

MEMORANDUM



To	Elected Members
From	Colin Bailey, Finance Manager Nicole Hubbard, Corporate Planning Manager
Subject	2024-2034 Long Term Plan proposed budget
Date	7 February 2024

SECTION 1 OVERVIEW

PURPOSE

1. This report presents the draft outcome of the proposed budgets submitted by staff for consideration as part of the development of the 2024-2034 draft Long Term Plan. The report responds to the direction that has been set by the Elected Members through the Strategic Priorities, their feedback on the dials for each activity and the request to consider the communities ability to pay.

REPORT STRUCTURE

2. The report has been set out in the following sections:
 - a. Section 2: Background
 - b. Section 3: Groups of Activities
 - c. Section 4: Staff numbers and salaries
 - d. Section 5: Funding and Revenue
 - e. Section 6: Reserves
 - f. Section 7: Financial position
 - g. Section 8: Opportunities to smooth the general rate increase

SECTION 2 BACKGROUND

3. Staff have been working on the development of the 2024-2034 Long Term Plan for the majority of 2023, with the work to date culminating in the proposed budget presented for discussion.
4. Activities undertaken to reach this point have included:
 - Review of the Community Outcomes and creation of Strategic Priorities.
 - Setting the Group of Activities Structure.
 - Adoption of growth projections.
 - Drafting of significant forecasting assumptions.
 - Development of Asset and Activity Management Plans.
 - Review of financial policies.
 - Drafting of Infrastructure Strategy and Financial Strategy.
 - Drafting of the Development Contributions Policy.
 - Development of capital and operational budgets.
 - Estimate of rating impacts.
5. Council has a strong focus on delivering services and projects at an adequate level, while investing in improving the wellbeing of our communities. However, demands on our budgets, some of which are out of our control, have increased.
6. Over the last two years, Council finances have been significantly impacted by factors outside its control. There are three key drivers increasing Council costs: the international effects of record inflation and interest rate levels, and the national challenges of increased compliance demands imposed by central government. Councils across the country are facing the same challenges – these are not unique to Waikato District or how we operate. The business of local government is costing more to deliver.
7. In developing this LTP budget there has been unprecedented levels of uncertainty because of legislative reforms. In particular, the changes to funding Three Water Services had created uncertainty when developing the work programme and required changes later in the process. The government has also signalled that pushing out timeframes for confirming Waka Kotahi share of transport projects will occur. Even with these high levels of uncertainty, we are still aiming to adopt a Long Term Plan by 30 June 2024.
8. All properties in the district are currently being revalued in line with the requirements of the Office of the Valuer General. This doesn't impact Council's finances however it adds complexity to communicating rates increases to the community.

9. Through early discussions with Councillors about potential general rate increases, it was observed our communities are facing huge financial pressure. In the current year, late payment penalty income is tracking higher than anticipated and there is an upwards trend in direct debit dishonours, providing evidence the financial pressures.
10. The proposed budget results include revenue from property rates as shown below. Also shown are the draft percentage increases, rates amounts (including GST) and comparisons to the 2021-2031 LTP.

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
General rates	98,529,829	105,694,918	113,381,053	121,626,123	130,470,775	136,657,699	143,138,007	149,925,611	157,035,084	164,481,687
Targeted rates	45,411,293	52,188,700	59,851,580	68,729,521	79,039,504	90,979,338	104,855,789	120,934,610	139,626,939	161,314,240
	143,941,123	157,883,618	173,232,632	190,355,644	209,510,278	227,637,036	247,993,796	270,860,221	296,662,022	325,795,927

% increase		2024/25		2025/26		2026/27	
		LTP 2021-2031	LTP 2024-2034	LTP 2021-2031	LTP 2024-2034	LTP 2021-2031	LTP 2024-2034
General rates							
	General rate	3.5%	13.75%	3.5%	6.0%	3.5%	6.0%
	UAGC	3.5%	13.75%	3.5%	6.0%	3.5%	6.0%
Targeted rates							
	Water	17.2%	16.2%	17.2%	16.2%	17.2%	16.2%
	Wastewater	8.9%	14.2%	8.9%	14.2%	8.9%	14.2%
	Stormwater	11.1%	15.2%	11.1%	15.2%	11.1%	15.2%
	Solid Waste - District Wide	3.0%	15.3%	3.0%	15.3%	3.0%	15.3%
	Solid Waste - Raglan	5.3%	8.1%	5.3%	8.1%	5.3%	8.1%

