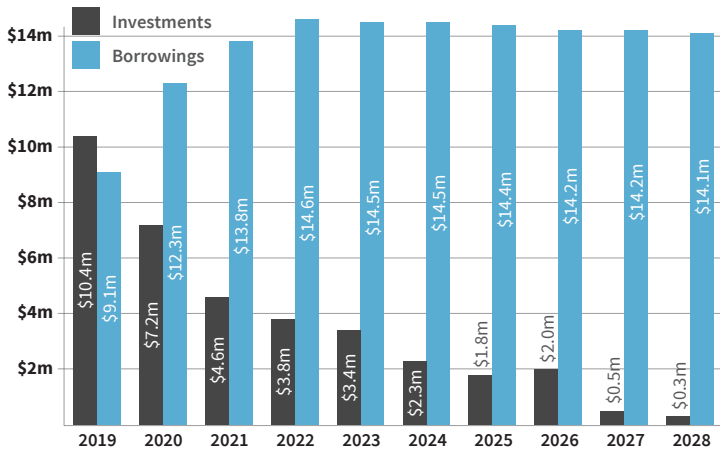
Annual interest costs and loan repayments shall not exceed 15% of rates revenue.



TOTAL DEBT

Council primarily uses external loans for new projects because the investment will deliver benefits to the community in the future and future users should pay their share of the cost. The consultation items on pages 19 to 29 include illustrations of how of Council's borrowing affects ratepayers. To ensure that debt levels remain manageable, Council has set a limit such that total borrowings will not exceed annual revenue.

FINANCIAL STRATEGY SUMMARY



INVESTMENT VERSUS DEBT

Council will also need to fund some of its renewals programme with loans. Its policy is to use depreciation reserves, invested in term deposits and bonds, to finance its infrastructure renewals. However, the acceleration of some of this work means that these investments will be depleted by 2026 and Council will fund the shortfall by borrowing. It is common for local authorities to be in a net borrowing position, and Council believes it is a prudent approach to maintaining levels of service through fit for purpose infrastructure.

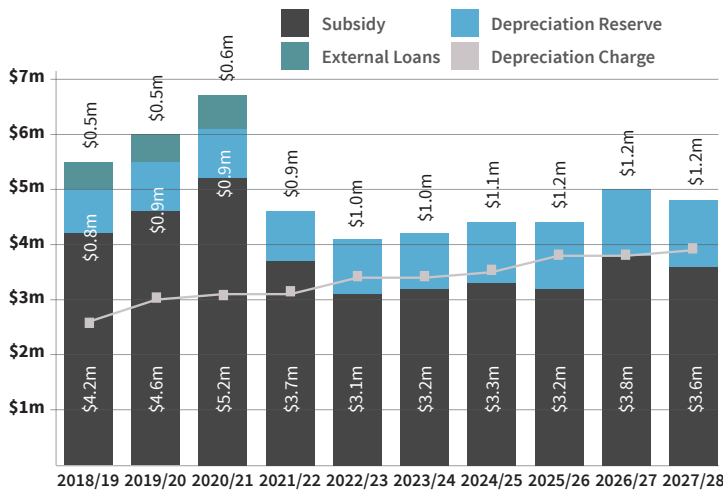
TUKUA MAI - TELL US WHAT YOU THINK

The average annual rates increase will be 2.5% from 2021/22 to 2027/28. If the community want to pay off debt at an accelerated rate Council could increase rates to an average annual rates increase of 3.5% from 2021/22 to 2027/28. Do you think we should increase the rates in later years to accelerate the rate that we pay off the debt we accumulated for infrastructure work in the first three years of the plan?

WHAKATAKOTORANGA PŪTEA

FUNDING INFRASTRUCTURE

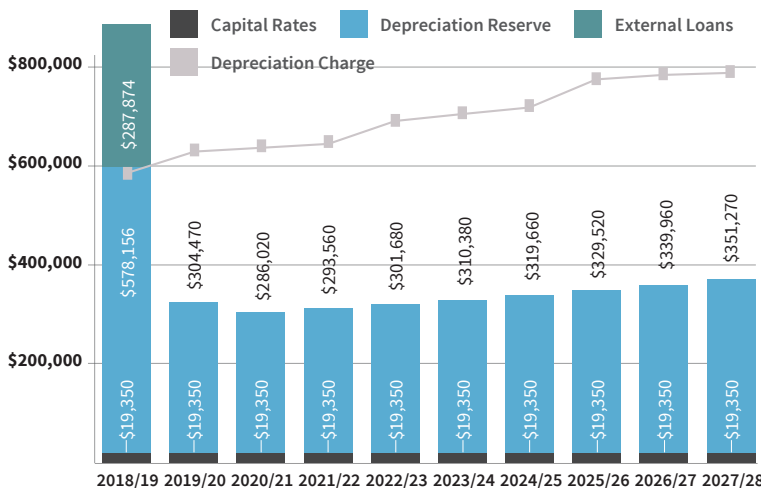
The graphs below show Council's planned expenditure on infrastructure renewals over the next ten years, and how we intend to fund this programme. It also compares total expenditure to depreciation charge, as a benchmark for maintaining levels of service.



TRANSPORT

Council will utilise the increasing Funding Assistance Rate from NZTA to run a renewals programme that exceeds the rate of consumption. This programme includes footpaths.

The chart on the left explains the funding of capital expenditure to maintain levels of service.

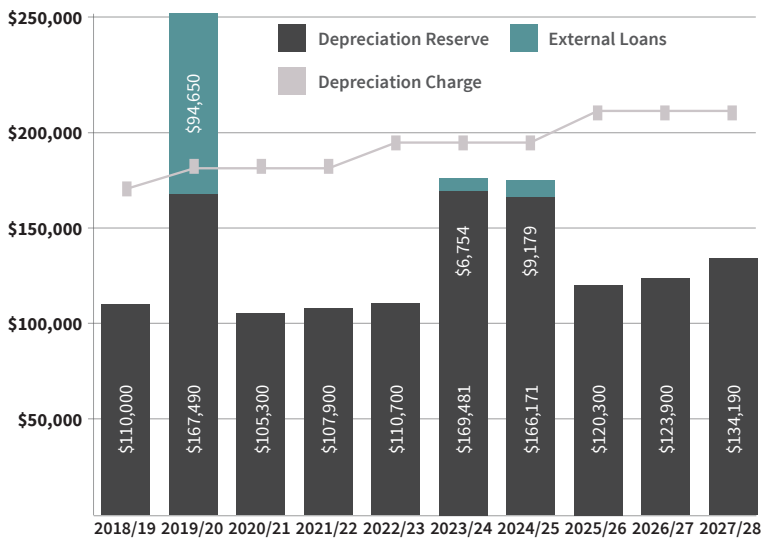


WATER SERVICES

Funding of Water Supply Expenditure to Maintain Levels of Service

The initial spike relates to the Blue Bay upgrade. Council's asset management data indicates that the water supply network is performing well and that the current planned renewals programme is appropriate. In addition, for affordability reasons, Council must balance priorities across its key infrastructure, and the medium term priority is wastewater.

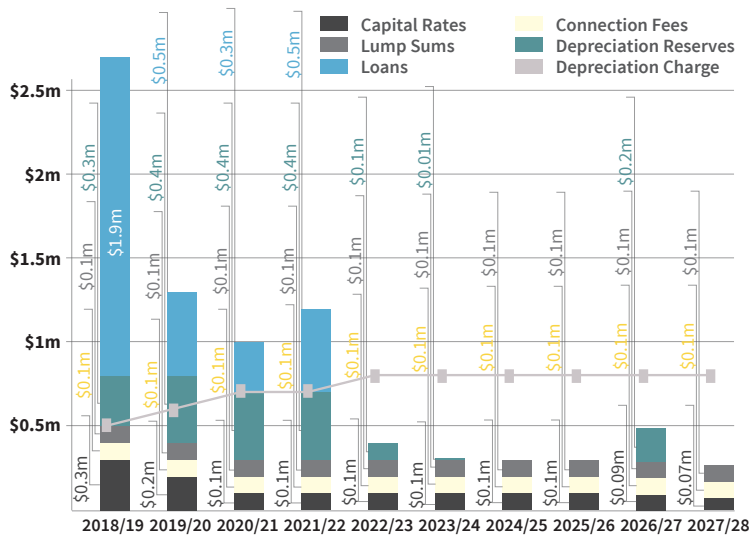
FUNDING INFRASTRUCTURE



WATER SERVICES

Funding of Stormwater Expenditure to Maintain Levels of Service

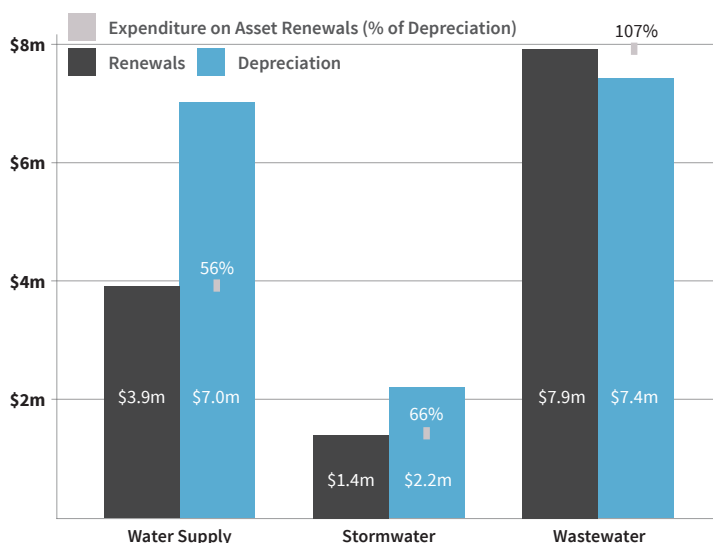
This programme includes the accelerated programme of piping open drains that Council has included as a key consultation item in this consultation document. In the longer term the proposed renewals programme is considered appropriate while the direction of future regulations for rainwater management remains uncertain.



WATER SERVICES

Funding of Wastewater Expenditure to Maintain Levels of Service

The upgrade of the Wairoa wastewater treatment facility is financially the largest single item in this consultation, and also the primary reason why Council's borrowing requirement will significantly increase in the short term.



