



WEAVING THE
FUTURE, TOGETHER
KOTAHITANGA
ŌTOROHANGA DISTRICT COUNCIL

LONG TERM PLAN 2024 - 2034

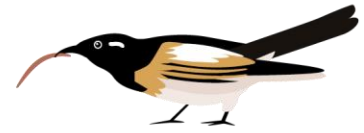
VOLUME ONE

ŌTOROHANGA DISTRICT COUNCIL

JUNE 2024



Te Kaunihera ā-Rohe o
Ōtorohanga
District Council
Where kiwi can fly



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INTRODUCTION

MESSAGE FROM THE MAYOR AND COUNCILLORS

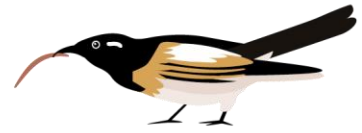
WHAT IS THE LONG TERM PLAN?

WHAT THE PLAN WILL DELIVER

WHO ARE WE



Te Kaunihera ā-Rohe o
Ōtorohanga
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LONG TERM PLAN 2024 - 2034

FROM THE MAYOR AND COUNCILLORS

This has been a really difficult Long Term Plan to put together as we have struggled, like you, with facing up to the cost of living (inflation) and dealing with a range of other things that are outside our control.

These things include:

- Not being sure whether the three waters (drinking water, wastewater and stormwater) are 'in' or 'out'
- Government changes around roading and the Resource Management Act
- Changing weather patterns which will have an impact on how we plan, maintain and build things
- And of course the increased costs for things we need to buy (some of which have inflated 30-50% more since we wrote our last Long Term Plan in 2021).

"Your kōrero provided us with some clarity about how to prioritise our spending over the next ten years."
- Mayor Max Baxter

However, even though we have these challenges, the Mayor/councillors, community board members and leadership team have listened closely to what you have had to say over the past year about what you value and the progress you want to see. You have pretty much told us that what we have been doing in the last three years has been noticed and appreciated and that you are keen that we continue to do more of the same. Overall, the message we heard was "keep to the path you are on currently – nothing flashy or fancy – stay connected to our communities, do the basics well and ensure we are prepared for the future".

Through this Long Term Plan, we are committed to making continued improvements with our mahi. Not exactly full steam ahead but rather *kia mau tātou ki te ara... steady as she goes.*

**KIA MAU' IS TO HOLD FAST OR FIRMLY.
WE ARE REAFFIRMING TO OUR COMMUNITIES THAT WE
ALL (TĀTOU) HOLD STEADFAST TO OUR PATHWAY (ARA).**

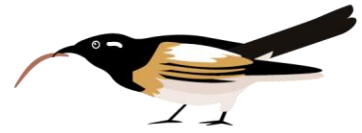


Even though we would like to be doing more, we know that being careful with your money is very important at this time. When we started considering costs in October 2023 to prepare this Long Term Plan process, the overall rates requirement started at 18% - pretty much in the mid-range of the other Waikato councils who are also experiencing the same cost pressures we are. This 18% was not to do anything new – instead this figure was simply to keep pace with increased costs. However, since then we worked hard to find ways to do things differently, ensuring that we continue at least a little bit of our forward momentum, and still keep rates increases as low as possible. Even so, there will be a 10.37% increase in 2024/25 - slightly higher than what we consulted you on due to a contract renewal being larger than expected.

"We, your Council and community leaders, are confident that this 2024-34 Long Term Plan keeps us on a steady path of progress with care and consideration - building on the good work already being delivered, and also doing what is affordable to ensure our district is not only the best place to live now but long into the future. Nurturing our community and our environment is at the heart of everything we do. It has been very intentional that our focus remains on People, Place and Partnerships, because when things get tough, like they are now, it is those three areas that will see us come through it stronger and more united. By listening and working with you, we will continue to weave the future, together."

MAYOR MAX BAXTER





FROM THE MAYOR AND COUNCILLORS

A WORD TO OUR READERS

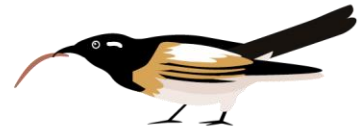
In our LTP Consultation Document we said continued funding from Waka Kotahi NZTA was critical to the ongoing maintenance and improvement of our roads and to ensure that funding we had submitted our proposed 2024-2027 work programme in September 2023 to Waka Kotahi for approval. We signalled that if we did not get the level of funding required then that would impact our levels of service, including possible deterioration in our roads, higher repair costs in the future or potential road safety and travel disruption issues. We also said that if funding was reduced, we'd consider the options through our annual plan process (in early 2025) and make adjustments after talking to our community.

We were advised on 6 June by Waka Kotahi that our funding request was reduced by \$3.28 million. In addition, some aspects of our programme wouldn't be confirmed by Waka Kotahi until August 2024 – well after our LTP adoption date of 25 June. While funding constraints are expected during these challenging times, the very late notification of this funding decision and the further delays involved meant we had no opportunity to adjust our budgets to avoid receiving a qualified audit opinion and still meet our 30 June 2024 LTP statutory adoption deadline.

This is a very disappointing outcome as it questions the quality and integrity of Council's planning and budgeting processes, when in fact the failing sits with the Government's own processes and timing.

MAYOR MAX BAXTER AND COUNCILLORS





YOUR SUBMISSIONS AND OUR DECISIONS

A SNAPSHOT

This Long Term Plan has been a community effort. Before we started putting pen to paper we spent time in August/September 2023 visiting communities across the district for you to tell us what was important for you and your area. We then came back to you in April 2024 with our Long Term Plan Consultation Document Kia Mau Tātou Ki Te Ara – Steady as she goes and asked you three key questions. Based on your feedback, here's what we decided ...

DECISIONS ON OUR KEY PROPOSALS

	WHAT WE ASKED YOU	WHAT YOU TOLD US AND WHAT WE DECIDED
FUNDING DEPRECIATION	<p>To reduce our average rate requirement over the next three years (2024-2027), we asked you ...</p> <p>SHOULD WE ...</p> <p>Reduce the amount we set aside for funding depreciation of assets by \$2.1 million total over 3 years?</p> <p><u>OR</u> SHOULD WE ...</p> <p>Continue to collect \$2.1 million total over 3 years in rates to fund depreciation of assets?</p>	<p>Half of you said we should reduce the amount we set aside and the other half said that we should continue to collect the \$2.1 million total over 3 years.</p> <p>WE DECIDED TO ... Stay with our preferred option and reduce the amount set aside for funding depreciation of assets by \$2.1million, noting that:</p> <ul style="list-style-type: none">• This reduction is temporary and only for a period of three years• The amount of depreciation we are proposing not funding is not significant, given the useful lives of the assets concerned• The risk of not being able to replace assets when we need to is low.





YOUR SUBMISSIONS AND OUR DECISIONS CONT.

	WHAT WE ASKED YOU	WHAT YOU TOLD US AND WHAT WE DECIDED
COMMUNITY PRESENCE	<p>You've told us that the work we've started to better engage with you has made a difference, and you would like this to continue and for us to do more.</p> <p>To be more visible, we considered purchasing a multi-purpose van to get out and about across the district connecting even further. However, we felt now was not the time so our preference, was not to buy the van but we asked you to tell us your views.</p> <p>EITHER ...</p> <p>Don't buy the van?</p> <p><u>OR</u> ...</p> <p>Buy the van?</p>	<p>Just over half (58%) of you said don't buy the van while 42% thought we should buy it.</p> <p>WE DECIDED TO ... Stay with our preferred option and not buy the van but we are still very committed to our enhanced community connections approach and you'll see us out and about.</p>
KĀWHIA & AOTEA SEAWALL RATES	<p>Instead of property owners in Kāwhia and Aotea paying separately for the upkeep of their seawalls, we asked you whether ...</p> <p>WE SHOULD...</p> <p>Apply a single targeted rate for all three seawalls across both communities?</p> <p><u>OR</u> SHOULD ...</p> <p>Each community continue to pay for their own seawalls?</p>	<p>Seventy one percent (71%) of you said apply a single targeted rate for all three seawalls across both communities while 29% wanted each community to continue to pay for their own seawalls.</p> <p>WE DECIDED TO ... Adopt our preferred option and apply a single targeted rate for all three seawalls. While in any given year one seawall may require more attention than another, this is a 'quid pro quo' arrangement with both communities benefiting from this decision.</p>

More information about your submissions and our decisions can be found in Volume Two on pages 131 – 134.

WHAT IS THE LONG TERM PLAN?

Ōtorohanga District Council is here to serve our people and our communities and to meet the future needs of the district.

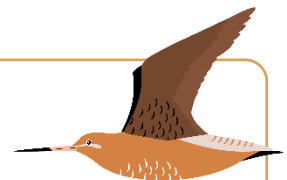
Every three years we produce a Long Term Plan that says:

- What we intend to do over the next ten years
- How we intend to pay for it
- What we need to build or maintain (infrastructure and community facilities)
- Projects and activities (the things we do/deliver for our communities)

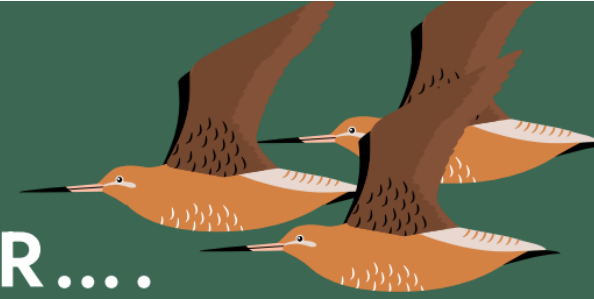
It also contains detailed information about our finance and infrastructure plans and the services and activities we provide (including how we measure our performance.)

“The things we say we will do and deliver for you are co-created with you through public engagement sessions, conversations and surveys”

CATHY PRENDERGAST, COUNCILLOR – WHAREPUNGA WARD



KIA MAU TĀTOU KI TE ARA STEADY AS SHE GOES WILL DELIVER....



COMMUNITY

A CONTINUATION OF
'POP-UP' COUNCILS
ACROSS THE DISTRICT
(12 PER YEAR)



THE MĀORI ENGAGEMENT FRAMEWORK
IMPLEMENTATION

CONTINUED INVESTIGATIONS FOR
A MULTI-PURPOSE COMMUNITY
FACILITY



 LIBRARIES TAKEN TO THE
PEOPLE

COUNCIL MEETINGS AT A
PLACE NEAR YOU



FIRST STEPS TOWARDS OUR FUTURE ARTS,
CULTURE AND HERITAGE STRATEGY

CONNECTING YOUNG PEOPLE TO LOCAL
EMPLOYMENT through the Mayors Taskforce
for Jobs (depending on ongoing funding support)

INFRASTRUCTURE + DEVELOPMENT

40kms⁺ OF ROAD RESEALED
PER YEAR



FOOTPATHS RENEWED AT A
STEADY RATE

IMPROVEMENTS TO THE
ŌTOROHANGA POOL



 THE KĀWHIA PUBLIC
TOILET UPGRADE

CULVERTS STRENGTHENED TO WITHSTAND
MORE EXTREME WEATHER EVENTS

BERM EXTENSIONS AND PATHWAYS
ADDED FOR THE CEMETERIES

THE HUIPŪTEA RESERVE AND
ISLAND RESERVE DEVELOPMENTS

THE OLDER PERSON'S HOUSING REVIEW

ENVIRONMENT

WASTE REDUCTION
AND DIVERSION FROM
LANDFILL



A CLIMATE CHANGE
RESPONSE PLAN

SERVICES

RESOURCES REALLOCATED INTO
MONITORING, ENFORCEMENT
AND COMPLIANCE



ONLINE BUILDING CONSENTS

CONTINUED
MANAGEMENT
of our parks
and reserves,
playgrounds and
sports fields



NOISE CONTROL
SERVICES
AVAILABLE 24/7
around Ōtorohanga
township



WHO WE ARE

OUR ROLE AS MAYOR AND COUNCILLORS IS

- Setting the policy direction of Council
- Monitoring the performance of Council
- Representing the interests of the people of the Ōtorohanga District
- Employing the Chief Executive

HIS WORSHIP THE MAYOR MAX BAXTER

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WEAVING THE
FUTURE, TOGETHER
KOTAHITANGA
ŌTOROHANGA DISTRICT COUNCIL

SETTING THE PATHWAY (TE ARA)

ABOUT US
OUR STORY
CONTEXT



Te Kōwhiriāra ā-Rohe o
Ōtorohanga
District Council
Where kiwi can fly



INTRODUCTION

SETTING THE PATHWAY (TE ARA)

This section of the Long Term Plan sets out the pathway we are following to help achieve the future we have been weaving with you for our district. It is divided into three parts to set the scene as well as tell the story about the journey we are on.

ABOUT US

This is a very brief snapshot of the district. It draws on information from the Ōtorohanga District Environmental Scan (2023) supplemented by new information that has come to hand and comments from various community engagement events. Its purpose is to:

- Highlight features about the district
- Underline what people have said are important about living here.

Together this information helps set our priorities and informs how we deliver our mahi (work).

OUR STORY

Our journey did not start with this Long Term Plan. Nor did it start three years ago with the 2021/31 Long Term Plan but we signalled some big changes in 2021 about our focus and how we would deliver our services.

Building on the directions laid down in the 2021/31 Long Term Plan, Our Story outlines:

- The outcomes we as a district are seeking to achieve
- What Council has done over the past three years to work toward these community outcomes.

CONTEXT

The context in which we find ourselves in now is very different from three years ago. To help explain the pathway we are following we set out:

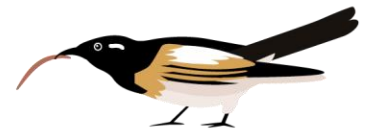
- Today's challenges
- What you've told us from our engagement sessions with you
- The approach we're taking in this Long Term Plan.

Our approach is informed by questions we asked ourselves when we developed this plan (themes) in relation to whether what we were planning was sustainable, resilient and transformational. It is also informed by our Infrastructure and Financial Strategies and the key assumptions we have had to make about future conditions.

Note:

Our Financial and Infrastructure Strategies are set out in full in Volume Two of this Long Term Plan (Refer to Vol. 2 Policies Section, pages 4 – 11 and 41 – 94). A complete list of our Assumptions is also provided (Refer to Vol. 2 pages 105 – 123).





ABOUT US

Small in size but rich in history, Ōtorohanga District stretches 90 kilometres from the Tasman Sea in the west to the Waikato River in the east – an area of 1,976 square kilometres. Our near neighbours are the districts of Waipā to the North, Waitomo to the South and Taupō and South Waikato in the East.

<p>Our high value natural habitats, landscapes and ecosystems and erosion prone hill country need particular care.</p>	<p>GEOGRAPHY</p> <p>Around 30 kilometres wide, the district is relatively narrow with two distinct landscapes:</p> <ul style="list-style-type: none"> In the west¹ rugged hill country and harbours dominate In the east the district’s rolling lowlands are part of the Waipā river catchment - the single largest tributary of the Waikato River.
<p>Historically significant, Kāwhia was the final landing place of the Tainui waka.</p> <p>Roads are our backbone and disruption affects resilience.</p>	<p>SETTLEMENT</p> <p>Ōtorohanga District falls within the rohe of a number of iwi – Maniapoto, Raukawa and Ngāti Hikairo. There are also prominent iwi and hapū including Ngāti Apakura, Ngāti Mahuta, Ngāti Wehi and Te Patupō, with approximately 17 marae located in different parts of the district</p> <p>Today the district population is largely rurally based (69.9%²), supported by the two main urban areas - Ōtorohanga township and the Aotea/Kāwhia community.</p>
<p>We’re one of the most youthful populations in the Waikato.</p> <p>Greater understanding between ŌDC and iwi, hapū and marae open future opportunities.</p> <p>We’re growing but it’s gradual.</p>	<p>POPULATION</p> <p>District population in 2023 was estimated to be 10,900, up 0.9% from a year earlier³. Figures for that same year show that the district’s dependency ratio was 60.7% - higher than the New Zealand ratio (54%). This elevated ratio reflects both the slightly higher proportion of residents aged 65 years and older (17%; cf. New Zealand 16.5%) and higher proportion of young people aged under 15 years (20.6%; cf. New Zealand 18.5%)⁴.</p> <p>Nearly 30% of the district population identify as of Māori decent (cf. New Zealand – 16.5%) and 11.3% of residents were born overseas⁵.</p> <p>Population growth is expected to continue albeit gradually. By 2048, resident population is projected to be 12,656⁶ with a corresponding growth in households from 3,872 in 2024 to 4,644 by 2048 (20% increase)⁷.</p>
<p>Agriculture, forestry and fishing dominate the local economy.</p> <p>Ongoing support/promotion is wanted for businesses.</p>	<p>ECONOMY</p> <p>Primary industries account for almost 50% of district’s GDP⁸. Rental, hiring and real estate is the next largest sector making up just under 22%.</p> <p>In 2023, there were 2,019 businesses operating in the district up 0.9% from the previous year (cf. New Zealand 1.7%). The average number of employees was 2.3 per business in 2023 (cf. 2.6 in 2013).</p>

¹ Waikato Regional Council, West Coast Zone Plan, 2016, pages 11 - 13
² WSP, Ōtorohanga Town Concept Plan (Final), October 2022, page 52.

³ Source: Infometrics

⁴ Ibid

⁵ Ibid

⁶ Under a medium variant scenario. Refer: Waikato Regional Council Technical Report 2021/22, 2018-base Population, Family and Household, and Labour Force Projections for the Waikato Region, 2018-2068.

⁷ Ibid. The report estimates the population of the district in 2048 to be 14,083 under a high variant scenario; 12,656 under a medium; 11,241 under a low.

⁸ According to Infometrics, 45.9% in 2022 (Cf. New Zealand 10.7%).





<p>People’s worries include money, jobs, food, petrol, technology and housing.</p>	<p>The Māori economy is growing and iwi and post settlement governance entities are expected to play a major role in New Zealand’s financial future. While local data is limited, anecdotally it is thought Māori businesses have an important contribution to make to district growth.</p> <p>In the year to March 2023, mean annual earnings in Ōtorohanga District were \$64,186 (cf. New Zealand \$74,754). The district’s dependency ratio (discussed above) may in part contribute to the lower-than-average earnings.</p>
<p>Demand for public and emergency housing has grown dramatically in since 2018 but supply has remained static.</p>	<p>HOUSING⁹</p> <p>Like other New Zealand communities, the availability, affordability and quality of housing is an issue for Ōtorohanga District. With almost 60% of houses built prior to 1980, over a quarter of the population are living in damp and/or mouldy dwellings. Other uncomfortable trends are:</p> <ul style="list-style-type: none"> • The cost of housing relative to income which is rising at a much higher rate than median incomes • The current shortfall in the availability of houses. Looking ahead, in line with district growth, an additional 281 homes are estimated to be needed by 2043.
<p>Extreme weather events (wet and dry) are likely to become regular.</p> <p>The west coast is vulnerable to increased flooding and coastal inundation due to predicted sea level rise.</p> <p>Maintenance of the Waipā stopbanks are important.</p>	<p>CLIMATE CHANGE</p> <p>Over the medium to long-term the district can expect¹⁰:</p> <ul style="list-style-type: none"> • An increase in the frequency and intensity of storm events • Higher temperatures • Rising sea level (1.0 metre rise for Kāwhia/Aotea over the next 100 years) • A change in rainfall patterns, with a 5% increase in rainfall intensity, producing more extreme weather events and increased drought events.
<p>Residents value their environment and have urged Council to keep supporting actions that care for te taiao (environment).</p> <p>Bring Waiwaia (wellbeing) back to the Waipā awa (river).</p> <p>The need for a multipurpose facility was often mentioned. Young people also thought an age-appropriate park suitable for older teenagers was needed.</p>	<p>WELLBEING</p> <p>While generally satisfied with their local environment (72%), a 2019 study of Waikato residents reported that just under half of respondents felt that its state had declined in recent years¹¹. Water pollution from towns and cities and the spread urban areas across farmland were issues of particular concern for Ōtorohanga respondents. This finding is reinforced in our recent engagement with district residents. Caring for the moana (sea) and the awa (rivers) were frequently mentioned themes.</p> <p>Overall people are satisfied with the network of green, open spaces throughout the district. However, needs are changing and community facilities - venues, sports grounds and open spaces - need to be flexible to cater for the new and emerging demands.</p> <p>Art, culture and heritage are important components of wellbeing. People we talked to were keen to see support for events that create colour and social cohesion. Ongoing adult learning was also valued along with supporting our international community members.</p>

⁹ Source: Ōtorohanga Housing Group, Homes for our Community, Draft Ōtorohanga District Housing Plan, Dec 2022.
¹⁰ Envirostrat & AECOM, 2020, Report prepared for Waikato Regional Council, Waikato Region Greenhouse Gas Emissions Inventory for the period July 2018 to June 2019, page 6.
¹¹ Versus Research for Waikato Regional Council, Your Environment-What Matters: A Survey of Residents of the Waikato Region, May 2019, page 2.





OUR STORY

Three years ago, Council adopted a fresh approach to looking at its role and services. We began using the concept of wellbeing as our lens for examining what we did. This, in turn, has led to a much sharper focus on the outcomes wanted from our services and how these services are delivered.

Ōtorohanga is a fabulous district and we want to ensure that everyone who calls this place home is nurtured and enabled to be their best. We want the district to be dynamic, inclusive and unique - a place where kiwi can fly and this means focusing on people, place and partnerships to achieve the outcomes below:

COMMUNITY OUTCOMES



The community outcomes (what is wanted) are the threads woven through the priorities and activities funded in this Long Term Plan and delivered through our work programmes.



A SNAPSHOT OF PROGRESS SINCE 2021

COMMUNITY



MADE POSITIVE CONNECTIONS

between the Council and your communities eg trial council 'pop-ups', the concept planning work, relationship with Ōtorohanga College and Te Nehenehenui



CLOSER RELATIONSHIPS

with iwi/Māori developed and we've invested more time in community partnerships

\$1.6 million

invested into Ōtorohanga College through a successful grant application to government

FUNDING EXPO



hosted to enable community groups to get knowledge and access to more and different funding opportunities

281

JOB PLACEMENTS

achieved since 2020 through the Ōtorohanga Employment Hub



PLANNING



- Ōtorohanga Town Concept Plan finished and we've started making things happen
- Kāwhia, Aotea, Ōpārau and Rural concept plans worked on with you
- Economic Wellbeing Strategy drafted

ENVIRONMENT

TE ARA A WAIWAIA

Riparian Planting project completed on the Waipā River



IN HOUSE

- realigned the organisation
- information systems and processes invested in
- Council performance lifted through a CouncilMARK programme
- refurbished the main office



INFRASTRUCTURE + DEVELOPMENT

Removed asbestos from the Kāwhia Water Treatment Plant

KĀWHIA WATER METERS INSTALLED



128 LOT

subdivision enabled through partnership with Ōtorohanga Timber Company

KIWI HOUSE UPGRADE SUPPORTED AS ONE OF OUR KEY TOURIST ATTRACTIONS

500m³

water reservoir constructed on Mountain View Road

184km

RESEALED ROAD



163km

RE-METALLED ROAD

2.2km

of footpath renewed

130

culverts replaced

7km

of water mains installed

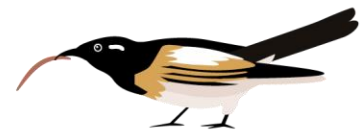
ŌTOROHANGA CEMETERY EXPANDED

2.8km of new pipes laid for the Tihiroa Rural Water Scheme



AND MUCH MORE...

THROUGH THIS LONG TERM PLAN PROCESS WE ARE COMMITTING TO MAKING CONTINUED IMPROVEMENTS WITH OUR MAHI. NOT EXACTLY FULL STEAM AHEAD BUT RATHER KIA MAU TĀTOU KI TE ARA...STEADY AS SHE GOES.



CONTEXT

TODAY'S CHALLENGES

The major challenges we have had to navigate preparing this Long Term Plan are set out below. These challenges are not unique to our council or the district but they influence how we design and deliver our activities to achieve the community outcomes wanted.

AFFORDABILITY

As New Zealand moves through the remediation phase post Covid and the response to the 2023 cyclonic events, the cost of doing business has increased significantly. New Zealand households are being squeezed and are looking to organizations to contain their spending and rein in increased costs where possible.

To simply maintain current levels of services in this Long Term Plan we have had to navigate inflation, supply and skill shortages, and increased cost passed onto us by those we contract to help deliver our programmes.

TRUST

Internationally and nationally communities are being tested by the ongoing threats to wellbeing from climate change, pandemics and general unrest. This has had a corresponding effect on people's trust in both authority and one another. *As a nation, we need to rebuild trust in institutions and between people*¹².

We consider ourselves very fortunate and we are grateful for the trust placed in us as a Council¹³. We believe this trust is a testament to the additional effort that we have invested in community engagement and relationship building over the past three years.

CLIMATE CHANGE

Weather events since the beginning of 2023 have reminded local and central government of the vulnerability of New Zealand and its communities. While climate change has been a part of our planning and implementation for some time, a more comprehensive organisational approach is needed looking at:

- Consequential impacts on council services
- Risk reduction
- Implications for public and environmental health and safety.

CHANGE AND UNCERTAINTY

Preparation of this Long Term Plan has been difficult and sometimes confusing because of the uncertainty and change in government direction relating to three waters, resource management and land transport amongst other issues. We also expect this uncertainty to continue until new national policies and directions affecting local government have been fully 'bedded in'.

NEW AND EMERGING ISSUES

Since the 2021/31 Long Term Plan a number of new and emerging issues have surfaced particularly in relation to housing and health. We potentially have a role to play in these issues but more work and understanding is needed to determine how we can best contribute.

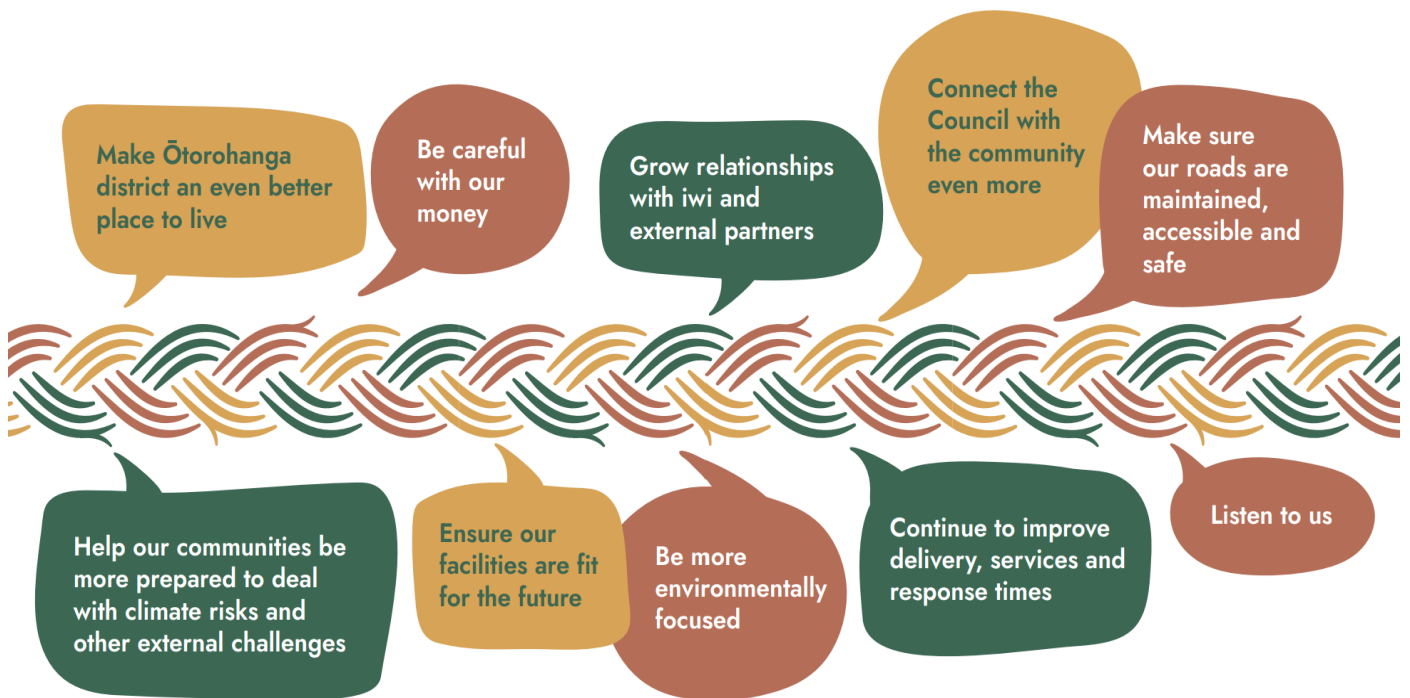
¹² Gluckman, 2023.

¹³ According to the 2023 Annual Residents Survey, 87% of respondents generally trusted Council and of these 61% had high trust or trusted Council most of the time.



YOU'VE TOLD US...

We've held various engagement sessions with you in different parts of the district and through different media to hear what you had to say about the future and what's important. This information helps us understand your priorities and how best to work with you. Here's what we heard...





OUR APPROACH FOR 2024/34

Mindful of the challenges we and other councils currently face, we've used what you've told us to help us shape both the approach (tactics) taken in this Long Term Plan and the key themes woven through our infrastructure and financial strategies, and the activities presented in this plan.

TACTICS

The tactics we are applying in this Long Term Plan to progress the community outcomes for people, place and partnerships are set out below.



You'll see these tactics applied across all of our groups of activities.

THEMES

When we reviewed our activities for the Long Term Plan we asked ourselves whether what we were planning was resilient, sustainable and transformational.

	BY THIS WE MEAN ...
Resilient	<ul style="list-style-type: none"> Continue to provide leadership that builds trust and confidence for social resilience. Embed climate adaptation and mitigation practices into the way we work and: <ul style="list-style-type: none"> Actively seek to reduce risks Build back better where possible
Sustainable	<ul style="list-style-type: none"> Adopting environmental protection and restoration practices when carrying out our work Having and implementing a plan to reduce our emissions Implementing better waste management to contribute to the national goal of a circular economy.
Transformational	<ul style="list-style-type: none"> Continuing to improve delivery Make sure the district and the organisation are well positioned for the future.

These themes are not new for us and were a part of the approach we took when we developed our last Long Term Plan. What we have done in this Long Term Plan is continue to build these themes into our activities enabling us as an organisation to develop and improve our services to the community.





WHAT OUR INFRASTRUCTURE STRATEGY SAYS ...

ABOUT THE STRATEGY¹⁴

The Infrastructure Strategy sets out Council’s high level direction for provision of water supply, wastewater, stormwater, flood protection, road and footpath assets over the next 30 years. At this stage the Infrastructure Strategy does not include community facilities such as halls, toilets, swimming pools and other council property - this is something we’re working on. Specifically, the Infrastructure Strategy outlines:

- How we intend to manage our key infrastructure assets, including having regard to matters such as when these assets need to be renewed or replaced
- How we intend to respond to growth or decline in demand for services
- How we plan for increases or decreases in levels of services
- Other matters, such as the need to improve public health or environmental outcomes (or mitigate adverse effects on them) and to manage risks from natural hazards.

OUR APPROACH

In 2021, Council changed its approach to infrastructure management shifting from a ‘do minimum’ to a ‘sound management’ approach which means making the best decisions in the long-term interests of our communities. Our reasons for adopting a ‘sound management’ approach were:

1. The district had moved into a period of growth, after several decades of static or declining population and services needed to be expanded to cater for the growth.
2. Council had commissioned an external assessment (CouncilMARK) of the organization. The independent assessors described Council’s water services infrastructure as a key risk, recommending significant investment over the next ten to fifteen years to meet regulatory thresholds and service level expectations of the community. The priority was to create resilience and place the district in the best possible position for future challenges around water security, climate change and central government reforms.

We are continuing to take a ‘sound management’ approach in this Long Term Plan.

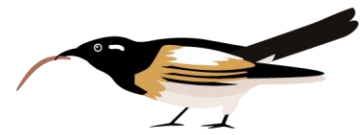
SOUND MANAGEMENT ... WHAT IT MEANS FOR 2024/34

We are committed in this Long Term Plan are to pressing forward with making Ōtorohanga an even better place to live. The ‘sound management’ approach we are applying to our different classes of infrastructure for the next three to 10 years is summarised below. Any immediate issues we are addressing are also highlighted.

ASSET	OUR APPROACH ...
Roading	<p>Costs for land transport have increased significantly since the 2021/31 Long Term Plan. However, we are continuing to focus on keeping up with maintenance and renewals with no significant new projects planned within the next three to 10 years.</p> <p>Resilience of the network is critical for community wellbeing. Climate change and other extremes are considered whenever assets are renewed, replaced or new assets planned, and proposed work programmes already account for this (eg. culvert replacement). Consideration is also being given to increasing the resilience of the network in areas prone to slips and drop-outs to ensure the risk of any significant disruption to access is minimised.</p> <p>Affordability is an issue and seal extensions remain cost prohibitive at this time.</p>

¹⁴ For a full copy of the Infrastructure Strategy refer to Volume Two pages 41 – 94.





<p>Three Waters</p>	<p>In 2021 we embarked on an accelerated programme of infrastructure upgrades for wastewater, water supply and stormwater focussing on compliance, resilience, network optimisation and growth. This work was paid for using a combination of debt and government funding. The majority of this work is now largely complete and has been hugely important for the district. It has enabled us to catch-up on renewing assets that are worn out and increase the network’s capacity giving us some head room for growth. It means that in this Long Term Plan we can prioritise our ongoing maintenance and renewals to ensure the system is reliable and fit for purpose.</p> <p>New drinking water rules and standards came into effect in November 2022. The standards require all suppliers (public and private) to manage risks and protect drinking water supplies from contamination using a multi-barrier approach. Our rural water scheme at Arohena does not comply with the new standards. Although available for drinking water, albeit with a permanent boil water notice, the scheme is primarily used for stock watering and agricultural purposes. Previous estimates to bring the scheme up to compliance were in excess of \$2M. In October 2023 we received instruction to provide a funding plan to bring componets of this scheme up to protozoa compliance. Subsequent investigation has revealed that these components have been incorrectly categorised as there are requirements for rural water supplies which differ from the previous Drinking Water Standards. However, treatment in the correct category to meet the DWQAR would still require significance investment. As a consequence, the boil water notice will continue into the foreseeable future.</p> <p>Planning for the three waters continues to be uncertain as we await more detail on the government’s proposals for Local Water Done Well and changes to the National Policy Statement for Freshwater Management (NPSFM). Once details are made public, we will use the channels we have available nationally and regionally to participate in the discussions on your behalf to help ensure that the government’s proposals are sustainable and workable at the local level.</p> <p>Over the next 3 years our approach will be to continue with a standard renewal programme for our three waters assets while remaining agile and making adjustments once the details of the government’s policy is better known.</p>
<p>Flood Protection</p>	<p>The district’s flood protection assets include the Ōtorohanga Flood Protection Scheme (ŌFPS) and coastal structures located in Kāwhia and Aotea harbours¹⁵.</p> <p>In recent years we’ve invested significantly in the ŌFPS replacing/relining all 3 outflow pipes and rebuilding several of the major flood pumps. Over the next 10 years we’ll be keeping up our regular maintenance programme to ensure we’re in good shape to cope with any event that might occur.</p>
	<p>The ŌFPS assets have a dual role - flood protection and the provision of recreation spaces. Contributing to the overall vibrancy of the Ōtorohanga community we’re looking to further enhance the amenity values of these assets while noting that this comes at an increased cost for Council as mowing, planting and other enhancements are not eligible for funding from the Project Watershed rate collected by Waikato Regional Council which is only for flood control purposes.</p>

¹⁵ Coastal structures comprise a mix of coastal defences (eg. seawalls) protecting property from coastal erosion and facilities providing water access.





We're working toward resource consent renewals for coastal structures in both Aotea and Kāwhia harbours. An application is underway for the Aotea seawall and consents for the various structures that makeup the Kāwhia coastal defences are due for renewal in 2029. Improvements to the structures may be necessary as a part of the renewal process for both Aotea and Kāwhia but the extent of any work required is still to be determined. Government funding (\$730k) has been secured for Kāwhia to carry out condition assessments of the various structures and associated maintenance that will be needed as part of the consent renewal process.

ON THE HORIZON

There are two main areas we've not made specific provision for in the Infrastructure Strategy:

1. Kāwhia wastewater
2. Unanticipated costs associated with consent renewals.

Work was started in 2022 and is ongoing assessing the need for a wastewater scheme in Kāwhia. While indicating a high public and environmental health risk associated with continued use of septic tanks, testing so far has not shown any measurable impact on harbour water quality. We acknowledge the desirability and value of a community wastewater scheme in Kāwhia but it must be affordable and this can only be achieved with substantial external/government funding. Unless funding is secured, we will not commit to a new community wastewater scheme but we will continue to monitor septic tank performance and impacts.

Current and pending resource consent renewal processes are being worked through for:

- Stormwater (Ōtorohanga and Kāwhia)
- Coastal structures (Aotea and Kāwhia)
- Water supply (Tihiroa RWS Scheme and Ōtorohanga Water Treatment Plant - discharge water).

Budget provision has been made for the renewal processes and, in some instances, a degree of maintenance to meet any new consent conditions. While not anticipating increases at this stage, compliance with any new consent conditions may add extra costs to the delivery these services. Should this occur, these matters will be worked through as part of the consent process and any significant changes would be subject to engagement and consultation with those affected and factored into future Long Term Plans.

WHAT OUR FINANCIAL STRATEGY SAYS ...

ABOUT THE STRATEGY¹⁶

The Financial Strategy sets out information to help you assess the impact of Council's decisions on your community. It includes a forecast of things that could have a financial effect on us such as building a new asset like a water treatment plant or changes in population or land use creating the need for additional services. Also included in the Strategy are the financial limits in which we intend to operate within for rate increases and borrowing.

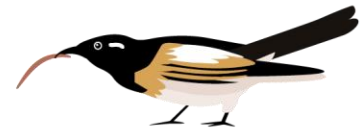
The Financial Strategy goes hand in hand with our Infrastructure Strategy in spelling out how we intend paying for our infrastructure assets over the life of the Long Term Plan and beyond. Our intention by making this information available to you is to provide the transparency needed for you to see why we are making particular decisions.

OUR APPROACH

We have three financial goals that we are applying to the services proposed in this Long Term Plan:

- Deliver value for residents, both current and future
- Use debt as a tool for intergenerational equity while retaining borrowing headroom
- Be good custodians of community assets.

¹⁶ For a full copy of the Financial Strategy refer to Volume Two, pages 5-11.