\$		2024/25		2025/26		2026/27	
		LTP 2021-2031	LTP 2024-2034	LTP 2021-2031	LTP 2024-2034	LTP 2021-2031	LTP 2024-2034
General rates							
	General rate - factor on CV	0.0023720	0.0026096	0.0024576	0.0027662	0.0025436	0.0029322
	UAGC	478.74	526.71	496.02	558.31	513.38	591.81
Targeted rates							
	Water	472.99	469.11	554.35	545.27	649.69	633.80
	Wastewater	1,494.37	1,567.23	1,627.37	1,789.94	1,772.20	2,044.29
	Stormwater	265.22	274.93	294.68	316.64	327.41	364.68

\$		2024/25		2025/26		2026/27	
	Solid Waste - District Wide	228.26	255.56	235.11	294.71	242.16	339.86
	Solid Waste - Raglan	167.44	171.84	176.31	185.71	185.66	200.70

Rating examples for the proposed general and targeted rates can be found in Attachments 10 and 12.

11. The main reasons for the increase in the general rate income include:

- The proposed capital expenditure for the 10 years of the 2024-2034 LTP is \$1.5 billion, compared with \$1.0 billion in the 2021-2031 LTP. This is driven by increases in the Three Waters activities, primarily wastewater, and the Transport programme of works. As a result, debt is predicted to peak at \$601 million in 2030/31 and ends the LTP period at \$446 million resulting in substantially higher external interest that is funded by general rates.
- The proposed operational expenditure for the 10 years of the 2024-2034 LTP is \$2.9 billion, compared with \$1.9 billion in the 2021-2031 LTP. This is driven by substantially higher Transport expenditure, and higher than expected inflation since 2020.
- The following increases are consistent with current actual costs, but are an increase from the 2021-2031 LTP:
 - Consents – revenue has reduced, and staff require additional time to review consents as they are required to assess against both the operative and proposed District Plan.
 - Building Quality – The number of contractors being used to support this service has increased.
 - Animal Control – The number of staff in this area of the business has increased substantially.
 - Staff numbers have increased by 70 FTEs over the whole business, compared with the 2021-2031 LTP.
- Operating cost comparisons to the 2021-2031 LTP for the first three years are included in Attachment 6.

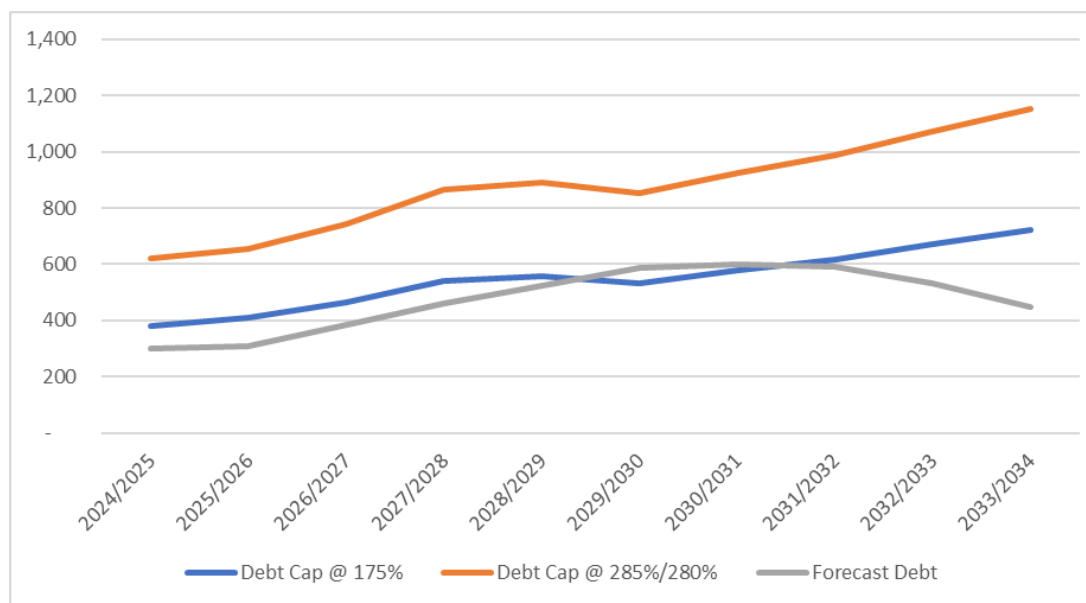
12. The main reasons for the increase in the targeted rate income include:

- Solid Waste supplier contract values escalate at rates substantially above the BERL inflation indicators, but as targeted rates are relatively low (compared with those for Wastewater and Water) the overall rating impact is low.
- The proposed capital expenditure for the 10 years of the 2024-2034 LTP is \$1.5 billion, compared with \$1.0 billion in the 2021-2031 LTP. This is driven by increases in the Three Waters activities, primarily wastewater, and the Transport programme of works. This capital work programme is the major driver of targeted rate increases.

13. External debt peaks at \$601 million in 2030/31 and ends the LTP period at \$446 million resulting in substantially higher external interest that is funded by general and targeted rates. The policy debt cap of 175% of applicable revenue is breached in years 6 and 7. The significant assumption that has been made regarding the funding of the capital expenditure programme is \$120 million of Government Grants will be received to part fund the Huntly Wastewater Treatment plant upgrade (\$50 million) and various smaller Transport projects (\$20 million).

14. The policy debt cap can be increased to 285% of applicable revenue in Year 1 of the LTP, and 280% in the subsequent years. This debt cap is set by the Local Government Funding Authority (LGFA).

<i>\$ million</i>	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Debt Cap @ 175%	382	408	463	542	556	533	578	616	669	720
Debt Cap @ 285%/280%	621	653	741	867	889	853	925	986	1,071	1,153
Forecast Debt	301	310	386	459	523	586	601	590	532	446



15. The proposed process from here is outlined below.

Date	Activity
7 /8 February	Council workshops on the detailed budget
28 / 29 February	Council meeting to adopt the proposed budget and consultation topics
19 March	Council meeting to adopt the consultation document
25 March – 26 April	Consultation period
14 – 16 May	Hearings
4 – 7 June	Deliberations
25 June	Adoption of final 2024-2034 Long Term Plan

SECTION 3 GROUPS OF ACTIVITIES

16. The following section presents a summary of the proposed budget for each Group of Activities (GOA), any key changes to the activity budgets, as well as proposed performance measures and targets.
17. Alongside the review of the draft budget, Council are asked to review the proposed measures to ensure that these reflect the key matters that the LTP aims to address. Where budget adjustments are made, consideration needs to be given to the potential impact that this may have on levels of service.
18. Each GOA section contains the following information:
 - A statement regarding the activities included in the GOA
 - Feedback we've heard from Councillors
 - Overview of material budget changes
 - Unfunded requests
 - Levels of service and performance measures.
19. Additional information that will be provided to Council is included in the following attachments:
 - Attachment 1 - A description about what each activity does and why we provide the activity.
 - Attachment 2 – Significant negative effects.

SECTION 3.1 THREE WATERS

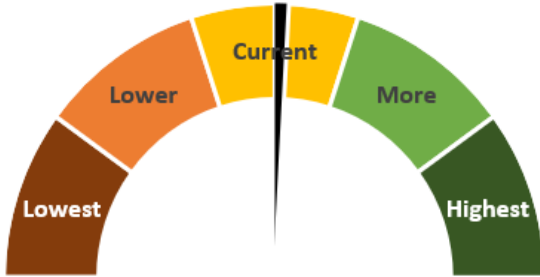
This group of activities includes one activity:

- Three waters

Managing water resources involves providing water supply, wastewater services, and managing stormwater. This includes operating and maintaining existing infrastructure, planning to renew current infrastructure, and creating new infrastructure to support growth and development.