WATER SERVICES

Water Services Summary

Overall Council will reinvest 80% of depreciation costs on three waters renewals over the next ten years. A similar programme will continue over the 30 year period. This will enable Council to maintain levels of service and allow some flexibility as technology and legislation progress.

INFRASTRUCTURE STRATEGY SUMMARY

Providing roads and footpaths, supplying clean water, treating sewage, controlling stormwater, maintaining the Wairoa Airport and providing a waste management service are essential to the economic, social, cultural & environmental well beings of our community, now and in the future.

The purpose of the Infrastructure Strategy is to identify the main issues and strategic challenges that Council will face in maintaining their core infrastructure over the next 30 years, the options for managing those challenges and what does that mean for our communities and ratepayers.

The Infrastructure Strategy has been developed around a number of objectives: Reliability, Safety, Accessibility, Resilience, Amenity and Cost-effectiveness.

In providing these services, Council is faced with a number of significant challenges over the next 30 years:

- **Economic Development & Tourism** - This is a current focus for Wairoa with a drive to increase both resident and visitor numbers which will impact on demand for services.
- **Optimising Infrastructure** - Better data = more informed decisions = 'getting the best out of our infrastructure.'
- **Resilience of our infrastructure** - Our assets need to be resilient to reduce the impact of severe weather events on our communities. We need to replace our ageing infrastructure before it fails and ensuring connectivity through our roading network.
- **Water Quality & Legislation** - A strong public push for cleaner rivers and waterways and for public health is likely to lead to higher standards for wastewater, stormwater and potable water.
- **Population & changing demography** - We have a small and ageing resident population. Different people have different needs and our levels of service may need to change to reflect this.

Economic development and tourism can increase the demand for services and also the level of service.

Overall, we are predicting a static population with little change to the demand for services over the next 30 years.

We will need to assess the long term costs and benefits for the community before increasing service levels; with an ageing population, we will have more residents with fixed incomes who may not be able to absorb the cost of increased levels of service.

To get the balance right, this will mean identifying the changes needed in the future to meet resident and visitor demand but not investing in new infrastructure until it is reasonably certain that the predicted demand will occur.

- **Affordability & Revenue Sources** - Alternative sources of revenue will be necessary to address changing ratepayer base and affordability issues.
- **Climate Change** - Potential impacts on core infrastructure include coastal inundation and erosion, flooding and wider changes associated with extended period of drought.
- **Technology** - The timing, scale and nature of technology impacts on infrastructure is uncertain and managing this will require a high degree of responsiveness and flexibility to ensure appropriate future decisions.
- **Land Use Changes** - Different land uses will have different requirements on infrastructure eg. forestry leads to consequent effects of heavy vehicles on the roads.

Council will manage these challenges through:

- Effective planning
- Knowing our networks and assets
- Understanding the demand for our assets
- Appropriate levels of service
- Understanding our community's needs
- Understanding our potential for tourism and economic growth
- Understanding our 'whole-of-life' asset costs
- Exploring alternative sources of revenue

Providing good quality infrastructure and proactively acting on the challenges we face will cost money. Our priority is to maintain and upgrade our roading and footpaths and to ensure our water, wastewater and stormwater systems are resilient with ageing infrastructure being progressively replaced in the most cost-effective way. We're also looking to expand our Airport, maintain the landfill and provide new facilities as required for our communities.

COUNCILS EXPENDITURE ON CORE INFRASTRUCTURE

Maintaining and replacing infrastructure is expensive. We therefore need to effectively plan for the replacement of our assets that are old and/or in poor condition. We aim to replace assets only when we need to but before they fail in order to maintain levels of service. Increasing the knowledge of our assets is the best way to reduce the risk of failing infrastructure as we are able to better plan and pay for our replacement programmes, which are based on the most up-to-date data information we hold.

Our asset condition data is generally reliable. It is based on sound records, procedures, investigations and analysis. There are however some shortcomings; for example, some data is old, some documentation is missing and/or we rely on unconfirmed reports

or some extrapolation of results. We are therefore continuing a programme of condition assessments, in particular for water supply and wastewater, which will improve our confidence in data. Replacement programmes will be reviewed annually.

Bridges are critical to maintaining our road networks and a focus over the next four years will enable us to replace and upgrade those show signs of poor performance.

Less than 50% of our water supply network in Wairoa has been assessed as being in a 'good' condition. Similarly, the wastewater system in Wairoa has been assessed as having 48% of pipes being in a 'good' condition. The Mahia wastewater network is less than five years old and still in excellent condition. Based on this knowledge

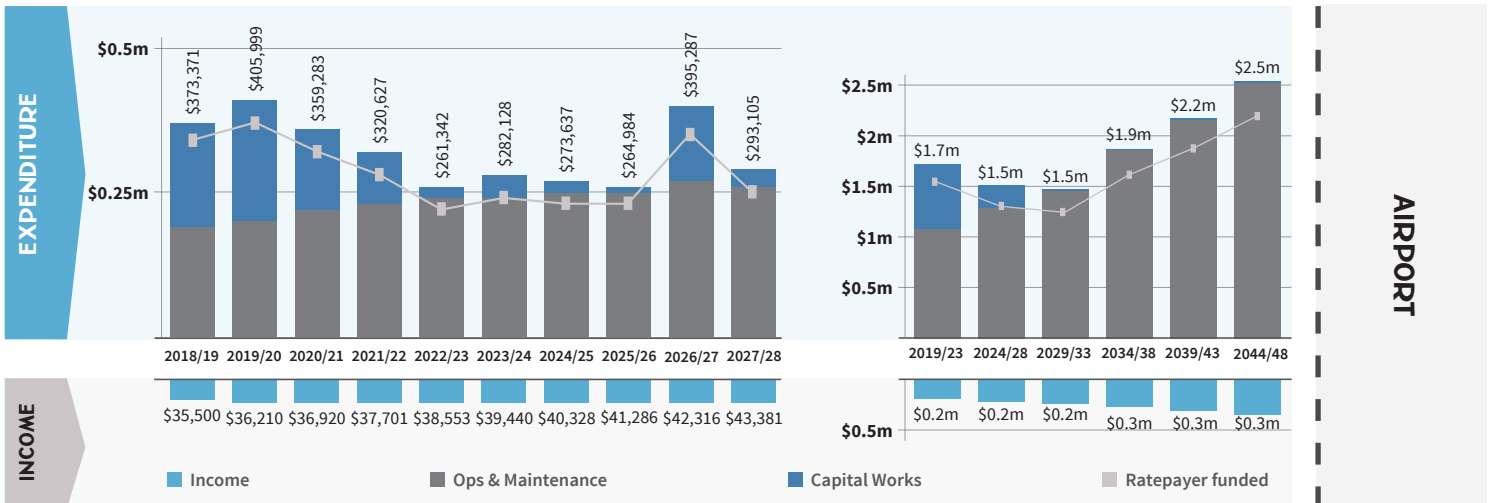
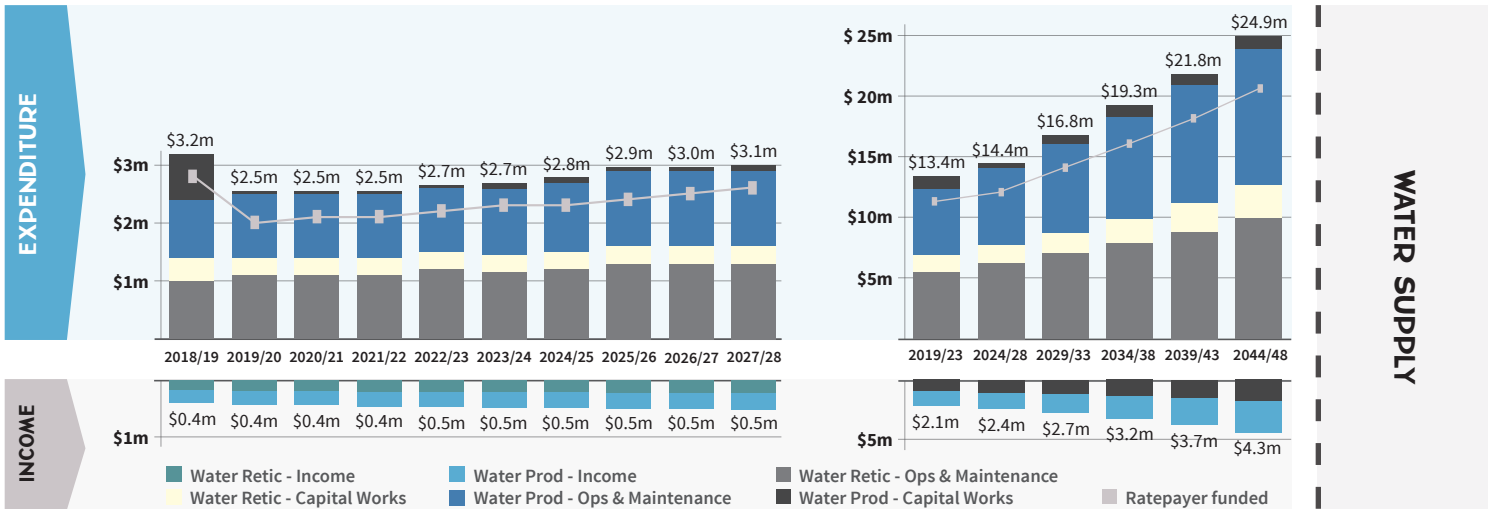
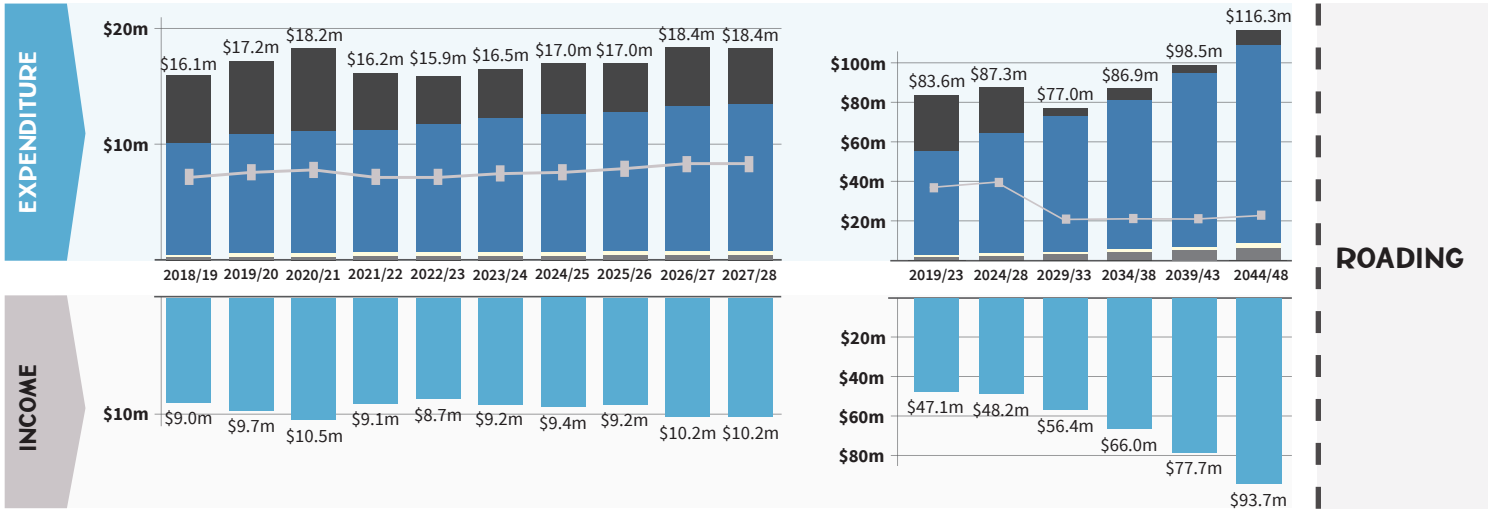
RAUTAKI WHAKARĀPOTO PŪTOI HANGANGA