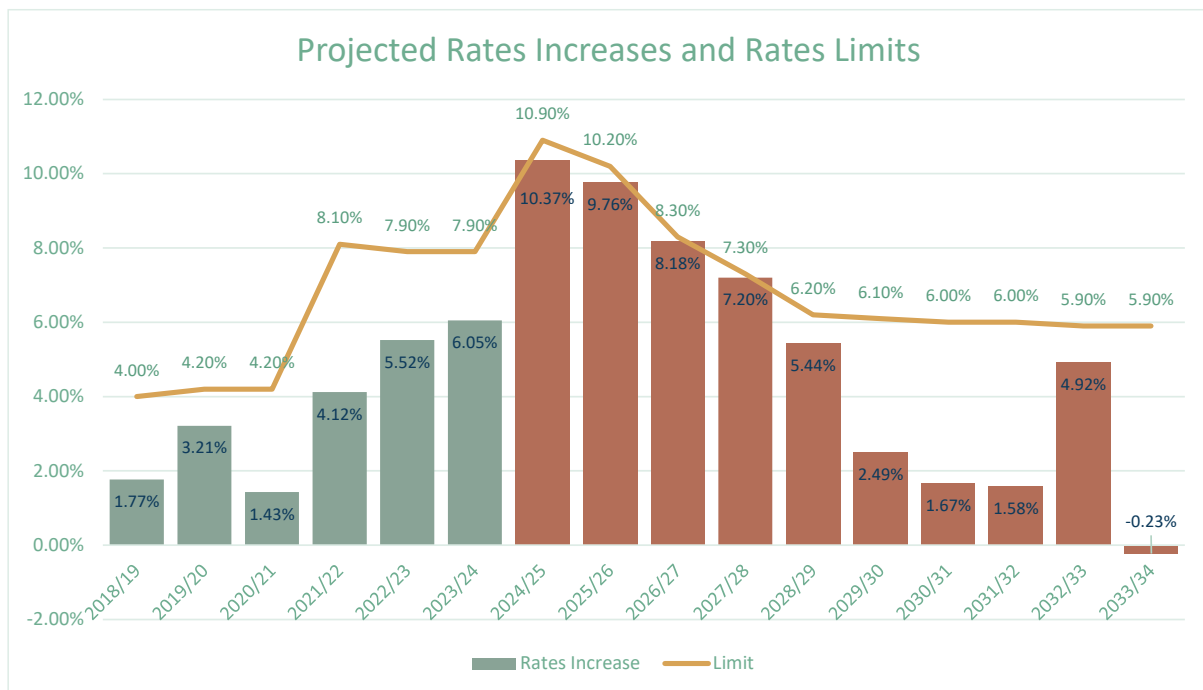


KEY FINANCIAL DECISIONS

We see our job in the next 10 years as keeping investing in our district assets and maintaining current levels of service. However, to do this we need to increase the financial limits we set for rates. While we are not proposing the construction of any new infrastructure or major renewals of existing infrastructure over the life of this Long Term Plan, rates do need to rise just to keep up with the increased costs of delivery.

RATES INCREASE LIMIT

Rates are the main source of income for our activities, but we also try to maximise funding from other sources as well, including the Government. We are proposing that our rates revenue be capped at the following levels over the ten years of the Long Term Plan:

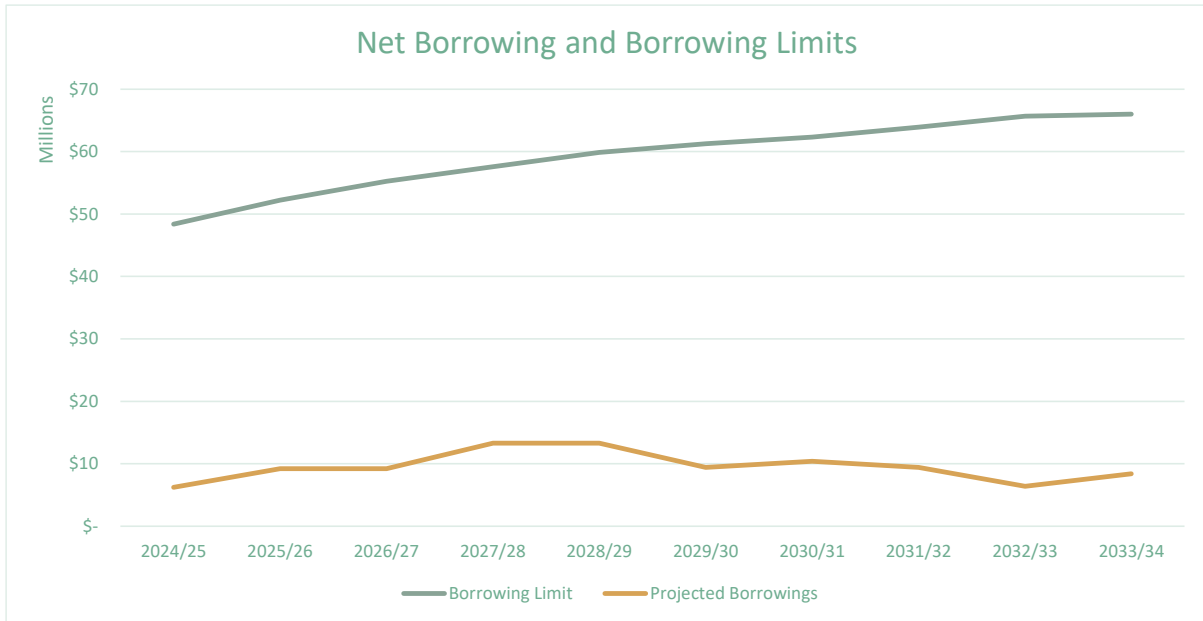


BORROWING LIMITS

We're not planning to change our borrowing limits in this plan. Our limits will continue to be calculated as 175% of total income each year. This means that in 2024/25, the cap will be approximately \$48 million, increasing over the ten years of the plan to \$66 million in 2033/34.

While proposing to keep our debt low, we have capacity to borrow if needed.





ASSUMPTIONS

Planning involves making assumptions about the future which may or may not hold true. Here are some assumptions we have made when we put together our activities and budgets¹⁷:



KIA MAU TĀTOU KI TE ARA

This Long Term Plan is about keeping to the path we have woven with you, staying connected and doing the basics well to support and honour our people, place and partnerships ... *It's 'steady as she goes'*.

¹⁷ For a full list of the significant forecasting assumptions made when preparing this Long Term Plan refer to Volume Two, pages 107 – 123.





WEAVING THE
FUTURE, TOGETHER
KOTAHITANGA
ŌTOROHANGA DISTRICT COUNCIL

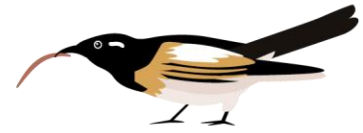
OUR SERVICES

GROUPS OF ACTIVITIES



Te Kaunihera ā-Rohe o
Ōtorohanga
District Council
Where kiwi can fly





INTRODUCTION

OUR SERVICES

Councils provide a wide range of services - from roads and footpaths to take you to your destination to libraries giving you access to lifelong learning and leisure. This section presents an overview of our activities which are organised into six groups, as listed below.

TRUSTED LEADERSHIP AND RELATIONSHIPS	STRONG COMMUNITIES	VIBRANT PLACES AND SPACES
<ul style="list-style-type: none"> Governance Iwi liaison Corporate Planning/Projects Support Services¹ 	<ul style="list-style-type: none"> Community Development and Empowerment Community Services Providers and Contestable Grants Economic Development and Wellbeing Libraries, Learning and Development Civil Defence and Emergency Management 	<ul style="list-style-type: none"> Parks and Reserves and Council Owned Properties² Cemeteries Swimming Pools Older Person's Housing
SUSTAINABLE DEVELOPMENT AND PUBLIC SAFETY	RESILIENT INFRASTRUCTURE ³	RESPONSIBLE WASTE MANAGEMENT
<ul style="list-style-type: none"> Resource Management Building Control Animal Control Environmental Health, Public Amenity and Safety 	<ul style="list-style-type: none"> Land Transport Wastewater Water Supply Stormwater Flood Protection 	<ul style="list-style-type: none"> Waste Management and Minimisation

GROUPS OF ACTIVITIES

KEY INFORMATION

Each group of activities follows the same format. Here's what we cover to help you understand what we will be doing and how we will pay for it.

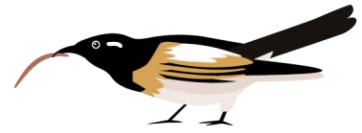
What We Do and Why	Explains overall what we do in the group(s) of activities and the general rationale for delivery of our services.
Community Outcomes	<p>Identifies which of the community outcomes the group(s) of activities helps achieve. We have also used colour throughout text to highlight linkages with the community outcomes.</p> <p>When we carry out an activity sometimes there can be impacts we don't intend. We describe these risks and explain what we do to avoid or mitigate them.</p>

¹ Support Services include: customer experience, communications and engagement, financial management, people and capability, information services, business enablement and other services which assist with the delivery of activities across Council. The costs of these services are included as indirect costs in each activity.

² Includes public toilets, halls, dog pound and other property Council maintains not specifically listed in this activity.

³ Individually, each of these activities is its own group of activities and defined as mandatory under Schedule 10 of the Local Government Act 2002.





Activities

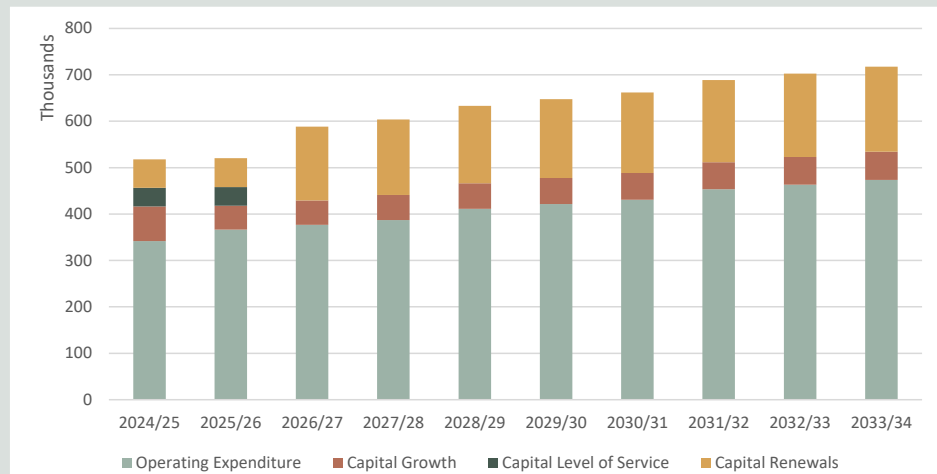
For each specific activity we tell you:

- What gets done including more details about the service and factors influencing what we do
- Our plans for the next three to ten years where we highlight any significant new work proposed, changes to our operations and/or key projects⁴
- What you can expect from us in terms of quantity and/or the quality of the services we aim to provide, and how we measure how well we have done. We also tell you our previous results delivering this service so you can compare our intentions against the past.
- In some instances, we tell you about activity specific assumptions we have made. These are in addition to our overall assumptions about future conditions and located elsewhere in this long term plan.

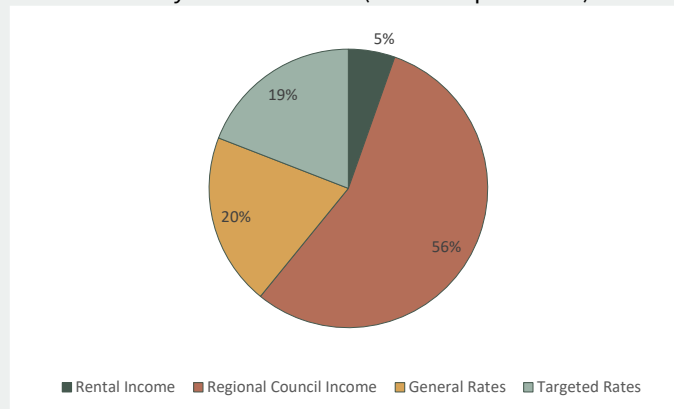
What It Costs and How We Fund It

Each group of activities includes a financial overview showing:

- How much the group of activities will cost over the course of the long term plan (see example below)



- Where the money will come from (see example below)



Financial tables⁵ are also provided showing:

- Operating expenditure
- Capital expenditure
- Funding Impact Statement

⁴ Highlights are not included for all activities, only ones where more information helps explain what our focus will be over the next 10 years.

⁵ These are presented in the format required under the Local Government Act.



WEAVING THE
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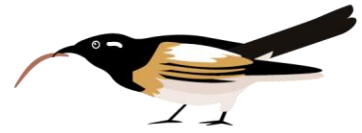
TRUSTED LEADERSHIP AND RELATIONSHIPS

GOVERNANCE

IWI LIAISON

CORPORATE PLANNING/PROJECTS

SUPPORT SERVICES



OUR SERVICES

TRUSTED LEADERSHIP AND RELATIONSHIPS

WHAT WE DO AND WHY

This group of activities focuses on Council's governance leadership and decision-making roles. It also encompasses the work that is done to honour and give effect to Te Tiriti-based partnerships and enhance meaningful and enduring partner relationships with iwi/Māori and stakeholders across Ōtorohanga district. Council's corporate planning activities and support services are also included in this group.

Together these activities are the face and voice of Council and essential for the smooth running of the Council and the district. We aim to be visible and accessible to the communities we serve and to be timely, democratic and transparent in our decision making. We see our role as providing and supporting aspirational, united, responsible leadership. Specific activities are discussed under the following headings:

- Governance
- Iwi Liaison
- Corporate Planning/Projects
- Support Services

COMMUNITY OUTCOMES

While underpinning all the community outcomes, this group of activities is a major contributor to outcomes related to people and partnerships.



PEOPLE

- Connected, empowered, engaged communities



PLACE

- Sustainable, resilient district



PARTNERSHIPS

- Aspirational, united, responsible leadership
- Progressive, enduring, supportive partnerships for district wellbeing.

The implementation of good process, robust internal management systems and clear communication with partners, stakeholders and customers are essential for trusted leadership and relationships. Without such processes and systems, the organisation risks non delivery of services, possible legal challenge and potential reputational damage. We manage these risks by engaging staff with the technical skills required to oversee our processes, investing in and updating our systems as required and having a programme for continuous organisational improvement.

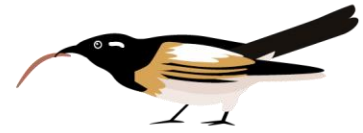
GOVERNANCE

This activity covers the work of elected members (Council and two Community Boards) to make decisions and set Council's direction, work programmes and monitor and review organisational performance. As the district's advocate Council builds relationships with a range of other governing bodies to ensure the needs of our communities are considered when policies and plans are being developed. We also partner with others such as central government, other councils, iwi/Māori and other agencies where there are clear benefits for our district.

Managing the democratic process is also covered by this activity. This involves:

- Running representation reviews and local government elections in accordance with legislative requirements
- Facilitating Council, Community Board and committee meetings including the preparation of minutes and agendas





- Overseeing the implementation of Council decisions
- Processing information requests.

OUR PLANS

The pandemic, the 2023 cyclone events and the fragility of the nation’s infrastructure in relation to the effects of climate change have reinforced for us the importance of local leadership for community resilience. We intend taking further steps to strengthen local democracy including:

- Holding our Council meetings at different locations around the district enabling us to get a better understanding of your issues, for you to get to know us and build a stronger relationship together (refer to Enhanced Outreach for Better Connectedness, page 33)
- Continuing to progress the work we have been doing to involve you in our decision making and encouraging local decisions on local issues
- Continuing to upskill ourselves, particularly in relation to our cultural competency
- Promoting civics education opportunities to increase understanding of local government and grow the next generations of local leaders.

These steps will be achieved by refocussing existing programmes rather than increasing levels of service.

KEY PROJECTS

GOVERNANCE PROGRAMME	WHEN
Local elections	2025, 2028, 2031
Triennial agreement development	Three yearly following each election
Representation review	2027/28

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Visible, transparent trusted Council	Overall trust in Council ¹	New measure ²	≥ 65% Average or better	≥ 70% Average or better	≥ 70% Average or better	≥ 70% Average or better

IWI LIAISON

Our iwi liaison function provides support for Council to develop and enhance meaningful and enduring partnership relations with iwi/Māori across the district. The role also focuses on building the cultural competency of both elected members and staff, and advising culturally appropriate approaches to conducting Council business.

Council has specific obligations under legislation (eg. Local Government Act 2002 and various Settlement Acts) and is committed to providing Māori with opportunities to participate in the decision-making process. The approach and pathway we are taking to fulfil these obligations is upholding partnership with Māori under Te Tiriti o Waitangi. Information about our approach, achievements to date and further work we will be carrying out is outlined in our policy on Supporting Iwi/Māori Participation in Council Decision-making (refer to page 31).

¹ As measured by an annual resident’s survey.

² This measure replaces a former measure related to holding a specified number of meet the Council’ sessions in Ōtorohanga and Kāwhia. The new measure is more reflective of the community outcomes.





TE TIRITI O WAITANGI

Ōtorohanga District Council recognises the importance of Te Tiriti o Waitangi as the founding document of Aotearoa/New Zealand, which establishes a relationship between the Treaty partners, these being iwi/Māori and the Crown. We also recognise that not only is there an obligation on Council to engage with iwi/Māori, but that it makes good sense to do so. By working in partnership with iwi/Māori we want to ensure that everything we do is aimed at supporting the wellbeing of everyone in our community.

OUR COMMITMENT

SUPPORTING IWI/MĀORI PARTICIPATION IN COUNCIL DECISION-MAKING

WHERE HAVE WE BEEN ...

The last five years have been a watershed for Council in its relationships and engagement with iwi/Māori. Highlights include the following.

- In 2020 the tohutō (macron) was added to the district's name – Ōtorohanga – and Council agreed to a request to include two pieces of Council-owned land – Kākāmutu and Huipūtea – in the Maniapoto Treaty settlement.
- A decision to establish a Māori Ward for the district was made in 2021 and two councillors were elected to the new Rangjātea Māori Ward in 2022. The establishment of the ward was an important step in facilitating a mandated iwi/Māori voice at Council's decision-making table.
- Following the signing of the Deed of Settlement in late 2021, the Maniapoto Claims Bill passed into law on 27 September 2022. The post settlement governance entity Te Nehenehenui and Council cemented their own relationship on 4 December 2023 with the signing of a formal relationship agreement (Joint Management Agreement). The agreement sets out how, amongst other matters, Council, Te Nehenehenui and other local authority signatories will work together to care for and protect Ngā Wai o Maniapoto (Waipa River).
- Stronger relationships with iwi/Māori have paved the way for increasing interactions and engagements on multiple plans, projects and local issues. A major piece of work for Council over the past three years was the development of the Ōtorohanga Town Concept Plan (ŌTCP). Three representatives from the Nehenehenui Regional Management Committee were appointed to the rōpū (group) guiding the development of the plan. Their input added considerable value to the final document and the priority projects/plans to be actioned. Development of the ŌTCP has not only demonstrated the value of working together, lessons learnt are being used to inform other planning processes and partner engagements.
- Another advance has included the recruitment of the Kaitakawaenga /Iwi Relations Advisor role to support elected members and staff in engagement with iwi/Māori. Appointed in November 2022 the role involves guiding Council through its relationships with all the iwi/Māori across our district and growing the cultural competency within staff and elected members to be able to engage with iwi/Māori.
- A refurbishment of Council's building in Ōtorohanga was undertaken in 2022 with iwi/Māori providing guidance on design elements for the new look office space. The adopted design promotes a welcoming environment for all manuwhiri (visitors) and reflects important landmarks from across the rohe (district).

All of these developments lay a solid foundation for work proposed in this Long Term Plan.

WHAT WE'VE BEEN TOLD

Council's efforts to date to improve relationships with iwi/Māori are appreciated. Results from the most recent survey of iwi/Māori leaders (2023) show that half were satisfied with what Council was doing to build and maintain authentic, strong and productive relationships with mana whenua representatives across the district. Fifty percent of respondents also indicated that trust in Council was also better than the previous year.

While there has been meaningful engagement on policy and strategy, there is still room for improvement. Furthermore, there is a need to consider the limited capacities of iwi/Māori to fully engaging with Council which may mean 'doing that little bit extra' to enable participation by everyone.

WHERE ARE WE GOING ...

OUR APPROACH

Our achievements to date are as a result of a deliberate two-pronged approach involving:

1. Focusing on building relationships with iwi/Māori to develop trust and understanding to pave the way for progressive, enduring, supportive partnerships for district wellbeing.
2. Looking internally and reviewing how we can create a more inclusive environment for kaimahi (staff) and manuwhiri.

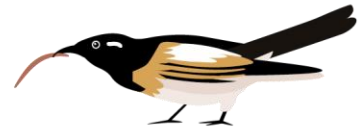
We intend to continue with our two-pronged approach for 2024/34.

MĀORI ENGAGEMENT FRAMEWORK

Work has started on the development of a Māori Engagement Framework. Once developed, the framework will enhance the way Council interacts and engages with iwi/Māori to help deliver on shared objectives. The framework is expected to be completed in 2024/25. Implementation will occur over the ten years of the Long Term Plan with regular reviews and adjustments made if necessary.

CULTURAL COMPETENCY

Developing cultural competency is a critical component of improved engagement with iwi/Māori. Provision has been made in this Long Term Plan for ongoing training of staff and elected members. The training will assist with developing local knowledge as well as promoting understanding, communication and effective interaction with people from a diversity of backgrounds and cultures.



OUR PLANS

We are working on the development of a Māori Engagement Framework³ which is expected to be completed in 2024/25. Implementation will occur over the ten years of the Long Term Plan with regular reviews and adjustments made if necessary. We have included an additional \$30k per annum in our budgets from 2025/26 to support our Kaitakawaenga (Iwi Relations Advisor) to oversee and manage both the framework and build organisational cultural competency.

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Work with Māori leaders ⁴ to build/maintain strong, productive relationships.	Māori leaders rate their relationship with Council as good or better ⁵ .	75% Good or better	≥ 70% Good or better	≥ 70% Good or better	≥ 75% Good or better	≥ 75% Good or better

CORPORATE PLANNING/PROJECTS

Corporate planning covers development of our Long Term Plan and annual plans including the analysis and strategy work involved to prepare these documents. This activity also includes any special, corporate-wide projects that Council may undertake.

This function is important for determining not only what we will do to achieve the community outcomes but also what we expect to spend and how we will pay for what we do.

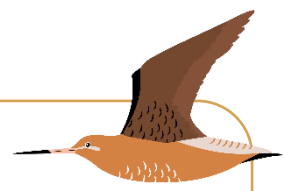
OUR PLANS

Work is underway on the development of a climate change response plan for the district⁶. This is a special project that supports Council's assessment of climate change impacts as a critical organisational and community risk and has been reflected in the Ōtorohanga Town Concept Plan 2023 and community feedback on the development of the Kāwhia/Aotea/Ōpārau and Ōtorohanga Rural concept plans. The project addresses all aspects of Council's business (refer to the information below for matters to be covered by the response plan). Implementation of Council emissions reduction plan and community/stakeholder engagement to develop the adaptation plan will commence in 2024/25 and we have budgeted \$50k per annum for three years to assist with carrying out this work.

FOCUS ON RESPONSE TO CLIMATE CHANGE

CLIMATE CHANGE RESPONSE PLAN – WHAT IT WILL COVER

- Council as a business (being a good corporate citizen)
Mitigation actions/measures that either we are or will be taking to reduce our greenhouse gas emissions (eg. vehicle replacement; energy efficiency/reduction, load shifting; solar)
- Council as a community infrastructure owner.
Ensuring resilience of our assets (eg. maintaining community accessibility; continued protection from flooding/inundation; possible relocation/upgrade of assets).
- Council as a local governance leader/advocate/enabler
Working with communities to build understanding of local climate change impacts and identify response options and adaptation actions and pathways.



³ Refer to Supporting Iwi/Māori Participation in Council Decision-making page 31.

⁴ Māori leaders includes, but is not limited to, iwi, hapū, marae and hapori Māori.

⁵ As measured by an annual iwi relationships survey.

⁶ Scheduled for adoption in June 2024.





SUPPORT SERVICES

This activity covers the support skills essential for the delivery of quality services and includes:

- Customer experience
- Communications and engagement
- People and capability
- Information services
- Financial management

OUR PLANS

To do our job well the lines of communication both in and out of Council must always be open. We recognise that no one size fits all and that we need to be flexible and use multiple methods to connect and engage with everyone. An additional \$30k per annum has been included in our operational budgets to ensure that we can continue to engage with you effectively using the communication method that works best for you.

We have been trialling Pop-up Council which is where we get out from behind the front counter and bring Council to a place near you. You said you liked the Pop-ups so we have budgeted for up to 12 per year to be held at various locations around the district. The Pop-ups are part of a wider improvement programme of outreach services (refer to Enhanced Outreach for Better Connectedness, see below).

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
The Community have access to timely and accurate information.	Residents satisfied with Council communication ⁷ .	81.1%	≥ 80%	≥ 80%	≥ 80%	≥ 80%

ENHANCED OUTREACH FOR BETTER CONNECTEDNESS

You've told us that the work we started in the 2021/31 Long Term Plan to better engage with you has made a difference, and you would like this to continue and for us to do more.

In this Long Term Plan we've included a range of activities for enhanced outreach so that all our communities can benefit from improved connectedness with Council. Specifically we have made provision for:

- Getting out of the Council Chambers and holding some of our meetings in different communities and venues giving you the opportunity to be a part of what we do and for us to get to know you better (see Governance activity)
- More Pop-up Councils (up to 12 per annum) where we bring customer service to where you are rather than you travelling into town to see us to pay your rates, find out information about how to apply for a rate rebate, register your dog or pick up a LIM application form (see Support Services)
- Taking the library to the people by increasing outreach opportunities to our rural communities, schools, early education centres and marae (see also Strong Communities Group of Activities).



⁷ As measured by an annual residents' survey.

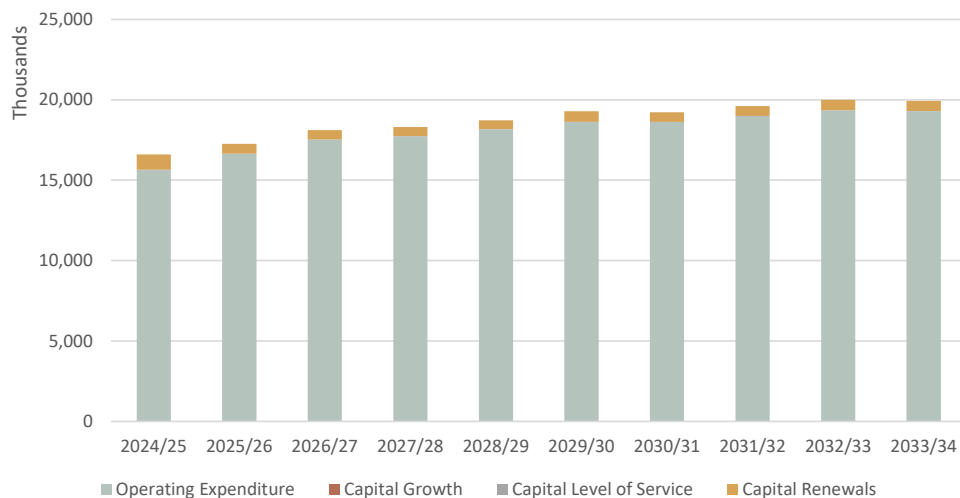




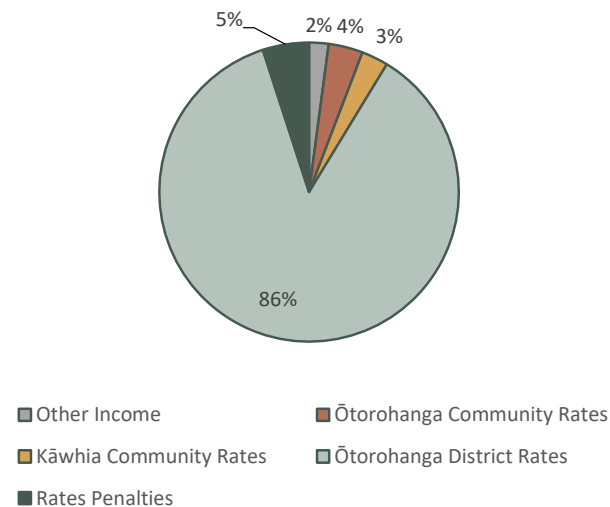
TRUSTED LEADERSHIP AND RELATIONSHIPS

WHAT IT COSTS AND HOW WE FUND IT

HOW MUCH IT COSTS



WHERE THE MONEY WILL COME FROM





COST OF SERVICE STATEMENT

TRUSTED LEADERSHIP AND RELATIONSHIPS - 2024/34	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
OPERATING REVENUE											
Activity Revenue	53	70	71	73	74	76	77	79	80	81	82
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Development Contributions	-	-	-	-	-	-	-	-	-	-	-
General Rates	2,716	2,616	2,907	3,314	3,343	3,598	3,798	3,595	3,678	3,957	3,732
Other General Sources	10,394	12,953	14,062	14,623	15,034	15,262	15,464	15,631	15,828	15,898	16,040
<i>Total Operating Revenue</i>	13,163	15,639	17,040	18,010	18,451	18,936	19,340	19,305	19,586	19,936	19,854
OPERATING EXPENDITURE											
Governance	1,866	2,109	2,234	2,291	2,361	2,461	2,402	2,495	2,516	2,525	2,611
Iwi Liaison	-	151	227	228	230	244	238	241	255	248	251
Corporate Planning/Projects	1,659	615	656	905	627	693	958	659	727	1,004	689
Support Services	10,677	12,733	13,520	14,091	14,508	14,760	15,009	15,225	15,457	15,556	15,732
<i>Total Operating Expenditure</i>	14,202	15,608	16,637	17,515	17,726	18,157	18,607	18,620	18,955	19,333	19,284
Includes:											
Salaries and Wages	5,601	6,261	6,428	6,608	6,741	6,868	6,989	7,109	7,229	7,343	7,457
Depreciation and Amortisation	394	568	663	797	880	902	925	934	942	901	887
Interest	219	277	383	379	535	533	394	425	387	278	344
Operating Surplus (Deficit)	- 1,039	30	403	495	725	778	733	684	631	603	570
Operating Surplus Transferred to Reserves; or	-	30	403	495	725	778	733	684	631	603	570
Operating Deficit Funded from Reserves	- 1,039	-	-	-	-	-	-	-	-	-	-
CAPITAL AND RESERVES FUNDING REQUIREMENTS											
Capital Renewals	554	961	616	592	567	553	660	587	601	649	635
Capital Growth	-	-	-	-	-	-	-	-	-	-	-
Capital Level of Service	240	35	10	10	11	11	11	11	46	12	12
Loans Repaid	92	93	106	109	110	114	114	114	114	114	118
Operating Deficit	1,039	-	-	-	-	-	-	-	-	-	-
<i>Total Funding Required</i>	1,925	1,089	732	712	687	678	784	712	760	774	766
FUNDED BY:											
Funding from Non-Cash Expenses	548	654	589	550	453	515	613	549	589	484	595
Loans Raised	-	375	31	21	106	-	-	-	-	116	-
Transfer from General and Special Reserves	1,551	- 30	- 444	- 558	- 783	- 887	- 760	- 690	- 660	- 632	- 570
Capital Income	90	60	153	203	186	271	199	168	200	203	171
Operating Surplus (via reserve)	-	30	403	495	725	778	733	684	631	603	570
<i>Total Funding Applied</i>	2,189	1,089	732	712	687	678	784	712	760	774	766





FUNDING IMPACT STATEMENT

	2023/24 Annual Plan (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
TRUSTED LEADERSHIP AND RELATIONSHIPS - 2024/34											
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charges, Rates Penalties	2,716	2,616	2,907	3,314	3,343	3,598	3,798	3,595	3,678	3,957	3,732
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	30	40	41	42	43	43	44	45	46	46	47
Internal Charges and Overheads Recovered	10,079	12,428	13,516	14,094	14,518	14,767	14,998	15,197	15,424	15,523	15,694
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	23	30	31	31	32	33	33	34	34	35	35
TOTAL SOURCES OF OPERATING FUNDING	12,848	15,114	16,494	17,481	17,935	18,440	18,874	18,870	19,181	19,561	19,508
APPLICATION OF OPERATING FUNDING											
Payments to Staff and Suppliers	8,588	9,125	9,336	9,821	9,731	10,016	10,339	10,263	10,486	10,874	10,764
Finance Costs	- 80	- 228	- 144	- 130	39	58	- 51	12	4	- 75	20
Internal Charges and Overheads Applied	4,393	5,770	6,505	6,759	6,969	7,088	7,185	7,262	7,362	7,392	7,463
Other Operating Funding Applications	139	166	169	173	176	180	183	186	189	192	195
TOTAL APPLICATION OF OPERATING FUNDING	13,039	14,831	15,866	16,623	16,916	17,342	17,656	17,723	18,041	18,383	18,442
SURPLUS (DEFICIT) IN OPERATING FUNDING	- 191	283	628	858	1,019	1,098	1,218	1,147	1,140	1,178	1,066
SOURCES OF CAPITAL FUNDING											
Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Debt	- 92	283	- 75	- 88	- 3	- 114	- 114	- 114	- 114	2	- 118
Gross Proceeds from Sale of Assets	90	60	153	203	186	271	199	168	200	203	171
Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	- 2	343	78	116	183	157	85	54	86	205	52
APPLICATION OF CAPITAL FUNDING											
Capital Expenditure -											
* To meet additional demand	-	-	-	-	-	-	-	-	-	-	-
* To improve level of service	240	35	10	10	11	11	11	11	46	12	12
* To replace existing assets	554	961	616	592	567	553	660	587	601	649	635
Increase (Decrease) in Reserves	- 987	- 371	80	371	625	692	632	604	579	723	471
Increase (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF CAPITAL FUNDING	- 193	625	706	974	1,202	1,256	1,303	1,202	1,226	1,383	1,118
SURPLUS (DEFICIT) IN CAPITAL FUNDING	191	- 283	- 628	- 858	- 1,019	- 1,098	- 1,218	- 1,147	- 1,140	- 1,178	- 1,066
FUNDING BALANCE	-	-	-	-	-	-	-	-	-	-	-



WEAVING THE
FUTURE, TOGETHER
KOTAHITANGA
ŌTOROHANGA DISTRICT COUNCIL

STRONG COMMUNITIES

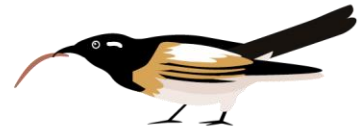
COMMUNITY DEVELOPMENT AND EMPOWERMENT

**COMMUNITY SERVICE PROVIDERS AND
CONTESTABLE GRANTS**

ECONOMIC DEVELOPMENT AND WELLBEING

LIBRARIES, LEARNING AND DEVELOPMENT

**CIVIL DEFENCE AND EMERGENCY MANAGEMENT
(CDEM)**



OUR SERVICES

STRONG COMMUNITIES

WHAT WE DO AND WHY

We work with people, businesses and other organisations to find creative, future-focused solutions to fulfil local needs.

Strong communities covers the following five areas of activity:

- Community Development and Empowerment
- Community Service Providers and Contestable Grants
- Economic Development and Wellbeing
- Libraries, Learning and Development
- Civil Defence and Emergency Management

Creating opportunities and supporting people and groups to come together is an important way Council can help resolve local issues and celebrate who we are to create a stronger, united, resilient and more connected community.

COMMUNITY OUTCOMES

Strong Communities contributes to the following community outcomes:



PEOPLE

- Connected, empowered, engaged communities
- Welcoming, proud, thriving district



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Progressive, enduring, supportive partnerships for district wellbeing.

Effective delivery of the Strong Communities group of activities relies on good working relationships between Council, its service providers and the wider community. A breakdown in relationships could result in services not being delivered or delivered in a way that does not achieve the outcomes wanted. Council addresses this risk by employing skilled staff, maintaining open communication with its service providers and placing emphasis on relationship building with the community.

COMMUNITY DEVELOPMENT AND EMPOWERMENT

Community development is about finding local solutions to local needs. We work alongside groups and communities to understand what is needed and develop agreed action plans and projects. These are not our plans or projects – they belong to the community. Our role is facilitating opportunities for sharing, growing and creating together thereby empowering communities to take collective action.

OUR PLANS

From 2024/25 we will be working alongside you to progress opportunities for arts and culture. An Arts, Culture and Heritage Strategy was identified as a priority project in the Ōtorohanga Town Concept Plan 2023. We won't be undertaking the development of a strategy immediately as we think it is more important to first understand what's needed before we head down the path of creating another strategy.

In 2025/26, we will be drawing the threads of the work we've been doing in the wellbeing space together and developing an overarching wellbeing roadmap. This roadmap will apply a wellbeing lens to all of Council's business and guide decision making and the delivery of services.





COMMUNITY SERVICE PROVIDERS AND CONTESTABLE GRANTS

This activity has three components. These are:

- Funding specific community service providers to deliver social, cultural, and other wellbeing services¹.
- Managing and distributing contestable funding from Council (\$100k) and Government sources totalling approximately \$126k for the following purposes:
 - social (community focussed initiatives)²
 - cultural (creative projects)³
 - recreational (travel for youth sport)⁴
- Providing advice and information to link people and groups to the resources needed to implement their projects.

The projects we fund and the grants distributed give colour to our community – it is what makes us vibrant, connected and united.

OUR PLANS

Following a successful event in 2023 (Funding Expo), we intend to run an annual capacity building event to encourage connectedness and empower local groups and organisations. Raising sufficient funds can be a barrier for community organisations and projects. To complement the assistance we provide, Council will be signing up to the Funding HQ Programme from 2024/25. Funding HQ is a New Zealand based online fund raising platform which lists over 1,000 individual funds and 200 plus funders. As a service provider, Funding HQ also provides access to training to assist staff to help groups achieve their goals. Costs associated with the programme are \$3.5k per annum. Investment in the platform is an investment in the long term sustainability of community groups and projects.

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Improved community wellbeing through the provision of financial support for social, cultural and recreational purposes.	Community groups/organisation and individuals funded by Council fulfil their funding obligations ⁵ .	Achieved	Obligations fulfilled	Obligations fulfilled	Obligations fulfilled	Obligations fulfilled

ACTIVITY SPECIFIC ASSUMPTION

WE ASSUME THAT:	OUR LEVEL OF UNCERTAINTY	RISK	IMPACT	WHAT WE WILL DO
External funders will continue to support existing grant schemes at the same or similar levels.	Medium	Reduced funding for community purposes	<ul style="list-style-type: none"> • Requests for additional or top-up funding from Council. • Loss of local services/events. 	Any requests for additional funding would be considered on a case-by-case basis and through the appropriate Council channels.

¹ Organisations funded by Council include Ōtorohanga Support House Whare Āwhina, Thrive Youth Trust Ōtorohanga and Sport Waikato.
² Funded by Council via rates.
³ Funded by Creative New Zealand.
⁴ Funded by Sport Waikato.
⁵ As measured by group's/organisation's reports to Council.





ECONOMIC DEVELOPMENT AND WELLBEING

Much of what Council does is about economic wellbeing to support a sustainable future. As well as providing and maintaining infrastructure and community facilities that underpin the local economy, we work to attract and grow businesses, and to promote our district as a welcoming, thriving place to live or visit. We also play our part in ensuring that there are opportunities available for our residents to realise their aspirations and their potential.

This activity focuses on the development component of economic wellbeing. One of the main ways Council does this is through partnerships with local, regional and national organisations. This includes:

- Funding local and regional economic development and promotion agencies through service level agreements for the delivery of economic development services (refer dialogue box below)
- Working with other organisations to support the implementation of a community-led Housing Plan and delivering on key actions assigned to Council
- Supporting businesses to progress development and help keep our community growing
- Delivering the Mayor's Task Force for Jobs employment programme
- Growing and strengthening relationships with other anchor institutions⁶ in our district.

Other ways that Council gets involved in economic development includes:

- Co-design (with our community) and implementation of concept plans that identify economic priorities
- Working with or supporting other organisations to address issues which affect the district's ability to thrive such as community safety and health
- Strategic property purchases.