What we've heard from Councillors

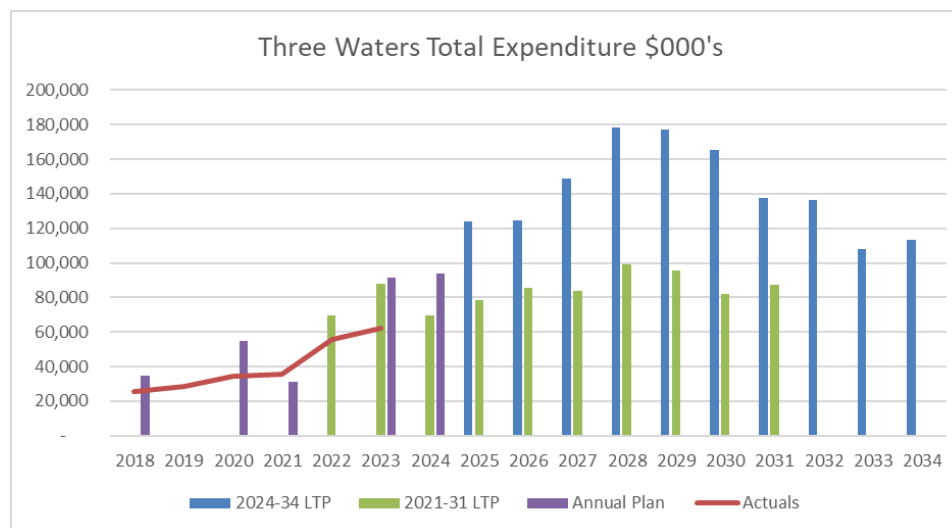
Throughout the Activity Management Planning process Councillors provided feedback on areas of the business where they would like to see increased effort in the services we provide. A summary of the feedback is included below for reference.

Three waters

<ul style="list-style-type: none">• Continue with the current work programme to make improvements in our water infrastructure.• It is likely that we will have to spend more in this area of the business to ensure compliance and meet basic levels of service.

Overview of proposed material budget changes

20. A number of Wastewater Treatment plant consents have expiration dates within the 10 year period.
21. Additional investment is proposed in Stormwater infrastructure to support a more resilience network.
22. The contract with Watercare is due to move into it's second phase, its likely we will need to consult with the community about these changes.

Total Expenditure for Three Waters Groups of Activities



Capital programme

23. The capital programme for this group of activities totals \$768.6 million. The capital expenditure programme has been recommended by the Water Governance Board.

24. The proposed budget assumes a level of funding from central government for the Huntly Wastewater Treatment Plant upgrade.

Performance measures

25. The following table presents the proposed performance measures for the Three Waters Group of Activities.

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
Stormwater							

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
Safety – The community can expect that our infrastructure will protect people and properties from flooding caused by stormwater runoff.	We will provide a reliable stormwater system that protects people and properties from flooding.	The number of flood events that occur in the Waikato district.* Roll-over measure.	2022/23: 1. Achieved.	Less than 5 events per annum	Less than 5 events per annum	Less than 5 events per annum	Less than 5 events per annum
		For each flooding event, the number of habitable floors affected. (Expressed per 1,000 properties connected to Council's stormwater system). * Roll-over measure.	2022/23: 0.28. Achieved.	0.3 affected per 1,000 properties per event	0.3 affected per 1,000 properties per event	0.3 affected per 1,000 properties per event	0.3 affected per 1,000 properties per event
Reliability / responsiveness – The community can expect a reliable stormwater network that drains water away.	We will provide a stormwater system that is reliable, efficient and effective.	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. * Roll-over measure.	2022/23: 15 hours. Not achieved.	Less than or equal to 2 hours	Less than or equal to 2 hours	Less than or equal to 2 hours	Less than or equal to 2 hours
		The total number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to Council's stormwater system. * Roll-over measure.	2022/23: 2.92. Achieved.	Less than 4 per 1,000 properties per year	Less than 4 per 1,000 properties per year	Less than 4 per 1,000 properties per year	Less than 4 per 1,000 properties per year
Sustainability – The community can expect us to minimise the pollution of the district's waterways caused by contaminants in stormwater runoff.	We will provide a stormwater system that minimises the impact on the districts waterways.	Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders, and convictions received by Council in relation to those resource consents. * Roll-over measure.	2022/23: 0. Achieved.	0	0	0	0