INFRASTRUCTURE STRATEGY SUMMARY

and ongoing condition assessments in the Wairoa township, we are targeting those areas where pipes are in a less than good condition, using rates funding, to ensure that our systems do not fail with a progressive replacement programme over the next 30 years.

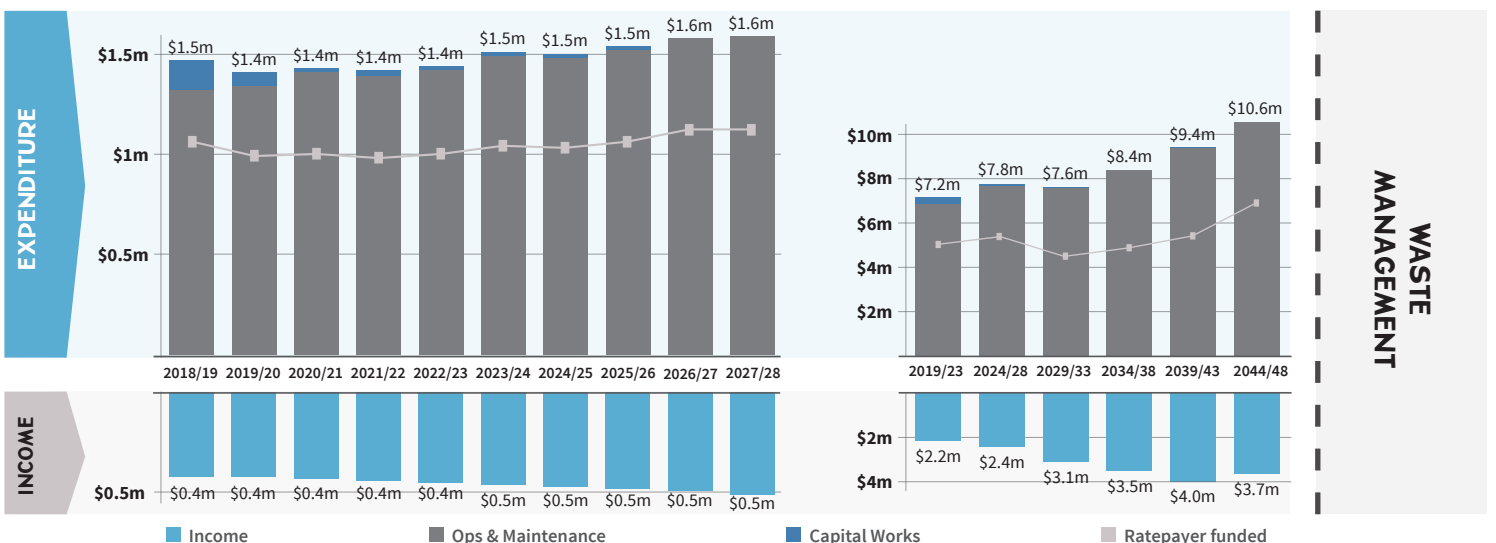
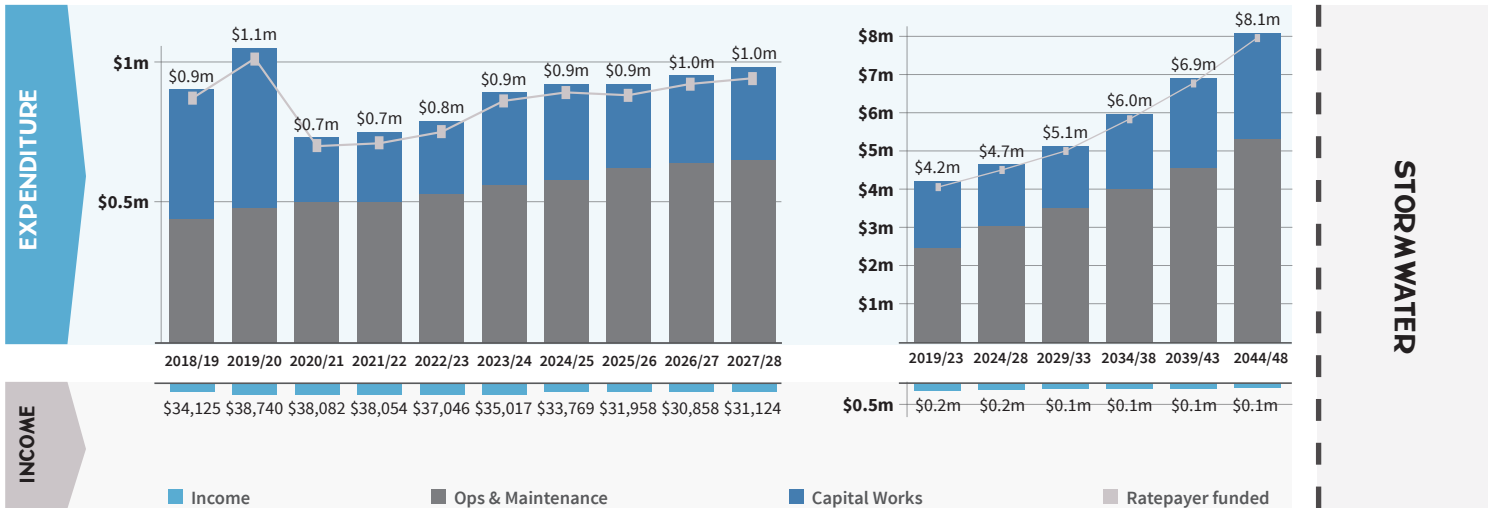
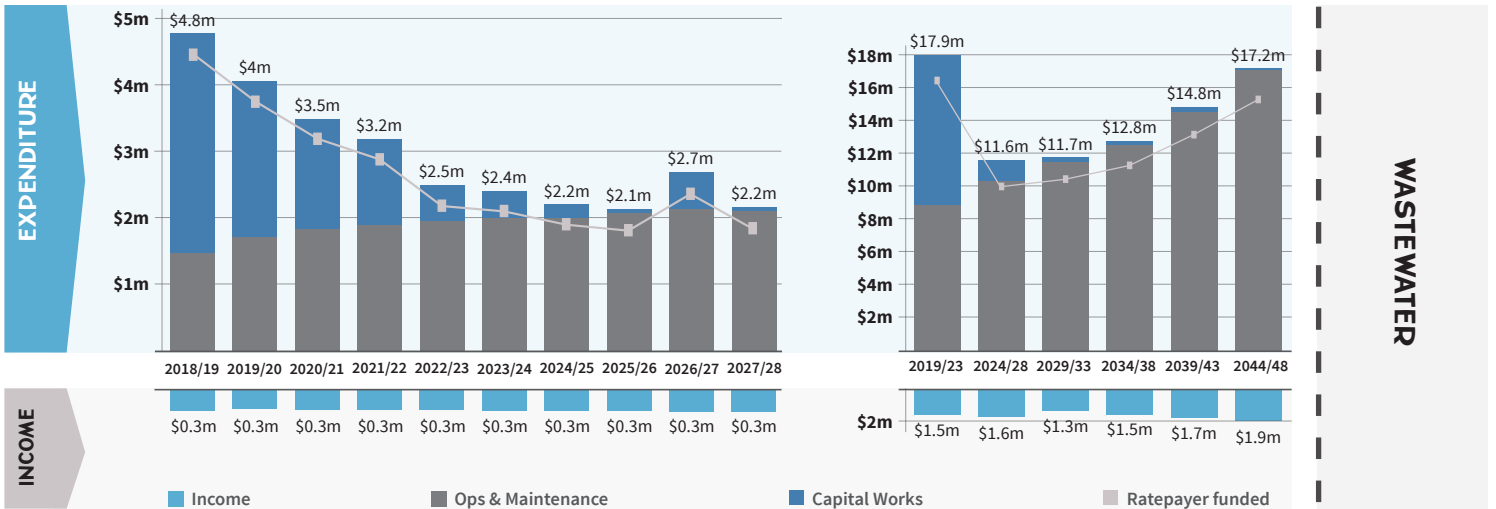
The graphs below show some significant expenditure over the next three to four years to enable us to replace some of the core assets that are nearing the end of their useful life and then an ongoing programme of renewals to maintain assets in a condition that ensures continued delivery of levels of service.

These graphs show the total expenditure, revenue and ratepayer funding for Councils core infrastructure over the next 30 years.



RAUTAKI WHAKARĀPOTO PŪTOI HANGANGA

INFRASTRUCTURE STRATEGY SUMMARY



PLANNED INFRASTRUCTURE PROJECTS - NEXT 30 YEARS

WATER SUPPLY



A planned optimised renewals programme based on ongoing condition assessments of pipelines will provide resilience to our water network. A priority is the supply pipeline from the intake on the Waiau River to the treatment plant at Frasertown. This will include river bank stabilization and possible relocation of the pipeline further from the river bank. Condition assessments of the network are currently looking at high risk areas such as the hospital, schools and industrial areas.