ECONOMIC DEVELOPMENT, WELLBEING AND DISTRICT PROMOTION FUNDING

Total funding for economic development and wellbeing is \$370,000 per annum.

From this total pool specific provision has been made in this Long Term Plan for funding:

- Waikato Screen - \$3,000 per annum for three years
- Hamilton Waikato Tourism (HWT) - \$35,000 for 2024/25. Research undertaken as part of the Ōtorohanga Economic Wellbeing Strategy identifies tourism as being a low GDP earner for the District in comparison to other sectors. We intend to further investigate the value of our investment in HWT to inform levels of funding for 2025/26 and subsequent years.
- Ōtorohanga District Development Board - \$290,000 per annum.



OUR PLANS

In parallel with this Long Term Plan, we have been working on an Economic Wellbeing Strategy for the district. The strategy is a high-level guide for Council's delivery of economic wellbeing and while the quantum of funding for this activity remains similar to previous years, expected delivery outcomes in service level agreements with our providers may change to align with the strategy implementation plan.

A sense of safety is important for community confidence particularly in urban centres. When people feel safe, the community is vibrant, people feel welcome and community pride is enhanced. Council currently provides security services for business in the Ōtorohanga CBD and Progress Drive area which is funded through a targeted rate. We are also proposing to work with local businesses with CCTV cameras to facilitate a collaborative approach to monitoring community safety. The aim is to utilise the investment businesses have already made in security to enable more comprehensive coverage.

⁶ 'Anchor institutions' is used to refer to organisations which: "Have an important presence in a place, usually through a combination of: being largescale employers, the largest purchasers of goods and services in the locality, controlling large areas of land and/or having relatively fixed assets". Source: Centre for Local Economic Strategies



FOCUS ON HOUSING

Recently, a spotlight has been shone on housing in New Zealand highlighting the challenges around availability, affordability, and quality. Ōtorohanga is no exception:

- There has been a significant increase in the support needed for emergency housing (\$116k in 2022; Cf. \$9k in 2018)
- 29.2% of our community live in damp dwellings and 21.4% in mouldy dwellings (2018)
- Public Housing demand increased from 8% to 42% (2018 to 2022)
- Median rent as a proportion of median income is at 34% (2021)
- A shortfall of homes by 2043 of 281 is projected (Waikato Regional Housing Plan 2018) *Source: Ōtorohanga Housing Group, Dec 2022*

Council has participated in a community-led housing plan that has looked at issues affecting the district and considered ways in which our community can take a collective approach to change the housing tide for our people now and into the future. Actions for Council identified in the plan will be progressively implemented via our various work programmes. These actions include:

- Continued support for Maru Energy Trust (home insulation) - \$30k per annum
- Review of Council’s elder persons housing (\$40k allocated in 2024/25, refer Vibrant Places & Spaces)
- Enablement for infill or secondary dwellings/tiny homes/papakāinga on one title will be considered as part of the district plan review
- Changes to Council’s Development Contribution Policy (DCP) to include Financial Contributions to enable and facilitate affordable housing (The changes will be incorporated into the policy when a full review is undertaken planned for 2024/25).

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Implementation of an economic wellbeing strategy.	Economic wellbeing service providers funded by Council fulfil their funding obligations ⁷ .	Achieved	Funding obligations fulfilled	Funding obligations fulfilled	Funding obligations fulfilled	Funding obligations fulfilled

LIBRARIES, LEARNING AND DEVELOPMENT

The district has two libraries – one in Ōtorohanga and the other in Kāwhia – providing access to a wide range of knowledge and information as well as opportunities for learning and a space to connect and engage. Services include:

- Physical and digital collections and resources
- Programmes supporting literacy in all its forms, with an emphasis on children’s⁸ programmes
- 24/7 wifi access, as well as access to devices, printing and scanning during opening hours.

Public libraries play a key role in wellbeing through improving individual and community outcomes in literacy (language, numeracy, digital). Literate communities are more empowered, resilient, tolerant, and better able to develop and participate in enterprise and growth opportunities and thrive.

⁷ As measured by their reporting to Council.

⁸ Programmes cater for children from newborns through to the end of primary school age.





OUR PLANS

Learning does not just come from books. We're looking to introduce 'Makerspace' – an area within the library for self-directed learning. Makerspace encourages people to explore, design, experiment and create with the digital and physical resources provided (eg. sewing machines, 3D printers). We will be expanding this service and complementing the space by introducing tech kits for loan. The kits will require a small initial capital outlay in 2024/25 of \$5k for the base collection and thereafter the service will be funded from the collections budget.

As suggested by residents and users⁹, other ways we will be enhancing our services include:

- Increasing the te reo Māori collection
- Extending our library programmes beyond the under-five's and primary aged children to teens and adults.
- Investigate shared services/combined collections with neighbouring districts to increase collection diversity.

One of the barriers to people using the library can be the imposition of fines for overdue loans. Although the fines are small, they can mount up, stopping people from accessing library services. We are intending to eliminate fines and join Fines Free Public Libraries Aotearoa from 2024/25.

OUTREACH

Accessing services can be difficult in a predominately rural district. For this reason we are looking to take the library to people. This involves increasing outreach opportunities to our rural communities, schools, early education centres and marae costing an additional \$5k per annum. The outreach service will help promote connectedness and help empower our more remote communities who have more limited access to services.

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Library services and activities meet community needs	Users satisfied with library services ¹⁰ .	95.7% satisfaction	≥ 90% satisfaction	≥ 90% satisfaction	≥ 90% satisfaction	≥ 90% satisfaction
	Increasing participation in Library programmes and activities, and service users ¹¹ .	39,521	≥ 40,000 participants	≥ 40,000 participants	≥ 40,000 participants	≥ 40,000 participants

CIVIL DEFENCE AND EMERGENCY MANAGEMENT (CDEM)

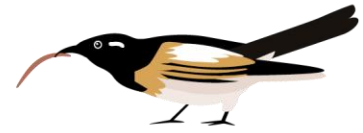
This activity focuses on preparedness for emergencies, both internally by having sufficiently trained staff and externally by educating the wider community on the need for being prepared. It is also about responding during the emergency event, and getting our organisation back up and running, through the transition and recovery phases after the emergency.

⁹ Ōtorohanga Annual Resident's Survey Report 2023

¹⁰ As measured by annual customer survey.

¹¹ As per quarterly reports to Council. Note: The target in the 2021/31 LTP was for a 10% increase per annum. Library users have been increasing due to improved/enhanced services but in a district with limited population it is unrealistic to assume that usage will increase 10% year on year.





Council is part of the Waikato CDEM Group, which is a collective approach to managing emergencies in the Waikato Region. The CDEM Group works closely with research institutions, utility operators and central government to reduce risks and improve community resilience. Council is also part of the Western Waikato Emergency Operations Area which provides Civil Defence services at the local level. This is a shared service arrangement, where we partner with Waipā and Waitomo district councils. Waipā is the lead agency in this arrangement and if an emergency happens in our district, we know that our neighbouring councils are well prepared to help us and vice versa.

OUR PLANS

A new Emergency Management Bill has been introduced to replace the CDEM Act 2002¹². The Bill proposes practical improvements to the emergency management system to ensure that it meets current and future needs. Although some changes will be necessary once enacted, the Bill does not fundamentally transform the current system. Apart from adjustments to meet the new requirements, we are not expecting any significant change to our CDEM services over the next 10 years.

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Council and the community well prepared for a civil defence emergency	Percentage scored in an emergency response annual evaluation exercise ¹³ .	Achieved	>60% (advancing)	> 60% (advancing)	> 60% (advancing)	> 60% (advancing)
	Community response plans in place for Kāwhia and Ōtorohanga reviewed every 3 years	Achieved Plans in place and reviewed	Plans in place	Plans in place	Plans in place and reviewed	Plans in place

¹² At the time of writing the Emergency Management Bill was in the Select Committee stage.

¹³ Council will be assessed on the capability shown during the exercise and scored a percentage based on the CDEM Capability Scoring Guide & Capability level: Unsatisfactory = 0-20%, Early Developing = 21-40%, Late Developing = 41-60%, Advancing = 61-80%, Mature = 81-100%

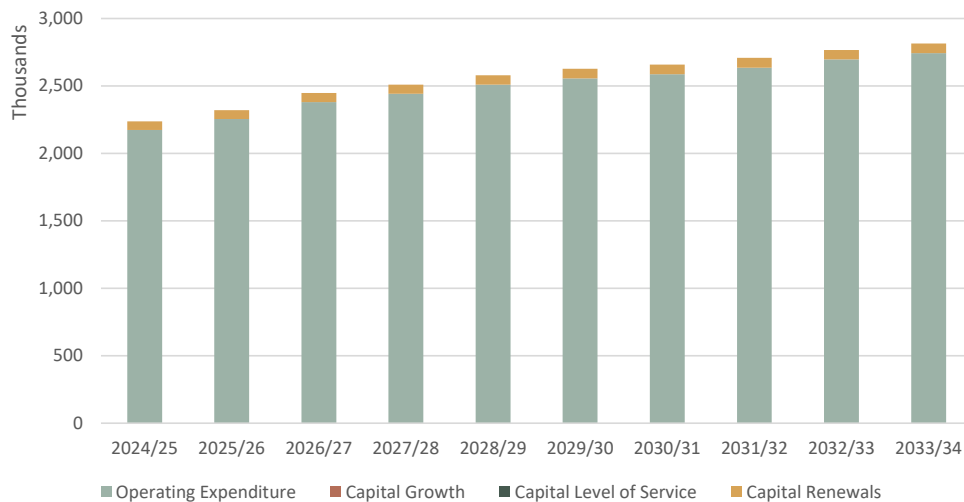




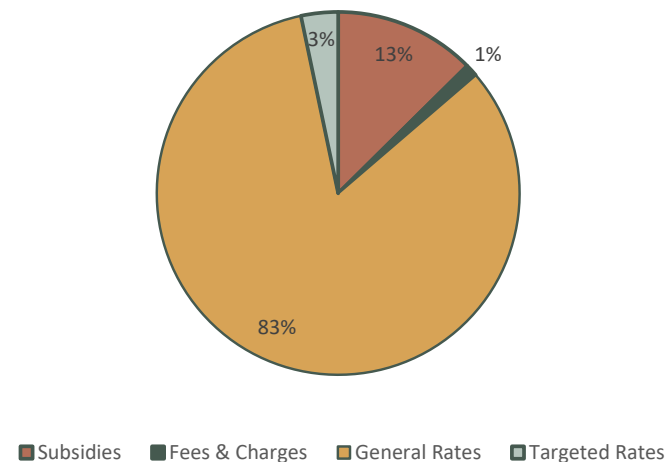
STRONG COMMUNITIES

WHAT IT COSTS AND HOW WE FUND IT

HOW MUCH IT COSTS



WHERE THE MONEY WILL COME FROM





COST OF SERVICE STATEMENT

STRONG COMMUNITIES - 2024/34	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
OPERATING REVENUE											
Activity Revenue	54	313	323	330	337	344	350	356	362	368	374
Targeted Rates	95	95	76	78	79	81	82	83	85	86	87
Development Contributions	-	-	-	-	-	-	-	-	-	-	-
General Rates	1,515	1,784	1,875	2,003	2,056	2,114	2,154	2,176	2,217	2,272	2,301
Other General Sources	-	-	-	-	-	-	-	-	-	-	-
<i>Total Operating Revenue</i>	1,665	2,191	2,274	2,411	2,472	2,538	2,586	2,616	2,664	2,726	2,762
OPERATING EXPENDITURE											
Community Development and Empowerment	30	568	604	698	715	744	757	752	764	793	805
Community Service Providers and Contestable Grants	222	225	232	233	239	243	247	251	255	259	263
Economic Development and Wellbeing	732	693	689	700	715	728	741	753	766	778	790
Libraries, Learning and Development	504	522	555	572	591	608	623	638	654	670	686
Civil Defence and Emergency Management	171	165	174	178	182	185	188	191	194	197	200
<i>Total Operating Expenditure</i>	1,660	2,174	2,254	2,381	2,442	2,508	2,556	2,586	2,634	2,696	2,742
Includes:											
Salaries and Wages	203	256	261	266	272	277	282	287	292	297	302
Depreciation and Amortisation	64	18	22	25	31	36	43	49	56	63	69
Interest	-	-	-	-	-	-	-	-	-	-	-
Operating Surplus (Deficit)	5	17	20	30	30	30	30	30	30	30	20
Operating Surplus Transferred to Reserves; or Operating Deficit Funded from Reserves	5	17	20	30	30	30	30	30	30	30	20
	-	-	-	-	-	-	-	-	-	-	-
CAPITAL AND RESERVES FUNDING REQUIREMENTS											
Capital Renewals	167	64	65	67	68	69	71	72	73	70	71
Capital Growth	-	-	-	-	-	-	-	-	-	-	-
Capital Level of Service	-	-	-	-	-	-	-	-	-	-	-
Loans Repaid	-	-	-	-	-	-	-	-	-	-	-
Operating Deficit	-	-	-	-	-	-	-	-	-	-	-
<i>Total Funding Required</i>	167	64	65	67	68	69	71	72	73	70	71
FUNDED BY:											
Funding from Non-Cash Expenses	64	44	45	37	38	39	41	42	43	40	51
Loans Raised	-	-	-	-	-	-	-	-	-	-	-
Transfer from General and Special Reserves	98	3	-	-	-	-	-	-	-	-	-
Capital Income	-	-	-	-	-	-	-	-	-	-	-
Operating Surplus (via reserve)	5	17	20	30	30	30	30	30	30	30	20
<i>Total Funding Applied</i>	167	64	65	67	68	69	71	72	73	70	71





FUNDING IMPACT STATEMENT

STRONG COMMUNITIES - 2024/34	2023/24 Annual Plan (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charges, Rates Penalties	1,515	1,784	1,875	2,003	2,056	2,114	2,154	2,176	2,217	2,272	2,301
Targeted Rates	95	95	76	78	79	81	82	83	85	86	87
Subsidies and Grants for Operating Purposes	34	294	296	303	309	315	321	327	332	338	343
Fees and Charges	20	19	27	27	28	29	29	30	30	31	31
Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF OPERATING FUNDING	1,665	2,191	2,274	2,411	2,472	2,538	2,586	2,616	2,664	2,726	2,762
APPLICATION OF OPERATING FUNDING											
Payments to Staff and Suppliers	572	1,025	1,053	1,070	1,093	1,130	1,151	1,154	1,173	1,210	1,229
Finance Costs	-	-	-	-	-	-	-	-	-	-	-
Internal Charges and Overheads Applied	417	562	599	692	714	725	735	744	756	764	775
Other Operating Funding Applications	606	567	579	592	604	615	626	637	648	658	668
TOTAL APPLICATION OF OPERATING FUNDING	1,595	2,154	2,231	2,354	2,410	2,470	2,512	2,535	2,576	2,632	2,672
SURPLUS (DEFICIT) IN OPERATING FUNDING	69	37	43	56	62	68	74	81	87	94	91
SOURCES OF CAPITAL FUNDING											
Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-	-
Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	-	-	-	-	-	-	-	-	-	-	-
APPLICATION OF CAPITAL FUNDING											
Capital Expenditure -											
* To meet additional demand	-	-	-	-	-	-	-	-	-	-	-
* To improve level of service	-	-	-	-	-	-	-	-	-	-	-
* To replace existing assets	167	64	65	67	68	69	71	72	73	70	71
Increase (Decrease) in Reserves	- 98	- 27	- 22	- 10	- 6	- 2	4	9	14	24	19
Increase (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF CAPITAL FUNDING	69	37	43	56	62	68	74	81	87	94	91
SURPLUS (DEFICIT) IN CAPITAL FUNDING	- 69	- 37	- 43	- 56	- 62	- 68	- 74	- 81	- 87	- 94	- 91
FUNDING BALANCE	-	-	-	-	-	-	-	-	-	-	-





WEAVING THE
FUTURE, TOGETHER
KOTAHITANGA
ŌTOROHANGA DISTRICT COUNCIL

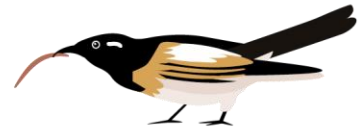
VIBRANT PLACES AND SPACES

PARKS AND RESERVES AND COUNCIL OWNED
PROPERTY

CEMETERIES

SWIMMING POOLS

OLDER PERSON'S HOUSING



OUR SERVICES

VIBRANT PLACES AND SPACES

WHAT WE DO AND WHY

We operate and maintain a range of community facilities for residents and visitors to the district. Collectively valued at an estimated \$30 million, these assets help lay the foundation for creating vibrant, diverse, liveable communities.

The particular facilities we manage are divided into following activities:

- Parks and Reserves and Council Owned Property¹
- Cemeteries
- Swimming Pools
- Older Person's Housing

COMMUNITY FACILITIES OVERALL MANAGEMENT

We are currently in the process of consolidating how we manage our facilities through the preparation of a community services asset management plan (AMP). Once completed the plan will be an all-encompassing document covering a wide range of facilities from cemeteries to solid waste. Work to date on the draft AMP has identified several challenges for facilities management that require navigation. These include:

- Aging facilities
- Changes in user preferences and expectations
- Demand management due to changes in population, economic conditions and policy.

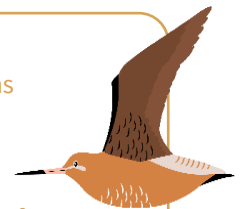
We intend that the Community Services AMP, once completed, will be supplemented by separate comprehensive asset management plans for each activity which will hone the information about the different facilities and customize strategies for their management. The majority of this more detailed planning work will be carried out during the first three years of this Long Term Plan.

A WORD ABOUT PLACEMAKING

An important contributor to the work we do in the Vibrant Places and Spaces group of activities, and indeed all our activities, is placemaking and the development of spatial plans for the district. Placemaking is all about creating quality places for people to live, work, learn and play.

In 2022 we adopted the Ōtorohanga Town Concept Plan (ŌTCP) - a blueprint for the future of Ōtorohanga. The ŌTCP was created with you for your town. This was followed in 2023 with the commencement of the Kāwhia, Aotea, Ōpārau and Rural Concept Plans. Collectively, these plans identify actions that we can undertake together that will help make the district even more liveable and vibrant, while improving resilience and providing for growth.

Capital expenditure of \$550k has been set aside for each of the first three years of the Long Term Plan to progress priority Council-led actions identified in all three of the concept plans. Some priority projects from the ŌTCP are already underway. Not confined to Vibrant Place and Spaces, the priority actions/projects from these concept plans are pepper-potted throughout all groups of activities in this Long Term Plan.



¹ This activity also includes public toilets, maintenance of the Girl Guide Hall (Ōtorohanga) and Kāwhia Community Centre, maintenance of library buildings, dog pound and other Council owned property.



COMMUNITY OUTCOMES

This group of activities mainly supports outcomes related to people and place.



PEOPLE

- Connected, empowered, engaged communities
- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district

Community facilities such as parks and halls are important places for people to be able to connect and engage. Furthermore, well used and well-maintained facilities are a good indicator of welcoming, proud, thriving communities. If not managed properly, this group of activities could affect community wellbeing. Examples of potential effects include:

- Residents not being able to provide for their mental and physical wellbeing if facilities are not aligned with community needs
- Harmful effects on the sustainability of our environment if facilities such as cemeteries aren't properly managed.

Once completed, the Community Services AMP and the proposed asset management plans for specific facility types will be important tools for managing any of these potential effects.

PARKS AND RESERVES AND COUNCIL OWNED PROPERTY

We manage 26 parks and reserves in the district totalling 45 hectares² spread between Ōtorohanga and Kāwhia/Aotea. Together these areas provide for the district's active and passive recreation needs while making a significant contribution to the vibrancy and liveability of our communities. Included in the mix are five playgrounds catering for people of all ages and abilities. We also have agreements in place with sporting groups regarding the care and maintenance of playing fields.

Other facilities included in this activity are:

- Public toilets (we have nine)
- The Girl Guide Hall (Ōtorohanga) and the Kāwhia Community Centre
- Library buildings
- Dog pound and other Council owned property not covered under other activities.

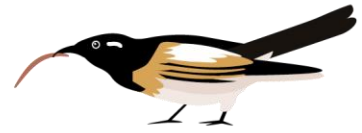
OUR PLANS

We will be moving forward with priority projects for parks and reserves identified in the ŌTCP. These include:

- Progressing and implementing the Huipūtea Reserve Development Plan
- Finalising the development and implementing actions from the Reserves Strategy and Reserves Management Plan³
- Continuing to investigate the potential for a multi-purpose facility (see below).

² These are reserves specifically maintained for active and passive recreation purposes. In total Council owns 178.839 hectares of reserves including flood protection and road reserves.

³ Currently in development, this work has links with the Sports Hub investigations our partner Sport Waikato is undertaking for increased collaboration and sharing of expertise between clubs and other organisations



MULTI-PURPOSE FACILITY (THE 'HUB')

The possibility of developing a multi-purpose community facility focusing on culture and arts in the town centre was identified as a project in the ŌTCP. Following the completion of a feasibility study, a 'hub' concept involving the upgrade of existing facilities - the library, Ōtorohanga Support House Whare Āwhina and the Ōtorohanga Club - has been confirmed. Further work is to be undertaken to refine the proposal and identify potential funding sources. We will be consulting further with you before making any decisions in relation to this project.



Other key projects for parks and reserves and Council owned property are listed in the table below.

KEY PROJECTS

PARKS AND RESERVES	WHEN
Huipūtea Reserve Development Plan implementation (\$30k per annum)	2024/25 – 2026/27, and 2029/30
Ōtorohanga Library Mobility Scooter covered area (\$20k)	2024/25
Jervois Street (Kāwhia) toilet upgrade (\$15k)	2025/26

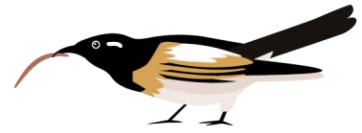
WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Parks and reserves meet resident's needs.	Residents satisfied with parks/reserves ⁴ : <ul style="list-style-type: none"> Variety Quality 	95.8% 88.6%	≥ 90% Satisfaction combined average	≥ 90% Satisfaction combined average	≥ 90% Satisfaction combined average	≥ 90% Satisfaction combined average
Provision of clean, well maintained public toilets.	Number of complaints per annum in relation to cleanliness and maintenance ⁵ .	11 Complaints	<12 Complaints	<12 Complaints	<12 Complaints	<12 Complaints

⁴ As measured by annual residents' survey.

⁵ As recorded in service request system.





CEMETERIES

We manage public cemeteries at Ōtorohanga and Kāwhia, with a combined area of 7.8 ha. This involves:

- Provision of well-managed places for interment
- Online cemetery records

Our commitment is to maintain these cemeteries as respectful, attractive places for people to be able to connect with their loved ones.

OUR PLANS

Berm extensions and pathways are planned for both Ōtorohanga and Kāwhia Cemeteries. These extensions are part of the ongoing efforts to meet community needs and ensure that there is sufficient space for future burials and memorials.

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Well maintained cemeteries.	Number of complaints per annum in relation to grounds maintenance ⁶ .	4 Complaints	<5 Complaints	<5 Complaints	<5 Complaints	<5 Complaints

SWIMMING POOLS

The Ōtorohanga pool facility includes a 20 metre indoor pool, which operates year-round, a 33.5 metre outdoor pool and separate toddler's pool. This facility is managed by a contractor on Council's behalf and, although not required by the contract, a gym facility is provided at the contractor's discretion.

The provision of a community swimming pool is seen as an important recreational option for the community, and a key public safety initiative through learn to swim. Although aging, recent upgrades have improved the facility so that it complies with New Zealand Building Act and regulations, and Water Safety NZ – Swimming Pool Guidelines. A rigorous maintenance programme is also in place.

OUR PLANS

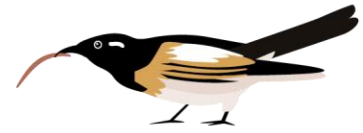
Originally built in 1959, it has been 25 years since the Ōtorohanga Memorial Pool Complex had a makeover. The complex was altered and expanded in 1999 and now needs work to address weather tightness issues, relining of the outdoor pool and other upgrades to update and refresh the facilities. We have budgeted for various upgrades to improve the resilience and sustainability of the complex. However, before we undertake this work, we need to consider the best investment for the future – upgrading or replacing the facilities – and we'll have a conversation with you first to flesh out a plan.

The upgrades we have budgeted for include:

- Addressing issues related to weather tightness
- Carrying out a basic upgrade to the building, including the bathroom and changing rooms
- Outdoor area improvement such as new seating areas, shade structures/landscaping to make the area more inviting
- Relining of the outdoor pool.

⁶ As recorded in service request system.





KEY PROJECTS

SWIMMING POOLS	WHEN
Building upgrades (\$50k)	2024/25
Outdoor area improvement (\$5k)	2024/25
Outdoor pool relining (\$350k)	2028/29
Weather tightness (\$50k)	2029/30

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Provision of community swimming pool facilities, safe for users and staff.	Swimming pools maintain PoolSafe Accreditation and compliance with pool water quality standard ⁷ .	91.17% Compliance	≥ 95% Compliance	≥ 95% Compliance	≥ 95% Compliance	≥ 95% Compliance

OLDER PERSON'S HOUSING

We have 28 residential units for older persons - 22 in Ōtorohanga and six in Kāwhia. A mix of studio and one-bedroom, the units are provided on a user pays basis. Rentals are set at 90% of the market for similar properties, on the basis of covering our costs rather than making a profit. There is strong demand for these properties, with waiting lists.

OUR PLANS

A review of housing for older persons will be carried out in 2024/25 alongside the work that will be undertaken to develop the asset management plan for Council owned units. This review is an action resulting from the community-led housing plan which looked at housing issues affecting the district⁸. The review will include consideration of community need, delivery and possible extension of the current service.

We will be continuing to upgrade our units as required and ensuring they meet the national Healthy Homes and heating standards.

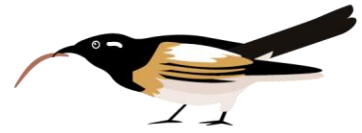
KEY PROJECTS

HOUSING FOR THE ELDERLY	WHEN
Review	2024/25

⁷ NZ Standard 5862 (Swimming Pools). As reported in Pool Manager's monthly reports.

⁸ See also Strong Communities Group of Activities – Economic Development.



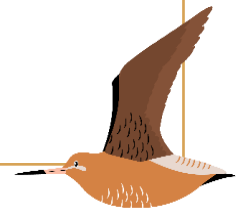


WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Housing units that are well maintained, safe and fully utilised.	Tenants satisfied with of their unit ⁹ :	90%	>95% Satisfaction combined average	>95% Satisfaction combined average	>95% Satisfaction combined average	>95% Satisfaction combined average
	<ul style="list-style-type: none"> • Comfort • Safety 	100%				
	Percentage occupancy rate for elder person's housing ¹⁰ :	97.5%	>95% Combined average	>95% Combined average	>95% Combined average	>95% Combined average
	<ul style="list-style-type: none"> • Ōtorohanga • Kāwhia 	100%				

VARIATION BETWEEN THIS LONG-TERM PLAN AND THE ASSESSMENT OF WATER AND SANITARY SERVICES AND WASTE MANAGEMENT PLAN

The last review of the Water and Sanitary Services Assessment was undertaken in 2005. This Long Term Plan does not signal any significant variation for public toilets and cemeteries from that assessment.



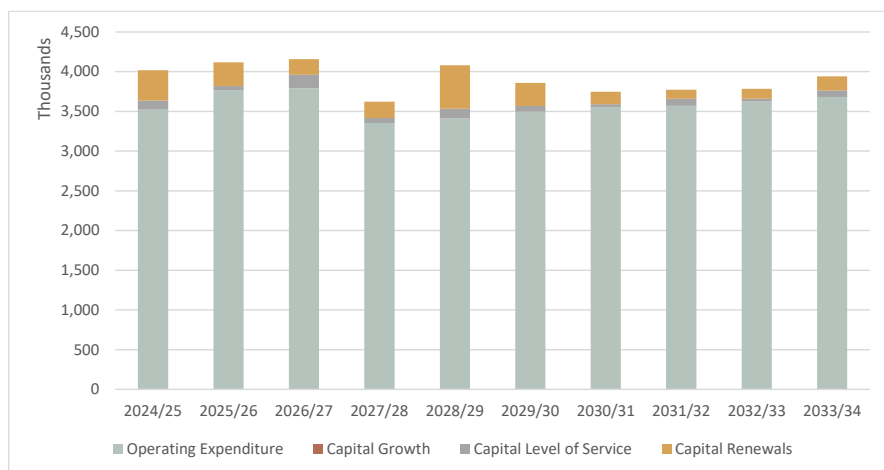
⁹ As measured by the annual tenant satisfaction survey.
¹⁰ Expressed as an annualised monthly average.



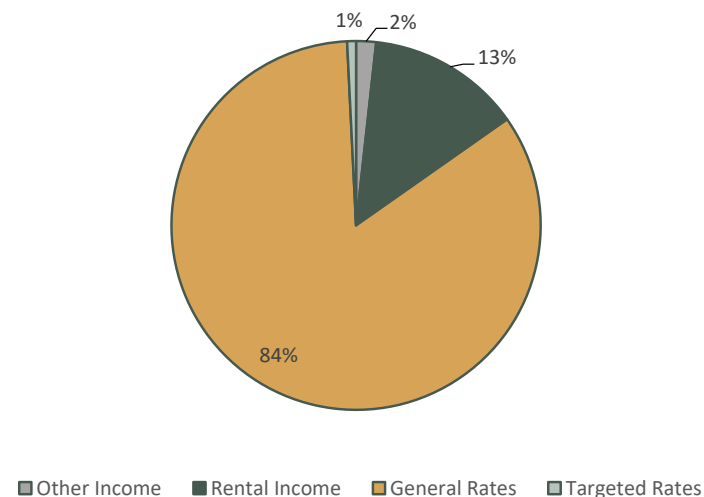
VIBRANT PLACES AND SPACES

WHAT IT COSTS AND HOW WE FUND IT

HOW MUCH IT COSTS



WHERE THE MONEY WILL COME FROM





COST OF SERVICE STATEMENT

VIBRANT PLACES AND SPACES - 2024/34	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
OPERATING REVENUE											
Activity Revenue	376	479	470	480	490	500	509	518	527	535	544
Targeted Rates	26	26	26	26	26	26	26	26	26	26	26
Development Contributions	10	10	10	10	11	11	11	11	11	12	12
General Rates	1,688	2,279	2,542	2,624	2,856	2,899	2,967	3,011	3,039	3,077	3,126
Other General Sources	-	50	-	-	-	-	-	-	-	-	-
<i>Total Operating Revenue</i>	2,100	2,744	3,048	3,141	3,383	3,436	3,513	3,567	3,604	3,650	3,708
OPERATING EXPENDITURE											
Parks and Reserves and Council Owned Property	2,123	2,498	2,706	2,769	2,333	2,358	2,405	2,439	2,440	2,473	2,514
Swimming Pools	432	554	570	587	598	618	642	653	664	675	684
Cemeteries	122	155	161	165	169	171	175	178	181	184	187
Older Person's Housing	272	316	331	268	255	262	275	281	285	293	296
<i>Total Operating Expenditure</i>	2,949	3,523	3,769	3,789	3,355	3,410	3,497	3,552	3,570	3,625	3,681
Includes:											
Salaries and Wages	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	555	591	641	580	560	580	616	625	600	616	620
Interest	36	41	44	47	47	44	40	37	35	33	31
Operating Surplus (Deficit)	- 849	- 779	- 721	- 648	28	26	17	15	33	25	27
Operating Surplus Transferred to Reserves; or	-	-	-	-	28	26	17	15	33	25	27
Operating Deficit Funded from Reserves	- 849	- 779	- 721	- 648	-	-	-	-	-	-	-
CAPITAL AND RESERVES FUNDING REQUIREMENTS											
Capital Renewals	164	382	297	196	205	545	290	158	114	126	178
Capital Growth	-	-	-	-	-	-	-	-	-	-	-
Capital Level of Service	322	115	51	172	63	125	72	39	89	35	83
Loans Repaid	114	92	112	133	182	199	181	189	169	167	176
Operating Deficit	849	779	721	648	-	-	-	-	-	-	-
<i>Total Funding Required</i>	1,448	1,367	1,180	1,149	449	869	543	387	371	328	436
FUNDED BY:											
Funding from Non-Cash Expenses	336	360	267	387	277	352	371	291	274	215	314
Loans Raised	763	725	668	625	32	396	55	-	-	29	38
Transfer from General and Special Reserves	349	282	245	137	112	95	100	81	64	58	58
Capital Income	-	-	-	-	-	-	-	-	-	-	-
Operating Surplus (via reserve)	-	-	-	-	28	26	17	15	33	25	27
<i>Total Funding Applied</i>	1,448	1,367	1,180	1,149	449	869	543	387	371	328	436





FUNDING IMPACT STATEMENT

	2023/24 Annual Plan (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
VIBRANT PLACES AND SPACES - 2024/34											
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charges, Rates Penalties	1,688	2,279	2,542	2,624	2,856	2,899	2,967	3,011	3,039	3,077	3,126
Targeted Rates	26	26	26	26	26	26	26	26	26	26	26
Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	41	41	42	43	44	44	45	46	47	48	48
Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	335	438	428	437	447	455	464	472	480	488	495
TOTAL SOURCES OF OPERATING FUNDING	2,090	2,784	3,038	3,130	3,373	3,425	3,502	3,556	3,592	3,639	3,696
APPLICATION OF OPERATING FUNDING											
Payments to Staff and Suppliers	1,629	1,617	1,725	1,769	1,324	1,350	1,375	1,399	1,422	1,446	1,480
Finance Costs	36	41	44	47	47	44	40	37	35	33	31
Internal Charges and Overheads Applied	587	1,118	1,150	1,179	1,205	1,213	1,236	1,255	1,271	1,282	1,295
Other Operating Funding Applications	143	207	209	213	216	220	224	227	231	234	237
TOTAL APPLICATION OF OPERATING FUNDING	2,395	2,982	3,128	3,208	2,793	2,827	2,876	2,919	2,959	2,995	3,043
SURPLUS (DEFICIT) IN OPERATING FUNDING	- 305	- 198	- 90	- 78	580	599	626	637	633	643	653
SOURCES OF CAPITAL FUNDING											
Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and Financial Contributions	10	10	10	10	11	11	11	11	11	12	12
Increase (Decrease) in Debt	649	633	557	493	150	197	126	189	169	138	138
Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	659	643	567	503	139	208	115	178	157	127	127
APPLICATION OF CAPITAL FUNDING											
Capital Expenditure -											
* To meet additional demand	-	-	-	-	-	-	-	-	-	-	-
* To improve level of service	322	115	51	172	63	125	72	39	89	35	83
* To replace existing assets	164	382	297	196	205	545	290	158	114	126	178
Increase (Decrease) in Reserves	- 132	- 51	128	57	173	137	150	262	273	356	266
Increase (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF CAPITAL FUNDING	354	445	477	425	441	807	512	459	476	517	526
SURPLUS (DEFICIT) IN CAPITAL FUNDING	305	198	90	- 78	- 580	- 599	- 626	- 637	- 633	- 643	- 653
FUNDING BALANCE	-	-	-	-	-	-	-	-	-	-	-





WEAVING THE
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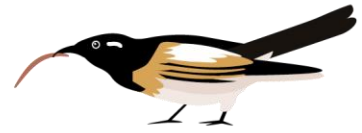
SUSTAINABLE DEVELOPMENT AND PUBLIC SAFETY

RESOURCE MANAGEMENT

BUILDING CONTROL

ANIMAL CONTROL

ENVIRONMENTAL HEALTH, PUBLIC AMENITY
AND SAFETY



OUR SERVICES

SUSTAINABLE DEVELOPMENT AND PUBLIC SAFETY

WHAT WE DO AND WHY

We provide planning and regulatory services to sustainably manage the district's natural and physical resources, and to promote and protect the health, safety and resilience of our communities.

Activities covered include:

- Resource Management
- Building Control
- Animal Control
- Environmental Health, Public Amenity and Safety

The activities in this group are governed by national legislation and directives as well as regional and local policies and bylaws. Together these laws, rules and policies are intended to be both enabling while safeguarding and protecting people and the environment.

COMMUNITY OUTCOMES

This group of activities supports outcomes related to people, place and partnerships.



PEOPLE

- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Aspirational, united, responsible leadership
- Progressive, enduring, supportive partnerships for district wellbeing

Managing this group of activities is often a balance and, tipped too far one way or the other, there is the potential for negative effects to occur. Examples include:

- Excessive processing times for resource and building consents, where this is within Council's control, may have economic implications for applicants
- The cost of compliance with regulatory requirements may be considered excessive or the imposition of rules as simply too much 'red tape'
- Non compliance with rules, regulations, legislation or consents may lead to environmental damage or threats to public safety.

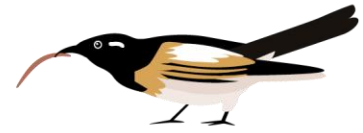
We monitor the delivery of our services to manage for these potential effects. Regular reviews are also carried out for efficiency and effectiveness and improvement programmes implemented where necessary. Monitoring and auditing by external organisations ensures that we are complying with the legislation.

RESOURCE MANAGEMENT

This activity covers the planning functions we carry out under the Resource Management Act 1991 (RMA) and includes:

- Preparing and reviewing the District Plan
- Processing planning applications and issuing resource consents





- Processing of private plan changes and designation applications
- Providing development advice
- Compliance and enforcement around District Plan requirements and consent conditions.

Issuing LIMs¹ in relation to property transactions and development proposals and administering our Development and Financial Contributions Policy are also a part of this activity.

OUR PLANS

Non-compliance with the district plan and resource consents can have detrimental effect on neighbouring properties and the wider environment. We are looking to make improvements in this area from 2024/25 through internal reallocation of resources enabling us to increase our capacity for monitoring, enforcement and compliance. This increased capacity will help maintain liveable, thriving communities while meeting our statutory obligations for resource management monitoring and enforcement.

Our resource management activities are particularly affected by changes in legislation and national and regional policies. We will continue to maintain a watching brief on what's being proposed by government and the regional council and aligning our plans and policies as required. Where necessary, we will also play a leadership role in representing the district's views on any proposed changes to ensure that the resulting rules and regulations are workable locally.

REVIEWING OUR DISTRICT PLAN

Under the RMA all councils are required to begin a review of their district plans if they have not done so during the previous ten years. Our District Plan became operative in 2014 which means we need to commence the next review in 2024. Our intentions are for some initial project planning work in 2024/25 with the majority of the plan review occurring over a four year period from 2025/26.

The review is expected to cost \$970k in total which will be loan funded and spread over the life of the District Plan.

KEY PROJECTS

RESOURCE MANAGEMENT	WHEN
District Plan Review Preliminary work	2024/25
District Plan Review	2025/26 – 2028/29

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Maintained and updated District Plan	Ōtorohanga District Plan is maintained, reviewed, and updated in accordance with legislation.	New measure	100% Compliance	100% Compliance	100% Compliance	100% Compliance

¹ Land Information Memorandum (LIMs) issued in accordance with the Local Government Official Information and Meetings Act 1987 (LGOIMA).