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
Wastewater							
Safety – The community can expect the wastewater system to protect people's health and our environment.	We will minimise risks to public health and our waterways.	The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1,000 sewerage connections to the sewerage system. * Roll-over measure.	2022/23: 0.55. Achieved.	Less than or equal to 3 per 1,000 connections	Less than or equal to 3 per 1,000 connections	Less than or equal to 3 per 1,000 connections	Less than or equal to 3 per 1,000 connections
Reliability / responsiveness – The community can rely on our services to remove wastewater from properties.	We will provide a wastewater system that is reliable, efficient and effective.	Where Council attends to sewerage overflows resulting from a blockage or other fault in Council's sewerage system, the median response time. Attendance time: from the time that Council receives notification to the time that service personnel reach the site. * Roll-over measure.	2022/23: 42 minutes. Achieved.	Less than or equal to 1 hour (60 minutes)	Less than or equal to 1 hour (60 minutes)	Less than or equal to 1 hour (60 minutes)	Less than or equal to 1 hour (60 minutes)
		Where Council attends to sewerage overflows resulting from a blockage or other fault in Council's sewerage system, the median response time. Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault. * Roll-over measure.	2022/23: 111 minutes. Achieved.	Less than or equal to 4 hours (240 minutes)	Less than or equal to 4 hours (240 minutes)	Less than or equal to 4 hours (240 minutes)	Less than or equal to 4 hours (240 minutes)
		The total number of complaints received by Council about sewerage odour, sewerage system faults, sewerage system blockages, and Council's response to issues with its sewerage system, expressed per 1,000	2022/23: 4.88. Achieved.	Less than or equal to 10 per 1,000 connections	Less than or equal to 10 per 1,000 connections	Less than or equal to 10 per 1,000 connections	Less than or equal to 10 per 1,000 connections

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
		connections to Council's sewerage system. * Roll-over measure.		S	S	S	S
Sustainability – The community can expect us to minimise the pollution of the district's waterways caused by contaminants in stormwater runoff.	We will manage wastewater treatment and disposal to minimise harm to the environment.	Compliance with Council's resource consents for discharge from its sewerage system measured by the number of abatement notices, infringement notices, enforcement orders, and convictions received by Council in relation to those resource consents. * Roll-over measure.	2022/23: 2. Not achieved.	0	0	0	0
Water supply							
Safety – The community can expect a quality water supply that protects people's health and supports industry requirements.	We will provide water supply that is safe to drink.	The extent to which Council's drinking water supply (zones) complies with Part 4 of the drinking-water standards (bacteria compliance criteria). * Roll-over measure.	2022/23: 18. Achieved.	18 (no. of zones that comply out of 18)	18 (no. of zones that comply out of 18)	18 (no. of zones that comply out of 18)	18 (no. of zones that comply out of 18)
		The extent to which Council's drinking water supply complies with Part 5 of the drinking-water standards (protozoal compliance criteria). * Roll-over measure.	2022/23: 15. Achieved.	15 (no. of zones that comply out of 18)	15 (no. of zones that comply out of 18)	15 (no. of zones that comply out of 18)	15 (no. of zones that comply out of 18)
Reliability / responsiveness – The community can rely on a continuous supply of water.	We will provide water supply that is reliable and ensure that water which is received has a good flow / pressure.	Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response time. Attendance for non-urgent callouts: from	2022/23: 1 day. Achieved.	≤5 Days	≤5 Days	≤5 Days	≤5 Days

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
		<p>the time that Council receives notification to the time that service personnel reach the site *</p> <p>Roll-over measure.</p>					
		<p>Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response time.</p> <p>Attendance for urgent callouts: from the time that Council receives notification to the time that service personnel reach the site*</p> <p>Roll-over measure.</p>	2022/23: 44. Achieved.	≤60 minutes	≤60 minutes	≤60 minutes	≤60 minutes
		<p>Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response time.</p> <p>Resolution of non-urgent callouts: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption. *</p> <p>Roll-over measure.</p>	2022/23: 1. Achieved.	≤5 Days	≤5 Days	≤5 Days	≤5 Days
		<p>Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response time.</p> <p>Resolution of urgent callouts: from the time that Council receives notification to the</p>	2022/23: 111. Achieved.	≤240 minutes	≤240 minutes	≤240 minutes	≤240 minutes