Renewals in 2018/19 include the supply at Mahanga to meet drinking water standards (\$235,000) and an upgraded supply at Blue Bay to service the subdivision (\$180,000).

Provision has also been made in 2018/19 for sheet pile protection to the Wairoa intake (\$100,000), important with the supply reliant on a single source.

Capital expenditure
\$17 million

Operational expenditure
\$95 million over 30 years of which \$19 million will be recovered through user fees

LAND TRANSPORT



Routine operations and maintenance and a planned optimised renewals programme will ensure appropriate levels of service, accessibility and resilience of our roading network.

The renewals programme will focus on the management of impacts associated with increasing numbers of high productivity vehicles, bridge strengthening, district wide preventative maintenance and Mahia connectivity.

A bridge strengthening programme in the order of \$1 million per annum for the first four years of the LTP period is proposed to improve resilience of our road network, in response to legislative changes around bridges. This programme is specifically being consulted on to seek community feedback (refer to page 20).

Currently Council receives a 71% financial assistance rate (FAR) and this will transition to 75% over the next four years and we expect it will remain at this level for the remainder of the ten year period.

Council is also investing in non-subsidised programmes such as new footpaths and the upgrade of existing footpaths (over \$12 million across the next 30 years). The new footpaths programme is generally aligned with the piping of open drains (stormwater activity).

Capital expenditure
\$82 million

Operational expenditure
\$465 million (of which \$390 million will be received through NZTA subsidies)

WASTEWATER



An optimised renewals programme based on ongoing condition assessments of pipelines will address inflow and infiltration of stormwater into the system and network resilience.

There is an initial peak in renewals and capital works between 2018/19 and 2020/21 for the new Wairoa Wastewater Treatment Plant and other related works such as the duplication of the Fitzroy to Pilot Hill pipeline and an upgrade of the existing rising main. Current cost estimates for this work, to support a new resource consent, are estimated at between \$6 million and \$7 million. It is expected that any increase in operational costs associated with the new scheme will be minimal. This programme is specifically being consulted on to seek community feedback (refer to page 19).

Capital expenditure
\$11 million

Operational expenditure
\$78 million (of which \$10 million will be recovered through user fees, connections)

STORMWATER



A planned pipe renewal programme will provide resilience to our network. Our initial priority will be the Wairoa township where studies are identifying problems of inflow and infiltration into the pipes.

An initial peak in capital works will allow for an acceleration of the programme for piping open drains in the Wairoa township, cost estimate \$300,000 per annum for the next two years. This programme is specifically being consulted on to seek community feedback (refer to page 21).

Capital expenditure
\$12 million

Operational expenditure
\$23 million

WAIROA AIRPORT



Council considers the airport a strategic asset in terms of economic development and in reducing the 'isolation' of Wairoa for essential health services.

Consequently, there is significant proposed expenditure on renewals and capital works in the next two years including the extension of the runway (estimated \$1 million with funding carried over from 2017/18 and 50% of the funding to be obtained through external sources) with additional works on lighting, the taxiways and hard standing areas. If alternate funding sources cannot be found then Council will reassess their previous decision.

Capital expenditure
\$1 million

Operational expenditure
\$10 million (\$1.5 million to be recovered through fees and rent)

WASTE MANAGEMENT



A new recycling and greenwaste centre is proposed in Mahia to address local demand (see page 19).

Future collaborations or other initiatives will likely be required to make the landfill operation sustainable in the long term – this will be a future consideration for Council. Options for such future collaboration will likely include the development of a new landfill cell in 10 to 20 years and/or a shift to the landfill farm.

Capital expenditure
\$0.5 million

Operational expenditure
\$50 million (\$19 million will be recovered through user fees)

TUKUA MAI

TELL US WHAT YOU THINK

As part of the LTP process, Council is consulting on the following items to find out what our community thinks:

- Wastewater Consent & Pipe Network Rehabilitation
- Bridge Strengthening Programme
- Piping Open Drains & New Footpaths
- AFFCO's Water Supply Agreement
- CBD Enhancement Project
- Mahia Greenwaste & Recycling Centre
- Wairoa Landfill & Recycling Centre
- Disposal of Trucked Effluent Charge
- Development of the Wairoa i-SITE
- Library Enhancement

Each item includes estimates of effects on funding and rates. Rates are stated inclusive of GST. In all cases the amounts quoted would be added to existing rates in the year that the project is planned and would continue throughout the remainder of the ten year period and beyond. Where projects extend over more than one year the rates increases in each year will accumulate and the total will continue into the future years.

All of the background information for the LTP can be found at one of our Council offices or online on the Wairoa District Council website. www.wairoadc.govt.nz

Here is how you can submit your views and ideas:



Online

www.wairoadc.govt.nz (search for #LTP2018)



Drop it off

Complete the submission form on the back of the Consultation Document and drop it off at the Wairoa District Council office.

Coronation Square, Queen Street, Wairoa



E-mail it

Complete the submission form, scan it and send it to info@wairoadc.govt.nz



Post it

Complete the submission form and send it to **Wairoa District Council, P.O. Box 54, Wairoa 4160**

WASTEWATER CONSENT & PIPE NETWORK REHABILITATION

The proposal for the Wairoa wastewater discharge consent application is a community-led best practicable package that involves modification of the existing wastewater facilities including significantly increased treatment processes, transitioning to a land-based discharge, a network renewals commitment which would see improvements to the current system and an ongoing commitment to a river health partnership strategy.

This will be one of the most significant infrastructure projects Wairoa has seen in the past 30 years and is required because the existing consent expires in 2019 and the resource consent process can be very complex.

The Wairoa Wastewater Stakeholder Group was formed in 2017, and became an advisory group to Council around the future management of wastewater in the Wairoa township.

The discharge into the Wairoa River was and continues to be a significant issue for tangata whenua and the wider community, as identified during the Stakeholder Group's discussions. However, to completely stop discharge going into the Wairoa River would result in a significant cost to the Wairoa community. These discussions during Stakeholder Group meetings ultimately focused on the best outcome for the Wairoa community.

The Stakeholder Group discussed various options and the best practicable option (BPO) in Option 1 is a package of proposals that will collectively bring about the desired improvements over a period of decades whilst being affordable for the community.

The BPO includes these key initiatives:

- Continued effort to reduce inflow of stormwater and groundwater through upgrade of aging reticulation, capacity upgrades and removal of illegal connections.
- Making provision for some of the treated wastewater to be disposed of to land with a view to increasing the amount over time as opportunities arise.
- Investigating and implementing storage needs to facilitate land disposal.
- Adding filtration and UV disinfection to the treatment process to produce a cleaner effluent with significantly reduced levels of pathogens.

Council agreed at their meeting on 30th January 2018 that their preferred option was Option 1. Now Council is seeking wider feedback from the community on the project.

THE OPTIONS

BEST PRACTICABLE OPTION (BPO) PACKAGE

This package includes modification of the existing wastewater facilities such as: significantly increased treatment processes, transitioning to a land-based discharge, a network renewals commitment and an ongoing commitment to a river health partnership strategy.

In accordance with Council's Revenue and Financing Policy the wastewater activity is rated equally across all rating units that are within the catchment of a wastewater scheme. This project will be loan funded and the interest and loan repayments will mean that sewerage rates increase as follows:

2019/20: \$124 | 2020/21: \$80 | 2021/22: \$54 (no further increases after year 2022)

At this stage Council is not proposing a capital contribution scheme.

Benefit/s

- RMA requirements met by Council
- Increased treatment prior to discharge and transition to land discharge
- Awa health partnership leading to improved river quality in the Wairoa River

- Sustainable and improved wastewater management system
- Reduced overflows

Consequences

- Increased costs to members of the scheme.

Total cost

\$6.5 million
(\$4 million funded by external loans, \$2.5 million funded by depreciation reserves)

Consent costs

\$1.3 million

Capital works

\$3 million

Renewal works

\$2 million

Catchment group

\$200,000 over three years

MODIFY EXISTING SYSTEM

Do not make major changes to the system and apply for consent.

Benefit/s

- Lesser overall cost to scheme members. For \$3 million loan-funded expenditure, sewerage rates would increase by \$119 in 2019/20 with no further charges expected.

Consequences

- Unlikely to achieve a consent without upgrades to the system and the consenting process would be significantly more costly.
- Will not meet community aspirations to improve health of the Wairoa River.

Consent-related costs

\$3 million
(\$2.5 million of the \$3 million total cost will be funded by depreciation reserves)

PREFERRED OPTION

Option 1 - Best practicable option (BPO) package

A community stakeholder group consulting with their representative sectors led the process and considered that the BPO package balanced affordability, cultural expectations and environmental challenges of the community. More information about the BPO package can be found on the LTP section of our website.

BRIDGE STRENGTHENING PROGRAMME

With a number of changes to Central Government legislation around the allowable dimensions of vehicles on our roading networks, Council is now required to carry out bridge strengthening work throughout our district to meet these new standards for heavy vehicles.

The New Zealand Transport Agency currently subsidises roading on district networks and would share upgrade costs where justified, but Council also needs to share the cost of strengthening our bridges.

Council is currently carrying out strengthening work on a number of bridges across the district, but many more will require extra strengthening work.

A bridge strengthening programme in excess of \$1 million per annum for the first four years of the LTP period is proposed to improve resilience of our road network, in response to legislative changes around bridges.

Debt will remain static in either option.

THE OPTIONS

BRIDGE STRENGTHENING PROGRAMME

As the number of heavy vehicles increases, along with increases in legal gross loadings, so too will the pressure for stronger bridges, safer, wider roads, with better traction characteristics and longer sight distances. Poor condition aging bridge stock and low structural capacity results in limited access for heavy vehicles. A bridge strengthening programme in excess of \$1 million per annum for the first four years of the LTP period is proposed to improve resilience of our road network.