Processing of all applications within agreed timeframes.	Resource consent applications processed and decisions issued within statutory timeframes.	68.5% Compliance	100% Compliance	100% Compliance	100% Compliance	100% Compliance
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BUILDING CONTROL

Building control covers:

- Processing and monitoring of building consents
- Issuing of Code of Compliance Certificates and Compliance Schedules under the Building Act 2004
- Monitoring and enforcing earthquake-prone building requirements
- Inspecting private swimming pools for compliance with safety regulations
- Issuing and monitoring of building warrants of fitness
- Investigating alleged breaches of building regulation.

Another important part of our work is advising builders and the community about what building work requires a consent and other requirements such as using licensed building practitioners.

As a Building Consent Authority (BCA) we are audited every two years by International Accreditation New Zealand (IANZ). To retain our BCA accreditation, it is important that staff knowledge and our systems and processes are up-to-date and accurate.

Building control tends to be cyclic with times of more activity (boom) and times of less activity (bust). This is compounded by an identified skills shortage in this area, and an increase in specialisation and building procedures. It is important that Council retains minimum levels of staffing to carry out our building function.

OUR PLANS

Together with other Waikato councils, we have been working on improving our systems for building consent processing. In 2024/25 we will introduce new software enabling online applications, tracking and receipt of consents. We are looking for compatibility with neighbouring districts and, once operational, this new software is expected to transform processes by improving transparency and processing efficiency for customers.

WHAT YOU CAN EXPECT FROM US

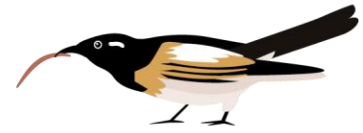
LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Buildings safe and fit for purpose.	Building consent applications processed within 20 working days ² .	97.65% Compliance	100% Compliance	100% Compliance	100% Compliance	100% Compliance
Required safety inspections of swimming pools and associated barriers completed.	All registered private swimming pools inspected at least every three years.	44% Pools inspected	> 33% Pools inspected ³	> 33% Pools inspected ⁴	> 33% Pools inspected ⁴	> 33% Pools inspected ⁴
Required standards for processing and issuing building consents met.	Retention of biennial BCA accreditation ⁴ .	Achieved	n/a	Achieved	n/a	Achieved

² As measured by the Building Consent Tracking Database.

³ As an annual average over 3-year period.

⁴ Council's next audit is scheduled for 2025.





ACTIVITY SPECIFIC ASSUMPTION

WE ASSUME THAT:	OUR LEVEL OF UNCERTAINTY	RISK	IMPACT	WHAT WE WILL DO
Building consents numbers will continue to slow in the short-term (1-2 years) then gradually rise.	High	<ul style="list-style-type: none"> Loss of revenue Staff retention 	Potential excess capacity for period of reduced consent activity.	Existing staff levels will be maintained to ensure industry knowledge is retained. Staff will be reassigned to other related duties (eg. assisting neighbouring councils, improving building quality control processes and systems).

ANIMAL CONTROL

Animal control is important for ensuring public safety. Our role involves dog registration, impounding wandering stock and roaming dogs, and implementing and enforcing our Dog Control Policy and Bylaw. Dog owner education and promoting animal welfare are also covered by this activity.

OUR PLANS

Levels of service have been enhanced through a new shared service arrangement with Waitomo District Council (with back-up support provided by Waipā District Council, if required). We will also be undertaking improvements and upgrades to our dog pound⁵. We are not expecting any further significant changes to our animal control services in the near future.

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Timely provision of animal control services supporting animal welfare and community safety.	Known dogs in the district are registered ⁶ .	92.2% Registered	≥ 98% Registered	≥ 98% Registered	≥ 98% Registered	≥ 98% Registered
	Complaints about dog attacks and wandering stock on public roads responded ⁷ to within two hours ⁸ .	100% Compliance	100% Compliance	100% Compliance	100% Compliance	100% Compliance

ENVIRONMENTAL HEALTH, PUBLIC AMENITY AND SAFETY

This activity involves:

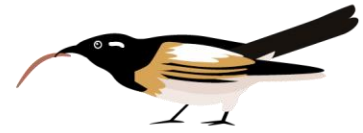
- licensing and monitoring of food premises, alcohol sellers, hairdressers and camping grounds
- control of nuisances related to noise and compliance with our bylaws and the freedom camping legislation.

⁵ Note: The funding for these improvements is included under the Vibrant Places and Spaces group of activities – Parks and Reserves and Council Owned Property.

⁶ As recorded in Council's dog registration database.

⁷ 'Responded to' means acknowledged and investigated.

⁸ As reported in contractor's monthly report.



By ensuring that the regulations and standards for these services are met we help protect public health and safeguard the liveability of our communities

Service delivery for Environmental Health is via a shared service arrangement with our partner Waipā District Council. Responding to noise is provided through the day-time by staff and after hours by a contracted service. Other nuisance complaints and bylaw breaches are investigated on a case-by-case basis.

Liquor licensing is governed by a joint district licensing committee covering Ōtorohanga, Waipā and Waitomo District Councils. While our staff issue and administer licences for the district, we also collaborate with our partner councils on aspects of local administration.

OUR PLANS

We are not proposing any significant changes to levels of service for this activity; however, cover has been extended within existing budgets to provide 24/7 noise control for Ōtorohanga town and the surrounding rural areas⁹.

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Public sale and supply of alcohol is undertaken safely and responsibly, and a high level of food safety is maintained by food premises.	All venues selling or supplying alcohol and all food premises monitored for compliance with statutory requirements ¹⁰ .	100% Compliance	100% Compliance	100% Compliance	100% Compliance	100% Compliance
Timely response to excessive noise complaints.	All excessive noise complaints investigated within two hours of the complaint being received ¹¹ .	<90% Compliance	95% Compliance	95% Compliance	95% Compliance	95% Compliance
Respond to public nuisance complaints.	Investigate ¹² complaints within five working days of receiving a complaint ¹³ .	New measure	90% Compliance	90% Compliance	90% Compliance	90% Compliance

⁹ Note: Due to travel times, delays in receiving a complaint and after-hours noise response being provided by security services located outside the district, there may be some delay in responding to noise complaints.

¹⁰ As measured by inspection records.

¹¹ As recorded in the service request system and outcome reported in contractor's monthly report.

¹² "Investigate" means acknowledging the complaint, triaging and assessing if a response and any enforcement is required.

¹³ Covers complaints made under the following bylaws/legislation:

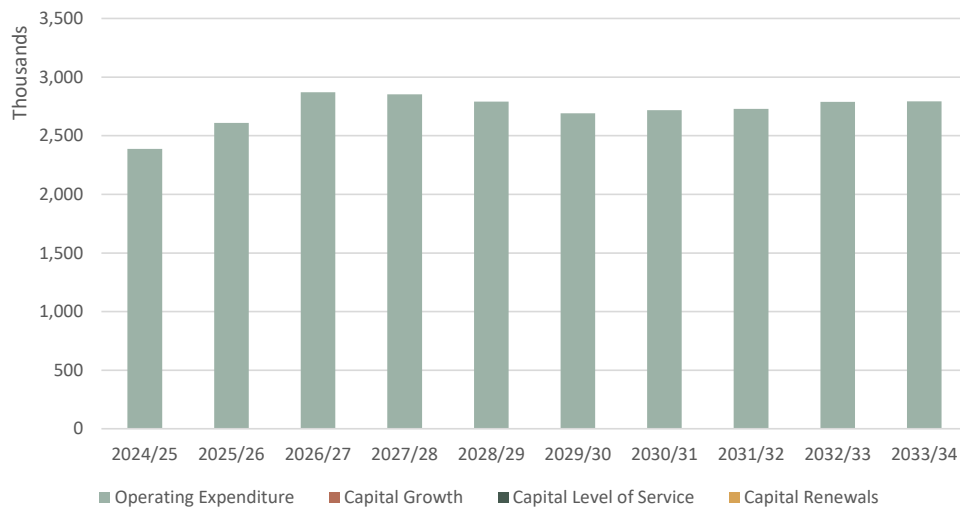
- Dangerous and Insanitary Building Policy 2022
- Keeping of Stock, Poultry and Bees Bylaw 2009
- Liquor Control Bylaw 2007
- Stock Movement Bylaw 2014
- Structures and Works in Public Places Bylaw 2015
- Trade Waste Bylaw 2000
- Freedom camping legislation



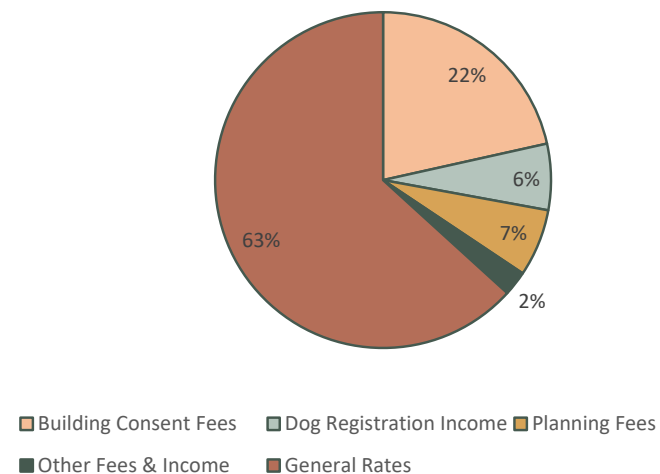
SUSTAINABLE DEVELOPMENT AND PUBLIC SAFETY

WHAT IT COSTS AND HOW WE FUND IT

HOW MUCH IT COSTS



WHERE THE MONEY WILL COME FROM





COST OF SERVICE STATEMENT

SUSTAINABLE DEVELOPMENT AND PUBLIC SAFETY - 2024/34	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
OPERATING REVENUE											
Activity Revenue	1,413	879	896	915	933	951	968	984	1,001	1,017	1,033
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Development Contributions	-	-	-	-	-	-	-	-	-	-	-
General Rates	881	1,452	1,455	1,534	1,590	1,681	1,696	1,755	1,746	1,790	1,779
Other General Sources	-	-	-	-	-	-	-	-	-	-	-
<i>Total Operating Revenue</i>	2,294	2,331	2,351	2,449	2,523	2,632	2,664	2,739	2,747	2,807	2,812
OPERATING EXPENDITURE											
Resource Management	640	464	621	795	750	618	507	467	471	473	476
Building Control	1,161	1,096	1,132	1,192	1,191	1,246	1,241	1,295	1,283	1,328	1,319
Environmental Health, Public Amenity and Safety	262	399	426	437	449	457	464	471	478	484	491
Animal Control	274	430	432	447	462	470	478	485	497	504	507
<i>Total Operating Expenditure</i>	2,336	2,388	2,610	2,870	2,853	2,791	2,690	2,718	2,729	2,789	2,793
Includes:											
Salaries and Wages	456	463	473	483	493	502	511	519	528	537	545
Depreciation and Amortisation	2	-	-	-	-	-	-	-	-	-	-
Interest	-	-	4	13	24	31	32	29	26	23	20
Operating Surplus (Deficit)	- 43	- 57	- 260	- 421	- 330	- 159	- 26	21	18	17	19
Operating Surplus Transferred to Reserves; or	-	-	-	-	-	-	-	21	18	17	19
Operating Deficit Funded from Reserves	- 43	- 57	- 260	- 421	- 330	- 159	- 26	-	-	-	-
CAPITAL AND RESERVES FUNDING REQUIREMENTS											
Capital Renewals	-	-	-	-	-	-	-	-	-	-	-
Capital Growth	-	-	-	-	-	-	-	-	-	-	-
Capital Level of Service	7	-	-	-	-	-	-	-	-	-	-
Loans Repaid	-	-	-	15	43	69	84	88	88	88	88
Operating Deficit	43	57	260	421	330	159	26	-	-	-	-
<i>Total Funding Required</i>	50	57	260	436	373	228	110	88	88	88	88
FUNDED BY:											
Funding from Non-Cash Expenses	7	-	-	-	-	-	-	-	-	-	-
Loans Raised	-	-	204	375	309	163	44	-	-	-	-
Transfer from General and Special Reserves	43	57	55	60	65	65	66	67	70	71	70
Capital Income	-	-	-	-	-	-	-	-	-	-	-
Operating Surplus (via reserve)	-	-	-	-	-	-	-	21	18	17	19
<i>Total Funding Applied</i>	50	57	260	436	373	228	110	88	88	88	88



FUNDING IMPACT STATEMENT

	2023/24 Annual Plan (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
SUSTAINABLE DEVELOPMENT AND PUBLIC SAFETY - 2024/34											
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charges, Rates Penalties	881	1,452	1,455	1,534	1,590	1,681	1,696	1,755	1,746	1,790	1,779
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	1,409	875	892	911	929	947	963	980	996	1,012	1,028
Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	4	4	4	4	4	4	4	4	5	5	5
TOTAL SOURCES OF OPERATING FUNDING	2,294	2,331	2,351	2,449	2,523	2,632	2,664	2,739	2,747	2,807	2,812
APPLICATION OF OPERATING FUNDING											
Payments to Staff and Suppliers	1,251	1,169	1,281	1,480	1,407	1,311	1,183	1,189	1,178	1,228	1,215
Finance Costs	-	-	4	13	24	31	32	29	26	23	20
Internal Charges and Overheads Applied	1,073	1,212	1,319	1,372	1,419	1,450	1,479	1,505	1,533	1,549	1,572
Other Operating Funding Applications	10	10	11	11	11	11	11	12	12	12	12
TOTAL APPLICATION OF OPERATING FUNDING	2,334	2,391	2,615	2,877	2,862	2,803	2,705	2,735	2,749	2,813	2,820
SURPLUS (DEFICIT) IN OPERATING FUNDING	- 41 -	60 -	264 -	428 -	339 -	171 -	41 -	4 -	2 -	6 -	8
SOURCES OF CAPITAL FUNDING											
Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Debt	-	-	204	361	265	93 -	40 -	88 -	88 -	88 -	88
Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	-	-	204	361	265	93 -	40 -	88 -	88 -	88 -	88
APPLICATION OF CAPITAL FUNDING											
Capital Expenditure -											
* To meet additional demand	-	-	-	-	-	-	-	-	-	-	-
* To improve level of service	7	-	-	-	-	-	-	-	-	-	-
* To replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Reserves	- 48 -	60 -	60 -	67 -	74 -	77 -	81 -	84 -	90 -	94 -	96
Increase (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF CAPITAL FUNDING	- 41 -	60 -	60 -	67 -	74 -	77 -	81 -	84 -	90 -	94 -	96
SURPLUS (DEFICIT) IN CAPITAL FUNDING	41	60	264	428	339	171	41 -	4	2	6	8
FUNDING BALANCE	-	-	-	-	-	-	-	-	-	-	-





WEAVING THE
FUTURE, TOGETHER
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RESILIENT INFRASTRUCTURE

FIVE SEPARATE GROUPS OF ACTIVITIES ARE INCLUDED UNDER THE BROAD HEADING OF RESILIENT INFRASTRUCTURE:

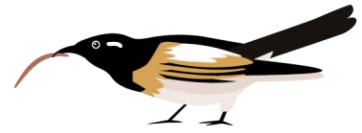
LAND TRANSPORT

WASTEWATER

WATER SUPPLY

STORMWATER

FLOOD PROTECTION



OUR SERVICES

LAND TRANSPORT

WHAT WE DO AND WHY

Integral to everyday district life, land transport is our biggest area of spending. We look after 804 kilometres of roads¹ that link to the national state highway network connecting residents and visitors to their destination, businesses to customers and suppliers and local production to markets. As a rural district with a dispersed population, we are acutely aware of the importance of having a well maintained, resilient roading network – the backbone connecting people and enabling economic activity.

Our land transport work is not only about roads - we also maintain:

- 24 kilometres of footpaths
- 134 bridges;
- 81 stock underpasses
- 5,686 culverts
- 2,805 signs.

Promoting road safety, kerb and channel management, roadmarking, safety barriers/works and roadside vegetation and litter management are also part of land transport.

COMMUNITY OUTCOMES

Land transport underpins outcomes related to people, place and partnerships.



PEOPLE

- Connected, empowered, engaged communities
- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Progressive, enduring, supportive partnerships for district wellbeing

Vital for district wellbeing, however, land transport can negatively affect people, the economy and the environment. Examples include:

- Social costs associated with crashes on our roading network
- Economic costs for businesses not being able to transport goods and services efficiently
- Environmental effects from vehicle emissions and contaminants washing off the network and entering water bodies.

We manage these effects through measures such as:

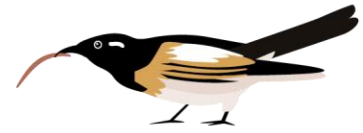
- Road safety programmes which include both education and network improvements
- Applying industry best practice for both maintenance and construction and by ensuring contractors who undertake the work are suitably qualified.

LAND TRANSPORT

Our priorities for a cost effective, sustainable, resilient land transport programme are:

- Maintaining existing levels of services, with our road network continuing to be our largest spend area

¹ Comprised of 526 sealed (65%) and 278 unsealed (35%).



- Understanding the likely impacts of climate change on district assets and reflecting this in our ongoing work programmes.

Maintenance of our roading network is undertaken under contract on our behalf and funding for the land transport programme is a mixture of district rates and subsidies from our roading partner Waka Kōtahi. The current subsidy rate for roads and footpaths is 63%², but this may be subject to change.

OUR PLANS

We are planning to invest a total of \$41M over the next three years to keep our road and footpath network to a standard our communities expect. Here’s an overview of what we are proposing to spend on the main components of our programme:

ROADING BUDGET	TOTAL EXPENDITURE 2024/25 – 2026/27
• Maintenance and operations	\$17M
• Road resealing (resurfacing)	\$5.94M
• Unsealed road metalling	\$2.35M
• Rebuilding roads (reconstruction/rehabilitation)	\$4.40M (capital – renewals)
• Low cost low risk road improvements	\$5.48M ³
• Footpaths (renewals)	\$1.11M (capital – level of service/renewals)
• Road safety initiatives	\$0.76M (capital – level of service)
• Structures, traffic services and drainage (renewals)	\$2.10M (capital – renewals)

Our focus is to continue to maintain and improve the district’s land transport infrastructure so that it is sustainable and fit for purpose. Here are some examples.

- Our approach to maintaining the sealed network is to be proactive which means resealing a minimum of 43 kms per annum. Currently we have a backlog so, to catch-up, we are planning an average reseal programme of 48 kms per year for the next five years. This will help reduce the backlog and improve the overall network condition.
- We will be continuing to improve the resilience of culverts to withstand the effects of climate change. When culverts come up for renewal, we’ll be replacing existing pipes with larger ones to keep the increased stormwater volumes off our roads. The relative cost of this approach is low.
- A new approach is to be taken to footpaths. Renewals are the priority rather than building new roadside footpaths as the existing network is sufficient to meet community needs. When we do the work, we will be focussing on renewing larger sections instead of taking piecemeal approach. We expect this will improve results and reduce the cost of smaller repairs.

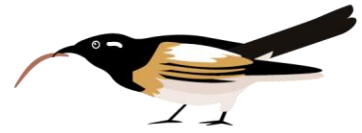
KEY PROJECTS (NEXT 3 YEARS)

LAND TRANSPORT	\$000		
	2024/25	2025/26	2026/27
Sealed road pavement rehabilitation	\$1,300	\$2,000	\$1,500
Sealed road resealing	\$2,000	\$2,300	\$2,000

² This is up from 61% cited in the 2021/31 Long Term Plan.

³ Low cost low risk road improvements include numerous smaller components relating to road widening associated with pavement rehabilitations, and prior to resealing, stormwater and drainage resilience work, costs associated with the Ōtorohanga Town Concept Plan during the implementation of roading projects and speed management implementation costs.





Unsealed road metalling	\$660	\$820	\$1,000
Ōtorohanga Town Concept Plan:			
• Intersection upgrades	\$302	\$301	\$454
• Signage			
• Walking/cycling improvements			
District wide speed management design and implementation	\$381	\$264	\$323
District wide identification and design of resilience improvements (sites subject to identification)	\$40	\$40	\$40
District wide resilience works implementation	\$135	\$135	\$135
Footpath renewals	\$363	\$363	\$363

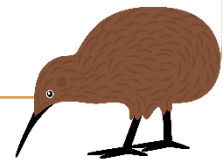
FUNDING CHALLENGES FOR ROAD MAINTENANCE AND RENEWALS

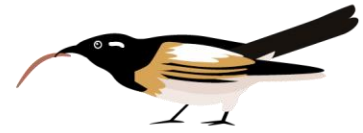
Since we prepared the last Long Term Plan, the costs for land transport have increased significantly (over 27%). We have listened carefully to you and the message we have received is that well maintained roads are a priority for the district. In this Long Term Plan we are proposing to keep forging ahead with providing you with the same level of service that we have in previous years but it will cost more to deliver.

Some of the work we do also receives funding from government and indicative allocations received in June 2024 suggest that there is a possibility that we may not get the full amount we need to deliver the programme we have planned. As a consequence, we are likely to be under funded by up to \$3.2M for the first three years of the Long Term Plan. This advice was received shortly before the adoption of the proposed plan and at that point in time no formal advice, indicative or otherwise, had been received on the funding of our other programmes such as capital investment into safety, improvements, transportation planning etc. Advice on these other programmes is not expected until August 2024.

If we don't get the full amount of funding, we expect we may have to make some decisions about whether to stick to the programme. Our only other choices are taking on more debt, using reserves or cutting back on some work (eg. run the grader over the roads less often) or delaying the timing of maintenance/renewals work such as reseals. The problem with doing this is that we risk:

- Possible deterioration in road quality
- More expensive repairs at a later date
- The potential for reductions in road safety and increase in travel disruption.





WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Provision of a safe local transport network for users and the community.	Change from the previous financial year in the number of fatalities and serious injury crashes on the local road network (M) ⁴ .	5 less than previous year	Fatalities/serious injuries ≤ previous year	Fatalities/serious injuries ≤ previous year	Fatalities/serious injuries ≤ previous year	Fatalities/serious injuries ≤ previous year
Road and footpath networks which support usability and user comfort.	Percentage of footpaths whose condition meets the standard of 3 or better (minor cracking only) (M) ⁵ .	60.9%	80%	85%	90%	90%
	Average quality of ride on a sealed local road network, measured by smooth travel exposure value of 150 or better (M) .	96%	97%	97%	97%	97%
	Percentage of the sealed local road network that is resurfaced annually (M) .	9%	8%	8%	9%	9%
Customer service requests dealt with promptly and appropriately.	Percentage of customer service requests for roads and footpaths recorded in the request for service system and responded ⁶ to within 5 working days or less (M) ⁷ .	61.4%	90%	90%	90%	90%

M = Mandatory measure

⁴ **(M)** Expressed as a number.

⁵ **(M)** Full wording: The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or Long Term Plan). For Council this is based on a five-point scale (excellent, good, average, poor and very poor) the percentage will be the length of footpath recorded as average, good or excellent condition grade.

⁶ Responded to means acknowledgment by the Roading Team.

⁷ **(M)** Full wording: The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the Long Term Plan.



ACTIVITY SPECIFIC ASSUMPTION

WE ASSUME THAT:	OUR LEVEL OF UNCERTAINTY	RISK	IMPACT	WHAT WE WILL DO
<ul style="list-style-type: none"> Our current, approved local Funding Assistance Rate (FAR) from Waka Kōtahi/NZ Transport Agency (NZTA) of 63% rate will continue to apply for the balance of the 10 years covered by this Long Term Plan. Our land transport programme will be fully funded. 	<p>Medium</p>	<ul style="list-style-type: none"> The FAR is reduced below forecast levels as a result of a future review by the NZTA. Insufficient funding to maintain current levels of service 	<p>High (depending on the magnitude of the change)</p>	<ul style="list-style-type: none"> Reprioritise the roading programme according to the level of funding available. If necessary, consider and consult on increasing the 'local share' of funding in order to maintain levels of service.

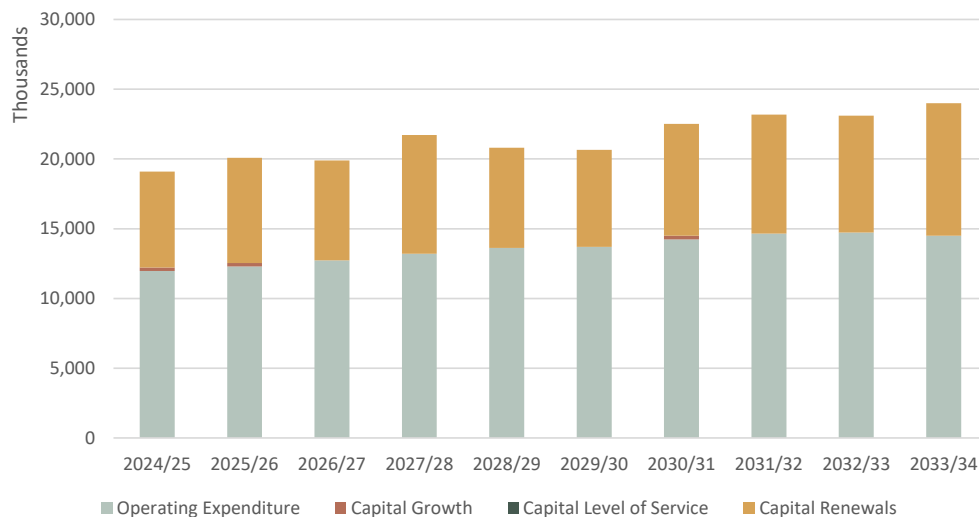




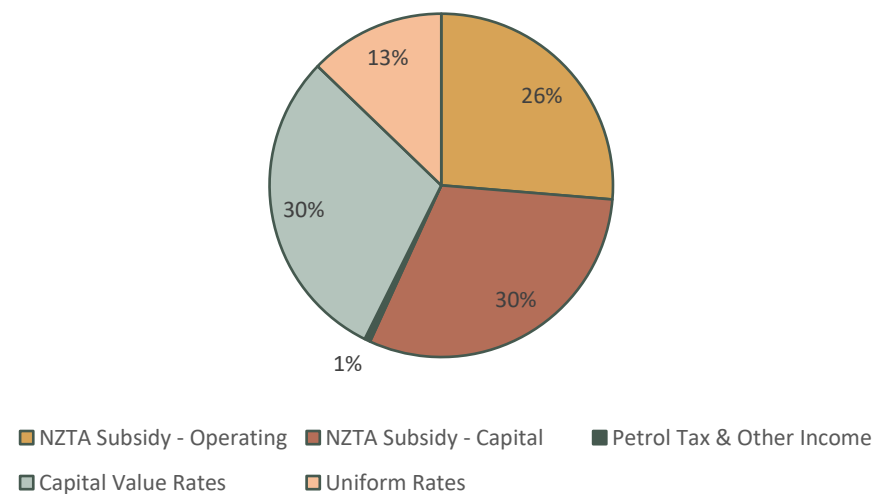
LAND TRANSPORT

WHAT IT COSTS AND HOW WE FUND IT

HOW MUCH IT COSTS



WHERE THE MONEY WILL COME FROM





COST OF SERVICE STATEMENT

LAND TRANSPORT - 2024/34	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
OPERATING REVENUE											
Activity Revenue	5,754	7,999	8,148	8,332	8,516	8,692	8,859	9,019	9,179	9,339	9,491
Targeted Rates	4,612	4,794	4,971	5,345	6,197	6,698	6,836	7,192	7,295	7,858	7,917
Development Contributions	-	-	255	261	-	-	-	-	285	-	-
General Rates	-	-	-	-	-	-	-	-	-	-	-
Other General Sources	-	-	-	-	-	-	-	-	-	-	-
<i>Total Operating Revenue</i>	10,366	12,793	13,375	13,938	14,713	15,390	15,695	16,211	16,759	17,197	17,408
OPERATING EXPENDITURE											
Land Transport	9,889	11,971	12,297	12,724	13,203	13,635	13,701	14,227	14,657	14,721	14,506
<i>Total Operating Expenditure</i>	9,889	11,971	12,297	12,724	13,203	13,635	13,701	14,227	14,657	14,721	14,506
Includes:											
Salaries and Wages	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	4,308	4,546	4,695	4,941	5,300	5,428	5,445	5,864	6,109	5,952	5,717
Interest	33	45	35	26	19	13	8	5	3	1	1
Operating Surplus (Deficit)	477	822	1,077	1,213	1,510	1,755	1,994	1,984	2,102	2,476	2,902
Operating Surplus Transferred to Reserves; or Operating Deficit Funded from Reserves	477	822	1,077	1,213	1,510	1,755	1,994	1,984	2,102	2,476	2,902
	-	-	-	-	-	-	-	-	-	-	-
CAPITAL AND RESERVES FUNDING REQUIREMENTS											
Capital Renewals	6,256	6,882	7,540	7,170	8,520	7,179	6,961	8,001	8,533	8,386	9,488
Capital Growth	-	250	255	-	-	-	-	282	-	-	-
Capital Level of Service	-	-	-	-	-	-	-	-	-	-	-
Loans Repaid	411	363	301	246	202	164	142	106	59	41	21
Operating Deficit	-	-	-	-	-	-	-	-	-	-	-
<i>Total Funding Required</i>	6,667	7,495	8,096	7,416	8,722	7,344	7,103	8,389	8,592	8,427	9,510
FUNDED BY:											
Funding from Non-Cash Expenses	2,190	3,247	3,763	2,985	4,194	2,722	2,392	3,593	3,711	3,461	4,463
Loans Raised	-	208	212	217	208	208	208	208	208	208	208
Transfer from General and Special Reserves	4,000	3,219	3,044	3,001	2,810	2,659	2,509	2,604	2,571	2,282	1,937
Capital Income	-	-	-	-	-	-	-	-	-	-	-
Operating Surplus (via reserve)	477	822	1,077	1,213	1,510	1,755	1,994	1,984	2,102	2,476	2,902
<i>Total Funding Applied</i>	6,667	7,495	8,096	7,416	8,722	7,344	7,103	8,389	8,592	8,427	9,510

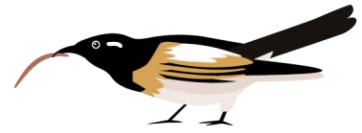




FUNDING IMPACT STATEMENT

	2023/24 Annual Plan (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
LAND TRANSPORT - 2024/34											
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charges, Rates Penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	4,612	4,794	4,971	5,345	6,197	6,698	6,836	7,192	7,295	7,858	7,917
Subsidies and Grants for Operating Purposes	2,849	3,665	3,738	3,822	3,907	3,987	4,064	4,138	4,211	4,284	4,354
Fees and Charges	-	-	-	-	-	-	-	-	-	-	-
Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	86	86	78	79	81	83	84	86	87	89	90
TOTAL SOURCES OF OPERATING FUNDING	7,547	8,545	8,786	9,246	10,185	10,768	10,984	11,415	11,593	12,231	12,361
APPLICATION OF OPERATING FUNDING											
Payments to Staff and Suppliers	3,746	5,358	5,431	5,561	5,632	5,899	5,918	5,991	6,138	6,347	6,338
Finance Costs	33	45	35	26	19	13	8	5	3	1	1
Internal Charges and Overheads Applied	1,797	1,993	2,121	2,192	2,258	2,303	2,339	2,376	2,417	2,430	2,460
Other Operating Funding Applications	3	3	3	3	3	3	3	3	3	3	3
TOTAL APPLICATION OF OPERATING FUNDING	5,579	7,399	7,590	7,782	7,912	8,218	8,268	8,375	8,560	8,782	8,802
SURPLUS (DEFICIT) IN OPERATING FUNDING	1,967	1,146	1,196	1,464	2,273	2,550	2,716	3,040	3,032	3,449	3,560
SOURCES OF CAPITAL FUNDING											
Subsidies and Grants for Capital Expenditure	2,819	4,248	4,333	4,431	4,528	4,622	4,711	4,796	4,881	4,966	5,047
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Debt	411	155	89	29	5	43	66	102	149	167	187
Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	2,408	4,093	4,244	4,401	4,534	4,665	4,777	4,898	5,030	5,133	5,233
APPLICATION OF CAPITAL FUNDING											
Capital Expenditure -											
* To meet additional demand	-	250	255	-	-	-	-	282	-	-	-
* To improve level of service	-	-	-	-	-	-	-	-	-	-	-
* To replace existing assets	6,256	6,882	7,540	7,170	8,520	7,179	6,961	8,001	8,533	8,386	9,488
Increase (Decrease) in Reserves	- 1,881	- 1,893	- 2,355	- 1,305	- 1,712	36	532	- 345	- 471	196	- 696
Increase (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF CAPITAL FUNDING	4,375	5,238	5,440	5,866	6,807	7,215	7,493	7,938	8,062	8,582	8,793
SURPLUS (DEFICIT) IN CAPITAL FUNDING	- 1,967	- 1,146	- 1,196	- 1,464	- 2,273	- 2,550	- 2,716	- 3,040	- 3,032	- 3,449	- 3,560
FUNDING BALANCE	-	-	-	-	-	-	-	-	-	-	-





WHAT'S HAPPENING WITH WATER?

THREE WATERS UPDATE

The following information applies to all three Groups of Activities relating to Wastewater, Water Supply and Stormwater.

LOCAL WATER DONE WELL

Preparing our programmes for the wastewater, water supply and stormwater groups of activities have been a challenge for us in this Long Term Plan. We started the process with the expectation that our assets for the three waters would be transferred to one of the 10 water management entities legislated for by the previous government and that this transfer would occur no later than July 2026. In late 2023 the incoming National/Act/NZ First Government clearly signalled that the three waters legislation would be repealed and replaced by a new regime – *Local Water Done Well*. The repeal has subsequently occurred (February 2024) and details of the new regime are being worked on. To date we have been told that:

- Drinking water, stormwater and wastewater will remain in local control
- There will be stricter rules for water quality and investment in infrastructure
- Council's will need to ringfence money for water infrastructure
- New or replacement water infrastructure will be loan funded and paid back from either rates or user charges.

WHAT DOES THIS MEAN FOR US?

It's business as usual until there is more information on the government's intentions with respect to the three waters. We have updated our water asset management plans and our Infrastructure Strategy for the next 10 and 30 years respectively so we know what work needs to be done and when. We have also made provision in our Long Term Plan programmes for the ongoing management and operation of our water infrastructure by Council staff. This means re-engaging a water manager - we had left this position vacant when it was thought that the three waters would be transferred to one of the new water entities - and ensuring we have the right staff resources in place to operate and maintain the networks.

Overall, our water assets are in good shape. The accelerated programme of works we started in 2021 has been hugely important for the district. It has enabled us to catch-up on renewing assets that are worn out and increase the capacity of these assets to give us some head room for growth.

COSTS

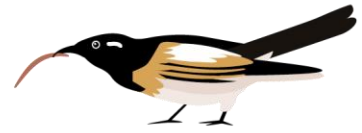
At this stage, we are not anticipating having to build new assets or undertake any major improvement works of existing assets. However, we are budgeting for more loans to help pay for assets when they need replacing as our depreciation reserves are unlikely to be big enough to cover these costs. This will mean that we will have a bigger debt to service in the future for some water schemes.

Water use charges for Ōtorohanga residents will increase on average 9.8% per annum for the next three years. This is to cover increased costs due to inflation for the treatment and supply of clean drinking water.

LOOKING INTO THE FUTURE

Until we have more detail about *Local Water Done Well*, it is difficult to determine Council's future role in water management. However, once these details are made public, we will use the channels we have available nationally and regionally to participate in the discussions on your behalf to help ensure that the government's proposals are workable at the local level.

Roading is our backbone and water is our lifeblood - we know these things don't come cheaply. We expect that as the environmental and health standards for the delivery of quality water services continue to rise so too will the cost to customers. Finding efficient, affordable ways for delivery of water services is an issue we share with our neighbours and we will be encouraging ongoing regional conversations around making improvements. This may mean joining with others to get better economies of scale in the delivery of services.



OUR SERVICES

WASTEWATER

WHAT WE DO AND WHY

Wastewater treatment and disposal includes the network of pipes for the collection of sewage and trade waste and its safe treatment and disposal. We collect and treat wastewater from residential, business and other properties in the Ōtorohanga urban area to maintain public health and sustain and protect land and waterways from contamination.

An asset management plan (covering stormwater and wastewater) is in place for this activity. The plan was substantially reviewed in 2020/21 and updated as part of the process for developing this Long Term Plan.

The resource consent for wastewater discharges for the Ōtorohanga plant is for 25 years expiring in 2037. At the time of its renewal in 2012, it was estimated that the plant could provide an additional 50 per cent capacity with some improvements and treatment measures. This would allow for approximately 500 to 700 additional homes to connect to the network or business expansion. With new subdivisions underway and in anticipation of business growth, in 2021 we embarked in on an accelerated programme of works across all our water activities spending upwards of \$4M on wastewater reticulation upgrades. This work is expected to continue into 2025 when the focus will shift to keeping the momentum going with our scheduled renewals and maintenance for system performance.

ONGOING MONITORING FOR KĀWHIA



As signalled in our last Long Term Plan, we agreed to undertake an assessment to see if a community wastewater scheme was needed in Kāwhia. This work began 2022 and involved:

- Developing a profile of the condition and performance of septic tanks in Kāwhia
- Testing groundwater and the stormwater entering the harbour for the presence of septic tank wastewater (*Note: testing was undertaken over an extended period to cover weather and seasonal variation*).

While the assessment is ongoing, the work undertaken signals a high public and environmental health risk associated with continued use of septic tanks, although testing so far has not shown any measurable impact on harbour water quality. We acknowledge the desirability and value of a community wastewater scheme in Kāwhia as an enabler of good public and environmental health and development, but any such scheme must be affordable for the community and the district. We believe that affordability can only be achieved with substantial external/government funding, so until that is secured, we will not commit to a new community wastewater scheme in Kāwhia. We will, however, continue to monitor septic tank performance and impacts.

The management and delivery of wastewater services is of special interest to iwi/Māori given the potential for adverse impacts on natural waters. Furthermore, changes to government standards (national freshwater policy statements) mean we will need to continue to improve the treatment of wastewater in order to keep improving the quality of our natural waterways and environment. Our strategy is for ongoing dialogue with our iwi/Māori partners alongside undertaking regular condition assessments of our pipe network and preventative maintenance of our plant and equipment to reduce the likelihood of spills and other incidences that could adversely affect the environment. We will also continue our work to reduce groundwater and stormwater entering our sewerage system, which is under pressure during periods of heavy rainfall. This work will be beneficial and help build network resilience given what we know about future rainfall patterns as a result of climate change.





COMMUNITY OUTCOMES

This group of activities supports outcomes related to people, place and partnerships.



PEOPLE

- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Aspirational, united, responsible leadership
- Progressive, enduring, supportive partnerships for district wellbeing

Wastewater activities may potentially cause negative environmental effects if increased loading on the system and/or inadequate operation and maintenance practices compromise the effectiveness of treatment processes. We minimise this risk by having appropriately trained and qualified staff and contractors, a proactive maintenance programme, ensuring compliance with discharge consent conditions and appropriate New Zealand standards and responding promptly to sewage complaints of odour and spills. Environmental issues also give rise to cultural and community concerns. Should an event occur, we have procedures in place for timely and open dialogue with our iwi/Māori partners and affected communities.

The affordability of new schemes or upgrades to existing schemes can be a significant barrier for small communities. When needed, we will continue to exercise our leadership role on your behalf and advocate nationally and regionally for additional resources and/or workable environmental rules and regulations.

WASTEWATER TREATMENT AND DISPOSAL

Around 1400 properties connect to the Ōtorohanga Wastewater System. Forty-two kilometres of pipeline and 15 pump stations transport wastewater to the treatment plant (aerated oxidation pond) at the northern end of the town, with the treated water being discharged into the Mangaorongo Stream via a 2ha wetland.