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
		<p>time that service personnel confirm resolution of the fault or interruption. *</p> <p>Roll-over measure.</p>					
		<p>The total number of complaints received by Council on drinking water clarity, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, and Council's response to any of these issues, expressed per 1,000 connections to Council's networked reticulation system. *</p> <p>Roll-over measure.</p>	2022/23: 11.56. Achieved.	Less than or equal to 25 per 1000 connections	Less than or equal to 25 per 1000 connections	Less than or equal to 25 per 1000 connections	Less than or equal to 25 per 1000 connections
Sustainability – The community can expect a water supply network that minimised wastage.	We will ensure we don't waste water and that we consider the needs of future generations.	<p>The average consumption of drinking water per day per resident within the Waikato district. *</p> <p>Roll-over measure.</p>	2022/23: 156L. Achieved.	250L	250L	250L	250L
		<p>The percentage of real water loss from Council's networked reticulation system (including a description of the methodology used to calculate this). *</p> <p>Roll-over measure.</p>	2022/23: 19%. Achieved.	28%	28%	28%	28%
*Mandatory measure							

SECTION 3.2 SUSTAINABLE ENVIRONMENT

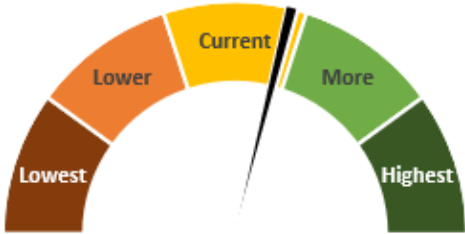
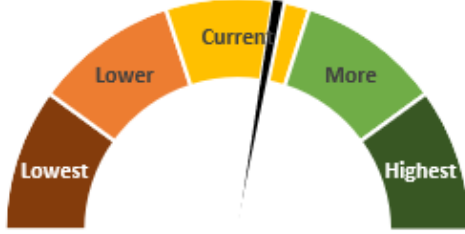
This group of activities includes:

- Consenting
- Community safety
- Waste management
- Strategic and spatial planning

Our strategic focus is to provide an integrated approach to delivering sustainable, attractive, affordable, and safe living options that align with the expectations of ratepayers. We aim to achieve this by streamlining our processes, reducing costs, and delivering the desired outcomes for both the community and the Council.

What we've heard from Councillors

Throughout the Activity Management Planning process Councillors provided feedback on areas of the business where they would like to see increased effort in the services we provide. A summary of the feedback is included below for reference.

Community safety	Consenting
	
<ul style="list-style-type: none"> • Increase the work we are doing in relation to getting dogs registered, providing education to dog owners, proactive monitoring and promotion of responsible dog ownerships. • Additional information was provided on the dog pound. • Increased risk-based focus / resourcing in the consent inspection space. • More resourcing for parking inspections. 	<ul style="list-style-type: none"> • Consider how could provide the in-person duty planner service. • Move towards meeting our statutory obligations. • Options to improve the ease of dealing with Council. • Consider what a developer forum might be and the value this could add. • Fees and charges review.

Strategic and spatial planning	Waste management
	
<ul style="list-style-type: none"> • Would like to develop a Housing Strategy to understand the role Council could play in this place. • Continue to support the Te Huia and advocate for more access for our northern community. 	<ul style="list-style-type: none"> • Investment required into planning for new services. • Increase the amount of education we are providing to the community about waste. • Staff to bring back more information and options on how we need to respond to government requirements for waste disposal. • Interested in rural waste options.

Overview of proposed material budget changes

Consenting

26. In-person duty planner service has been reinstated with no additional funding requirements.

Community safety

27. Existing dog pound facility in Ngaruawahia will be upgraded, as was provided for the current LTP, rather than building new. Along with continued development of the satellite site in Tuakau.

Waste management

28. The current targeted rates and sticker income do not cover the cost of the waste service, to support better cost recovery staff are proposing an increase in the sticker price.

29. Providing waste management services to customers in the north by developing community resource recovery facilities in Tuakau.