Benefit/s

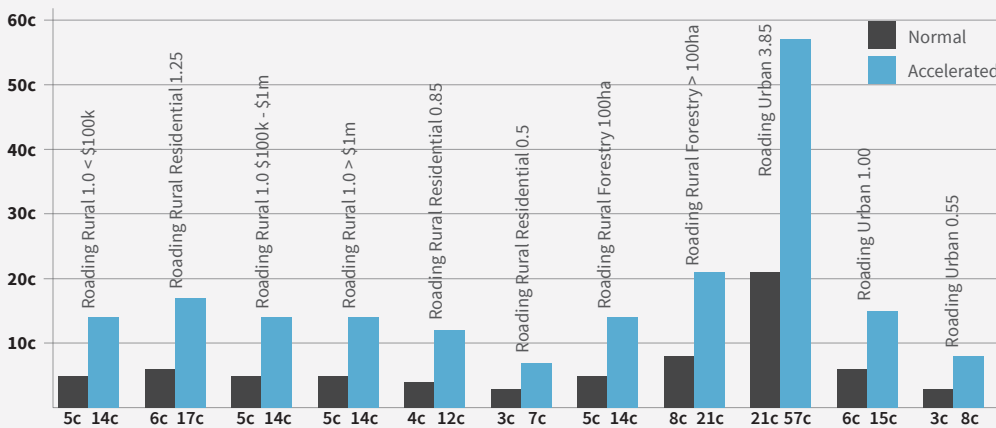
- Improved resilience of the Community
- Council will maintain the current level of service and meet the new legislative requirements.

Consequences

- Council will rate for the depreciation on the portion of the expenditure that is locally funded, along with the reduction in interest revenue that results from spending its reserves. This programme will lead to an additional total

of \$15,000 in rates required each year.

- The roading rate is calculated on land value of all rating units in the district. This rate is set differentially, so the amount of the increase will depend on the differential. The chart below shows how much the rate will increase by every year per \$10,000 of rateable value for each differential under Council's normal programme of \$120,000 and the additional amount of \$320,000 per year:



Total cost

\$320,000 per annum for four years, in addition to the existing \$120,000 per annum.

(funded from Councils bridge depreciation reserves)

1

STATUS QUO

Do not increase investment in bridge strengthening work.

Benefit/s

- Less cost
- No impact on current rates.

Consequences

- Increases risk to our bridge stock
- Reduced level of service due to limitations on heavy traffic movement over our bridges.

Total cost

\$120,000 per annum

2

PREFERRED OPTION

Option 1 - Bridge strengthening programme

Endorsing the bridge strengthening programme will ensure that the district's roading network meets Central Government requirements, which accommodates increased dimension heavy-production motor vehicles on our roads. The bridge strengthening programme will also provide resilience and economic benefits for current and future land use in the district.

PIPING OPEN DRAINS & NEW FOOTPATHS

During the pre-engagement on the LTP Council received a lot of feedback on footpaths and open drains in the town of Wairoa. It is proposed to extend the 2017-18 accelerated programme for the first two years of the LTP.

Council plans over the next two years to continue the acceleration of the work on piping open drains and spend just over \$600,000 on drains (an increase of \$400,000 compared to the 2015-25 LTP), adding several hundred metres of new piped drains to the existing network and addressing the areas of highest health and safety, and priority areas for installing pipes.

This would enhance Council's stormwater network and would be loan funded.

Council plans over the next two years to continue the acceleration of the work on new footpath formation. Council policy is to encourage the construction of footpaths on at least one side of each road in the urban area.

The increased investment of \$300,000 for the next two years will enable Council to complete an increased amount of high-priority new footpath formation. A portion of the footpath expenditure has been proposed for subsidy by NZTA.

THE OPTIONS

SPEND \$1.2 MILLION ON NEW FOOTPATHS & PIPED OPEN DRAINS

Over the next two years spend a total of \$1.2 million on new footpaths and piped open drains under an accelerated programme.

Benefit/s

- Increased level of service
- Linking our pedestrian accesses in town and improving stormwater systems
- This accelerated programme will lead to approximately 1000m of extra footpath and 500m of piped drains per annum leading to an improved community environment.

Consequences

- The loan repayments and interest on \$300,000 would be about \$27,000. The drainage rate in Wairoa would increase by \$15.0 in each of years two & three. The Mahia drainage rate would

increase by \$10.50 in each year. There would be no further increases beyond year three in respect of this accelerated programme.

- The local funding share of the footpath renewals would equate to about \$14,000 in interest and loan repayments. Roding rates, which are assessed on land values of rating units, would increase across the 11 differentials for every \$10,000 of rateable value in each of the first two years of the programmes as shown below.
- Total debt of \$714,000.

* \$200,000 funded by loans, \$100,000 funded by depreciation reserves for drains each year

Total cost

Open drains
\$300,000* loan funded in each of the first two years.

Footpaths

Year one: \$142,000 from subsidies, \$158,000 loan funded
Year two: \$144,000 and \$156,000 respectively. From year 3 onwards sewerage and roading rates would increase every year by roughly the amounts shown in Option 2 below.

STATUS QUO

Do not increase the expenditure. Keep it at approx. \$200,000 per annum (\$400,000 over the next 2 years).

Benefit/s

- Levels of service will be increased by linking our pedestrian facilities in the town, improving stormwater systems and providing other benefits such as improved safety through the reduction of open drains and a better visual impact.
- Less rates impact than an accelerated programme for the first three years of the LTP.

Consequences

- Return to same level of service provided in the 2016/17 financial year.
- Piping of open drains and laying of new footpaths will continue at a slower rate throughout the entire ten year plan.
- The drainage rate for Wairoa would increase by \$5 each year and Mahia \$3.50.
- The table below shows the increase in roading rates across the differentials for the first year, for every \$10,000 of rateable value.

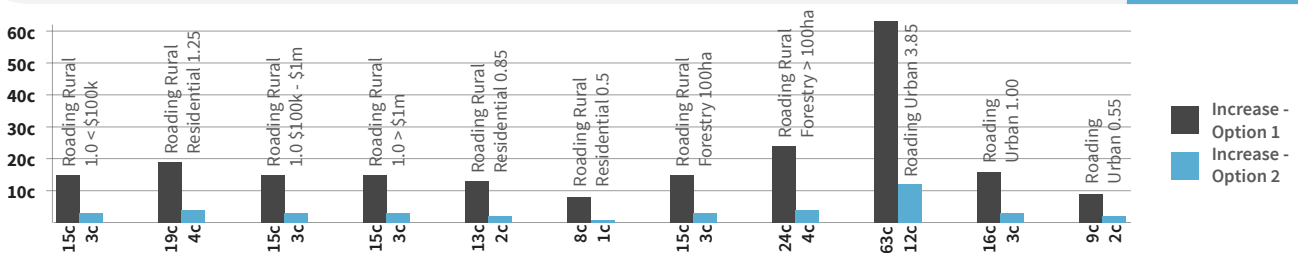
Total cost

Drains: \$100,000 funded from depreciation reserves (each year)

Footpaths: Of the \$100,000 per year allocated to footpaths, \$71,000 to \$75,000 would be subsidised, with the corresponding balance funded by loans.

Debt: \$54,000

As a result of the increasing subsidy rate that Council will receive between 2018 and 2022 the increase in roading rates will be similar but slightly less each year. From 2023 the rates increase will be the same each year.



PREFERRED OPTION

Option 1 - Spend \$1.2 million on new footpaths & piped open drains

Increased expenditure was approved in the 2017/2018 Annual Plan. After receiving community feedback in the pre-engagement process, Council would like to continue an accelerated programme for the next two years.

AFFCO'S WATER SUPPLY AGREEMENT

When Council upgraded the Wairoa township water treatment system in the early 1980's they partnered with the predecessors of AFFCO. AFFCO contributed \$2 million to the \$3.5million upgrade in return for a reduced cost for the supply of water. This agreement has now been reviewed and a new water rate has been set for the largest employer in the district and AFFCO will pay this rate for the next 10 years. The new rate is higher than the rate that AFFCO were previously paying for their water.

When the system was upgraded the capacity of the system was also increased and this has improved the community's resilience in relation to drinking water.

During the conversation about the new AFFCO water rate, we (Council and AFFCO) had a conversation about our long-term relationship and our commitment to the Wairoa district and community. AFFCO

is the largest employer in the district paying several million dollars on wages in each year, and therefore Council needs to ensure that we have a strong relationship with AFFCO.

This issue is for consultation to get community feedback on how to fund the difference between the new rate and the rate charged to other users of the scheme. The difference between the AFFCO rate and the rate that the other users are charged is related to the depreciation costs of the system. AFFCO will pay a lower portion of these depreciation costs due to their initial capital contribution to the scheme. There will be no change to the level of service of this water supply.

AFFCO is the biggest employer in the district and many people across our district receive direct benefits from AFFCO.

THE OPTIONS

1 ADD IT ONTO THE WATER RATE FOR WAIROA TOWNSHIP SCHEME ONLY

Council will need to increase rates by \$190,000 per annum in 2018/19 to cover this reduction in revenue.

Benefit/s

- Only users of the Wairoa scheme will be funding the costs of the WDC/AFFCO agreement; the extra \$190,000 per annum.
- No impact on any other ratepayers
- If this were applied only to rating units connected to the Wairoa township scheme

their rates would increase by \$95 in year one, with no further increases resulting.

Consequences

- Increased water rate for those connected to the town water scheme.

Total cost

\$190,000 (per annum increase in rates in 2018/19 and continuing)

\$95 per Wairoa township scheme connection

2 ADD IT ONTO THE WATER RATE FOR ALL SCHEMES

Council will need to increase rates by \$190,000 in 2018/19 to cover this reduction in revenue.

If the adjustment was applied to all rating units connected to a Council operated water supply the approximate increase would be: Wairoa \$91, Frasertown \$91, Peri Urban \$91, Tuai \$68, Mahanga \$61 in year one with no further increases resulting.

Benefit/s

- Only users of Council water supply schemes will be funding the extra \$190,000 per annum for the WDC/AFFCO agreement.
- There would be no impact on any other ratepayers.

Consequences

- Increased water rate for those connected to all water supply schemes.

Total cost

Increase by area per annum from 2018/19:
Wairoa \$91
Frasertown \$91
Peri Urban \$91
Tuai \$68
Mahanga \$61

3 ADD IT ONTO UAGC (UNIFORM ANNUAL GENERAL CHARGE)

Council will need to increase rates by \$190,000 in 2018/19 to cover this reduction in revenue.

The UAGC would increase by \$37 in year one with no further increases resulting.

Benefit/s

- The cost is spread out over a larger group of ratepayers equally.