Commercial and industrial operations that generate larger and/or concentrated quantities of wastewater are subject to trade waste permits, with specific conditions on their wastewater discharges. As at March 2024 there were 57 trade waste permits issued. Provision is available at the treatment plant for taking and treating septic tank waste.

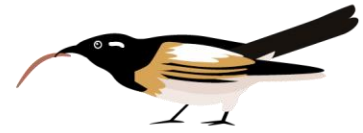
Future expansion of the wastewater treatment plant is limited to land availability and council is currently exploring opportunities.

OUR PLANS

We're investing a total of \$20.2M to keep our Ōtorohanga wastewater system operational and compliant with resource consents and provide for further residential and business growth. The accelerated works programme started in 2021 for network upgrades will continue into 2025 then the focus will shift to ongoing maintenance. Further pipe renewals are not expected to be required until a major campaign of replacing older sewer mains commences in the early 2030s.

KEY PROJECTS

WASTEWATER TREATMENT AND DISPOSAL	\$000		
	2024/25	2025/26	2026/27
Replacement of sewer rising main Te Kawa Street	\$500	-	-
Mechanical desludging of treatment ponds	\$200	-	-



Grit separation and clarifier for phosphorus removal:			
• Design	-\$40	-	
• Construction	--	\$400	

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Safe, reliable wastewater treatment and disposal system which minimises public health risks and environmental impact.	Number of dry weather sewerage overflows from the Ōtorohanga sewerage system, per 1000 connections (M) ⁸ .	3 Overflows	0 Overflows	0 Overflows	0 Overflows	0 Overflows
	Compliance with consents for discharge from the Ōtorohanga sewerage system (M) ⁹ : <ul style="list-style-type: none"> Abatement Notices Infringement Notices Enforcement Orders Convictions 	0 Non-compliance actions	0 Non-compliance actions	0 Non-compliance actions	0 Non-compliance actions	0 Non-compliance actions
	Median response time for sewerage overflow callouts due to a blockage or other fault in the Ōtorohanga sewerage system (M) ¹⁰ . Time from notification until:					
	<ul style="list-style-type: none"> Service personnel arrive on site Confirmation of resolution of the blockage or fault. 	54 minutes	< 50 Mins	< 50 Mins	< 50 Mins	< 50 Mins
		1 hour 24 mins	< 24 Hrs	< 24 Hrs	< 24 Hrs	< 24 Hrs

⁸ **(M)** Full wording: The number of dry weather sewerage overflows from the territorial authority’s sewerage system expressed per 1000 sewerage connections to that sewerage system.

⁹ **(M)** Full wording: Compliance with the territorial authority’s resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices, (b) infringement notices, (c) enforcement orders, (d) convictions received by the territorial authority in relation to those resource consents.

¹⁰ **(M)** Full wording: Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority’s sewerage system, the following median response times measured: (a) Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, (b) Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.





	Number of complaints ¹¹ , per 1000 sewage connections, about (M) ¹² : <ul style="list-style-type: none"> • Odour • System faults • Blockages. 	29 complaints	<15 Complaints	<10 Complaints	<10 Complaints	<10 Complaints
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M = Mandatory measure

VARIATION BETWEEN THIS LONG-TERM PLAN AND THE ASSESSMENT OF WATER AND SANITARY SERVICES AND WASTE MANAGEMENT PLAN

The last review of the Water and Sanitary Services Assessment was undertaken in 2005.

As noted above, assessment of a public wastewater system in Kāwhia is ongoing. We acknowledge the desirability and value of a community wastewater scheme in Kāwhia as an enabler of good public and environmental health and development, but any such scheme must be affordable for the community and the district. We believe that affordability can only be achieved with substantial external/government funding, so until that is secured, we will not commit to a new community wastewater scheme in Kāwhia. We will, however, continue to monitor septic tank performance and impacts.

¹¹ As recorded in the request for service system.

¹² **(M)** Full wording: The total number of complaints received by the territorial authority about any of the following (expressed per 1000 connections to the territorial authority's sewerage system): Sewerage odour, sewerage system faults, sewerage system blockages, territorial authority's response to issues with its sewerage system.

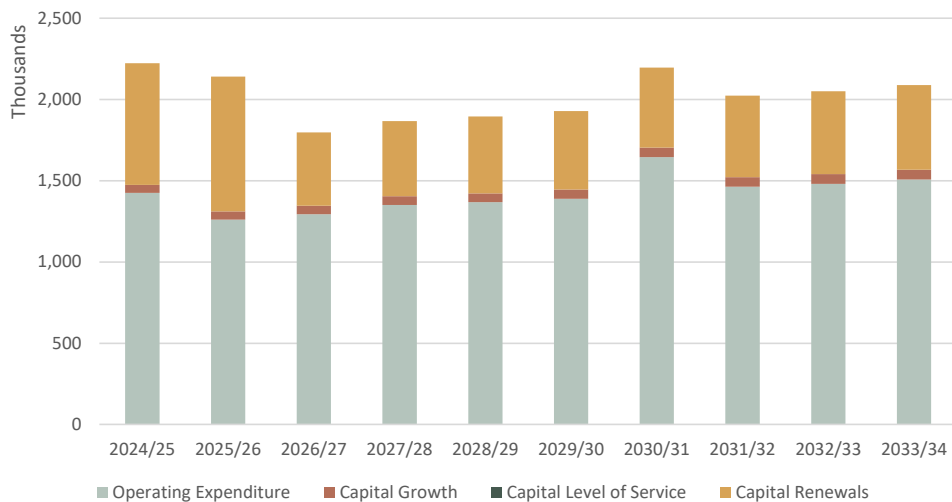




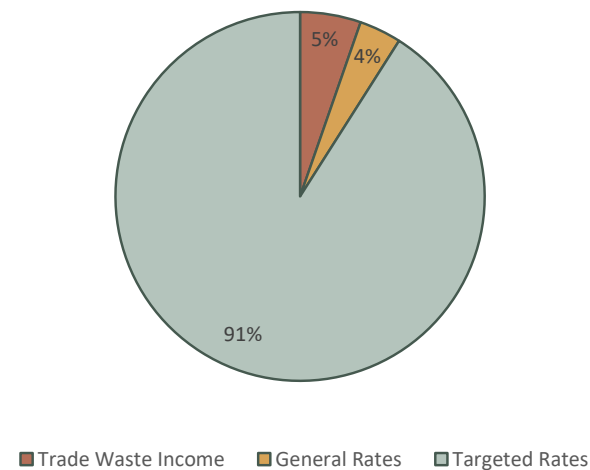
WASTEWATER

WHAT IT COSTS AND HOW WE FUND IT

HOW MUCH IT COSTS



WHERE THE MONEY WILL COME FROM

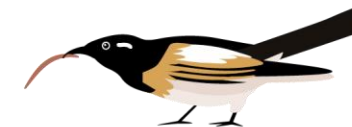




COST OF SERVICE STATEMENT

WASTEWATER - 2024/34	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
OPERATING REVENUE											
Activity Revenue	65	65	67	68	70	72	73	75	76	77	79
Targeted Rates	775	903	1,069	1,194	1,217	1,263	1,282	1,307	1,351	1,366	1,391
Development Contributions	-	-	-	-	-	-	-	-	-	-	-
General Rates	37	17	47	51	52	54	54	55	56	57	58
Other General Sources	-	-	-	-	-	-	-	-	-	-	-
<i>Total Operating Revenue</i>	877	985	1,183	1,313	1,339	1,388	1,410	1,436	1,484	1,501	1,528
OPERATING EXPENDITURE											
Wastewater	990	1,424	1,261	1,293	1,351	1,368	1,390	1,646	1,463	1,480	1,508
<i>Total Operating Expenditure</i>	990	1,424	1,261	1,293	1,351	1,368	1,390	1,646	1,463	1,480	1,508
Includes:											
Salaries and Wages	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	365	335	373	389	397	437	449	470	508	522	541
Interest	89	138	140	135	130	124	116	109	101	94	87
Operating Surplus (Deficit)	- 113	- 440	- 78	20	- 12	20	20	- 210	20	20	20
Operating Surplus Transferred to Reserves; or	-	-	-	20	-	20	20	-	20	20	20
Operating Deficit Funded from Reserves	- 113	- 440	- 78	-	- 12	-	-	- 210	-	-	-
CAPITAL AND RESERVES FUNDING REQUIREMENTS											
Capital Renewals	249	749	829	451	462	473	482	492	502	511	520
Capital Growth	50	50	51	53	54	55	56	57	59	60	61
Capital Level of Service	5,038	-	-	-	-	-	-	-	-	-	-
Loans Repaid	244	218	261	280	293	309	324	329	354	370	382
Operating Deficit	113	440	78	-	12	-	-	210	-	-	-
<i>Total Funding Required</i>	5,693	1,456	1,219	783	821	837	863	1,088	915	940	962
FUNDED BY:											
Funding from Non-Cash Expenses	392	418	354	396	413	432	450	458	486	622	639
Loans Raised	248	1,334	767	367	408	384	392	630	408	298	303
Transfer from General and Special Reserves	5,052	- 295	98	-	-	-	-	-	-	-	-
Capital Income	-	-	-	-	-	-	-	-	-	-	-
Operating Surplus (via reserve)	-	-	-	20	-	20	20	-	20	20	20
<i>Total Funding Applied</i>	5,693	1,456	1,219	783	821	837	863	1,088	915	940	962

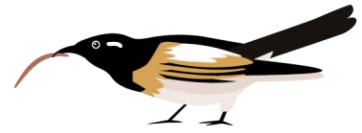




FUNDING IMPACT STATEMENT

WASTEWATER - 2024/34	2023/24 Annual Plan (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charges, Rates Penalties	37	17	47	51	52	54	54	55	56	57	58
Targeted Rates	775	903	1,069	1,194	1,217	1,263	1,282	1,307	1,351	1,366	1,391
Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	65	65	67	68	70	72	73	75	76	77	79
Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF OPERATING FUNDING	877	985	1,183	1,313	1,339	1,388	1,410	1,436	1,484	1,501	1,528
APPLICATION OF OPERATING FUNDING											
Payments to Staff and Suppliers	302	660	442	452	497	474	486	723	505	512	523
Finance Costs	89	138	140	135	130	124	116	109	101	94	87
Internal Charges and Overheads Applied	218	278	276	288	296	301	307	311	316	319	322
Other Operating Funding Applications	26	31	31	32	33	34	34	35	36	36	37
TOTAL APPLICATION OF OPERATING FUNDING	635	1,107	890	907	956	933	943	1,178	958	961	969
SURPLUS (DEFICIT) IN OPERATING FUNDING	242 -	122	293	407	382	455	467	258	526	540	558
SOURCES OF CAPITAL FUNDING											
Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Debt	4	1,115	506	87	115	75	69	301	54 -	72 -	79
Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	4	1,115	506	87	115	75	69	301	54 -	72 -	79
APPLICATION OF CAPITAL FUNDING											
Capital Expenditure -											
* To meet additional demand	50	50	51	53	54	55	56	57	59	60	61
* To improve level of service	5,038	-	-	-	-	-	-	-	-	-	-
* To replace existing assets	249	749	829	451	462	473	482	492	502	511	520
Increase (Decrease) in Reserves	- 5,090	195 -	81 -	10 -	18	3 -	4	10	19 -	103 -	101
Increase (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF CAPITAL FUNDING	246	994	799	494	497	530	535	560	580	468	480
SURPLUS (DEFICIT) IN CAPITAL FUNDING	- 242	122 -	293 -	407 -	382 -	455 -	467 -	258 -	526 -	540 -	558
FUNDING BALANCE	-	-	-	-	-	-	-	-	-	-	-





OUR SERVICES

WATER SUPPLY

WHAT WE DO AND WHY

The supply of safe drinking water is fundamental for the health and wellbeing of residents. An available, reliable water supply is also vital for the health of stock and to support thriving businesses and the rural economy.

We own two urban water supply schemes – Ōtorohanga and Kāwhia – that provide treated water to households and businesses on demand. Four restricted Rural Water Supply (RWS) schemes also deliver treated water to scheme ratepayers, mainly for agricultural purposes. The RWS schemes cover the rural areas of Arohena, Ranginui¹³, Tihiroa and Waipā.

An asset management plan guides the management of all our schemes. This plan was substantially reviewed in 2020/21 and updated as part of the process of developing this Long Term Plan.

With new subdivisions underway and in anticipation of business growth, in 2021 we embarked on an \$8M¹⁴ accelerated programme of works across all our water activities. This work is expected to continue into 2025 when the focus will shift to keeping the momentum going with our scheduled renewals and maintenance for system performance.

As well as supporting growth, our investment in the accelerated programme has helped us address climate change issues through increased storage for resilience in periods of high demand and water metering to help manage water use. We've also reduced our carbon footprint through the introduction of technology enabling us to operate water treatment plants remotely.

COMMUNITY OUTCOMES

This group of activities supports outcomes related to people, place and partnerships.



PEOPLE

- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Progressive, enduring, supportive partnerships for district wellbeing

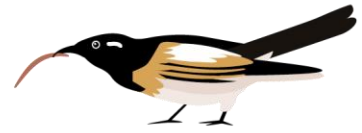
If not managed properly, the water activity has the potential to have significant negative effects on the community wellbeing. Potential effects could include:

- People becoming sick if the drinking water is not treated and stored properly
- Businesses not being able to operate properly if the water supply is unreliable
- Harmful effects on the environment if we take too much water
- Disregarding of Te Mana o te Wai (the integrated and holistic well-being of the water) could have cultural impacts.

These effects are managed by ensuring that our drinking water is treated to the appropriate standard, and having measures in place to reduce our water consumption.

¹³ Note: Ranginui RWS is a non-potable supply.
¹⁴ Including \$2.5M of government funding.





WATER SUPPLY

There are around 1600 connections to the Ōtorohanga urban water supply and 470 in Kāwhia – a total of 183.5 km of pipeline and 8 reservoirs (capacity 4,200m³). The Ōtorohanga water supply is drawn from the Waipa River while Kāwhia draws from local springs. Both supplies are treated.

The four rural water schemes – Arohena (3 components), Ranginui, Tihiroa and Waipā - collectively supply 250 properties and are comprised of 166 km of pipeline and 12 reservoirs with a total capacity of 3800m³. Water is supplied on a controlled ('trickle-feed') basis, with on-farm storage required by the property owner. The Waipā Scheme is supplied via the Ōtorohanga town supply, with the other schemes drawing water from local rivers/streams. The schemes are managed by Council on behalf of the owners of properties connected to the schemes, and oversight of each scheme is provided by a local committee.

OUR PLANS

We're investing a total of \$46.5M to undertake our normal maintenance and operations works. This investment also includes the continuation of a modest water renewals programme – modest in comparison to the substantive programme undertaken in the last few years.

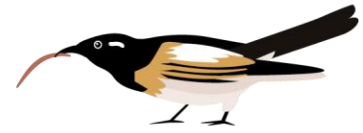
Provision has been made in 2024/25 for improvements to the offices and staff facilities at the Ōtorohanga Water Treatment Plant (\$50k). The current facilities are very basic and require upgrading.

TAUMATA AROWAI DRINKING WATER STANDARDS

New drinking water rules and standards came into effect in November 2022. The standards require all suppliers (public and private) to manage risks and protect drinking water supplies from contamination using a multi-barrier approach. A multi-barrier approach is required because no single barrier is effective in stopping all sources of contamination. Of particular concern is a barrier against protozoa which requires different treatment to bacteria and viruses.

Our RWS scheme at Arohena does not have a protozoa barrier in place. While the scheme is primarily used for stock watering and agricultural purposes it is available for drinking water albeit with a permanent boil water notice.

In October 2023 we received instruction to provide a funding plan to bring components of the Arohena RWS (Kahorekau and Huirimu) up to protozoa compliance. Given the small rating base, our position at the time was that no further investment would be made in these schemes to comply with the Drinking Water Quality Assurance Rules (DWQAR) and that we would continue to leave the schemes under a permanent boil water notice. Subsequent investigation has revealed that the schemes were incorrectly categorised as there have been changes in the requirements for rural water supplies which differ from the previous Drinking Water Standards. However, treatment in the correct category to meet the DWQAR would still require significant investment. As a consequence, the boil water notice will continue into the foreseeable future.



KEY PROJECTS

WATER SUPPLY	\$000		
	2024/25	2025/26	2026/27
Resource consent renewal <ul style="list-style-type: none"> Tihiroa RWS Ōtorohanga Water Treatment Plant (discharge water) 	\$150 -	- \$50	- -
Ōtorohanga water main renewals	\$500	-	-
Tihiroa RWS – Cannon Road water main renewal	\$100	-	-
Ōtorohanga Community/Waipā RWS leak detection	\$160	-	-

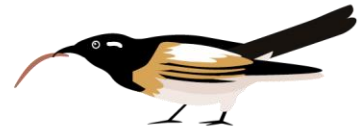
WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Provision of potable ¹⁵ water within specified areas via a safe and reliable treatment and supply system	The extent to which the Council's drinking water supply complies with (M) :					
	<ul style="list-style-type: none"> Bacterial Compliance Criteria¹⁶ 	Complies in part	Complies	Complies	Complies	Complies
	<ul style="list-style-type: none"> Protozoal Compliance Criteria⁹ 	Complies in part	Complies	Complies	Complies	Complies
	Number of complaints received, per 1000 connections, about (M) ¹⁷ : <ul style="list-style-type: none"> Water clarity Water taste Water odour Water pressure or flow Continuity of supply 	Not achieved (19 Complaints)	≤ 5 Complaints	≤ 5 Complaints	≤ 5 Complaints	≤ 5 Complaints

¹⁵ Note: Ranginui RWS is a non-potable supply.

¹⁶ **(M)** Full wording: The extent to which the local authority's drinking water supply complies with: (a) part 4 of the drinking water standards (bacteria compliance criteria); and (b) part 5 of the drinking water standards (protozoal compliance criteria).

¹⁷ As recorded in the request for service system.



	Median response times for call-outs in response to a fault or unplanned interruption the network (M) ¹⁸ :					
	Urgent Call-outs: • Attendance ¹⁹ • Resolution ²⁰	Achieved Achieved	< 1.5 Hours < 18 Hours	< 1.5 Hours < 18 Hours	< 1.5 Hours < 18 Hours	< 1.5 Hours < 18 Hours
	Non-Urgent Call-outs: • Attendance ²¹ • Resolution ²²	Achieved Achieved	< 1.5 Hours < 18 Hours	< 1.5 Hours < 18 Hours	< 1.5 Hours < 18 Hours	< 1.5 Hours < 18 Hours
Water supply and demand managed to ensure prudent use of water.	The percentage of real water loss from the Council's networked reticulation system (M)					
	• Ōtorohanga	Not Achieved ²³	<25%	<25%	<25%	<25%
	• Kāwhia	Not Achieved ²⁴	<25%	<25%	<25%	<25%
	Average consumption of drinking water per day per resident within the Ōtorohanga District (M) .	Achieved (269 Litres/person/day)	< 300 Litres/person/day	< 300 Litres/person/day	< 300 Litres/person/day	< 300 Litres/person/day

M = Mandatory measure

VARIATION BETWEEN THIS LONG-TERM PLAN AND THE ASSESSMENT OF WATER AND SANITARY SERVICES AND WASTE MANAGEMENT PLAN

The Water Supply Group of Activities aligns with the Water and Sanitary Services Assessment undertaken in 2005.

¹⁸ **(M)** Full wording: Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response time measured.

¹⁹ **(M)** Full wording: Attendance for urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

²⁰ **(M)** Full wording: Resolution of urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

²¹ **(M)** Full wording: Attendance for non-urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

²² **(M)** Full wording: Resolution of non-urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

²³ Method 1 (Total water treated, less total consumed) 42%; Method 2 (Minimum night flow) 28%.

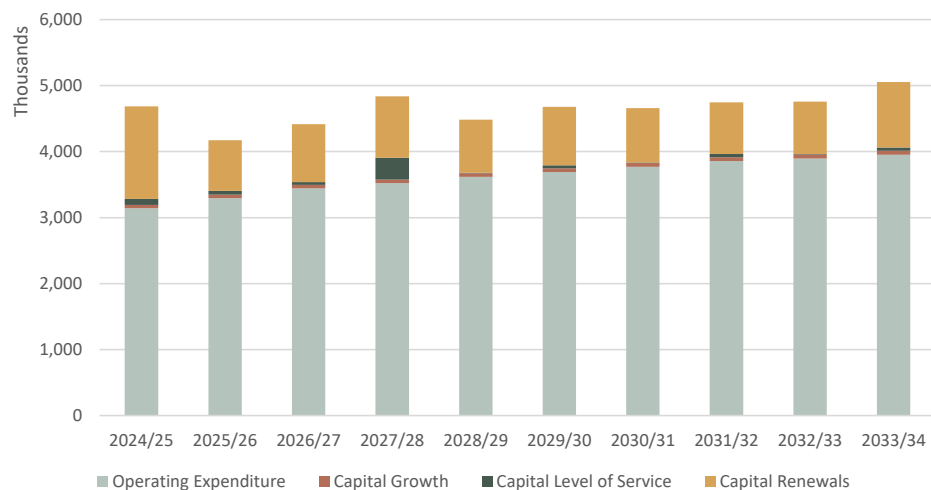
²⁴ Method 1 (Total water treated, less total consumed) 35%.



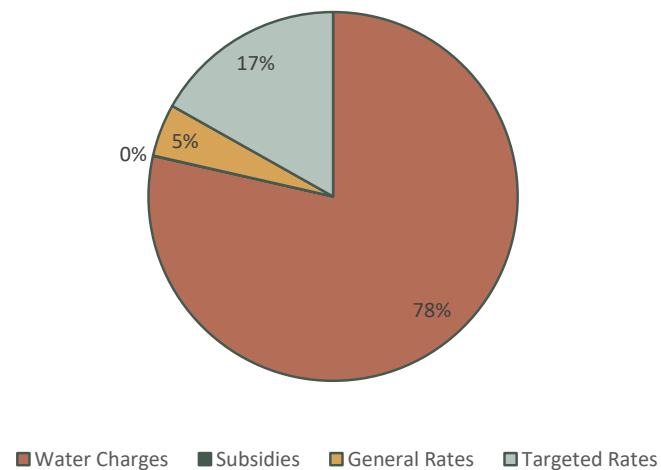
WATER SUPPLY

WHAT IT COSTS AND HOW WE FUND IT

HOW MUCH IT COSTS



WHERE THE MONEY WILL COME FROM





COST OF SERVICE STATEMENT

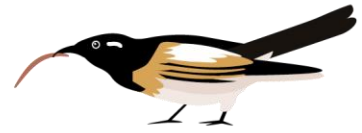
WATER SUPPLY - 2024/34	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
OPERATING REVENUE											
Activity Revenue	2	2	2	1	1	1	1	1	1	1	1
Targeted Rates	2,315	2,636	3,036	3,220	3,288	3,377	3,454	3,544	3,617	3,680	3,749
Development Contributions	-	-	-	-	-	-	-	-	-	-	-
General Rates	149	30	150	166	172	176	179	183	186	188	190
Other General Sources	-	-	-	-	-	-	-	-	-	-	-
<i>Total Operating Revenue</i>	2,467	2,669	3,188	3,387	3,461	3,553	3,634	3,728	3,804	3,869	3,940
OPERATING EXPENDITURE											
On Demand Supply	1,759	1,941	1,999	2,105	2,177	2,224	2,276	2,328	2,371	2,399	2,432
Restricted Supply	1,009	1,203	1,298	1,338	1,347	1,394	1,414	1,442	1,487	1,498	1,522
<i>Total Operating Expenditure</i>	2,768	3,144	3,297	3,443	3,523	3,618	3,690	3,770	3,857	3,897	3,953
Includes:											
Salaries and Wages	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	887	749	777	800	850	955	989	1,030	1,082	1,095	1,123
Interest	95	196	215	205	197	190	181	172	162	153	143
Operating Surplus (Deficit)	- 301 -	- 476 -	- 109 -	- 56 -	- 62 -	- 64 -	- 56 -	- 41 -	- 53 -	- 28 -	- 13
Operating Surplus Transferred to Reserves; or	-	-	-	-	-	-	-	-	-	-	-
Operating Deficit Funded from Reserves	- 301 -	- 476 -	- 109 -	- 56 -	- 62 -	- 64 -	- 56 -	- 41 -	- 53 -	- 28 -	- 13
CAPITAL AND RESERVES FUNDING REQUIREMENTS											
Capital Renewals	1,420	1,402	768	878	932	805	888	826	785	797	993
Capital Growth	50	50	51	53	54	55	56	57	59	60	61
Capital Level of Service	2,217	90	56	42	329	6	45	6	47	6	49
Loans Repaid	1,496	241	324	343	347	378	393	411	423	439	455
Operating Deficit	301	476	109	56	62	64	56	41	53	28	13
<i>Total Funding Required</i>	5,485	2,258	1,309	1,371	1,724	1,307	1,437	1,341	1,366	1,330	1,570
FUNDED BY:											
Funding from Non-Cash Expenses	1,699	742	686	705	703	749	772	851	816	838	862
Loans Raised	720	2,320	425	526	879	414	529	368	416	381	613
Transfer from General and Special Reserves	3,066	804	198	141	142	145	137	123	135	110	96
Capital Income	-	-	-	-	-	-	-	-	-	-	-
Operating Surplus (via reserve)	-	-	-	-	-	-	-	-	-	-	-
<i>Total Funding Applied</i>	5,485	2,258	1,309	1,371	1,724	1,307	1,437	1,341	1,366	1,330	1,570





FUNDING IMPACT STATEMENT

	2023/24 Annual Plan (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
WATER SUPPLY - 2024/34											
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charges, Rates Penalties	149	30	150	166	172	176	179	183	186	188	190
Targeted Rates	2,315	2,636	3,036	3,220	3,288	3,377	3,454	3,544	3,617	3,680	3,749
Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	2	2	2	1	1	1	1	1	1	1	1
Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF OPERATING FUNDING	2,467	2,669	3,188	3,387	3,461	3,553	3,634	3,728	3,804	3,869	3,940
APPLICATION OF OPERATING FUNDING											
Payments to Staff and Suppliers	773	958	1,003	1,082	1,085	1,055	1,077	1,105	1,129	1,149	1,169
Finance Costs	95	196	215	205	197	190	181	172	162	153	143
Internal Charges and Overheads Applied	980	1,246	1,268	1,322	1,361	1,390	1,418	1,441	1,465	1,483	1,503
Other Operating Funding Applications	56	67	68	70	72	73	75	77	78	79	81
TOTAL APPLICATION OF OPERATING FUNDING	1,904	2,467	2,555	2,680	2,714	2,708	2,751	2,793	2,834	2,864	2,896
SURPLUS (DEFICIT) IN OPERATING FUNDING	563	202	633	707	747	845	883	935	970	1,005	1,044
SOURCES OF CAPITAL FUNDING											
Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Debt	- 776	2,079	101	183	532	36	137	- 43	- 7	- 58	158
Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	- 776	2,079	101	183	532	36	137	- 43	- 7	- 58	158
APPLICATION OF CAPITAL FUNDING											
Capital Expenditure -											
* To meet additional demand	50	50	51	53	54	55	56	57	59	60	61
* To improve level of service	2,217	90	56	42	329	6	45	6	47	6	49
* To replace existing assets	1,420	1,402	768	878	932	805	888	826	785	797	993
Increase (Decrease) in Reserves	- 1,200	740	- 142	- 82	- 36	16	31	3	73	85	100
Increase (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF CAPITAL FUNDING	2,487	2,281	734	890	1,278	881	1,020	892	963	947	1,202
SURPLUS (DEFICIT) IN CAPITAL FUNDING	- 3,263	- 202	- 633	- 707	- 747	- 845	- 883	- 935	- 970	- 1,005	- 1,044
FUNDING BALANCE	- 2,700	-	-	-	-	-	-	-	-	-	-



OUR SERVICES

STORMWATER

WHAT WE DO AND WHY

Hard surfaces, such as roofs, parking and paved areas, driveways, and roads, all contribute to generating stormwater runoff. In the Ōtorohanga and Kāwhia urban areas we collect and dispose of this runoff to prevent/minimise flooding from heavy or prolonged rainfall events. Effective management of stormwater supports community resilience and when damage from rainfall events is minimised communities can continue to thrive.

Stormwater management for the district is guided by an asset management plan (covering stormwater and wastewater). The plan was substantially reviewed in 2020/21 and updated as part of the process for developing this Long Term Plan.

In 2022 we also prepared catchment management plans (CMPs) for our urban areas to help us understand the catchment and inform how to manage runoff to keep our waterways healthy and productive. Still in draft form, the CMPs:

- Support our application to Waikato Regional Council for a comprehensive stormwater discharge consent covering both Ōtorohanga and Kāwhia urban areas
- Assess, through catchment modelling, the likely impacts of climate change on our networks and communities. The results of this work are being built into our pipe replacement programme helping future-proof the network.

The CMPs will be completed once the comprehensive stormwater discharge consent is granted by the Regional Council.

Minimising any adverse effects on waters bodies such as lakes and rivers is essential for good stormwater management. Collected stormwater in Ōtorohanga is discharged to local streams and rivers, and the harbour in the case of Kāwhia. Resource consent is required from Waikato Regional Council for discharging stormwater. The consents place conditions on us for the removal of debris/pollutants before disposing stormwater into waterways.

Resource consents for the Ōtorohanga network were due for renewal in December 2022 and Kāwhia in May 2023. Instead of lodging separate renewal applications, in December 2022 we applied for a 35-year comprehensive stormwater discharge consent for both schemes and this process has yet to be completed²⁵. While not anticipating increases at this stage, compliance with any new consent conditions may add extra costs to the delivery of stormwater services. Should this occur, these matters will be worked through as part of the consent process. Any significant changes would be subject to engagement and consultation with those affected and factored into future Long Term Plans.

We expect to continue to improve how we manage stormwater and that engagement with our iwi/Māori partners and communities is an important part of this process. New standards for the management of freshwater were introduced in 2020 strengthening the existing suite of government policies aimed at reversing past damage and improving waterways and ecosystems²⁶. In December 2023, the government signalled that these new standards would be replaced and that this work would take upwards of two years to complete²⁷. More details will become available as this work progresses.

²⁵ Ōtorohanga and Kāwhia schemes are operating on interim consent while the comprehensive resource consent application is progressed.

²⁶ National Environmental Standards for Freshwater (NES)

²⁷ www.beehive.govt.nz/release/government-takes-first-steps-towards-pragmatic-and-sensible-freshwater-rules



COMMUNITY OUTCOMES

This group of activities supports outcomes related to people, place and partnerships.



PEOPLE

- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Progressive, enduring, supportive partnerships for district wellbeing

If not properly managed, stormwater activities may have significant adverse effects including:

- Localised flooding due to failure of drainage infrastructure
- Adverse effects on water bodies because of the quantity, and/or quality of discharged stormwater
- Cultural concerns over discharges to natural water bodies
- Affordability should the cost of meeting stormwater compliance be too high for communities.

The asset management plan and the CMPs are important tools for managing the risks associated with this activity as is ongoing dialogue with our iwi/Māori partners and affected properties over any matters of concern.

STORMWATER MANAGEMENT

The Ōtorohanga stormwater network is made up 20.1kms of pipes and 3.2kms of open drains which works in tandem with the Ōtorohanga Flood Protection Scheme’s stopbanks and pump stations to protect property and prevent erosion. Recent subdivisions have contributed to an increase in the size of the network. While overall condition and performance of the system is generally good, capacity is limited and, for this reason, new developments are also required to provide for on-site stormwater management, such as retention and ground soakage.

The Kāwhia stormwater system consists of 3.4km of pipes, 0.5km of open drains and one small pump station located in a low-lying area. Network assets are relatively new and in good condition as a major upgrade was undertaken in 1999/00. In contrast to Ōtorohanga, the network has good capacity with any likely future demand in the next ten years able to be met.

Aotea’s stormwater assets consist mainly of soakage devices and overland flow soaking through the sand base. Roof water is captured by residents for drinking water. Long term the Aotea community may need to consider stormwater reticulation.

Across the district, directing stormwater from/under roads is managed as a part our land transport group of activities.

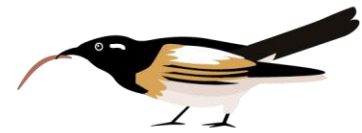
OUR PLANS

We’re investing a total of \$6.4M over the next 10 year to keep our stormwater systems operational and compliant with resource consents.

KEY PROJECTS

STORMWATER MANAGEMENT	\$000		
	2024/25	2025/26	2026/27
Catchment improvements identified through resource consent renewals	\$10	-	-





Kakamutu Road and Domain Drive stormwater capacity/renewal	\$30	\$100	-
Main North Road stormwater improvements	\$75	-	-

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Provision of a safe and reliable stormwater system which minimises flooding and environmental impact.	Number of flooding events in the district and, for each flooding event, the number of habitable floors affected per 1000 properties connected (M) ²⁸ .	Achieved	0 Habitable floors affected by flood events	0 Habitable floors affected by flood events	0 Habitable floors affected by flood events	0 Habitable floors affected by flood events
	Compliance with consents for discharge from the stormwater system (M) ²⁹ : <ul style="list-style-type: none"> Abatement Notices Infringement Notices Enforcement Orders Convictions 	Achieved	0 Non-compliance actions	0 Non-compliance actions	0 Non-compliance actions	0 Non-compliance actions
	Median response time ³⁰ to attend to a flooding event (M) ³¹ .	N/a – no flooding events	< 4 hours 30 minutes	< 4 hours 30 minutes	< 4 hours 30 minutes	< 4 hours 30 minutes
	Number of complaints received, per 1000 properties connected, about the performance of the stormwater system (M) ³² .	Achieved	≤ 2 Complaints	≤ 2 Complaints	≤ 2 Complaints	≤ 2 Complaints

M = Mandatory measure

VARIATION BETWEEN THIS LONG-TERM PLAN AND THE ASSESSMENT OF WATER AND SANITARY SERVICES AND WASTE MANAGEMENT PLAN

The Stormwater Group of Activities aligns with the Water and Sanitary Services Assessment undertaken in 2005.

²⁸ **(M)** Full wording: (a) The number of flooding events that occur in a territorial authority district. (b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)

²⁹ **(M)** Full wording: Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices, (b) infringement notices, (c) enforcement orders, (d) convictions received by the territorial authority in relation to those resource consents.

³⁰ Measured from the time of notification until service personnel arrive on site.

³¹ **(M)** Full wording: The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

³² As recorded in the request for service system

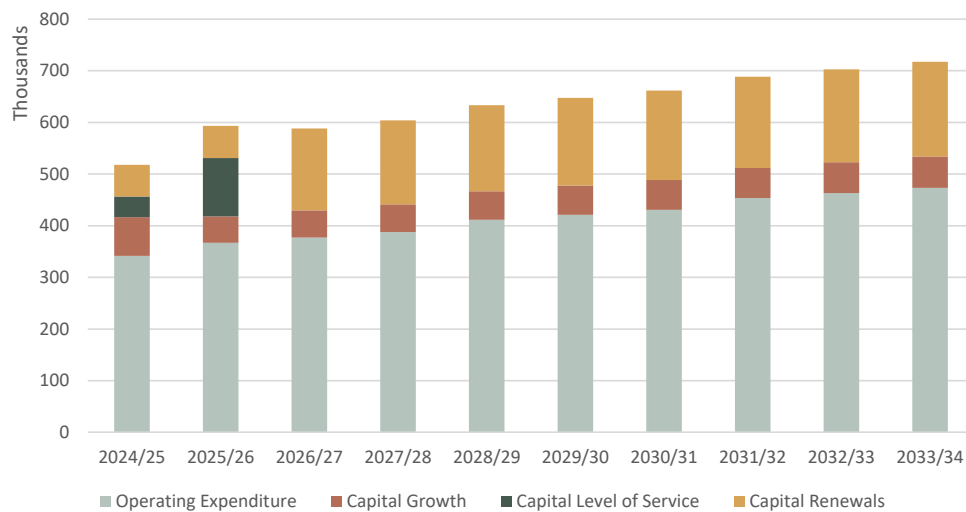




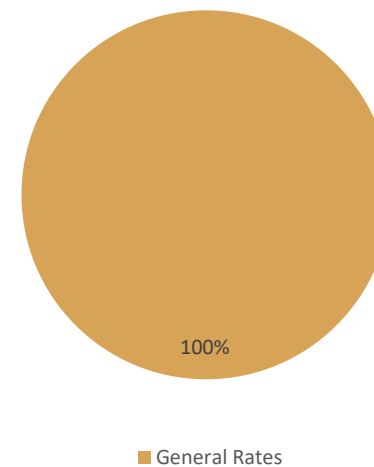
STORMWATER

WHAT IT COSTS AND HOW WE FUND IT

HOW MUCH IT COSTS



WHERE THE MONEY WILL COME FROM





COST OF SERVICE STATEMENT

STORMWATER - 2024/34	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
OPERATING REVENUE											
Activity Revenue	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Development Contributions	-	-	-	-	-	-	-	-	-	-	-
General Rates	315	250	319	377	387	412	421	431	453	463	474
Other General Sources	-	-	-	-	-	-	-	-	-	-	-
<i>Total Operating Revenue</i>	315	250	319	377	387	412	421	431	453	463	474
OPERATING EXPENDITURE											
Stormwater	315	342	367	377	387	412	421	431	453	463	474
<i>Total Operating Expenditure</i>	315	342	367	377	387	412	421	431	453	463	474
Includes:											
Salaries and Wages	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	186	185	201	207	215	237	245	252	273	282	290
Interest	10	16	14	13	12	11	9	8	7	6	5
Operating Surplus (Deficit)	- -	91 -	48	-	-	-	-	-	-	-	-
Operating Surplus Transferred to Reserves; or	-	-	-	-	-	-	-	-	-	-	-
Operating Deficit Funded from Reserves	- -	91 -	48	-	-	-	-	-	-	-	-
CAPITAL AND RESERVES FUNDING REQUIREMENTS											
Capital Renewals	450	61	63	159	163	167	170	173	177	180	183
Capital Growth	50	75	51	53	54	55	56	57	59	60	61
Capital Level of Service	-	40	113	-	-	-	-	-	-	-	-
Loans Repaid	75	60	55	52	51	52	51	52	51	51	50
Operating Deficit	0	91	48	-	-	-	-	-	-	-	-
<i>Total Funding Required</i>	575	327	330	264	268	273	277	283	286	291	294
FUNDED BY:											
Funding from Non-Cash Expenses	163	181	122	227	230	235	238	243	245	249	252
Loans Raised	13	55	159	37	38	39	39	40	41	42	42
Transfer from General and Special Reserves	400	91	48	-	-	-	-	-	-	-	-
Capital Income	-	-	-	-	-	-	-	-	-	-	-
Operating Surplus (via reserve)	-	-	-	-	-	-	-	-	-	-	-
<i>Total Funding Applied</i>	575	327	330	264	268	273	277	283	286	291	294

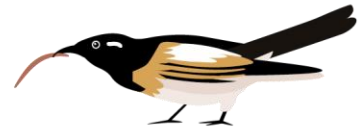




FUNDING IMPACT STATEMENT

STORMWATER - 2024/34	2023/24 Annual Plan (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charges, Rates Penalties	315	250	319	377	387	412	421	431	453	463	474
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	-	-	-	-	-	-	-	-	-	-	-
Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF OPERATING FUNDING	315	250	319	377	387	412	421	431	453	463	474
APPLICATION OF OPERATING FUNDING											
Payments to Staff and Suppliers	34	36	42	43	44	45	46	47	47	48	49
Finance Costs	10	16	14	13	12	11	9	8	7	6	5
Internal Charges and Overheads Applied	64	75	79	82	84	85	87	88	89	90	91
Other Operating Funding Applications	21	31	32	33	33	34	35	36	36	37	38
TOTAL APPLICATION OF OPERATING FUNDING	128	157	166	170	173	175	177	178	180	181	183
SURPLUS (DEFICIT) IN OPERATING FUNDING	186	94	152	207	215	237	245	252	273	282	290
SOURCES OF CAPITAL FUNDING											
Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Debt	- 63	- 5	104	- 16	- 14	- 13	- 11	- 12	- 10	- 10	8
Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	- 63	- 5	104	- 16	- 14	- 13	- 11	- 12	- 10	- 10	8
APPLICATION OF CAPITAL FUNDING											
Capital Expenditure -											
* To meet additional demand	50	75	51	53	54	55	56	57	59	60	61
* To improve level of service	-	40	113	-	-	-	-	-	-	-	-
* To replace existing assets	450	61	63	159	163	167	170	173	177	180	183
Increase (Decrease) in Reserves	- 377	- 87	30	- 20	- 16	2	7	10	28	32	39
Increase (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF CAPITAL FUNDING	123	89	256	191	201	224	233	241	264	272	282
SURPLUS (DEFICIT) IN CAPITAL FUNDING	- 186	- 94	- 152	- 207	- 215	- 237	- 245	- 252	- 273	- 282	- 290
FUNDING BALANCE	-	-	-	-	-	-	-	-	-	-	-





OUR SERVICES

FLOOD PROTECTION

WHAT WE DO AND WHY

The increased frequency and intensity of storm events and rising sea levels expected to affect the district over the medium to long term due to climate change reinforces the importance of this group of activities for community resilience.