30. Further work is being done to explore funding options and potential mitigation of costs, including renegotiation of contract costs and ensuring we are using the Ministry of Environments waste levy to its full potential.

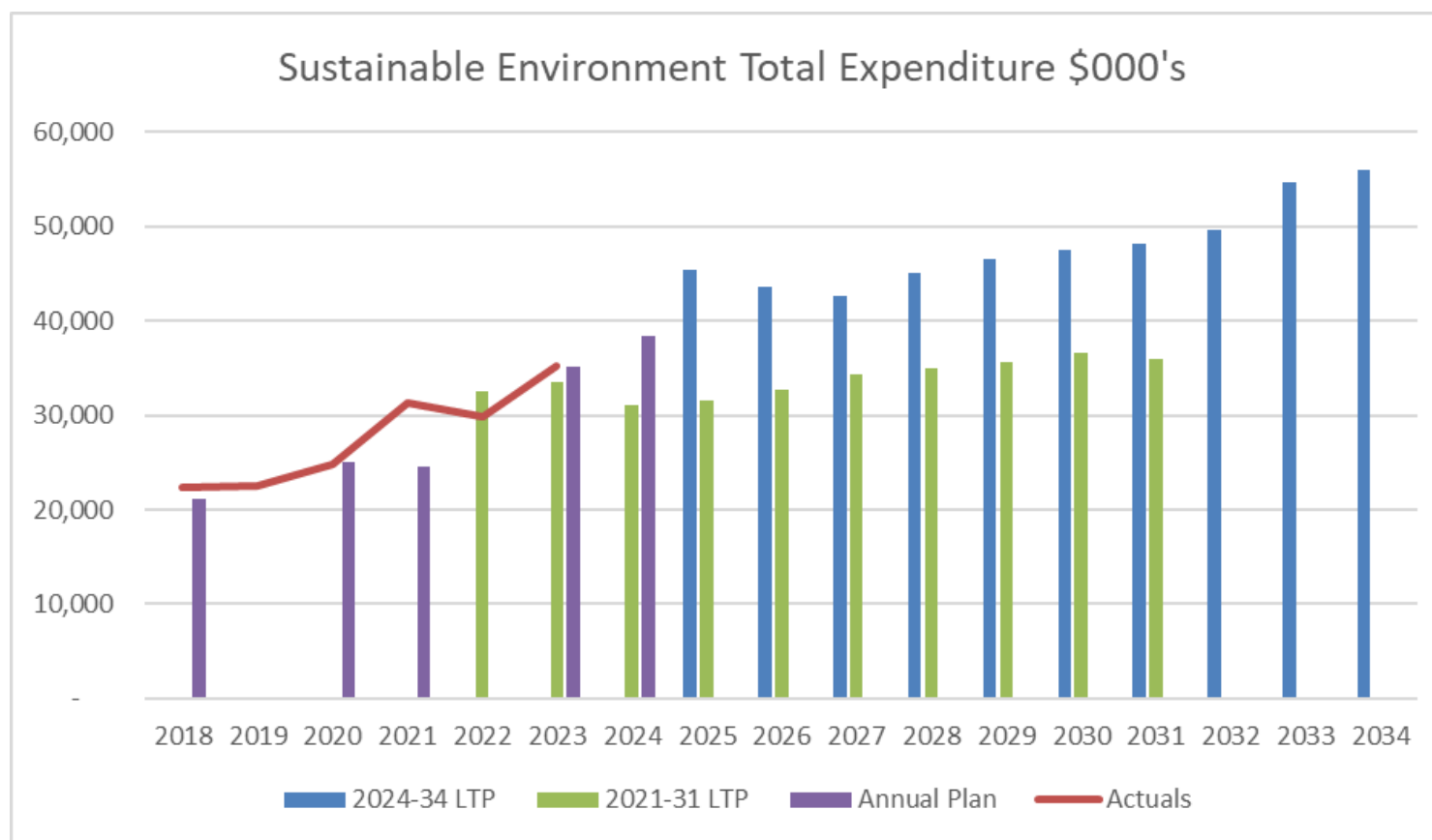
Strategic and spatial planning

31. Existing funding in the current LTP for the next District Plan review has been pushed out to start in year 9 2024-2034 LTP. The funding covers four years, starting in year 9.