Consequences

- Increased UAGC cost for all rating units

Total cost

Increase rates by \$190,000 per annum from 2018/19
UAGC would increase by \$37 per rating unit



AFFCO'S WATER SUPPLY AGREEMENT

4

ADD IT ONTO VALUE-BASED RATE ALLOCATION BY LAND VALUE

This will be via general rates. Council will need to increase rates by \$190,000 per annum from 2018/19 to cover this reduction in revenue. \$190,000 added to the value-based rate for the district allocated based on land value through the general rate. This represents a 1.3% increase in total rates from year one with no further increases resulting. The graph below shows the amount that the general rate would increase by for every \$10,000 of rateable land value across the seven differentials.

Benefit/s

- The \$190,000 is spread out over a larger group of ratepayers and is based on land values.

Consequences

- Increase in rates for all rating units.

Total cost
\$190,000 per annum
(increase in rates from 2018/19 and continuing, via general rates)

5

ADD IT ONTO VALUE-BASED RATE ALLOCATION BY CAPITAL VALUE

This will be via services rates. Council will need to increase rates by \$190,000 per annum from 2018/19 to cover this reduction in revenue allocated based on capital value through the services rate. The graph below shows the increases for every \$10,000 of rateable capital value across the seven differentials.

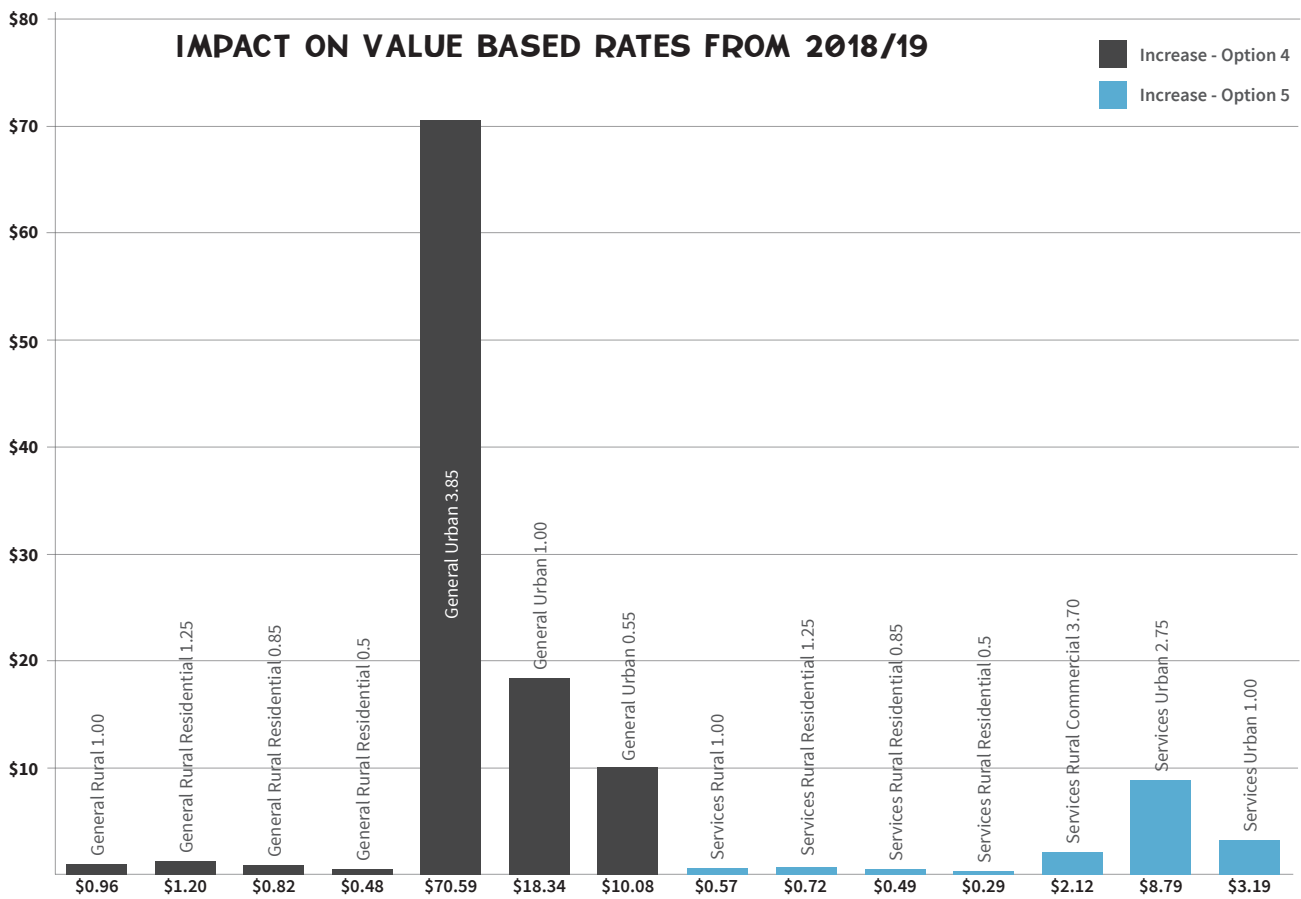
Benefit/s

- The \$190,000 is spread out over a larger group of ratepayers and is based on capital values.

Consequences

- Increase in rates for all rating units.

Total cost
\$190,000 per annum
(increase in rates from 2018/19 and continuing, via services rates)



PREFERRED OPTION

Option 3 - Add it onto UAGC (Uniform Annual General Charge)

Council believes that as AFFCO is the biggest employer in the district and many people across our district receive direct benefits from AFFCO that we should fund the difference from the UAGC.

CBD ENHANCEMENT PROJECT

Over a number of years, Council has heard from many people about the need to improve our CBD including closed shops, safety and security, attracting more diverse businesses into the CBD, to a drab looking CBD that just needs a bit of a spruce-up. This project is about responding to that feedback.

In the 2017/18 Annual Plan, Council set aside \$200,000 for stage one, investigation, on a CBD Enhancement Project. This includes investigating the options for urban and landscape design, and working collaboratively with stakeholders in the CBD to develop priorities. As part of this stage of the project, Council asked the community to become involved in the work to enhance our town centre. Council asked what the community sees as the current issues/opportunities for our town centre, what the community's vision is for the town centre and how much of the town centre should be covered by this project. Council will be reviewing this feedback

before moving to the next stage.

Stage two, implementation, involves carrying out changes to the CBD's landscape and urban design. Council is proposing to set aside an additional \$1.5 million, divided over three years, to carry out the anticipated work as a result of stage one. Council also understands that any CBD enhancement will be influenced by affordability.

Currently, stage one that started in the 2017/18 Annual Plan is not complete so there is no final design or definitive costs for this project. It is estimated that enhancements will cost \$1.5 million based on recent similar projects in similar-sized towns.

The social and financial impacts associated with a vibrant CBD are fundamental to the success of the Wairoa township. Community feedback consistently informs Council that enhancing the CBD is required.

THE OPTIONS

ENHANCEMENT OF THE CBD

Enhance the CBD through landscape and urban design to make it more attractive to residents, businesses and visitors.

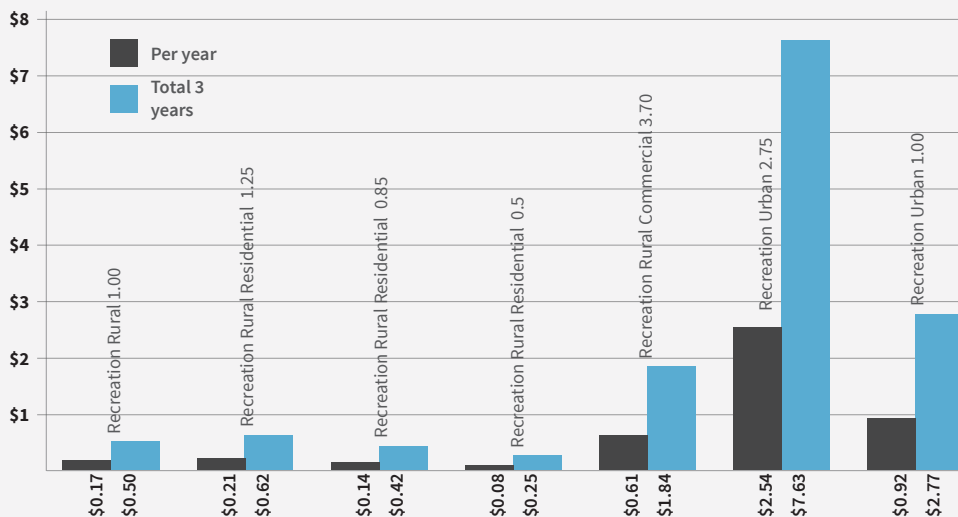
Benefit/s

- Attract and retain more business.
- Improve Wairoa economy and community pride in our main street.

Consequences

- The loan repayments and interest will lead to an increase in rates of \$54,000 in each of the

first three years, through the recreation rate which is assessed on capital value in each of those years. The chart below shows how this translates into an annual increase per \$10,000 of rateable value across the seven differentials, along with a total for the 3 years that will be carried forward into future rates calculations.



Total cost
\$1.5 million
(has been set aside to be spent evenly over three years, loan-funded)

1

STATUS QUO

Do not enhance the CBD.

Benefit/s

- No rates impact.

Consequences

- A declining CBD economy.

Total cost
Nil

2

PREFERRED OPTION

Option 1 - Enhancement of the CBD

Council has already allocated the funding to carry out investigations around enhancing our CBD in the 2017-18 Annual Plan. If we don't set aside this money, we won't be able to progress stage two of this project in the upcoming LTP period.



TE PARA ME TE HANGARUA KI TE MAHIA

MAHIA GREENWASTE & RECYCLING CENTRE

Mahia's waste and recycling needs have increased over the past few years and Council proposes to establish a green waste and recycling centre in Mahia to accommodate residents' and visitors' waste and recycling needs more effectively.

Council has seen increasing demand from the Mahia community for a more effective and affordable way to dispose of their green waste and recycling material.

Council understands that there are economic and affordability pressures on residents due to a lack of these services, and that driving more than 40 minutes to Wairoa to dispose of waste is a financial strain.

A total budget of \$150,000 has been set aside over the next two years for this initiative. Operating costs for this facility will be managed through the current rural waste management budget.