Infrastructure managed under this group of activities include:

- Flood Protection Works
- Coastal Structures

The structures we manage not only sustain and protect homes, businesses and properties, doubling as recreation spaces, they add to the vibrancy and liveability of our communities.

COMMUNITY OUTCOMES

This group of activities supports outcomes related to people, place and partnerships.



PEOPLE

- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Progressive, enduring, supportive partnerships for district wellbeing

While protecting people and property and providing for the communities recreation needs, flood schemes and coastal structures may have negative effects. Defence structures, such as seawalls and stopbanks, can impact cultural values. The structures and associated maintenance works may also affect water quality and ecological and other environmental values. We manage for these effects by applying best practice when undertaking any work. Engagement with local iwi/Māori is also undertaken when required.

FLOOD PROTECTION WORKS

Commissioned in 1966, the Ōtorohanga Flood Protection Scheme (ŌFPS) is part of Project Watershed – a flood protection, soil conservation and river management scheme for the greater Waikato catchment.

ŌFPS assets include 4.6 kilometres of stopbanks³³ to keep the Waipā River from flooding Ōtorohanga township and three large flood pumps stations to pump surface water back to the river in a flood event. The scheme design is for a 1 in 100-year event.

We own the stopbanks and all the assets that make up the ŌFPS. Maintenance and operation of the scheme is carried out by our staff under a service level agreement with our partner, Waikato Regional Council. This arrangement means we can coordinate this activity with our local stormwater drainage activities. All ŌFPS work is paid for with funding from Project Watershed³⁴.

³³ www.waikatoregion.govt.nz/assets/WRC/Council/Policy-and-Plans/HR/S32/Part-A/WRC-Policy-Series-2011-07.pdf, pages 67 and 142.

³⁴ Project Watershed rates are collected by Waikato Regional Council.



LEVEL OF SERVICE CHANGE

In recent years the amenity values of the ŌFPS stopbanks have been enhanced. The retirement of the northern stopbanks, the change from grazing to cut and carry, and formation of Te Ara a Waiwaia I O-Rahiri (Ōtorohanga Stopbank Pathway) and associated riparian planting has created a recreation space well used by the community.

The higher amenity value has necessitated a higher level of maintenance including mowing and fertilizing of 3.5 kilometres of previously grazed stopbank. Currently funded from rates collected by Waikato Regional Council through Project Watershed, this increased level of service costs upwards of \$60k per annum. The regional council have noted that the extent of mowing now required is not related to flood protection and therefore not appropriate use of Project Watershed funding. From 2024/25 mowing costs will be our responsibility funded from the land transport budget (the shared pathway is classified as a roading asset).

OUR PLANS

We will continue with the regular maintenance programme for the ŌFPS investing \$2.9M over the next 10 years.

STOPBANK RETIREMENT PROPOSED

In 2024/25, we are proposing to retire from grazing the stopbank on the southern side of Waipā River (at the confluence with Mangawhero Stream). The advantages of retiring this area are:

- Improved stormwater quality
- Increased aesthetic values
- Potential for extending the shared pathway.

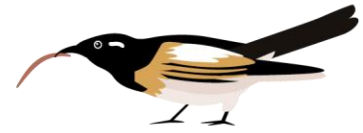
The disadvantages of making this change are:

- Small loss in grazing income (\$5k)
- Increased maintenance costs for ongoing mowing and riparian planting (\$3k per annum) as these costs will not be eligible for Project Watershed funding.

KEY PROJECTS

FLOOD PROTECTION WORKS	WHEN
Retirement of the southern Waipā River stopbank	2024/25





WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
The ŌFPS well managed, maintained and operated.	Maintenance, repairs and renewal undertaken to approved standards ³⁵ (M) ³⁶ .	Achieved	Achieved	Achieved	Achieved	Achieved

M = Mandatory measure

ACTIVITY SPECIFIC ASSUMPTION

WE ASSUME THAT:	OUR LEVEL OF UNCERTAINTY	RISK	IMPACT	WHAT WE WILL DO
The ŌFPS will provide adequate protection in accordance with its design capacity during a flood event.	High ³⁷	Weather event of greater severity than scheme design.	<ul style="list-style-type: none"> Stopbank failure/erosion. Property damage and risk to life in the event of catastrophic failure. 	<ul style="list-style-type: none"> Continue to monitor trend data to determine maintenance funding levels. Consider further retirement of stopbanks from grazing.

COASTAL STRUCTURES

This activity focuses on the structures we manage and maintain in coastal areas. These structures are a mix of coastal defences (eg. seawalls) protecting public and private property from coastal erosion and facilities that provide water access (eg. boat ramps). In some instances, these assets are multi-functional, providing for protection and as well as for recreation needs.

Key assets are:

- Kāwhia Seawalls
- Kāwhia Wharf
- Kāwhia boat ramps (x3)

On behalf of the residents and ratepayers in Aotea, we also hold the resource consent and take overall responsibility for maintaining the Aotea Seawall.

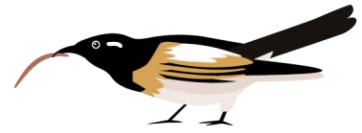
OUR PLANS

Application was made for renewal of the Aotea Seawall resource consent ahead of its expiration in May 2023. The 750 m long wooden seawall fronted with rock armour provides low-lying properties with protection from coastal erosion and inundation. A budget of \$50k per annum for three years has been included from 2025/26 of the Long Term Plan for any immediate maintenance needed to meet new consent conditions. Once the consent conditions for the seawall and associated monitoring and mitigation of effects have been determined a review of this budget may be required. Decisions may also need to be made about the suitability of the seawall as the best method for managing harbour erosion and inundation in the future.

³⁵ As reported in annual scheme report to Waikato Regional Council.

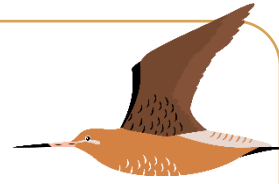
³⁶ **(M)** Full wording: The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the local authority's relevant planning documents (such as its activity management plan, asset management plan, annual works program or Long Term Plan).

³⁷ While modelling and monitoring are carried out, the exact severity of an event cannot be predicted.



KĀWHIA SEAWALLS CONDITION ASSESSMENT

Work started in 2023/24 assessing the condition of the various structures in the Kāwhia Harbour that make up of what is collectively referred to as the Kāwhia seawalls. These assessments will help inform what maintenance is required prior to renewal of the resource consents due in 2029. The structures range from concrete seawalls, gabion baskets, riprap, timber retaining walls and timber groynes.



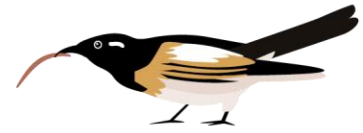
The entire project from assessment through to consent renewal will take five years. We'll take the opportunity when assessing the seawall structures to also assess the condition of the Kāwhia wharf and the boat ramps.

We have utilised government funding we received in 2023/24 for this project (\$730k). At this stage we believe the funding will be sufficient to cover the condition assessments, the required remediation of the seawalls to meet consent conditions and the consent renewal process. We are also investigating whether some of this funding can be applied to the Aotea Seawall as well.

KEY PROJECTS

COASTAL STRUCTURES	WHEN
Aotea Seawall: <ul style="list-style-type: none"> Consent renewal Maintenance 	2024/25 2025/26 - 2027/28
Kāwhia Seawalls Condition Assessment and associated works	2024/25 – 2028/29
Kāwhia Seawalls Resource Consent Renewals	2028/29, 2029/30





WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
Coastal structures well managed, maintained and renewed.	Maintenance, repairs and renewals undertaken to approved standards ³⁸ (M) ³⁹ .	Achieved ⁴⁰	Achieved	Achieved	Achieved	Achieved

M = Mandatory measure

ACTIVITY SPECIFIC ASSUMPTION

WE ASSUME THAT:	OUR LEVEL OF UNCERTAINTY	RISK	IMPACT	WHAT WE WILL DO
The condition of the Kāwhia seawalls and other coastal structures will require minor to moderate maintenance.	Medium	Substantive defects are found affecting the integrity of the structures.	<ul style="list-style-type: none"> Risk of inundation should the structures fail. Community affordability of replacement/repairs. 	If the work required exceeds the funding available, the community will need to be consulted about the possibility of loan funding the shortfall.

³⁸ As reported to Waikato Regional Council.

³⁹ **(M)** Full wording: The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the local authority's relevant planning documents (such as its activity management plan, asset management plan, annual works programme, Long Term Plan or resource consent).

⁴⁰ Note: Results for 2022/23 were only for the Aotea Seawall as other coastal structures were not previously included in the measure.

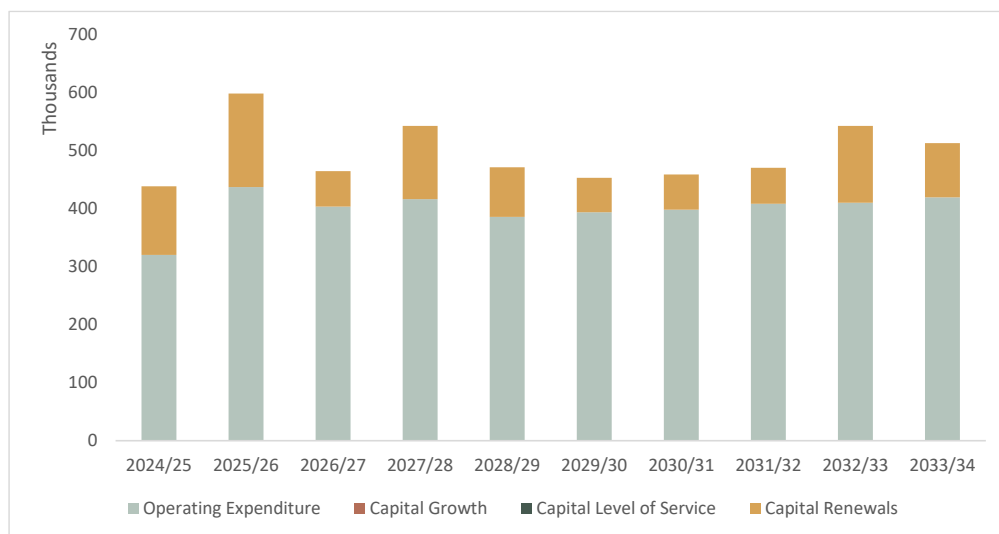




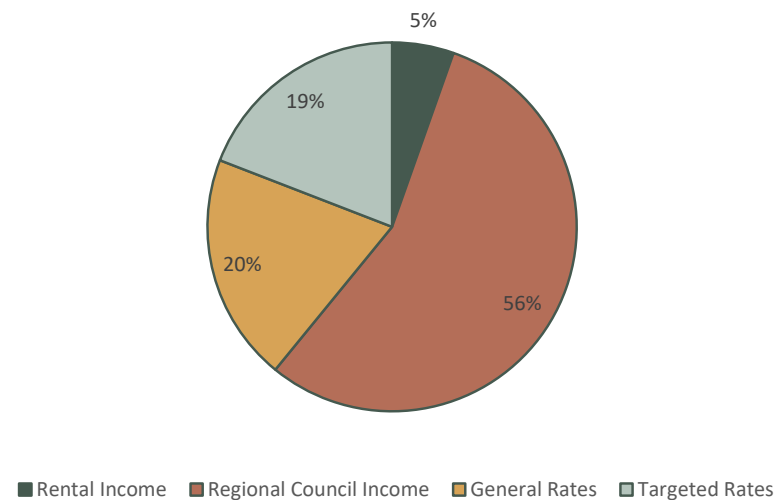
FLOOD PROTECTION

WHAT IT COSTS AND HOW WE FUND IT

HOW MUCH IT COSTS



WHERE THE MONEY WILL COME FROM





COST OF SERVICE STATEMENT

FLOOD PROTECTION - 2024/34		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
OPERATING REVENUE												
Activity Revenue		180	188	209	227	235	245	252	256	265	263	271
Targeted Rates		43	45	121	98	100	63	64	65	66	67	68
Development Contributions		-	-	-	-	-	-	-	-	-	-	-
General Rates		68	60	73	81	83	81	81	81	82	85	86
Other General Sources		-	-	-	-	-	-	-	-	-	-	-
<i>Total Operating Revenue</i>		291	293	403	406	419	389	397	402	412	414	424
OPERATING EXPENDITURE												
Flood Protection		161	182	196	207	215	224	231	234	242	240	247
Coastal Structures		123	139	242	197	202	162	164	165	166	170	172
<i>Total Operating Expenditure</i>		284	321	437	404	417	386	394	398	409	410	420
Includes:												
Salaries and Wages		-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation		81	68	79	88	94	103	106	106	112	111	116
Interest		5	8	14	13	12	11	11	10	9	9	8
Operating Surplus (Deficit)		7 -	27 -	34	2	2	3	3	3	4	4	4
Operating Surplus Transferred to Reserves; or		7	-	-	2	2	3	3	3	4	4	4
Operating Deficit Funded from Reserves		- -	27 -	34	-	-	-	-	-	-	-	-
CAPITAL AND RESERVES FUNDING REQUIREMENTS												
Capital Renewals		63	118	162	61	126	86	60	61	62	133	94
Capital Growth		-	-	-	-	-	-	-	-	-	-	-
Capital Level of Service		-	-	-	-	-	-	-	-	-	-	-
Loans Repaid		21	29	33	29	30	31	32	34	35	37	38
Operating Deficit		-	27	34	-	-	-	-	-	-	-	-
<i>Total Funding Required</i>		84	174	229	90	156	117	92	95	97	169	132
FUNDED BY:												
Funding from Non-Cash Expenses		76	32	97	50	116	76	50	52	54	126	87
Loans Raised		-	100	82	32	32	33	34	34	35	36	36
Transfer from General and Special Reserves		-	43	49	6	6	5	5	5	4	4	4
Capital Income		-	-	-	-	-	-	-	-	-	-	-
Operating Surplus (via reserve)		7	-	-	2	2	3	3	3	4	4	4
<i>Total Funding Applied</i>		84	174	229	90	156	117	92	95	97	169	132





FUNDING IMPACT STATEMENT

	2023/24 Annual Plan (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
FLOOD PROTECTION - 2024/34											
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charges, Rates Penalties	68	60	73	81	83	81	81	81	82	84	86
Targeted Rates	43	45	122	98	101	63	64	65	66	67	67
Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	20	20	20	20	21	21	22	22	22	23	23
Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	161	169	189	207	215	224	231	234	242	240	247
TOTAL SOURCES OF OPERATING FUNDING	291	293	403	406	419	389	397	402	412	414	424
APPLICATION OF OPERATING FUNDING											
Payments to Staff and Suppliers	283	113	206	159	163	123	125	128	130	133	135
Finance Costs	5	8	14	13	12	11	11	10	9	9	8
Internal Charges and Overheads Applied	103	121	128	134	137	139	142	144	147	148	150
Other Operating Funding Applications	9	9	9	9	9	9	10	10	10	10	10
TOTAL APPLICATION OF OPERATING FUNDING	401	251	356	315	322	283	288	292	296	300	303
SURPLUS (DEFICIT) IN OPERATING FUNDING	- 110	43	47	91	97	106	109	110	116	114	120
SOURCES OF CAPITAL FUNDING											
Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Debt	- 21	71	49	3	3	2	1	1	- -	1 -	2
Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	- 21	71	49	3	3	2	1	1	- -	1 -	2
APPLICATION OF CAPITAL FUNDING											
Capital Expenditure -											
* To meet additional demand	-	-	-	-	-	-	-	-	-	-	-
* To improve level of service	-	-	-	-	-	-	-	-	-	-	-
* To replace existing assets	63	118	162	61	126	86	60	61	62	133	94
Increase (Decrease) in Reserves	- 194 -	4 -	66	33 -	26	22	51	49	54 -	19	25
Increase (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF CAPITAL FUNDING	- 131	114	96	94	100	108	111	110	116	114	119
SURPLUS (DEFICIT) IN CAPITAL FUNDING	110 -	43 -	47 -	91 -	97 -	106 -	109 -	110 -	116 -	114 -	120
FUNDING BALANCE	-	-	-	-	-	-	-	-	-	-	-





WEAVING THE
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RESPONSIBLE WASTE MANAGEMENT

WASTE MANAGEMENT AND MINIMISATION



GROUP OF ACTIVITIES

RESPONSIBLE WASTE MANAGEMENT

WHAT WE DO AND WHY

In 2022/23 our contractors collected 990 tonnes of refuse and 1,800.2 tonnes of recycling. As it is for the rest of New Zealand, minimising waste volumes is essential for the long term sustainability of the district and liveable communities. The annual tonnage of waste to landfill in the Waikato Region is continuing to climb and this is despite household recycling reportedly increasing¹.

Our waste management responsibilities are to effectively manage waste, reduce waste volumes and minimise the environmental impact of old landfills. We also support waste minimisation education and initiatives such as EnviroSchools² and Para Kore³.

NEW NATIONAL WASTE STRATEGY BRINGS CHANGE⁴

In March 2023 Government released a National Waste Strategy (NWS) - Getting Rid of Waste for a Circular Aotearoa New Zealand – committing the country to becoming a low-emissions, low-waste circular economy by 2050. Proposed changes include:

- Improved and standardised household kerbside recycling
- Organic collections (including food scraps), making it easier for people to recycle and avoid sending as much waste to landfills
- More comprehensive waste legislation.

Changes to household collections will be phased in nation-wide from 2024 to 2030 as the required supporting infrastructure is expanded.

We have factored these new initiatives into our planning for responsible waste management.



COMMUNITY OUTCOMES

Responsible waste management supports outcomes related to people and place.



PEOPLE

- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district

Waste minimisation and responsible disposal needs to be well managed. Failure to reduce waste has implications for public health, the economy and the environment. Equally, poor management and

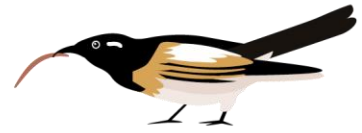
¹ www.waikatoregion.govt.nz/assets/WRC/Community/WPI/WPI-indicator-scorecard.pdf

² An environmental action based programme empowering young people to design and lead sustainability projects in their schools, neighbourhoods and country.

³ A te ao Māori based, zero-waste education programme which aims to design out waste and strengthen the connection to Papatūānuku (earth) and Ranginui (sky).

⁴ www.beehive.govt.nz/release/standard-kerbside-recycling-part-new-era-waste-system





inappropriate disposal of the waste that is produced can have harmful effects on social, economic and environmental wellbeing. Inappropriate disposal of waste can also have negative cultural impacts.

We manage the risks associated with this group of activities by ensuring:

- Our waste management and minimisation plan is up-to-date
- The contractors we engage are suitably qualified
- Compliance with consent conditions for the management closed council landfills.

WASTE MANAGEMENT AND MINIMISATION

The services we deliver under this activity are:

- Kerbside rubbish and recycling services in Aotea, Kāwhia and Ōtorohanga
- Operation of transfer stations in Kāwhia and Ōtorohanga, and the provision of four rural recycling depots
- Management of closed council landfills
- Waste minimisation education.

Our urban rubbish and recycling collection services, the operation of our transfer stations and the servicing of rural recycling depots are carried out under contract by Envirowaste. Contractors⁵ also monitor the closed landfills on our behalf so that we can report on compliance with resource consents issued by Waikato Regional Council.

The waste minimisation activities we undertake are outlined in our Waste Management and Minimisation Plan (WMMP) and funded from revenue raised by the national landfill waste levy, administered by the Ministry for the Environment (MfE). These activities are important for reducing waste to landfill and are delivered in a range of ways depending on the project.

OUR PLANS

We will be stepping up our work in waste management and, in line with the NWS, placing increasing emphasis on reduced creation of waste and waste diversion.

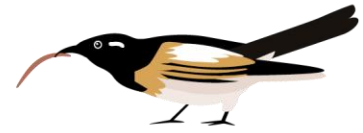
We signalled our intention in the 2021/31 Long Term Plan to investigate the possibility of developing a resource recovery centre in Ōtorohanga. Such a facility would help with maximising the diversion of waste from landfill and help meet the new NWS performance standards. The study is to be carried out in 2024. If it is decided to proceed with the project, we will seek external funding.

The rubbish and recycling contract with our current provider ends in 2025, and before it expires it will be reviewed and retendered. Provision will be made in this contract for the new performance and reporting standards contained in the NWS including the new standards for the amount of household kerbside waste to be diverted from landfill⁶.

From 2027 onwards we are expecting increases in our waste management budgets as a consequence of needing to comply with the NWS. One of the drivers for this cost is the requirement for a kerbside food waste collection service set to become mandatory for Ōtorohanga township by 2027. The requirement for the service is because the town has a population of over 1,000 and its proximity to existing organic food scrap processing facilities (Hampton Downs and Tokoroa). This service is currently not mandatory for Kāwhia. Exact budget implications of the new requirements are unknown at this stage as government has signalled an intention to make changes to the legislation.

⁵ Co-Lab undertakes monitoring/sampling and AECOM compliance reporting.

⁶ 30% diverted by July 2026; 40% by July 2028; 50% by July 2030



UPDATED WASTE MANAGEMENT AND MINIMISATION PLAN

We've revised our WMMP (operative 1 July 2024) to align with the NWS and the changes heralded by the government. Provision has been made in our budgets for implementation of the new plan including employing a part time Waste Minimisation Officer (\$50k per annum). The NWS requires us to do more work and this new position enables us to put more focus on waste reduction and diversion. The position will be part funded from the waste levy we receive from MfE with the remainder from rates as the officer will also be undertaking other waste management duties. Co-funding from the waste levy will also be used for other waste minimisation projects identified in the WMMP, as funding allows.

The revised plan replaces the 2018-2024 WMMP with the next review scheduled for 2030/31, or sooner if required.

KEY PROJECTS

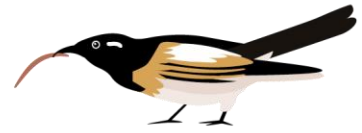
WASTE MANAGEMENT AND MINIMISATION	WHEN
Resource Recovery Centre Feasibility Study	2024
Review and Retendering of kerbside rubbish and recycling contract	2025
Ōtorohanga township kerbside food waste collection service	From 1 January 2027
Review of 2024 – 2030 WMMP	2030/31 or sooner if required

WHAT YOU CAN EXPECT FROM US

LEVEL OF SERVICE	HOW WE MEASURE SUCCESS	RESULTS FOR 2022/23	TARGETS			
			2024/25	2025/26	2026/27	2027-34
A reliable weekly household kerbside rubbish and recycling collection service in Aotea, Kāwhia and Ōtorohanga.	Kerbside collection services comply with National Waste Strategy ⁷ .	New measure	Achieved	Achieved	Achieved	Achieved
Waste minimisation to be actively promoted.	Increase in recycling volumes over previous year ⁸ .	9.6% Decrease	10% Increase	10% Increase	10% Increase	10% Increase

⁷ As measured through contractor's monthly report.

⁸ Ibid.



VARIATION BETWEEN THIS LONG-TERM PLAN AND THE ASSESSMENT OF WATER AND SANITARY SERVICES AND WASTE MANAGEMENT PLAN

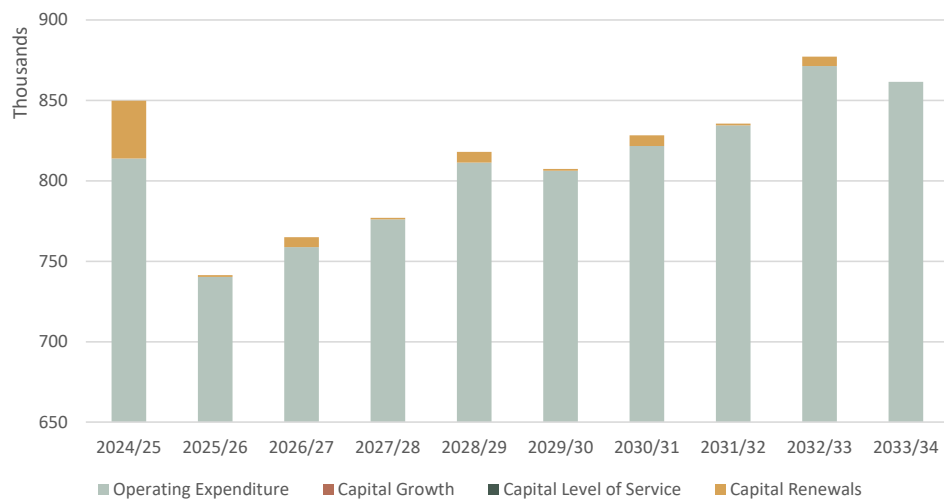
Our Waste Management and Minimisation Plan (WMMP) has been reviewed and updated to align with the NWS and recent legislative changes. The proposals in this Long Term Plan are consistent with the changes anticipated in the revised WMMP and in particular the kerbside food waste collection service which will become mandatory for Ōtorohanga township by 2027.



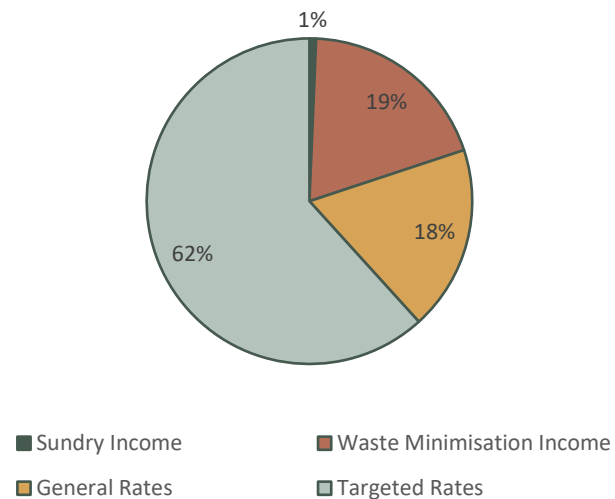
RESPONSIBLE WASTE MANAGEMENT

WHAT IT COSTS AND HOW WE FUND IT

HOW MUCH IT COSTS



WHERE THE MONEY WILL COME FROM





COST OF SERVICE STATEMENT

RESPONSIBLE WASTE MANAGEMENT - 2024/34	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
OPERATING REVENUE											
Activity Revenue	132	145	148	151	154	157	160	163	166	168	171
Targeted Rates	339	430	444	474	483	489	499	509	516	525	533
Development Contributions	-	-	-	-	-	-	-	-	-	-	-
General Rates	170	82	138	141	144	166	148	151	153	178	157
Other General Sources	-	-	-	-	-	-	-	-	-	-	-
<i>Total Operating Revenue</i>	641	656	730	766	781	812	807	822	834	871	862
OPERATING EXPENDITURE											
Rubbish & Recycling Services	677	814	740	759	776	811	806	822	834	871	862
<i>Total Operating Expenditure</i>	677	814	740	759	776	811	806	822	834	871	862
Includes:											
Salaries and Wages	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	10	10	11	12	12	12	13	14	12	13	13
Interest	2	5	5	4	4	3	3	3	3	2	2
Operating Surplus (Deficit)	- 36	- 158	- 10	7	5	1	-	-	-	-	-
Operating Surplus Transferred to Reserves; or	-	-	-	7	5	1	-	-	-	-	-
Operating Deficit Funded from Reserves	- 36	- 158	- 10	-	-	-	-	-	-	-	-
CAPITAL AND RESERVES FUNDING REQUIREMENTS											
Capital Renewals	16	36	1	6	1	7	1	7	1	6	-
Capital Growth	-	-	-	-	-	-	-	-	-	-	-
Capital Level of Service	75	-	-	-	-	-	-	-	-	-	-
Loans Repaid	26	18	19	17	13	13	9	6	6	6	6
Operating Deficit	36	158	10	-	-	-	-	-	-	-	-
<i>Total Funding Required</i>	153	211	30	23	14	19	10	13	7	12	6
FUNDED BY:											
Funding from Non-Cash Expenses	107	24	3	16	9	18	10	13	7	12	6
Loans Raised	10	30	-	-	-	-	-	-	-	-	-
Transfer from General and Special Reserves	36	158	27	-	-	-	-	-	-	-	-
Capital Income	-	-	-	-	-	-	-	-	-	-	-
Operating Surplus (via reserve)	-	-	-	7	5	1	-	-	-	-	-
<i>Total Funding Applied</i>	153	211	30	23	14	19	10	13	7	12	6





FUNDING IMPACT STATEMENT

	2023/24 Annual Plan (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
RESPONSIBLE WASTE MANAGEMENT - 2024/34											
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charges, Rates Penalties	170	82	138	141	144	166	148	151	153	178	157
Targeted Rates	339	430	444	474	483	489	499	509	516	525	533
Subsidies and Grants for Operating Purposes	90	140	143	146	149	152	155	157	160	163	165
Fees and Charges	5	5	5	5	5	5	5	5	6	6	6
Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF OPERATING FUNDING	604	656	730	766	781	812	807	822	834	871	862
APPLICATION OF OPERATING FUNDING											
Payments to Staff and Suppliers	587	638	551	565	578	613	603	615	626	660	648
Finance Costs	2	5	5	4	4	3	3	3	3	2	2
Internal Charges and Overheads Applied	74	152	171	176	180	181	185	188	191	193	196
Other Operating Funding Applications	1	1	1	1	1	1	2	2	2	2	2
TOTAL APPLICATION OF OPERATING FUNDING	664	797	728	747	763	799	793	807	822	858	848
SURPLUS (DEFICIT) IN OPERATING FUNDING	- 60 -	- 141 -	2	19	17	14	14	15	13	14	14
SOURCES OF CAPITAL FUNDING											
Subsidies and Grants for Capital Expenditure	38	-	-	-	-	-	-	-	-	-	-
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Debt	- 16	12 -	- 19 -	- 17 -	- 13 -	- 13 -	- 9 -	- 6 -	- 6 -	- 6 -	- 6
Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	22	12 -	- 19 -	- 17 -	- 13 -	- 13 -	- 9 -	- 6 -	- 6 -	- 6 -	6
APPLICATION OF CAPITAL FUNDING											
Capital Expenditure -											
* To meet additional demand	-	-	-	-	-	-	-	-	-	-	-
* To improve level of service	75	-	-	-	-	-	-	-	-	-	-
* To replace existing assets	16	36	1	6	1	7	1	7	1	6	-
Increase (Decrease) in Reserves	- 129 -	- 165 -	- 18 -	- 4	- 3 -	- 5	4	1	6	2	8
Increase (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF CAPITAL FUNDING	- 38 -	- 129 -	17	2	5	1	5	8	7	8	8
SURPLUS (DEFICIT) IN CAPITAL FUNDING	60	141 -	- 2 -	- 19 -	- 17 -	- 14 -	- 14 -	- 15 -	- 13 -	- 14 -	14
FUNDING BALANCE	-	-	-	-	-	-	-	-	-	-	-





WEAVING THE
FUTURE, TOGETHER
KOTAHITANGA
ŌTOROHANGA DISTRICT COUNCIL

THE MONEY



Te Kaunihera ā-Rohe o
Ōtorohanga
District Council
Where kiwi can fly



WEAVING THE
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FINANCIAL STATEMENTS

THIS SECTION CONTAINS THE FOLLOWING PROSPECTIVE FINANCIAL STATEMENTS:

ALL OF COUNCIL COST OF SERVICE STATEMENT

COMPREHENSIVE REVENUE AND EXPENSES

RECONCILIATION OF COMPREHENSIVE REVENUE AND EXPENSES
AND COMBINED COST OF SERVICE STATEMENT

BALANCE SHEET

CHANGES IN EQUITY

CASH FLOW

RESERVE FUNDS



Te Kaunihera ā-Rohie o
Ōtorohanga
District Council
Where kiwi can fly



NOTE TO READERS

The information in the prospective financial statements is uncertain and its preparation requires the exercise of judgement. Actual financial results achieved are likely to vary from the information presented and the variations may be material. Events and circumstances may not occur as expected and may or may not have been predicted or the Council may subsequently take actions that differ from the proposed course of action on which the prospective financial statements are based.

ASSUMPTIONS UNDERLYING PROSPECTIVE FINANCIAL INFORMATION

The financial information contained within these policies and statements is prospective information and has been prepared in compliance with PBE FRS 42: Prospective Financial Information. The purpose for which it has been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by Ōtorohanga District Council over the financial years from 2024/25 to 2033/34 and to provide a broad accountability mechanism of the Council to the community. Refer to the section Forecasting Assumptions in Long Term Plan 2024/34 Volume Two page 107 for details of underlying assumptions.