THE OPTIONS

1

ESTABLISHMENT OF A GREENWASTE AND RECYCLING CENTRE AT MAHIA

Establishment of a greenwaste and recycling centre at Mahia with a total budget of \$150,000 over two years. This will be loan funded - \$100,000 in year one and \$50,000 in year two.

Benefit/s

- Increased level of service
- Improved management of green waste and recycling at Mahia
- A new facility providing increased levels of service to the community.

Consequences

- In 2019/20 this will add \$2.30 to the urban waste management rate and \$1.90 to the rural rate, followed by another \$1.18 and 98c respectively in 2020/21. No further increases are anticipated in respect of this expenditure.

Total cost
\$150,000
(loan funded)

2

STATUS QUO

Do not establish a greenwaste and recycling centre at Mahia.

Benefit/s

- No rate impact.

Consequences

- No change to the level of service with limited servicing of the waste stream for the Mahia community and associated tourism industry.

Total cost
Nil



PREFERRED OPTION

Option 1 - Establishment of a greenwaste and recycling centre at Mahia
Improved facilities and management of waste at Mahia.



WAIROA LANDFILL AND RECYCLING CENTRE

Council is proposing the following changes to its waste management service:

- Decrease the number of days the landfill is open to six days a week instead of seven days a week in order to reduce our costs for the service;
- Increase the minimum charge at the weighbridge from \$3.70 to \$5 for general waste and from \$1.20 to \$2.50 for greenwaste in order to better reflect the transactional costs associated with the weighbridge; and,
- Increase the fee of dumping greenwaste and general waste by

\$40 per tonne for greenwaste and \$15 per tonne for general waste.

Landfill and recycling operating costs are expected to increase by about \$140,000 in total commencing year one, which would increase the urban rate by \$36 and the rural rate by \$30, followed by CPI increases each year.

This is proposed as a way of shifting the financial burden of waste management away from all ratepayers to the direct users. This includes increased costs for landfill users in this instance and an alteration to the level of service.

THE OPTIONS

1 IMPLEMENT ALL PROPOSED CHANGES

Increase minimum charge to \$5 for general waste and \$2.50 for greenwaste, increase fee per tonne by \$15 for general waste and \$40 for greenwaste, and landfill and recycling centre is closed on one day during the week.

Benefit/s

- Better reflection of transactional costs of weighbridge usage
- Direct user-pays model
- Increased efficiency

- Better recovery of costs for waste operations
- More cost effective delivery of service.

Consequences

- Reduced utilisation of service
- Possible increase in fly-tipping.

In combination these elements would deliver \$70,000 in revenue and \$30,000 in cost savings. The urban rate increase would be reduced to \$10.30, rural \$8.50

Total cost

\$1.30 increase in minimum charge
\$200 per tonne for general waste
\$100 per tonne for green waste
Savings of about \$30k

2 INCREASE MINIMUM CHARGE

\$1.30 increase in minimum charge for both green waste and general waste.

Benefit/s

- Better reflection of transactional costs of weighbridge usage
- Direct user-pays model/no rates impact.

Consequences

- Reduced utilisation of service
- Possible increase in fly-tipping.

Total cost

\$1.30 increase in minimum charge for green waste and general waste

3 INCREASE FEE PER TONNE

General waste cost increased to \$200 per tonne, green waste cost increased to \$100 per tonne.

Benefit/s

- Better recovery of costs for waste operations.

Consequences

- Reduced utilisation of service
- Possible increase in fly-tipping.

With \$70,000 obtained through fee revenue rates increases would be reduced to \$18.00 urban and \$14.90 rural.

Total cost

General waste \$200 per tonne
Green waste \$100 per tonne

4 LANDFILL & RECYCLING CENTRE IS CLOSED ONE DAY DURING THE WEEK

Savings of approximately \$30,000 per annum in operational costs.

Benefit/s

- More cost-effective delivery of service.

Consequences

- Possible increase in fly-tipping.

Rates increases reduced to \$28.30 urban and \$23.50 rural.

Total cost

Nil (Savings of approx. \$30,000 per annum)

5 STATUS QUO

Do not make any changes to the landfill and recycling centre

Benefit/s

- There are no changes to the service, including the cost.

Consequences

- Higher proportion of cost on ratepayers for waste operations; all ratepayers fund operations, regardless of use.

Total cost

The full cost increase of \$140,000 would be borne by ratepayers as described above.

PREFERRED OPTION

Option 1 - Implement all proposed changes

This allows for cost-effective delivery of the service whilst reducing the burden across all ratepayers without a major impact on level of service.

UTU WHAKAHAERE MŌ TE PARU ĀKIRI KI TE WAI PARU

DISPOSAL OF TRUCKED EFFLUENT CHARGE

Council has re-evaluated the cost impact to its wastewater network from septic tank sludge being deposited into Wairoa's wastewater network by companies that visit residents' properties to clean out their septic tanks. Council is proposing a substantial increase to the fee for the disposal of septic tank sludge into the system by these companies which could then be on-charged to their customers.

Sludge from septic tanks is dumped directly into Wairoa's wastewater network. This sludge has a direct impact on the main pumping station at Fitzroy St, on the Pilot Hill Waste Water Treatment Plant and the oxidation ponds. Currently Wairoa's wastewater network

takes all grey water and sewerage, however sludge from septic tank waste is having a far greater negative impact on the infrastructure than general wastewater.

The proposed change and recognition of the impacts of sludge disposal as mentioned above, has resulted in a significant change to the fee for disposing of septic tank effluent. This was changed to ensure a fairer charging regime for wastewater disposal that would reflect the real cost to the system of processing these sludge deposits. This charge is also in line with similar Council's charging regimes.

THE OPTIONS

1

INCREASE CHARGE FOR DISPOSAL OF TRUCKED EFFLUENT

Increase the charge for disposal of trucked effluent to better reflect the real cost to the wastewater system.

Benefit/s

- No impact on level of service
- No impact on debt, reduction in rates
- The cost of the disposal of septic waste into the

wastewater system is better reflected in the new charge.

Consequences

- Increased charge of septic tank waste disposal.

Total cost

Increase charge from \$35 to \$250

The sewerage rate would reduce by \$16 from year one.

2

STATUS QUO

Don't increase the cost of disposal of trucked effluent.

Benefit/s

- No change to charge.

Consequences

- The charge does not reflect the real cost to the system and properties connected to the wastewater network are to some degree subsidising septic tank waste disposal.

Total cost

\$35 charge (rates unaffected)



PREFERRED OPTION

Option 1 - Increased charge for disposal of trucked effluent

This charge adjustment would reflect a fairer user pays system for septic tank waste disposal.



WHANAKETANGA O TE 'WAIROA I-SITE'

DEVELOPMENT OF THE WAIROA I-SITE

It is proposed to expand the Wairoa i-SITE to create an engaging and educational space with visitor display and information kiosks and portals. Through expansion, the Wairoa i-SITE becomes the 'first port of call' for visitors to begin their journey through the district via a visual and audio experience. This would be an initial experience for us to tell Wairoa's many stories from around our district to our visitors.

By creating this authentic and genuine Wairoa district experience we seek to create true moments and experiences through story-telling. Telling Wairoa's many rich and textured stories in an innovative and interactive way.

Tourism numbers are expected to increase over the coming years

given the already iconic natural resources here in the Wairoa district, including Te Urewera and Waikaremoana, Mahia Peninsula, Morere hot springs, the Ruakituri Valley, the Mohaka River and the Wairoa township. Rocket launch tourism and the development of authentic cultural tourism opportunities offers new opportunities for increased tourism in our district. With increased opportunities and visitors comes the expectation for all stakeholders to provide a positive visitor experience.

The Wairoa i-SITE will also generate revenue through increased merchandise sales to supplement the ongoing operational costs once the expansion has been developed.

THE OPTIONS

DEVELOPMENT OF THE WAIROA I-SITE

Development of the Wairoa i-SITE in three stages over three years.

Year one: \$50,000 (Investigation stage)

Year two: \$75,000 (Implementation stage one)

Year three: \$75,000 (Implementation stage two)

1

Benefit/s

- An engaging, educational space for visitors and locals.
- Promotes an interactive and positive experience for visitors, which could lead to potential growth in visitors to Wairoa.

Consequences

- Interest and loan repayments would add \$1.00 to the UAGC in 2019/20 and \$1.60 in each of the following two years, making a total of \$4.20 after three years with no further increases resulting.

Total cost
\$200,000
(Loan-funded)

STATUS QUO

No development of the Wairoa i-SITE undertaken.

2

Benefit/s

- No increased rates impact.

Consequences

- No additional capability to create potential growth in the tourism industry in our district with the forecasted increase in visitor numbers.

Total cost
Nil



PREFERRED OPTION

Option 1 - Development of the Wairoa i-SITE

Council prefers Option 1 as it allows us to plan and develop an i-Site and visitor information facility that will assist us in meeting the demands of increased visitor numbers to the district and will assist in creating a memorable and positive visitor experience overall. Option 1 will be staged over three years and is considered an affordable way to meeting the demands of increased tourism within the district.



LIBRARY ENHANCEMENT

Council has reviewed the physical building needs of the Wairoa library and is proposing to carry out some improvements to the facility. This will provide a library that can adapt to the changing needs of a public library and has improved disabled access to all parts of the facility.

The key improvements identified in the report and design concept are:

- A lift to provide full access to mezzanine floor
- Replace ceiling tiles to improve sound dampening
- Conversion of existing storage area to a workshop area to hold activity and craft sessions
- Improve entrance and street appeal with a small meeting room and deck replacing the existing veranda.

Wairoa District Council supports undertaking work on this project, in line with a 2016 Public Libraries of New Zealand report (Allen + Clarke, 2016). Council supports the following statement in that report: “a good library layout that meets multiple community needs could include multiple-use areas, preferably in sufficient quantity that the differing needs of various groups can be simultaneously met”.

The report further states “every community has social needs, including the need to develop social connections and a strong sense of community pride. The library can support the social needs of communities by providing a layout that welcomes all members of the community, and enables those social connections to be made”.

THE OPTIONS

1 EXTEND & MAKE ALTERATIONS TO THE LIBRARY BUILDING - MIXED FUNDING APPROACH

Extend and make alterations to the existing building built as a Centennial project in 1960 using a mixed funding approach.

Benefit/s

- Adapt to changing community needs for the library and improved disabled access to all parts of the library.
- Lower cost impact on ratepayers than if Council fully funded the project.