ALL OF COUNCIL COST OF SERVICE STATEMENT

ALL OF COUNCIL COST OF SERVICE STATEMENT- 2024/34	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
OPERATING REVENUE											
Activity Revenue	8,030	10,140	10,334	10,578	10,812	11,037	11,250	11,450	11,656	11,850	12,044
Targeted Rates	8,205	8,928	9,744	10,435	11,391	11,996	12,243	12,726	12,956	13,609	13,772
Development Contributions	10	10	265	271	11	11	11	11	297	12	12
General Rates	7,587	8,571	9,504	10,291	10,683	11,180	11,499	11,438	11,611	12,066	11,903
Other General Sources	10,933	12,903	14,062	14,623	15,034	15,262	15,464	15,631	15,828	15,898	16,040
<i>Total Operating Revenue</i>	34,765	40,551	43,910	46,198	47,930	49,486	50,467	51,257	52,347	53,434	53,771
OPERATING EXPENDITURE											
Trusted Leadership and Relationships	14,202	15,608	16,637	17,515	17,726	18,157	18,607	18,620	18,955	19,333	19,284
Strong Communities	1,660	2,174	2,254	2,381	2,442	2,508	2,556	2,586	2,634	2,696	2,742
Vibrant Places and Spaces	2,948	3,523	3,769	3,789	3,355	3,410	3,497	3,552	3,570	3,625	3,681
Sustainable Development and Public Safety	2,336	2,388	2,610	2,870	2,853	2,791	2,690	2,718	2,729	2,789	2,793
Resilient Infrastructure: Land Transport	9,889	11,971	12,297	12,724	13,203	13,635	13,701	14,227	14,657	14,721	14,506
Resilient Infrastructure: Water Supply	2,768	3,144	3,297	3,443	3,523	3,618	3,690	3,770	3,857	3,897	3,953
Resilient Infrastructure: Wastewater	990	1,424	1,261	1,293	1,351	1,368	1,390	1,646	1,463	1,480	1,508
Resilient Infrastructure: Stormwater	315	342	367	377	387	412	421	431	453	463	474
Resilient Infrastructure: Flood Protection	284	321	437	404	417	386	394	398	409	410	420
Responsible Waste Management	677	814	740	759	776	811	806	822	834	871	862
<i>Total Operating Expenditure</i>	36,069	41,710	43,669	45,555	46,033	47,096	47,753	48,769	49,562	50,287	50,222
Includes:											
Salaries and Wages	6,452	6,980	7,162	7,358	7,506	7,647	7,782	7,916	8,050	8,177	8,304
Depreciation and Amortisation	6,852	7,069	7,460	7,839	8,339	8,690	8,830	9,345	9,695	9,554	9,378
Interest	490	727	853	836	980	960	795	798	733	599	640
Operating Surplus (Deficit)	- 1,304	- 1,158	241	643	1,897	2,390	2,715	2,488	2,784	3,147	3,549
Operating Surplus Transferred to Reserves; or	-	-	241	643	1,897	2,390	2,715	2,488	2,784	3,147	3,549
Operating Deficit Funded from Reserves	- 1,304	- 1,158	-	-	-	-	-	-	-	-	-
CAPITAL AND RESERVES FUNDING REQUIREMENTS											
Capital Renewals	7,899	10,653	10,340	9,580	11,044	9,883	9,582	10,376	10,847	10,857	12,162
Capital Growth	150	425	409	158	162	165	169	455	176	179	182
Capital Level of Service	414	280	230	224	402	141	128	56	182	52	143
Loans Repaid	2,479	1,113	1,211	1,223	1,271	1,328	1,329	1,329	1,299	1,314	1,336
Operating Deficit	1,304	1,158	-	-	-	-	-	-	-	-	-
<i>Total Funding Required</i>	12,245	13,629	12,190	11,185	12,879	11,517	11,208	12,216	12,503	12,402	13,822
FUNDED BY:											
Funding from Non-Cash Expenses	7,023	5,700	5,926	5,353	6,433	5,138	4,936	6,091	6,226	6,048	7,269
Loans Raised	1,754	5,146	2,548	2,199	2,011	1,636	1,302	1,280	1,108	1,110	1,240
Transfer from General and Special Reserves	4,230	2,722	3,321	2,787	2,352	2,083	2,058	2,189	2,185	1,894	1,593
Capital Income	90	60	153	203	186	271	199	168	200	203	171
Operating Surplus (via reserve)	-	-	241	643	1,897	2,390	2,715	2,488	2,784	3,147	3,549
<i>Total Funding Applied</i>	13,097	13,629	12,190	11,185	12,879	11,517	11,208	12,216	12,503	12,402	13,822



COMPREHENSIVE REVENUE AND EXPENSES

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES - 2024/34	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
INCOME											
Rates Income	13,798	15,260	16,731	18,085	19,367	20,412	20,915	21,262	21,596	22,651	22,597
Contributions	10	10	265	271	11	11	11	11	297	12	12
Water by Volume Rates	1,994	2,238	2,517	2,642	2,707	2,764	2,827	2,902	2,971	3,024	3,077
Subsidies and Grants	5,830	8,347	8,510	8,702	8,893	9,076	9,251	9,417	9,584	9,750	9,908
Other Income	2,200	1,793	1,824	1,876	1,919	1,961	1,999	2,033	2,072	2,099	2,136
Other Gains/(Losses)	-	-	-	-	-	-	-	-	-	-	-
Total Income	23,832	27,648	29,848	31,575	32,896	34,224	35,003	35,626	36,519	37,536	37,730
EXPENDITURE											
Employee Benefit Expenses	6,452	7,193	7,379	7,580	7,733	7,878	8,017	8,155	8,293	8,424	8,555
Depreciation and Amortisation	6,852	7,069	7,460	7,839	8,339	8,690	8,830	9,345	9,695	9,554	9,378
Other Expenses	11,851	14,591	14,799	15,555	14,978	15,315	15,486	15,679	15,785	16,446	16,279
Finance Costs	190	221	327	327	485	485	350	385	351	246	316
Total Operating Expenditure	25,345	29,074	29,965	31,301	31,534	32,369	32,682	33,564	34,123	34,670	34,528
Profit Before Income Tax Expenses	- 1,513	- 1,425	- 117	274	1,362	1,855	2,320	2,061	2,396	2,866	3,202
Tax Expense	-	-	-	-	-	-	-	-	-	-	-
Profit For The Year	- 1,513	- 1,425	- 117	274	1,362	1,855	2,320	2,061	2,396	2,866	3,202
OTHER COMPREHENSIVE INCOME											
Gain/(Loss) on Property Revaluation	56,167	10,308	-	2,336	24,795	-	2,216	25,591	-	2,033	25,946
Gain/(Loss) on Reserve Funds	1	7,216	163	193	208	223	236	256	268	287	306
Total Other Comprehensive Income	56,168	17,524	163	2,529	25,004	223	2,452	25,847	268	2,320	26,252
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	54,655	16,098	46	2,803	26,365	2,078	4,772	27,908	2,664	5,186	29,454



REVENUE & EXPENSES & COMBINED COST OF SERVICE STATEMENT

RECONCILIATION OF PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES AND PROSPECTIVE COMBINED COST OF SERVICE STATEMENT FOR 10 YEARS COMMENCING 1 JULY 2024	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
TOTAL OPERATING REVENUE (INCOME STATEMENT)											
Total Income	23,832	27,648	29,848	31,575	32,896	34,224	35,003	35,626	36,519	37,536	37,730
TOTAL OPERATING REVENUE (COST OF SERVICE STATEMENTS)											
Activity Revenue	8,030	10,140	10,334	10,578	10,812	11,037	11,250	11,450	11,656	11,850	12,044
Development Contributions	10	10	265	271	11	11	11	11	297	12	12
General Rates	7,587	8,571	9,504	10,291	10,683	11,180	11,499	11,438	11,611	12,066	11,903
Other General Sources	10,933	12,903	14,062	14,623	15,034	15,262	15,464	15,631	15,828	15,898	16,040
Targeted Rates	8,205	8,928	9,744	10,435	11,391	11,996	12,243	12,726	12,956	13,609	13,772
Variance	34,765	40,551	43,910	46,198	47,930	49,486	50,467	51,257	52,347	53,434	53,771
<i>Reconciling Items:</i>	- 10,933 -	- 12,903 -	- 14,062 -	- 14,623 -	- 15,034 -	- 15,262 -	- 15,464 -	- 15,631 -	- 15,828 -	- 15,898 -	- 16,040
Internal Recoveries	10,933	12,903	14,062	14,623	15,034	15,262	15,464	15,631	15,828	15,898	16,040
	10,933	12,903	14,062	14,623	15,034	15,262	15,464	15,631	15,828	15,898	16,040
TOTAL OPERATING EXPENDITURE (INCOME STATEMENT)											
Total Operating Expenditure	25,345	29,074	29,965	31,301	31,534	32,369	32,682	33,564	34,123	34,670	34,528
TOTAL OPERATING EXPENDITURE (COST OF SERVICE STATEMENTS)											
Trusted Leadership and Relationships	14,202	15,608	16,637	17,515	17,726	18,157	18,607	18,620	18,955	19,333	19,284
Strong Communities	1,660	2,174	2,254	2,381	2,442	2,508	2,556	2,586	2,634	2,696	2,742
Vibrant Places and Spaces	2,948	3,523	3,769	3,789	3,355	3,410	3,497	3,552	3,570	3,625	3,681
Sustainable Development and Public Safety	2,336	2,388	2,610	2,870	2,853	2,791	2,690	2,718	2,729	2,789	2,793
Resilient Infrastructure: Land Transport	9,889	11,971	12,297	12,724	13,203	13,635	13,701	14,227	14,657	14,721	14,506
Resilient Infrastructure: Wastewater	2,768	3,144	3,297	3,443	3,523	3,618	3,690	3,770	3,857	3,897	3,953
Resilient Infrastructure: Water Supply	990	1,424	1,261	1,293	1,351	1,368	1,390	1,646	1,463	1,480	1,508
Resilient Infrastructure: Stormwater	315	342	367	377	387	412	421	431	453	463	474
Resilient Infrastructure: Flood Protection	284	321	437	404	417	386	394	398	409	410	420
Responsible Waste Management	677	814	740	759	776	811	806	822	834	871	862
Variance	36,069	41,710	43,669	45,555	46,033	47,096	47,753	48,769	49,562	50,287	50,222
<i>Reconciling Items:</i>	- 10,724 -	- 12,636 -	- 13,704 -	- 14,254 -	- 14,499 -	- 14,727 -	- 15,070 -	- 15,204 -	- 15,439 -	- 15,617 -	- 15,693
Internal Recoveries	10,933	12,903	14,062	14,623	15,034	15,262	15,464	15,631	15,828	15,898	16,040
Internal Interest on Balance	- 209 -	- 267 -	- 358 -	- 368 -	- 534 -	- 535 -	- 395 -	- 427 -	- 389 -	- 281 -	- 347
	10,724	12,636	13,704	14,254	14,499	14,727	15,070	15,204	15,439	15,617	15,693





BALANCE SHEET

PROSPECTIVE BALANCE SHEET FOR 10 YEARS COMMENCING 1 JULY 2024	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
ASSETS											
Current Assets											
Cash and Cash Equivalents	4,529	3,170	2,241	2,426	2,555	3,266	3,256	2,577	2,871	3,418	3,550
Inventory	30	31	32	33	34	34	35	36	36	37	37
Property Inventory	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables	2,231	2,295	2,409	2,460	2,512	2,561	2,608	2,652	2,697	2,735	2,777
Loan Receivable	-	250	250	250	250	250	250	250	-	-	-
Total Current Assets	6,789	5,746	4,933	5,169	5,350	6,111	6,148	5,515	5,604	6,190	6,364
Non-current assets											
Intangible Assets	55	157	195	195	183	194	183	188	185	211	215
Investments	631	7,847	8,011	8,182	8,345	8,501	8,649	8,796	8,944	9,084	9,224
Property, Plant and Equipment	388,938	405,132	409,209	411,931	442,342	443,815	444,858	474,564	476,059	477,549	508,746
Loan Receivable	2,000	1,500	1,250	1,000	750	500	250	-	-	-	-
Total Non-Current Assets	391,624	414,636	418,665	421,308	451,621	453,010	453,940	483,548	485,188	486,844	518,186
Total Assets	398,413	420,382	423,598	426,477	456,971	459,121	460,088	489,062	490,792	493,034	524,550
LIABILITIES											
Current Liabilities											
Employee Benefit Liabilities	390	401	421	430	439	448	456	464	472	478	486
Income In Advance	720	741	778	794	811	827	842	856	871	883	897
Provisions	1	1	1	1	1	1	1	1	1	1	1
Trade and Other Payables	2,653	2,715	2,825	2,874	2,924	2,971	3,016	3,059	3,102	3,139	3,180
Borrowings	-	-	-	-	-	3,875	-	1,000	3,000	-	-
Development and Financial Contributions In Advance	541	541	541	541	541	541	541	541	541	541	541
Total Current Liabilities	4,304	4,399	4,565	4,640	4,715	8,662	4,856	5,921	7,986	5,042	5,104
Non-current liabilities											
Borrowings	448	6,223	9,223	9,223	13,275	9,400	9,400	9,400	6,400	6,400	8,400
Employee Benefit Liabilities	45	46	49	50	51	52	53	54	54	55	56
Provisions	16	16	16	16	16	16	16	16	16	16	16
Total non-current liabilities	508	6,285	9,287	9,288	13,342	9,468	9,468	9,469	6,470	6,471	8,472
Total liabilities	4,813	10,684	13,852	13,929	18,057	18,130	14,324	15,390	14,457	11,513	13,576
Net Assets	393,600	409,699	409,745	412,548	438,914	440,992	445,764	473,672	476,335	481,521	510,975
EQUITY											
Reserve Funds	2,973	3,023	3,074	3,125	3,234	3,346	3,462	3,582	3,707	3,836	3,969
Retained Earnings	165,478	164,002	163,835	164,057	165,311	167,053	169,258	171,199	173,470	176,207	179,276
Revaluation Reserves	225,150	242,673	242,837	245,366	270,369	270,592	273,044	298,891	299,159	301,478	327,730
Total Equity Attributable to ŌTODC	393,600	409,699	409,745	412,548	438,914	440,992	445,764	473,672	476,335	481,521	510,975



EQUITY

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR 10 YEARS COMMENCING 1 JULY 2024	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
BALANCE AT 1 JULY	338,945	393,600	409,699	409,745	412,548	438,914	440,991	445,764	473,672	476,335	481,521
Surplus/(Deficit) For The Year	54,655	16,098	46	2,803	26,365	2,078	4,772	27,908	2,664	5,186	29,454
Total Recognised Income/(Expense) For The Year Ended 30 June	54,655	16,098	46	2,803	26,365	2,078	4,772	27,908	2,664	5,186	29,454
BALANCE AT 30 JUNE	393,600	409,699	409,745	412,548	438,914	440,991	445,764	473,672	476,335	481,521	510,975
COMPRISED OF:											
Reserve Funds	2,973	3,023	3,074	3,125	3,234	3,346	3,462	3,582	3,707	3,836	3,969
Retained Earnings	165,478	164,002	163,835	164,057	165,311	167,053	169,258	171,199	173,470	176,207	179,276
Revaluation Reserves	225,150	242,673	242,837	245,366	270,369	270,592	273,044	298,891	299,159	301,478	327,730
	393,600	409,699	409,745	412,548	438,914	440,992	445,764	473,672	476,335	481,521	510,975





CASHFLOW

PROSPECTIVE STATEMENT OF CASHFLOW FOR 10 YEARS COMMENCING 1 JULY 2024	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts from Rates Revenue	17,593	17,481	19,219	20,713	22,061	23,163	23,730	24,153	24,555	25,665	25,664
Receipts from Other Revenue	9,730	10,098	10,527	10,802	10,774	11,001	11,214	11,415	11,905	11,817	12,009
Interest Received	15	15	15	16	16	16	17	17	17	17	18
Dividends Received	4	10	10	10	11	11	11	11	11	12	12
Payments to Suppliers and Employee	- 17,275	- 21,710	- 22,048	- 23,076	- 22,651	- 23,137	- 23,449	- 23,782	- 24,026	- 24,827	- 24,785
Interest Paid	- 50	- 221	- 327	- 327	- 485	- 485	- 350	- 385	- 351	- 246	- 316
Net Cash Provided by Operating Activities	10,017	5,674	7,396	8,137	9,725	10,568	11,172	11,428	12,112	12,438	12,600
CASH FLOWS FROM INVESTING ACTIVITIES											
Proceeds from Sale of Property, Plant and Equipment	90	60	153	203	186	271	199	168	200	203	171
Purchase of Property, Plant and Equipment	- 6,992	- 13,155	- 11,509	- 8,376	- 14,079	- 10,369	- 7,791	- 13,563	- 11,323	- 9,146	- 14,731
Purchase of Investments	50	250	250	272	295	317	338	358	370	147	165
Purchase of Intangible Assets	- 20	37	- 219	- 52	- 50	- 76	- 54	- 70	- 64	- 94	- 73
Net Cash (Used in) Investing Activities	- 6,872	- 12,808	- 11,325	- 7,953	- 13,648	- 9,857	- 7,308	- 13,106	- 10,818	- 8,891	- 14,468
CASH FLOWS FROM FINANCING ACTIVITIES											
Proceeds from Borrowing	-	5,775	3,000	-	4,052	-	-	1,000	-	-	2,000
Repayment of Borrowing	-	-	-	-	-	-	3,875	-	1,000	3,000	-
Net Cash Provided by / (Used in) Financing Activities	-	5,775	3,000	-	4,052	-	3,875	1,000	1,000	3,000	2,000
Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts	3,145	- 1,359	929	184	129	711	- 11	679	294	547	132
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year	1,385	4,529	3,170	2,241	2,426	2,555	3,266	3,256	2,577	2,871	3,418
Cash and Cash Equivalents at the End of the Year	4,530	3,170	2,241	2,426	2,555	3,266	3,256	2,577	2,871	3,418	3,550



RESERVES

STATEMENT OF RESERVE FUNDS	OPENING BALANCE	TRANSFERS TO RESERVES DURING THE LIFE OF THE PLAN	TRANSFERS FROM RESERVES DURING THE LIFE OF THE PLAN	CLOSING BALANCE
REVALUATION RESERVES				
Asset Revaluation Reserve	- 225,149	- 93,225	- -	318,374
Investment Revaluation Reserve	- 1	- 9,355	- -	9,356
	- 225,150	- 102,580	- -	327,730
RESERVE FUNDS				
Ōtorohanga General Reserve	- 925	- 380	- -	1,305
Subdivision Reserve Fund	- 322	- 132	- -	454
ŌCB Reserve Fund	- 151	- 62	- -	213
KCB Reserve Fund	- 194	- 56	- -	250
ŌCB Property Development Reserve Fund	- 1,354	- 510	144 -	1,720
Upper Waipā Management Fund	- 27	- -	- -	27
	- 2,973	- 1,140	144 -	3,969
COUNCIL CONTROLLED RESERVES				
Trusted Leadership and Partnerships	- 1,324	- 141,407	139,809 -	2,922
Strong Communities	- 37	- 1,183	1,171 -	49
Vibrant Places and Spaces	- 11	- 4,409	3,762 -	636
Sustainable Development and Public Safety	- 72	- 3,172	3,955 -	855
Resilient Infrastructure: Land Transport	- 754	- 215,588	216,735 -	393
Resilient Infrastructure: Water Supply	- 2,033	- 50,314	50,247 -	1,966
Resilient Infrastructure: Wastewater	- 486	- 23,734	23,329 -	81
Resilient Infrastructure: Flood Protection	- 66	- 3,984	4,060 -	10
Responsible Waste Management	- 190	- 8,101	8,274 -	18
	- 230	- 451,891	451,341 -	320



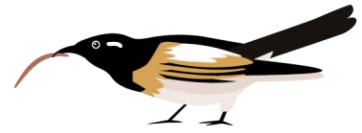


WEAVING THE
FUTURE, TOGETHER
KOTAHITANGA
ŌTOROHANGA DISTRICT COUNCIL

ACCOUNTING POLICIES

REPORTING ENTITY

ACCOUNTING POLICIES



THE MONEY

REPORTING ENTITY

The prospective financial statements of the Ōtorohanga District Council are for the years ended 30 June 2025 to 30 June 2034.

The Ōtorohanga District Council (Council) is a territorial local authority governed by the provisions of the Local Government Act 2002 (the Act) and is domiciled in New Zealand.

The primary objective of Council is to provide services or goods for the community for social benefit rather than making a financial return. Accordingly, having regard to the criteria set out in the Public Benefit Entity Internal Public Sector Accounting Standards (PBE IPSAS), as a defined public entity under the Public Audit Act 2001, the Council is audited by the Auditor-General and is classed as a Public Sector Benefit Entity (PBE) for financial reporting purposes. Council has designated itself as a Tier 2 entity.

The financial information contained within this document has been prepared in accordance with PBE-FRS 42: Prospective Financial Statements. It has been prepared to enable the public to participate in the decision-making processes regarding the services to be provided by Council over the financial years 2024-2034 and to provide a broad accountability mechanism of Council to the community.

The operations of Council have been divided into the following Groups of Activities:

- Trusted Leadership and Relationships.
- Strong Communities.
- Vibrant Places and Spaces.
- Sustainable Development and Public Safety.
- Resilient Infrastructure: Land Transport.
- Resilient Infrastructure: Water Supply.
- Resilient Infrastructure: Wastewater.
- Resilient Infrastructure: Stormwater.
- Resilient Infrastructure: Flood Protection.
- Responsible Waste Management.

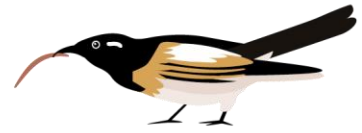
Council advise caution that the information in these statements may not be appropriate for purposes other than those described.

The prospective financial statements were authorised for issue by Council on 25 June 2024. The Mayor and Chief Executive that authorise the issue of the prospective financial statements by Council are responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual results have been incorporated in these prospective financial statements. It is not intended to update the prospective financial statements subsequent to presentation.

MEASUREMENT BASE

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.





THE MONEY

ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of results and financial position have been applied consistently to all years presented from 1 July 2024 unless otherwise stated.

1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 93 and Part 1 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ PBE IPSAS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. Council is a tier 2 reporting entity using the public sector Public Benefit Entity Accounting Standards, as it has expenses less than \$33m, and is not publicly accountable.

Although Council is not publicly accountable, Council has included a separate Cost of Services Statement for each significant activity.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Council is New Zealand dollars.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

The 2023/24 Annual Plan adopted by the Council in June 2023 has been provided as a comparator for these prospective financial statements. The closing balance in this comparative differs from the opening position used to prepare these prospective financial statements, which is based on the most up-to-date forecast information.

2 BUDGET FIGURES

The budget figures have been prepared in accordance with NZ GAAP and comply with NZ PBE IPSAS, and other applicable Financial Reporting Standards, using accounting policies that are consistent with those adopted in preparing these financial statements. As a tier 2 reporting entity, Council uses the public sector Public Benefit Entity Accounting Standards.

3 REVENUE

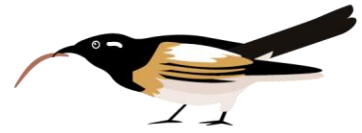
Revenue is measured at the fair value of consideration received or receivable.

RATES REVENUE

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.





WAKA KŌTAHI NZ TRANSPORT AGENCY ROADING SUBSIDIES

Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

OTHER GRANTS RECEIVED

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

VESTED OR DONATED PHYSICAL ASSETS

Where a physical asset is acquired for nil or nominal consideration, the asset is recognised at its fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

DIRECT CHARGES – SUBSIDISED

(i) RENDERING OF SERVICES - SUBSIDISED

Rendering of services at a price that is not approximately equal to the value of the service provided by Council is considered a non-exchange transaction. This includes rendering of services where the price does not allow Council to fully recover the cost of providing the service (such as building consents, water connections, dog licencing, etc.) and where the shortfall is subsidised by income from other activities, such as rates. Generally, there are no conditions attached to such revenue.

Revenue from such subsidised services is recognised when Council issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that Council has an obligation to refund the cash received for the service (or the extent that the customer has the right to withhold the payment from Council for the service) if the service is not completed.

(ii) SALE OF GOODS – SUBSIDISED

A sale of goods at a price that is not approximately equal to the value of the goods provided by Council is considered a non-exchange transaction.

This includes sales of goods where the price does not allow Council to fully recover the cost of producing the goods and where the shortfall is subsidised by income from other activities such as rates.

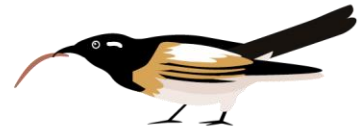
Revenue from the sale of such subsidised goods is recognised when Council issues the invoice or bill for the goods. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the goods.

REVENUE FROM EXCHANGE TRANSACTIONS

DIRECT CHARGES – FULL COST RECOVERY

(i) RENDERING OF SERVICES - FULL COST RECOVERY





Revenue from the rendering of services (such as resource consents, etc.) is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to the labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(ii) SALE OF GOODS – FULL COST RECOVERY

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to Council.

INTEREST AND DIVIDENDS

Interest income is recognised using the effective interest method.

Dividends are recognised as income when the rights to receive payment have been established.

4 BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

5 GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

6 LEASES

OPERATING LEASES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held with banks and other short-term investments with maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as a current liability in the statement of financial position.

8 DEBTORS AND OTHER RECEIVABLES

Debtors and other receivables are initially recorded at the amount due, less any provision for expected credit losses (ECL).

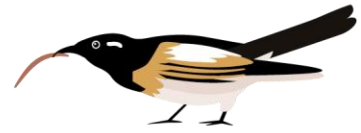
Council has reviewed individual debtor balances to determine the ECL to recognise for short-term receivables.

Rates are "written-off":

- When remitted in accordance with Council's rates remission policy; and
- In accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.





9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

- **OPERATIONAL ASSETS** – These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.
- **RESTRICTED ASSETS** – Restricted assets are mainly parks and reserves and related buildings owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- **INFRASTRUCTURE ASSETS** – Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

REVALUATION

Land and buildings (operational and restricted), and infrastructural assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

ADDITIONS

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

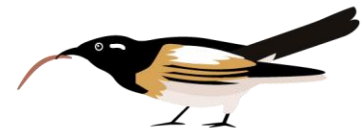
DISPOSALS

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated comprehensive revenue and expenses.

SUBSEQUENT COSTS

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.





DEPRECIATION

Depreciation is provided on a straight-line basis or diminishing value basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

ASSET CLASSES	USEFUL LIFE (YEARS)	DEPRECIATION RATE
Buildings		
• Internal Fitout	5-31	3.2-20%
• Structure	5-58	1.7-20%
• Roof	5-55	1.8-20%
• Plant	5-10	10-20%
• Services	5-35	2.8-20%
• Other Site Improvements	80	1.5%
Improvements	20	5%
Vehicles	6.6	15%
Computers	3-4	25-33.33%
Office Equipment	4-10	10-25% DV
Furniture/ Fixture	10	10% DV
Library Books	6.6	15% DV
Plant and Machinery	2.5-3	33.33-40%
WATER TREATMENT		
Piping	20-100	1-5%
Equipment	5-100	1-20%
Other	2-100	1-50%
WASTEWATER		
Piping	50-90	1.11-2%
Equipment	10-81	1.23-10%
Other	20-80	1.25-5%
STORMWATER		
Piping	40-100	1-2.5%
Equipment	15-80	1.25-6.66%
Other	20-100	1-5%
ROADING		
<i>Pavement (Basecourse)</i>		
• Sealed	7-79	1.26-14.3%
• Unsealed	9-80	1.25-11.1%
<i>Pavement (Sub-Base)</i>		
• Sealed	7-74	1.35-14.3%
• Unsealed	2-73	1.37-50%
Seal	1-16	6.25-100%
Culverts	1-90	1.11-100%
Bridges	37-76	1.31-2.7%
Kerb & Channel/ Catchpits	2-55	1.81-50%
Footpaths	2-74	1.35-50%
Streetlights	1-57	1.75-100%
Signposting	1-14	7.14-100%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end. Items that are fully depreciated are recorded as having a useful life of 1 year.





IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment subsequently measured at cost that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

10 INTANGIBLE ASSETS

SOFTWARE ACQUISITION

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

AMORTISATION

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the profit or loss.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- Computer software (finite life) 3 years 33.3%

IMPAIRMENT OF INTANGIBLE ASSETS

Intangible assets subsequently measured at cost that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment.

Intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

11 GOODS AND SERVICES TAX (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables which are stated as GST inclusive. When GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Commitments and contingencies are disclosed exclusive of GST.

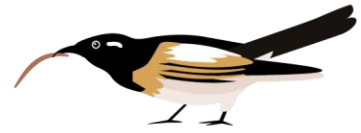
12 COST OF SERVICE STATEMENTS

The Cost of Service Statements report the net cost of services for significant activities of Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

COST ALLOCATION

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below.

- Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.
- Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.



13 OTHER FINANCIAL ASSETS

Financial assets are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- Amortised cost
- Fair value through other comprehensive revenue and expenses (FVTOCRE)
- Fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset as initial recognition unless it has been designated as FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council management model for managing them.

A financial asset is classified and subsequently measured as amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT AMORTISED COST

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits and community loans.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT FVTOCRE

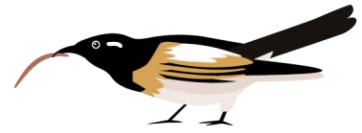
Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

EXPECTED CREDIT LOSS ALLOWANCE (ECL)

Council recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward-looking information.



The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligation in full.

14 LOANS RECEIVABLE

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted for the current market rate of return for a similar financial instrument.

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less and expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include loans to community groups.

15 PAYABLES

PAYABLES UNDER EXCHANGE TRANSACTIONS

Payables under exchange transactions are recognised when ODC becomes obliged to make future payments resulting from the purchase of goods and services. Subsequent to initial recognition, payables under exchange transactions are recorded at amortised cost.

DEPOSITS AND BONDS

Deposits and bonds are recognised at their face value at the time they are received. The refund of deposits and bonds is recognised at the time that all conditions related to that bond are met.

BORROWINGS

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method net of transaction costs. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

EMPLOYEE ENTITLEMENTS

SHORT-TERM EMPLOYEE ENTITLEMENTS

Employee benefits that are expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

LONG-TERM EMPLOYEE ENTITLEMENTS

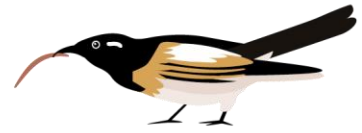
Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- The present value of the estimated future cash flows.

PRESENTATION OF EMPLOYEE ENTITLEMENTS

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.





16 PROVISIONS

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

LANDFILL POST-CLOSURE COSTS

Council, as operator of the Ōtorohanga and Kāwhia closed landfills, has a legal obligation under the resource consents to provide ongoing maintenance and monitoring services at the landfill. An allowance for post-closure costs is recognised as a provision within the balance sheet.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

FINANCIAL GUARANTEE CONTRACT LIABILITIES

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contract liabilities are measured initially at their fair value. If a financial guarantee was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is practicable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the higher of:

- The present value of the estimated amount to settle the guarantee obligation if it is probable there will be an outflow to settle the guarantee; and
- The amount initially recognised less, when appropriate, cumulative amortisation as revenue.

17 EQUITY

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

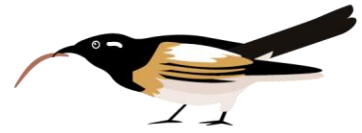
The components of equity are:

- Accumulated comprehensive revenue and expenses
- Restricted reserves
- Asset revaluation reserves
- Fair value through other comprehensive revenue and expense reserve.

RESTRICTED RESERVES

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.





Restricted reserves include those subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at Council's discretion.

ASSET REVALUATION RESERVE

The asset revaluation reserve arises on the revaluation of land, buildings and infrastructural assets to fair value.

FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

18 ESTIMATES AND ASSUMPTIONS

In preparing these financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are discussed in the Long Term Plan 2024 - 2034 – Volume Two, pages 107 to 123.

19 ROUNDING ERRORS

Some rounding errors may occur in the financial statements due to stating dollar amounts to the nearest \$1,000.

20 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Management has exercised the following critical judgements in applying accounting policies:

CLASSIFICATION OF PROPERTY

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the ODC's social housing policy. These properties are accounted for as property, plant and equipment.

CLASSIFICATION OF NON-FINANCIAL ASSETS AS CASH GENERATING ASSETS OR NON-CASH-GENERATING ASSETS

For the purpose of assessing impairment indicators and impairment testing, ODC classifies non-financial assets as either cash-generating or non-cash-generating assets. The Council classifies non-financial assets as cash-generating assets if the primary objective of the asset is to generate commercial return. All other assets are classified as non-cash-generating assets.

All property, plant and equipment and intangible assets held by ODC are classified as non-cash-generating assets. This includes assets that generate fee revenue or other cash flows for the Council, as the cash flows generated are generally not sufficient to represent commercial return on the assets.





WEAVING THE
FUTURE, TOGETHER
KOTAHITANGA
ŌTOROHANGA DISTRICT COUNCIL

RATING INFORMATION

INTRODUCTION

RATING POLICY

FUNDING IMPACT STATEMENT



THE MONEY

INTRODUCTION

The Local Government (Rating) Act 2002 sets out the methods by which local authorities can rate and the detailed criteria around their uses. Processes and policies that local authorities must apply in the establishment of their rating systems are set by the Local Government Act 2002 and include provisions for informing communities. We have prepared our funding impact statement in accordance with these Acts.

This funding impact statement sets out:

- The revenue and financing mechanisms used
- An indicative level or amount of funding for each mechanism
- Explanatory information supporting the use of general and targeted rates
- A summary of the total rates requirement.

The application of funding methods to Council's activities is summarised in a table at the end of this section.

This statement should be read in conjunction with our Revenue and Financing policy which sets out Council's policies in respect of each source of funding of operating and capital expenses.

RATING POLICY

The Rating Policy outlines how Council will set the rate funding required to fund activities. This includes our high-level rating philosophy, and summarises the rationale for the rating decisions taken. In making these decisions, we have considered:

- The distribution and timing of benefits;
- Rating efficiency and transparency;
- Community preferences; and
- The overall impact on the economic, cultural, social and environmental well-being of the district.

The policy provides the link between the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive. The overview of the resulting mix of general and targeted rates, user charges and other funding sources is set out in the Funding Impact Statement for activities or groups of activities (see pages 25 to 111).

PROPERTY VALUATIONS AND RATES DISTRIBUTION

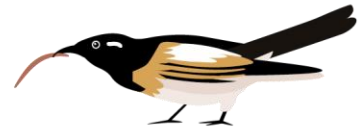
We set the total amount of rates required to fund our expenditure based on the budgeted costs included in the long term plan. For the majority of our rates, we use property valuations as the basis to distribute the total rates requirement proportionately across all properties in the district.

Property revaluations are conducted every three years and Council uses these valuations for the purposes of calculating the rates each property has to pay. We contract Quotable Value (QV) as our valuation service provider (VSP). The latest revaluation of the district was carried out on 1 October 2022 and these values have been used for rating purposes for the long term plan. The rating valuations are intended to provide relative values only and are based on the market value of a property at a particular point in time. It cannot be taken as market valuation.

EFFECT OF NEW VALUATIONS ON RATES

It is important to note that an increase/ decrease in values does not automatically mean that there will be an increase/ decrease in rates. It depends on whether the valuation of a property changes more than the average of the group of property values. Council does not collect extra rates as a result of valuation changes. We calculate the total rate requirement for the year and then use capital value as the basis to distribute this total.





Therefore, a change in the capital value (value of land and improvements) of a property will only impact the rates bill of the property to the extent that the change is higher or lower than the average change.

Council rate assessments contain different charges that make up the annual levy:

- General Rates (calculated on capital value with no differentials);
- Uniform Annual General Charge (set charge); and
- Targeted Rates (uniform charge or value-based charge).

SEPARATELY USED OR INHABITED PART OF A RATING UNIT

A separately used or inhabited part of a rating unit includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease or other agreement. As a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or separate use. For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one separately used or inhabited part.

HOW WE RATE

There are two types of rates – general rates and targeted rates. These may be charged in two ways:

- On a uniform basis – to all rateable land for which the rate is set; or
- Differentially – on a different basis for different categories of land.

The rates may be charged on a fixed amount, including as a fixed amount per rating unit, per separately used or inhabited part of a rating unit, or number of services used such as number of water closets, or using a factor such as land or capital value.

GENERAL RATE

Council sets a general rate with no differentials, based on the capital value of each rating unit.

UNIFORM ANNUAL GENERAL CHARGE

Uniform annual general charge (UAGC) is a specific levy of an equal amount on every rating unit within the district and does not vary with the value of the rating unit. It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate. Individuals benefit as each has an equal opportunity to access and use the assets and services, and to an extent, many within the community make similar use of assets and services.

We consider that a range from 25% to 26% of the rates requirement should be recovered by way of a Uniform Rate charged to every rating unit in the district, which reflects the equal opportunity to access and use the assets and services.

TARGETED RATES

Council sets targeted rates for different functions of council where the benefit of having access to particular function(s) or service(s) exist to particular groups of ratepayers.

LAND TRANSPORT RATE

This is funded by a District Wide rate in the dollar plus a uniform targeted rate. Roothing needs to be managed as a network and on a district-wide basis, progressively throughout the funding year. This is consistent with the policy approach to funding taken by NZ Transport Agency (Council's primary Roothing funding source) to fund roading as a network.

District-Wide rating spreads the cost of roading amongst all ratepayers. An advantage of this is that it makes larger expenditure commitments more affordable than annually uneven cost recoveries targeted to specific ratepayer categories. It therefore provides regularity to funding to appropriately manage the district asset.

KĀWHIA COMMUNITY RATE

A targeted rate levied across the Kāwhia/ Aotea Community to fund services that directly benefit these communities.





HALL TARGETED RATES

Some halls have specific areas defined by the hall committees and Council collects a targeted rate from ratepayers within these areas. Funds received are available to Hall Committees to go towards the operation, maintenance, renovation and/or extension of those facilities.

WATER SUPPLIED BY VOLUME RATES – RURAL WATER SCHEMES (AROHENA, TIHIROA, RANGINUI AND WAIPĀ)

Separate rating units in the Rural Water Supply areas with water meters are levied a targeted rate for water usage. This rate is set on a per cubic metre usage basis. These separate rating units areas also attract a charge for each meter connected to the Rural Water Scheme.

REFUSE TARGETED RATE

All properties situated in the Ōtorohanga and Kāwhia Community with a building are levied a uniform targeted rate for each separately occupied portion of that building.

ŌTOROHANGA SECURITY TARGETED RATE

A targeted rate in the dollar and a uniform targeted rate is applied to all properties within the “Security Patrol Area” to fund a Security Patrol Service in a defined area of the Ōtorohanga Community.

ŌTOROHANGA WASTEWATER

All properties that are connected to the Ōtorohanga Sewerage Treatment and Reticulation Scheme are levied a rate per separately used or inhabited part of the rating unit. All properties with four or less water closets or urinals pay a flat fee. For all water closets or urinals over 4, a charge for each additional water closet or urinal applies.

WATER SUPPLIED BY VOLUME RATES - ŌTOROHANGA

Separate rating units in the Ōtorohanga Water Supply areas with water meters are levied a targeted rate for water usage. This rate is set on a per cubic metre usage basis.

All separate rating units, either rateable or non-rateable, receiving a supply from the Ōtorohanga Community Water Supply will have a charge for each water meter.

REFUSE TARGETED RATE

All properties situated within the Kāwhia/Aotea and Ōtorohanga communities with a building are levied a uniform targeted rate for each separately occupied portion of that building.

KĀWHIA WATER SUPPLY

All properties that are connected to the Kāwhia Water Supply Scheme are levied a uniform targeted rate for each separately occupied portion of any building.

KĀWHIA TARGETED WATER LOAN RATE

Properties in the Kāwhia community water supply area are levied a targeted loan rate to finance loan repayment costs in respect of loans raised for capital expenditure on the Kāwhia water scheme.

WATER SUPPLIED BY VOLUME RATES - KĀWHIA

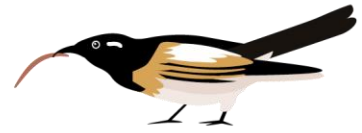
Separate rating units in the Kāwhia community water supply area with water meters are levied a targeted rate for water usage over the free allowance. This rate is set on a per cubic metre usage basis. Outside the Kāwhia community water supply area, separate rating units with water meters that are using water from the Kāwhia scheme are levied a targeted rate for water usage, on a per cubic metre basis, with a minimum charge per annum.

All separate rating units, either rateable or non-rateable, receiving a supply from the Kāwhia Water Supply Scheme will have a charge for each water meter.

KAWHIA/AOTEA SEAWALL PROTECTION

Properties within the Kawhia/Aotea community pay a uniform targeted rate for each rating unit to fund the maintenance and repairs of the Kāwhia and Aotea seawalls.





DIFFERENTIAL TARGETED RATES

Properties within the Ōtorohanga community may be charged targeted rates under one of two differentials which are applied based on how the land is used. The two land use categories are:

- Ōtorohanga Commercial
- Ōtorohanga Residential

The following targeted rates are set using differentials.

ŌTOROHANGA COMMUNITY RATE

The area of the Ōtorohanga Community is defined on a map approved by Council. Valuation numbers begin with either 05540 or 05541.

ŌTOROHANGA TARGETED SEWERAGE LOAN RATE

Areas of benefit are defined on maps and approved by Council.

ŌTOROHANGA TARGETED WATER LOAN RATE

Areas of benefit are defined on maps and approved by Council.

UTILITY CHARGES FOR NON-RATEABLE PROPERTIES

Non-rateable properties are liable for targeted rates and charges for the provision of utility services, such as water, wastewater and refuse collection.

SETTING OF RATES

Rates are set by Council by way of resolution for each financial year, referred to as the Rating Year. These rates will remain in effect for the rating year and will not be affected by a change in the rateable value or factors of a rating unit during the financial year in which the rates are set.

INSTALMENTS

Rates and charges for the year ending on 30 June 2025 will be assessed in two instalments, which will become due and payable on the following dates:

- 30 August 2024
- 28 February 2025

Charges for Water Metered Rates for Ōtorohanga Community Supply for the year ending on 30 June 2025 will be assessed in four instalments, which will become due and payable on the following dates:

- 29 November 2024
- 28 February 2025
- 30 May 2025
- 29 August 2025

Charges for Water Metered Rates for the Kāwhia Community Water Supply and all Rural Water Supplies for the year ending on 30 June 2025 will be assessed in two instalments, which will become due and payable on the following dates:

- 30 August 2024
- 28 February 2025

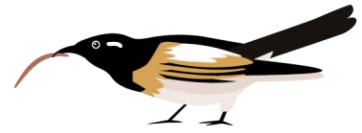
PENALTIES

Penalties are applied in accordance with Section 57 and 58 of the Local Government (Rating) Act 2002.

A penalty of 10% is added to each instalment or part thereof 'current rates' which are unpaid after the due date for payment on the following dates:

- 30 August 2024
- 28 February 2025





For Water Metered Rates for the Ōtorohanga Community, a penalty of 10% is added to all amounts of rates remaining unpaid a day after the due date, as listed below:

- 29 November 2024
- 28 February 2025
- 30 May 2025
- 29 August 2025

For Water Metered Rates for the Kāwhia Community Water Supply and all Rural Water supplies, a penalty of 10% is added to all amounts of rates remaining unpaid a day after the due date, as listed below:

- 30 August 2024
- 28 February 2025

UTILITY CHARGES FOR NON-RATEABLE PROPERTIES

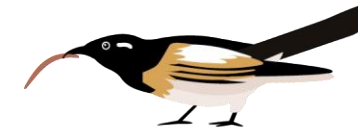
A penalty of 10% is added to previous year's rates 'rates in arrears' that remain unpaid on 1 July 2024, and again on 1 January 2025.

FUNDING IMPACT STATEMENT

The Council level Financial Impact Statement (see table below):

- Links our Revenue and Financing Policy, the annual setting of rates, fees, development contribution and the annual borrowing requirement
- Sets out the revenue and financing mechanisms that will be used in each year along with an indicative level or amount of funds to come from each mechanism; and
- Shows the planned application of funds in each year.