Consequences

- Completion of project is dependent on \$600,000 being raised externally. Council needs to investigate funding possibilities for this project.

Total cost

Year two of LTP
\$300,000 loan-funded
(on the condition that \$600,000 was raised externally)

Loan interest and repayments would add approximately \$6 to the UAGC.*

2 EXTEND & MAKE ALTERATIONS TO THE LIBRARY - COUNCIL-FUNDED

Extend and make alterations to the existing building built as a Centennial project in 1960, fully-funded by Council.

Benefit/s

- Adapt to changing community needs for the library and improved disabled access to all parts of the library.

Consequences

- Has a higher cost impact on ratepayers than the other options.

Total cost

Year two of LTP
\$900,000 loan-funded
(Loan interest and repayments would add approximately \$19 to the UAGC)*

3 STATUS QUO

Maintain the status quo. Do not extend and make alterations to the library building.

Benefit/s

- No increased cost.

Consequences

- Not all parts of the library are accessible to all residents.

Total cost

Nil

PREFERRED OPTION

Option 1 - Extend & make alterations to the library - mixed funding approach











We prefer Option 1 as it allows us to develop the existing building to meet the changing community's needs at a more reasonable cost to the ratepayer than if the project is fully-funded by Council.



* commencing year 2 and continuing for 20 years.

NGĀ PUTANGA-A-HAPORI

FULFILLING THE COMMUNITY OUTCOMES

		1	2	3	4	5	6	7	8	9	
Wastewater consent & pipe network rehabilitation			★	★		★		★	★	★	ECONOMIC WELLBEING
Bridge Strengthening Programme		★	★		★	★		★	★	★	1 A strong, prosperous and thriving economy
Piping Open Drains & New Footpaths			★		★	★		★	★	★	2 A safe and integrated infrastructure
AFFCO's Water Supply Agreement		★					★				SOCIAL & CULTURAL WELLBEING
CBD Enhancement Project		★									3 A community that values and promotes its culture & heritage
Mahia Greenwaste & Recycling Centre		★	★	★	★	★		★		★	4 A safe and integrated infrastructure
Wairoa Landfill & Recycling Centre		★	★	★	★	★		★		★	5 Supportive, caring and valued communities
Disposal of Trucked Effluent Charge		★		★		★		★	★	★	6 Strong district leadership and a sense of belonging
Development of the Wairoa i-SITE		★									ENVIRONMENTAL WELLBEING
Library Enhancement				★	★	★			★		7 A safe and secure community
											8 A safe and integrated infrastructure
											9 Supportive, caring and valued communities

NGĀ WHAKAHĀNGAI RATONGA

SERVICE UPDATES

Since our last Long-Term Plan, Council is no longer responsible for funding and providing the following services:

Civil defence

The Wairoa District Council is a member of the Hawke's Bay Civil Defence Emergency Management Group, which is tasked with the administration of civil defence emergency functions in Hawke's Bay. The group is administered and funded by the Hawke's Bay Regional Council.

The Hawke's Bay Regional Council's Long-Term Plan contains information on the cost and implementation of civil defence in the Wairoa district and can be found on the Hawke's Bay Regional Council website.

www.hbrc.govt.nz/our-council/consultation/current-consultations/facing-our-future-long-term-plan/

The Hawke's Bay Civil Defence Emergency Management Group website is www.hbemergency.govt.nz

Rural fire

Rural Fire activities are now managed by Fire and Emergency New Zealand after the new Fire and Emergency New Zealand Act 2017 came into place. For more information about Fire and Emergency New Zealand please visit their website.

www.fireandemergency.nz

These changes will cause a reduction of \$230,000 in the general rate from 2018-19 onwards.



Independent auditor's report on Wairoa District Council's consultation document for its proposed 2018/28 Long-Term Plan

I am the Auditor-General's appointed auditor for Wairoa District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Ernst & Young. We completed our report on 28 May 2018.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018/28 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 of opinion

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.

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.

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

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or its subsidiary.

Stuart Mutch
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

TUKUA MAI TŌ AKE WHAKAARO

HAVE YOUR SAY

MAKING YOUR OPINION ON THE 2018-28 LONG TERM PLAN HEARD IS EASY. SIMPLY CHOOSE ONE OF THE OPTIONS BELOW AND SUBMIT YOUR FEEDBACK.



ONLINE SUBMISSIONS

This is the quickest and easiest way to let us know what you think. Simply visit our website and complete an online submission.

www.wairoadc.govt.nz/longtermpplan



TALK TO COUNCILLORS

Come along to one of our public meetings and talk to one of our councillors. See below for details.



WRITTEN SUBMISSIONS

Use the submission form or write us a letter and send it to P.O. Box 54, Wairoa 4160



SPEAK AT A HEARING

If you make a submission you have the option to speak at a Council hearing. Please let us know in your submission if you want to speak.

MORE INFORMATION

COPIES OF ALL OUR SUPPORTING INFORMATION ARE AVAILABLE FROM:



OUR WEBSITE

www.wairoadc.govt.nz/ltp2018



PUBLIC MEETINGS

We are holding several public meetings across the district. Come along and meet your councillors and talk about what you think of our proposals for the next 10 years.



WDC OFFICE

Coronation Square, Queen Street, Wairoa

PUBLIC MEETINGS

LOCATION	DATE & TIME
Hauora Building (old school), Raupunga	Thursday 14 th June - 5.30pm to 7.30pm
Community Hall, Tuai	Monday 18 th June - 5.30pm to 7.30pm
Erepeti Marae, Ruakituri	Tuesday 19 th June - 5.30pm to 7.30pm
Mokotahi Hall, Mahia	Wednesday 20 st June - 5.30pm to 7.30pm
War Memorial Hall, Wairoa	Thursday 21 st June - 5.30pm to 7.30pm

SUBMISSIONS CLOSE 26 JUNE, 4.30PM

TĀPAETANGA

SUBMISSION FORM

It's even easier to complete this submission form online.
Simply go to www.wairoadc.govt.nz and search for #LTP2018.

All the information you provide in your feedback form (including personal details) will become public documents as part of the decision-making process.

HERE'S
HOW
YOU CAN
SUBMIT:



Online

www.wairoadc.govt.nz



Drop it off

Coronation Square,
Queen Street, Wairoa



E-mail it

info@wairoadc.govt.nz



Post it

Wairoa District Council,
P.O. Box 54, Wairoa 4160

YOUR DETAILS

First & Last Name		Organisation (if applicable)	
Phone		E-Mail	
Number	Street Name		
Postcode	Suburb/Town		

Do you want to present your views in person at a Council hearing?

Yes

No

If yes, are you intending to present in the one of the following

Māori

NZ Sign Language

PROJECTS

Which projects are most important to you? Indicate the priority you think is right for each of the projects.
Rank from the most important to the least important. (1=most important, 10=least important)



Wastewater Consent
& Pipe Network
Rehabilitation



Bridge Strengthening
Programme



Piping Open Drains &
New Footpaths



AFFCO's Water Supply
Agreement



CBD Enhancement
Project



Mahia Greenwaste &
Recycling Centre



Wairoa Landfill &
Recycling Centre



Disposal of Trucked
Effluent Charge



Development of the
Wairoa i-SITE



Library
Enhancement

PROJECTS & OPTIONS

Wastewater Consent & Pipe Network Rehabilitation (p 19)

- Option 1: Best practicable option (BPO) package
- Option 2: Modify existing system

Other

Bridge Strengthening Programme (p 20)

- Option 1: Bridge strengthening programme
- Option 2: Status quo

Other

Piping Open Drains & New Footpaths (p 21)

- Option 1: Spend \$1.2 Million on New Footpaths & Piped Open Drains
- Option 2: Status quo

Other

AFFCO's Water Supply Agreement (p 22)

- Option 1: Add it onto the water rate for Wairoa township scheme
- Option 2: Add it onto the water rate for all schemes
- Option 3: Add it onto UAGC (Uniform Annual General Charge)
- Option 4: Add it onto value-based rate allocation by land value
- Option 5: Add it onto value-based rate allocation by capital value

Other

CBD Enhancement Project (p 24)

- Option 1: Enhancement of the CBD
- Option 2: Status quo

Other

Mahia Greenwaste & Recycling Centre (p 25)

- Option 1: Establish a greenwaste and recycling centre at Mahia
- Option 2: Status quo

Other

Wairoa Landfill & Recycling Centre (p 26)

- Option 1: Implement all proposed changes
- Option 2: Increase minimum charge
- Option 3: Increase fee per tonne
- Option 4: Landfill and recycling centre is closed for one day during the week
- Option 5: Status quo

Other

Disposal of Trucked Effluent Charge (p 27)

- Option 1: Increase charge for disposal of trucked effluent
- Option 2: Status quo

Other

Development of the Wairoa i-SITE (p 28)

- Option 1: Development of the Wairoa i-SITE
- Option 2: Status quo

Other

Library Enhancement (p 29)

- Option 1: Extend and make alterations to the library building - mixed funding approach
- Option 2: Extend and make alterations to the library - Council funded
- Option 3: Status quo

Other

FINANCIAL STRATEGY

Refer to page 10

Do you support Council's Financial Strategy?

Yes

No

Don't know

My comments

Do you think we should increase the rates in later years to accelerate the rate that we pay off the debt we accumulated for infrastructure work in the first 3 years of the plan?

Yes

No

Don't know

INFRASTRUCTURE STRATEGY

Refer to page 14

Do you support Council's Infrastructure Strategy?

Yes

No

Don't know

My comments

OTHER COMMENTS

My comments

NEED MORE ROOM?

You can attach extra pages, but please make sure they are A4 in size and also include your name and contact information.

TUKUA MAI

TELL US WHAT YOU THINK

Here is how you can submit your views and ideas:



Online

www.wairoadc.govt.nz (search for #LTP2018)



Drop it off

Complete the submission form on the back of the Consultation Document and drop it off at the Wairoa District Council office.

Coronation Square, Queen Street, Wairoa



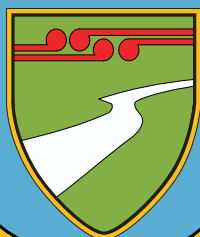
E-mail it

Complete the submission form, scan it and send it to info@wairoadc.govt.nz



Post it

Complete the submission form and send it to Wairoa District Council, P.O. Box 54, Wairoa 4160



WAIROA DISTRICT COUNCIL