ALL OF COUNCIL FUNDING IMPACT STATEMENT

ALL OF COUNCIL FUNDING IMPACT STATEMENT - 2024/34	2023/24 Annual Plan (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charges, Rates Penalties	7,587	8,571	9,504	10,291	10,683	11,180	11,499	11,438	11,611	12,066	11,903
Targeted Rates	8,205	8,928	9,744	10,435	11,391	11,996	12,243	12,726	12,956	13,609	13,772
Subsidies and Grants for Operating Purposes	2,973	4,099	4,177	4,271	4,365	4,454	4,540	4,622	4,703	4,784	4,862
Fees and Charges	1,592	1,067	1,095	1,117	1,140	1,162	1,183	1,203	1,224	1,243	1,263
Internal Charges and Overheads Recovered	19	25	26	26	27	27	28	28	29	29	29
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	590	701	704	733	752	772	789	801	820	827	843
TOTAL SOURCES OF OPERATING FUNDING	20,966	23,390	25,250	26,873	28,357	29,591	30,281	30,818	31,341	32,559	32,672
APPLICATION OF OPERATING FUNDING											
Payments to Staff and Suppliers	17,591	20,698	21,071	22,003	21,554	22,015	22,302	22,612	22,835	23,607	23,551
Finance Costs	190	221	327	327	485	485	350	385	351	246	316
Other Operating Funding Applications	1,018	1,091	1,112	1,136	1,160	1,182	1,203	1,223	1,244	1,264	1,283
TOTAL APPLICATION OF OPERATING FUNDING	18,799	22,010	22,510	23,466	23,199	23,682	23,855	24,221	24,429	25,117	25,150
SURPLUS (DEFICIT) IN OPERATING FUNDING	2,166	1,381	2,740	3,407	5,159	5,910	6,426	6,598	6,912	7,442	7,522
SOURCES OF CAPITAL FUNDING											
Subsidies and Grants for Capital Expenditure	2,857	4,248	4,333	4,431	4,528	4,622	4,711	4,796	4,881	4,966	5,047
Development and Financial Contributions	10	10	10	10	11	11	11	11	11	12	12
Increase (Decrease) in Debt	626	4,033	1,338	977	740	308	27	49	191	204	95
Gross Proceeds from Sale of Assets	90	60	153	203	186	271	199	168	200	203	171
Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	3,583	8,351	5,834	5,621	5,465	5,212	4,894	4,927	4,901	4,976	5,134
APPLICATION OF CAPITAL FUNDING											
Capital Expenditure -											
* To meet additional demand	150	425	409	158	162	165	169	455	176	179	182
* To improve level of service	414	300	230	224	402	141	128	56	182	52	143
* To replace existing assets	7,889	10,633	10,340	9,580	11,044	9,883	9,582	10,376	10,847	10,857	12,162
Increase (Decrease) in Reserves	-	2,704	1,626	2,405	934	983	932	1,440	637	609	1,330
Increase (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF CAPITAL FUNDING	5,749	9,732	8,574	9,028	10,624	11,122	11,319	11,524	11,813	12,418	12,656
SURPLUS (DEFICIT) IN CAPITAL FUNDING	-	2,166	1,381	2,740	3,407	5,159	6,426	6,598	6,912	7,442	7,522
FUNDING BALANCE	-	-	-	-	-	-	-	-	-	-	-

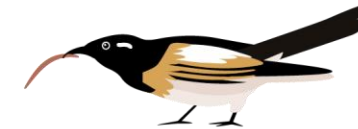




2024/25 RATES INFORMATION

TOTAL REVENUE REQUIRED	RATES 2024/25 (GST EXCLUSIVE)	CATEGORIES ON WHICH RATE IS SET	FACTOR OR FACTORS	DIFFERENTIAL CATEGORIES	DIFFERENTIAL CALCULATION	INDICATIVE	
						UNITS OF MEASURE	RATE OR CHARGE
5,505,739	General Rate (partially funds activities as detailed below)	Every rating unit in the district	Rate in the \$ on capital value			6,502,249,500	\$0.0008467
2,359,603	Uniform Annual General Charge (partially funds activities as detailed below)	Every rating unit in the district	Fixed amount for each rating unit			4,297	\$549.13
4,793,864	Land Transport Rate (partially funds the Land transport programme in compliance with the Revenue and Financing Policy).	Every rating unit in the district	Rate in the \$ on capital value			6,502,249,500	\$0.0005161
			Fixed amount for each rating unit			4,297	\$334.77
317,453	Ōtorohanga Community Targeted Rate (partially funds activities as detailed on page 144	Every rating unit in the defined Ōtorohanga Community area	Rate in the \$ on capital value	Commercial Properties	Ratio 2.5	173,956,100	\$0.0004919
			Fixed amount for each rating unit	Residential Properties	Ratio 1.0	678,217,300	\$0.0001968
						1,392	\$70.71
201,888	Kāwhia Community Targeted Rate (partially funds activities as detailed on page 144	Every rating unit in the defined Kāwhia/Aotea Community area	Rate in the \$ on capital value			382,550,350	\$0.0003620
			Fixed amount for each rating unit			606	\$104.66
255,290	Refuse Collection Targeted Rate Ōtorohanga	Every rating unit in the defined Ōtorohanga Community area	Fixed amount for each separately used or inhabited part of a rating unit			1,413	\$180.67
174,477	Refuse Collection Targeted Rate Kāwhia	Every rating unit in the defined Kāwhia/Aotea Community area	Fixed amount for each separately used or inhabited part of a rating unit			524	\$332.97
251,913	Water Supply Targeted Rate Kāwhia	Every rating unit in the defined Kāwhia Water Supply area	Fixed amount for each separately used or inhabited part of a rating unit			411	\$612.93

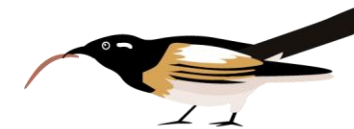




2024/25 RATES INFORMATION

TOTAL REVENUE REQUIRED	RATES 2024/25 (GST EXCLUSIVE)	CATEGORIES ON WHICH RATE IS SET	FACTOR OR FACTORS	DIFFERENTIAL CATEGORIES	DIFFERENTIAL CALCULATION	INDICATIVE	
						UNITS OF MEASURE	RATE OR CHARGE
75,241	Water Supply Targeted Loan Rate – Ōtorohanga	Every rating unit in the defined Ōtorohanga Water Supply area	Rate in the \$ on capital value	Commercial Properties Residential Properties	Ratio 2.0	145,293,000	\$0.0001553
					Ratio 1.0	678,217,300	\$0.0000777
64,841	Water Supply Targeted Loan Rate – Kāwhia	Every rating unit in the defined Kāwhia Water Supply area	Rate in the \$ on capital value			269,197,800	\$0.0002409
5,755	Water Supply Targeted Loan Rate – Arohena Rural Scheme	Every rating unit in the defined Arohena Rural Water Scheme area	Rate in the \$ on capital value	Arohena Rural Water Scheme		159,205,500	\$0.0000361
759,489	Sewerage Treatment Targeted Rate	Every rating unit in the defined Ōtorohanga Sewerage Treatment area	Fixed amount for each separately used or inhabited part of a rating unit	1 unit 2 to 4 5 or more	per urinal	1,383	\$548.04
						35	No charge \$44.44
143,195	Sewerage Treatment Targeted Loan Rate	Every rating unit in the defined Ōtorohanga Sewerage Treatment area	Rate in the \$ on capital value	Commercial Properties Residential Properties	Ratio 2.5	143,613,000	\$0.0003546
					Ratio 1.0	653,007,400	\$0.0001418
28,865	Rural Halls Targeted Rate	Every rating unit within the defined Rural Hall areas	Rate in the \$ on capital value	Arohena Kio Kio Puketotara/Ngutunui Honikiwi		263,544,500	\$0.000010
						472,470,600	\$0.000006
						500,849,100	\$0.000009
						205,021,600	\$0.000013
			Fixed amount for each separately used or inhabited part of a rating unit	Arohena Kio Kio Tokanui Crossroads Puketotara/ Ngutunui Otewa		58 206 185 287 131	\$45.00 \$20.00 \$20.00 \$12.00 \$25.00
36,865	Kawhia/Aotea Erosion Targeted Rate	Every rating unit within the Kawhia/Aotea Community area	Fixed amount for each rating unit			585	\$63.02
7,790	Aotea Erosion Targeted Loan Rate	Every rating unit within the defined Aotea Community area	Fixed amount for each property that did not make a capital contribution			24	\$324.58
94,634	Security Patrol Rate	Every commercial property within the defined Ōtorohanga Commercial area	Rate in the \$ on capital value			83,371,000	\$0.0005675
			Fixed amount for each rating unit			96	\$492.89





2024/25 RATES INFORMATION

TOTAL REVENUE REQUIRED	RATES 2024/25 (GST EXCLUSIVE)	CATEGORIES ON WHICH RATE IS SET	FACTOR OR FACTORS	DIFFERENTIAL CATEGORIES	DIFFERENTIAL CALCULATION	INDICATIVE	
						UNITS OF MEASURE	RATE OR CHARGE
1,296,000	Water Supplied by Volume – Rural Water Supplies	Every property connected to the defined Rural Water Schemes.	Fixed amount for each cubic metre of water consumed	Arohena Tihiroa Ranginui Waipā		411,900 250,000 135,000 230,000	\$0.80 \$1.89 \$0.55 \$1.30
			Fixed amount per meter	Arohena Tihiroa Ranginui – First meter Additional meter Waipā		74 60 5 11 149	\$750.00 \$750.00 \$1,800.00 No charge \$500.00
930,000	Water Supplied by Volume – Ōtorohanga Water Supply	Every property connected to the defined Ōtorohanga Water Supply Scheme	Fixed amount for each cubic metre of water consumed	All connected properties		350,777	\$1.80
			Fixed amount per meter	All connected properties		1493	\$200.00
12,000	Water Supplied by Volume – Kāwhia Water Supply	Every property connected to the defined Kāwhia Water Supply Scheme	Fixed amount for each cubic metre of water consumed (220 cubic metre free allowance)	All connected properties		6,328	\$1.60
			Fixed amount per meter	All connected properties		15	\$125.00
				Minimum charge (where applicable)			
17,314,902	TOTAL						





INDICATIVE CONTRIBUTIONS TO COUNCIL SERVICES 2024/25
EXAMPLES

PROPERTY VALUE	585,000	637,500	750,000	937,500	621,000	737,500	1,500,000	2,300,000	5,000,000
	ŌTOROHANGA RESIDENTIAL		ŌTOROHANGA COMMERCIAL		KĀWHIA		RURAL		
ACTIVITY	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance	347.84	363.55	479.98	556.77	433.57	480.11	484.87	665.41	1,274.74
Community Development and Empowerment	40.75	42.48	46.20	52.40	41.94	45.79	70.98	97.41	186.60
Community Service Providers and Contestable Grants	27.96	29.15	31.70	35.95	28.78	31.42	48.70	66.83	128.03
Economic Development and Wellbeing	95.26	99.41	1,173.01	1,312.29	94.76	103.10	153.66	210.88	403.99
Resource Management	45.15	47.08	51.19	58.06	46.47	50.74	78.65	107.93	206.77
Corporate Planning/Projects	82.66	86.17	93.71	106.28	85.07	92.88	143.97	197.58	378.50
Environmental Health, Public Amenity and Safety	51.36	53.55	58.23	66.04	52.86	57.71	89.46	122.77	235.20
Animal Control	30.75	32.06	34.86	39.53	31.64	34.55	53.56	73.50	140.80
Iwi Liaison	22.15	23.09	25.11	28.48	22.79	24.88	38.57	52.94	101.41
Parks & Reserves and Council Owned Property	244.06	254.75	305.12	350.16	314.65	349.45	384.93	528.25	1,011.98
Swimming Pools	81.04	84.48	91.88	104.19	83.40	91.05	141.15	193.70	371.08
Rubbish & Recycling Services	219.75	220.26	221.35	223.17	395.24	396.37	20.86	28.62	54.83
On Demand Supply	4.45	4.64	5.05	5.73	709.45	709.87	7.76	10.65	20.39
Wastewater	632.77	632.87	633.10	633.49	2.60	2.84	4.40	6.03	11.56
Libraries, Learning & Development	78.21	81.54	88.68	100.56	80.50	87.88	136.23	186.96	358.15
Civil Defence and Emergency Management	24.20	25.23	27.44	31.12	24.91	27.19	42.15	57.85	110.82
Coastal Structures	6.81	7.10	7.72	8.76	95.31	98.93	11.87	16.29	31.20
Building Control	85.18	88.80	96.57	109.52	87.66	95.71	148.36	203.61	390.05
Cemeteries	16.55	17.25	18.76	21.27	17.03	18.59	28.82	39.55	75.76
Stormwater	115.95	122.38	272.09	329.01	126.66	138.18	3.19	4.38	8.39
Land Transport	732.18	763.34	830.10	941.38	753.54	822.69	1,275.23	1,750.02	3,352.46
Wastewater Loan	95.42	103.99	305.85	382.31	-	-	-	-	-
Water Loan	52.25	56.94	133.97	167.46	172.02	204.29	-	-	-
	\$3,132.70	\$3,240.11	\$5,031.68	\$5,663.94	\$3,700.86	\$3,964.20	\$3,367.36	\$4,621.16	\$8,852.74





PROPOSED RATES LEVIES AND FUNDING MIX

ŌTOROHANGA DISTRICT	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
GENERAL RATE										
Ōtorohanga Rural	4,490,383	4,942,019	5,338,111	5,560,066	5,827,192	5,993,702	5,953,581	6,036,873	6,282,932	6,184,113
Ōtorohanga Community	697,120	769,344	840,521	876,170	918,998	946,012	940,428	954,343	994,030	979,172
Kāwhia Community	318,236	342,318	370,109	385,867	404,793	416,757	414,362	420,559	438,117	431,635
	5,505,739	6,053,680	6,548,741	6,822,103	7,150,982	7,356,471	7,308,371	7,411,776	7,715,079	7,594,920
UNIFORM ANNUAL GENERAL CHARGE										
Ōtorohanga Rural	1,256,954	1,382,936	1,496,985	1,560,460	1,636,712	1,684,792	1,674,810	1,699,548	1,770,172	1,743,653
Ōtorohanga Community	769,877	846,364	915,436	953,502	999,315	1,027,875	1,021,000	1,035,291	1,077,496	1,060,557
Kāwhia Community	332,772	365,134	394,182	409,797	428,679	440,106	436,349	441,638	458,795	450,755
	2,359,603	2,594,434	2,806,603	2,923,759	3,064,706	3,152,773	3,132,159	3,176,476	3,306,463	3,254,966
SEPARATE ROADING RATE										
Ōtorohanga Rural	2,736,853	2,840,621	3,049,619	3,535,638	3,820,767	3,898,481	4,101,061	4,159,052	4,479,645	4,512,616
Ōtorohanga Community	424,889	442,211	480,183	557,155	602,567	615,314	647,804	657,486	708,730	714,513
Kāwhia Community	193,962	196,761	211,440	245,372	265,414	271,071	285,429	289,741	312,372	314,969
	3,355,705	3,479,593	3,741,242	4,338,165	4,688,748	4,784,866	5,034,294	5,106,279	5,500,746	5,542,098
SEPARATE ROADING UNIFORM ANNUAL CHARGE										
Ōtorohanga Rural	766,282	795,082	855,412	992,522	1,073,404	1,096,089	1,153,938	1,171,154	1,262,393	1,272,650
Ōtorohanga Community	469,009	486,248	522,731	606,042	654,919	668,244	702,974	712,920	767,880	773,540
Kāwhia Community	202,869	209,924	225,245	260,649	281,140	286,323	300,643	304,331	327,188	328,995
	1,438,159	1,491,254	1,603,389	1,859,214	2,009,463	2,050,657	2,157,554	2,188,405	2,357,462	2,375,185
TOTAL RATE LEVY DISTRICT WIDE	12,659,206	13,618,961	14,699,975	15,943,241	16,913,899	17,344,767	17,632,378	17,882,936	18,879,750	18,767,169

ŌTOROHANGA RURAL	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
WATER SUPPLY RATES										
Arohena RWS Loan	5,755	5,072	1,888	1,933	1,966	1,996	2,021	2,052	2,073	2,100
HALLS										
Arohena Hall	2,635	2,635	2,635	2,635	2,635	2,635	2,635	2,635	2,635	2,635
Arohena Hall	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610	2,610
Honikiwi Hall	1,901	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665
Kio Kio Hall	2,835	2,835	2,835	2,835	2,835	2,835	2,835	2,835	2,835	4,252
Kio Kio Hall	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120
Maihihi Hall	-	-	-	-	-	-	-	-	-	-
Otewa Hall	3,100	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275
Puketotara/Ngutunui Hall	4,508	4,508	4,508	4,508	4,508	4,508	4,508	4,508	4,508	4,508
Puketotara/Ngutunui Hall	3,456	3,456	3,456	3,456	3,456	3,456	3,456	3,456	3,456	3,456
Tokanui Crossroads	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700
District Wide	9,250,472	9,960,658	10,740,128	11,648,686	12,358,074	12,673,064	12,883,390	13,066,627	13,795,141	13,713,032
TOTAL RATE LEVY OTOROHANGA RURAL	9,285,092	9,995,534	10,771,820	11,680,423	12,389,844	12,704,865	12,915,215	13,098,484	13,827,019	13,746,354





PROPOSED RATES LEVIES AND FUNDING MIX

ŌTOROHANGA COMMUNITY	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
SEPARATE ŌTOROHANGA COMMUNITY RATE										
Differential Rating Area No 1	85,573	114,745	127,163	128,319	133,713	138,647	139,888	144,519	148,807	150,065
Differential Rating Area No 2	133,452	184,883	207,816	209,999	219,135	227,540	229,897	237,842	245,239	247,659
	219,025	299,628	334,979	338,318	352,848	366,187	369,785	382,361	394,046	397,724
SEPARATE ŌTOROHANGA COMMUNITY UNIFORM ANNUAL CHARGE										
Uniform Annual General Charge	98,428	129,012	143,563	144,993	151,220	156,937	158,479	163,869	168,877	170,453
SEWERAGE LOAN SPECIAL RATE										
Differential Rating Area No 1	50,571	68,570	76,659	80,123	83,471	86,015	88,790	94,802	97,773	99,249
Differential Rating Area No 2	92,624	129,918	147,394	154,279	160,958	166,106	171,714	183,605	189,634	192,775
	143,195	198,488	224,053	234,402	244,429	252,121	260,504	278,407	287,407	292,024
WATER LOAN SPECIAL RATE										
Differential Rating Area No 1	22,568	43,060	47,906	47,369	52,697	55,192	57,384	59,673	62,035	64,466
Differential Rating Area No 2	52,673	103,834	117,169	116,017	129,249	135,560	141,139	146,974	153,008	159,223
	75,241	146,894	165,075	163,386	181,946	190,752	198,523	206,647	215,043	223,689
REFUSE RATE										
Separate Uniform Refuse Rate	255,290	237,631	243,883	249,447	254,383	259,844	264,854	268,313	272,926	277,466
SEWERAGE RATE										
Separate Sewerage Rate	757,934	869,440	968,425	981,025	1,016,586	1,028,621	1,044,501	1,071,013	1,077,396	1,097,484
Separate Sewerage Rate	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555
	759,489	870,995	969,980	982,580	1,018,141	1,030,176	1,046,056	1,072,568	1,078,951	1,099,039
SECURITY PATROL										
Separate Security Patrol Rate	47,317	37,954	38,775	39,564	40,309	41,012	41,716	42,424	43,081	43,747
Separate Uniform Annual Charge	47,317	37,954	38,775	39,564	40,309	41,012	41,716	42,424	43,081	43,747
	94,634	75,908	77,550	79,128	80,618	82,024	83,432	84,848	86,162	87,494
District Wide	2,360,895	2,544,167	2,758,871	2,992,869	3,175,799	3,257,445	3,312,205	3,360,040	3,548,136	3,527,782
TOTAL RATE LEVY ŌTOROHANGA COMMUNITY	4,006,197	4,502,723	4,917,954	5,185,123	5,459,384	5,595,486	5,693,838	5,817,053	6,051,548	6,075,671





KĀWHIA COMMUNITY	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Separate Kāwhia Community Rate	138,466	168,470	189,604	191,424	195,990	200,416	202,628	207,274	211,170	213,256
Separate Kāwhia Community Uniform Annual Charge	63,422	72,921	81,259	82,039	83,996	85,892	86,840	88,832	90,502	91,396
AOTEA EROSION PROTECTION RATE										
Aotea Erosion Separate Rate	36,865	114,029	98,309	100,640	62,959	64,009	64,934	65,890	66,651	67,471
Aotea Erosion Loan Rate	7,790	7,550	-	-	-	-	-	-	-	-
Separate Water Rate - Debt Servicing	64,841	75,771	74,390	67,748	66,671	65,588	64,507	63,423	62,337	61,252
Separate Water Rate-Connected Properties	251,913	290,587	337,458	347,856	362,092	368,536	376,961	374,197	376,531	384,547
Kāwhia Refuse Rate	174,477	206,849	230,261	233,740	234,308	239,106	243,766	247,767	251,853	255,932
District Wide	1,047,838	1,114,136	1,200,976	1,301,686	1,380,027	1,414,258	1,436,783	1,456,269	1,536,472	1,526,355
TOTAL RATE LEVY KAWHIA COMMUNITY	1,785,612	2,050,313	2,212,257	2,325,133	2,386,043	2,437,805	2,476,419	2,503,652	2,595,516	2,600,209

EXAMPLE RATE INCREASES

The following rate increases are indicative only and are only for reference purposes. The actual increases in later years may be impacted by revaluations of the rating roll and any changes in the number of properties in an area. The following examples exclude specific rates such as Rural Hall rates.

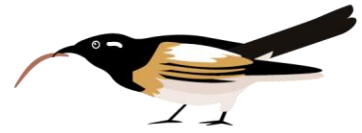
PROPERTY VALUE	2024/25		2025/26		2026/27	
	% CHANGE	\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	\$ CHANGE
ŌTOROHANGA RESIDENTIAL						
585,000	12.92%	\$ 358.38	11.05%	\$ 346.32	8.55%	\$ 297.43
637,500	12.58%	\$ 361.96	11.17%	\$ 361.88	8.56%	\$ 308.22
ŌTOROHANGA COMMERCIAL						
750,000	8.34%	\$ 387.20	7.93%	\$ 399.11	7.92%	\$ 430.35
937,500	7.70%	\$ 404.82	8.54%	\$ 483.69	7.99%	\$ 491.18
KĀWHIA						
621,000	17.03%	\$ 538.48	14.93%	\$ 552.47	8.45%	\$ 359.42
737,500	16.97%	\$ 575.20	14.57%	\$ 577.60	8.38%	\$ 380.81
RURAL						
1,500,000	9.59%	\$ 294.64	5.73%	\$ 193.09	7.68%	\$ 273.27
2,300,000	7.54%	\$ 324.16	5.56%	\$ 257.14	7.69%	\$ 375.20
5,000,000	5.03%	\$ 423.77	5.35%	\$ 473.30	7.71%	\$ 719.25



WEAVING THE
FUTURE, TOGETHER
KOTAHITANGA
ŌTOROHANGA DISTRICT COUNCIL

LONG TERM PLAN DISCLOSURE STATEMENT

FOR PERIOD COMMENCING 1 JULY 2024
FINANCIAL REGULATIONS BENCHMARKS



FINANCIAL REGULATIONS BENCHMARKS

PURPOSE

The purpose of this statement is to disclose council's planned financial performance in relation to various benchmarks to enable the assessment of whether council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

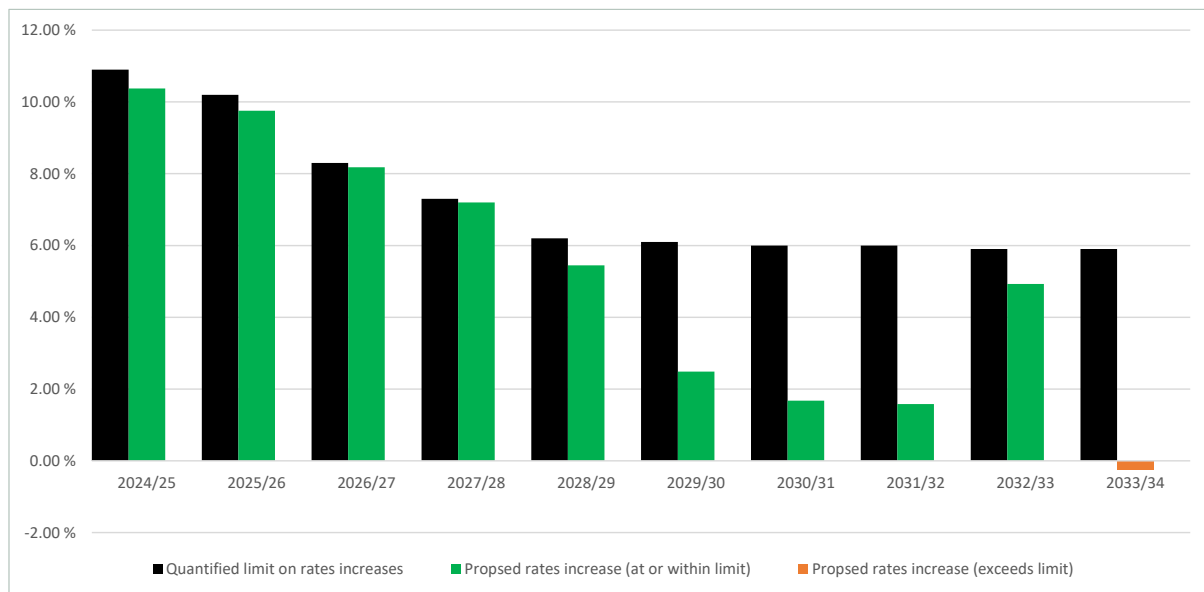
The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

RATES AFFORDABILITY BENCHMARK

The council meets the rates affordability benchmark if its planned rates increases equal or are less than each quantified limit on rates increases.

RATES (INCREASES) AFFORDABILITY

The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is LGCI inflation plus 8% for 2024/25 and 2025/26, 6% for 2026/27, 5% for 2027/28 and then 4% from 2028/29 onwards.

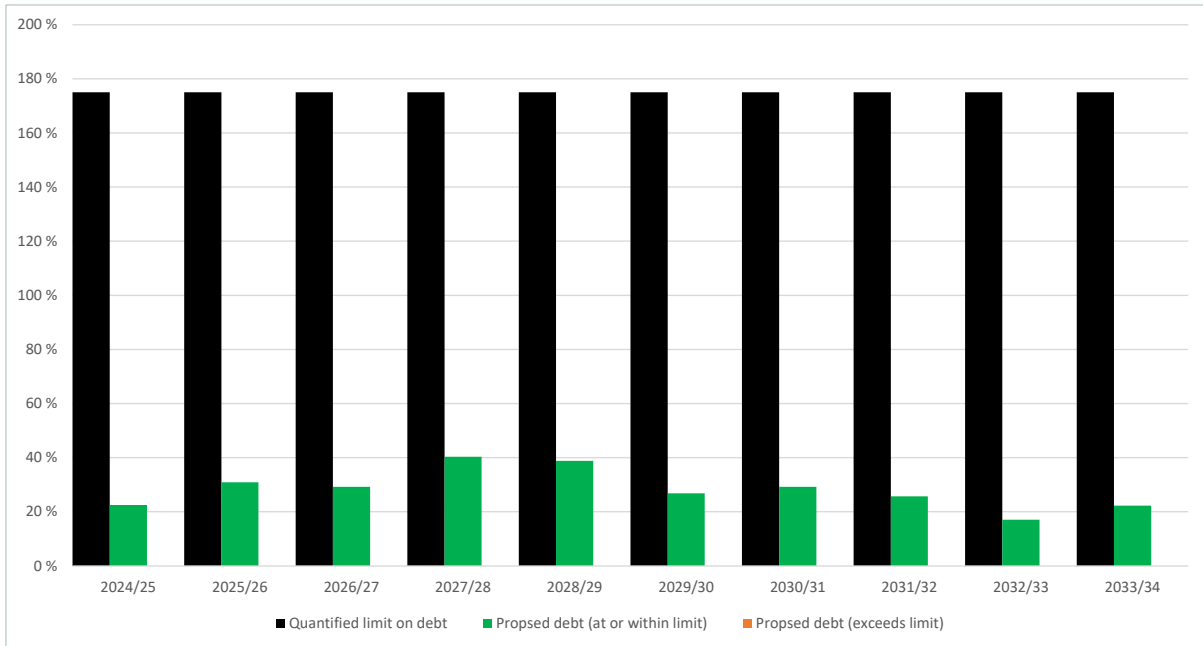
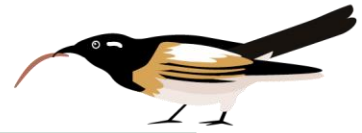


DEBT AFFORDABILITY BENCHMARK

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is debt being no more than 175% of total revenue for the year.

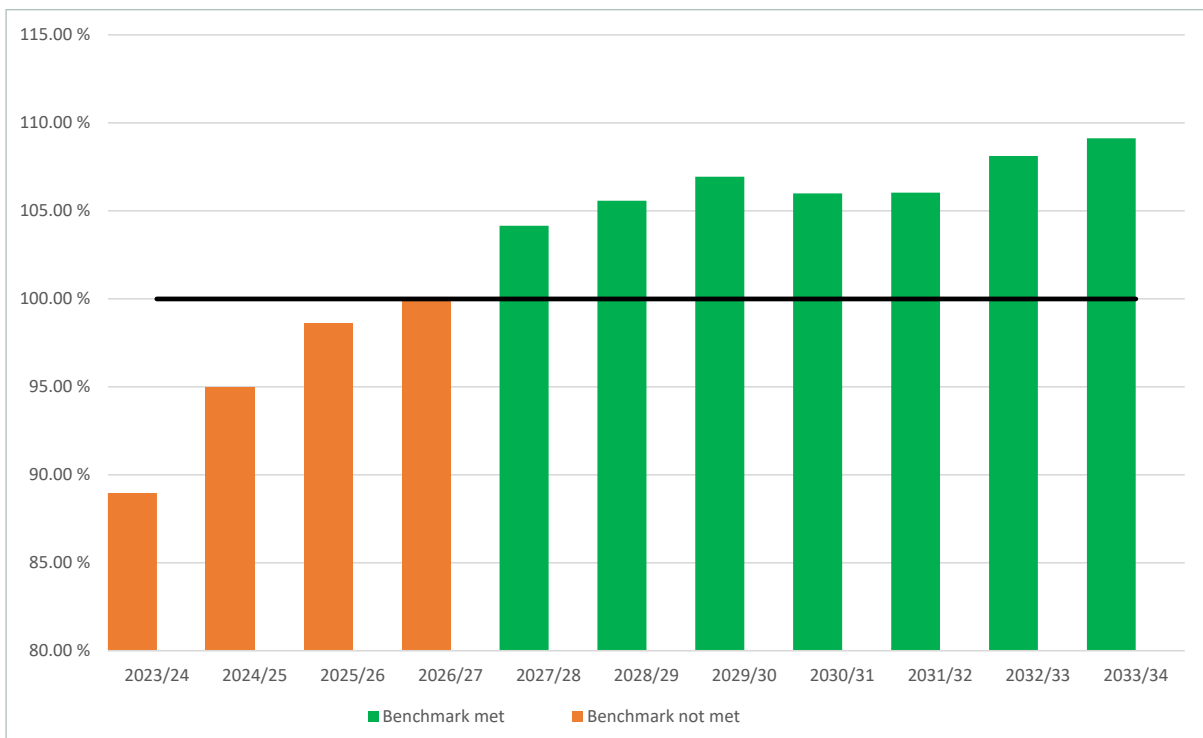




BALANCED BUDGET BENCHMARK

The following graph displays council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



We have elected to not fully fund depreciation on certain assets for the first three years of the Long Term Plan. This has resulted in the balanced budget requirement not being met in those first three years. As we resume fully funding depreciation, we achieve the balanced budget requirement for the following years.



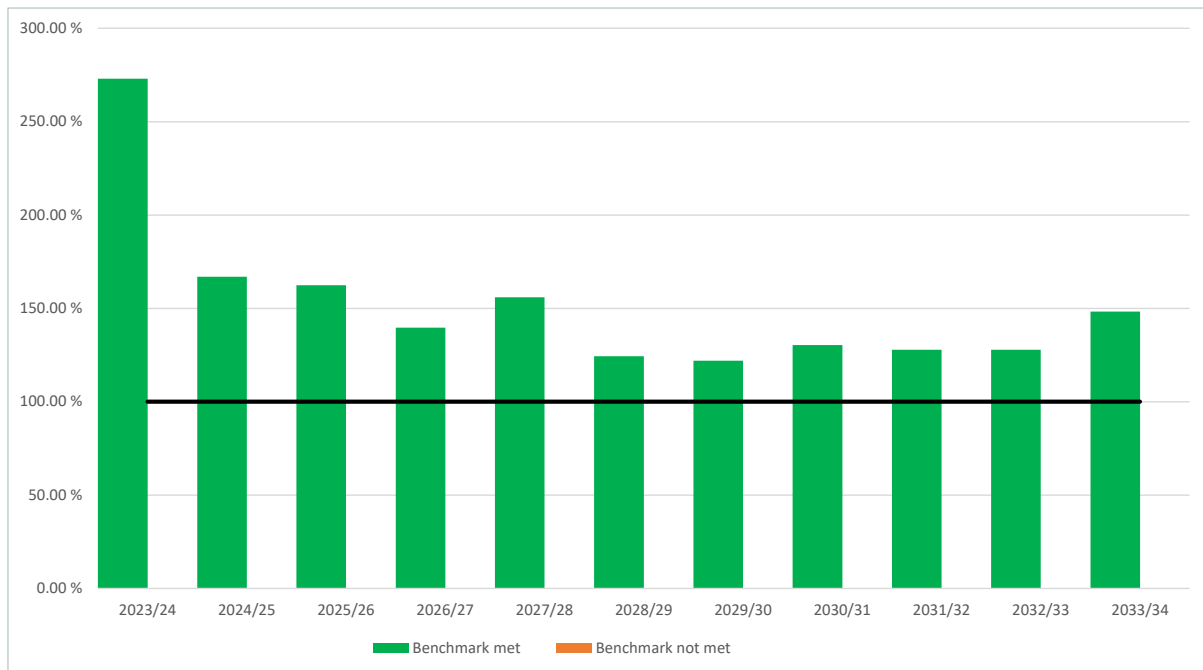


The impact of not having a balanced budget in the first 3 years is that it may lead to increased borrowing to cover the shortfall in operating expenditure. This may have a flow-on effect of increased borrowing costs in future years. This could mean we may have to borrow money to enable us to pay for any unexpected renewal work needed, as opposed to having the money already put aside from funding the depreciation. Needing to borrow could lead to higher rate increases in future years to cover the interest on those loans.¹

ESSENTIAL SERVICES BENCHMARK

The following graph displays council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

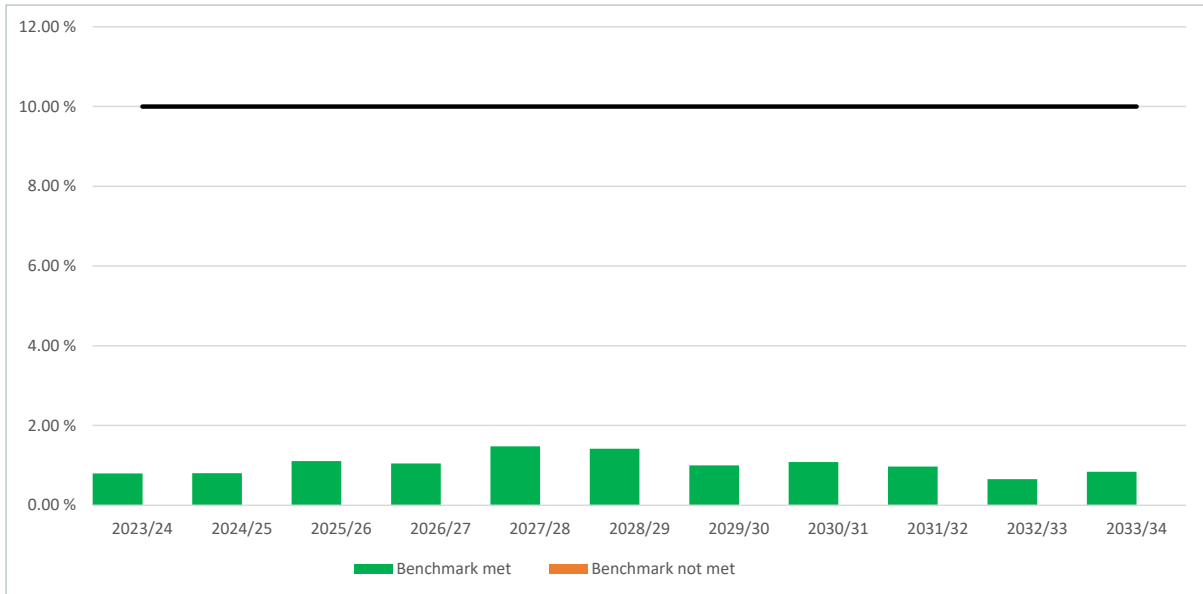


DEBT SERVICING BENCHMARK

The following graph displays council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Taking into account that Statistics New Zealand projects the district's population to grow more slowly than national population projections, Council will meet the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

¹ See also Long Term Plan 2024 – 2034 – Volume 2: Financial Strategy, pages 5 – 11.





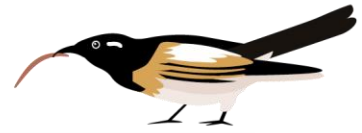
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WHAT OUR AUDITORS SAY

...



Te Kaunihera ā-Rohe o
Ōtorohanga
District Council
Where kiwi can fly



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To the reader:

INDEPENDENT AUDITOR'S REPORT ON ŌTOROHANGA DISTRICT COUNCIL'S 2024-2034 LONG-TERM PLAN

I am the Auditor-General's appointed auditor for Ōtorohanga District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Deloitte Limited. We completed our report on 25 June 2024.

Qualified Opinion

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

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 149 to 152 (volume 1) represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

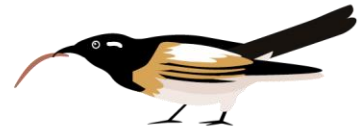
Basis for qualified opinion – Assumption relating to Waka Kotahi NZ Transport Agency funding

As outlined on page 53 (volume 2), funding for the transport activity is dependent on a subsidy from Waka Kotahi NZ Transport Agency (the Agency). On 6 June 2024, the Agency's Board endorsed an indicative subsidy of \$30.1 million for the Council's local road maintenance, over the first three years of the plan. This is \$3.28 million lower than the Council had requested and has forecast in its plan.

The assumption and prospective financial statements have not been adjusted, resulting in an overstatement of Council's estimated grants and subsidies revenue of \$1.093 million per annum over the first three years of the plan.

Given the Council has not made any decisions on alternative funding sources, including increasing rates or increasing debt, we cannot determine the possible effects on other areas of the plan.





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There are no satisfactory audit procedures we could perform to confirm the impact of the reduction in the subsidy on the 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.

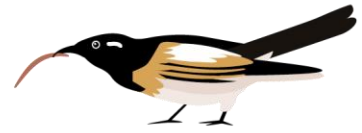
We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.





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Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality management

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.; and
- quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

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

Matt Laing
Deloitte Limited
On behalf of the Auditor-General, New Zealand