32. The Blueprint review budget has been reallocated and smoothed over the 10 years. Staff are not promoting a fulsome consultant-supported review of blueprints in future.
33. Additional funding has also been proposed for Strategic Planning activities, compared with the current LTP, as an appropriate level of funding was only included for the first three years of the current LTP.
34. Staff have proposed that Infrastructure Development Manager services become partly user-pays which provides an income source for this area of the business. It is assumed that an additional \$350k per annum of income will be generated.
35. The following business cases for the Sustainable Environment Group of Activities are included in the proposed budget.

BC #	Activity	Business Case	What the community will receive
009	Waste Management	Bollard Road transfer station	Increased delivery of waste management services by extending rural recycling collection area coverage. Additionally, providing waste management services to customers in the north by developing community resource recovery facilities in Tuakau and Huntly.
003	Strategic and spatial planning	Local area planning and spatial plan development	Continuing our spatial planning processes to gain efficiency in planning for the future of our communities. Staff propose to keep budgets in line with years 1-3 of the 2021-2031 LTP which will ensure current service levels continue. To do this requires additional investment.
039	Strategic and spatial planning	Development agreements	Continuing funding to be able to pay for unforeseen and unbudgeted consultancy work related to strategic development agreements, to enable Council to work nimbly with our strategic customers and improve Council's reputation. Deloitte is preparing a report outlining a self-funding model, and the proposed budget will be updated once Council has considered the report findings.
042	Strategic and spatial planning	Geospatial visualisation tools	Council does not currently have a solution or business process to forecast or manage the supply and demand for infrastructure requirements for community developments. The proposed budget is to progress the development of Hanga Waikato in Years 4-6, which will enable an integrated approach and significantly increased visibility/transparency and ease of accessing Council spatial information.

Total Expenditure for Sustainable Environment Group of Activities



Capital programme

36. The capital programme for this group of activities totals \$6.8 million. Capital expenditure for Solid Waste includes \$2.1 million in 2024/25 for the Waikato Resource Recovery Facility.

Unfunded requests

37. The following business cases were excluded from the proposed budget as they are not a critical priority.

BC #	Activity	Business Case	Rationale
001	Community Safety	South Dog Pound	Decision to upgrade the existing Ngaaruawaahia Pound to make it fit-for-purpose, working within the \$1.85M budget approved in the 2021-2031 LTP.
038	Strategic and Spatial Planning	Development Contributions	This is not a critical priority.
040	Strategic and Spatial Planning	Development of internal growth models	This is not a critical priority, however, the funding for Housing Business Association data, which was part of this overall business case has been included in the proposed budget as this is critical work that supports our legislative compliance reporting on the NPS-UD.
041	Strategic and Spatial Planning	Infrastructure funding and financing	This is not a critical priority.

Performance measures

38. The following table presents the proposed performance measures for the Sustainable Environment Group of Activities.

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
Consenting							
Safety – The community can expect Council to conduct swimming pool fence inspections to safeguard our communities.	We will ensure that swimming pool fence inspections are conducted once every three years.	<p>The percentage of scheduled* swimming pool fences that are inspected for compliance.</p> <p>*All swimming pool fences are inspected once every three years.</p> <p>Roll-over measure (including wording update for clarification).</p>	2022/23: 100%. Achieved.	100%	100%	100%	100%

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
Safety – The community can expect sleeping care and paid accommodation establishments to have appropriate working safety systems.	We will ensure that audits of sleeping care and paid accommodation buildings occur annually.	The percentage of buildings that provide sleeping care or paid accommodation are audited for compliance annually. Roll-over measure.	2022/23: 100%. Achieved.	100%	100%	100%	100%
Safety – The community can expect commercial and industrial buildings to be compliant with safety standards.	We will ensure that audits of commercial and industrial buildings occur every three years.	The percentage of existing buildings with building WOFs that are monitored and audited for compliance. *All existing buildings with building WOFs are monitored once every three years. Roll-over measure (including wording update for clarification).	2022/23: 33%. Achieved.	100%	100%	100%	100%
Reliability / responsiveness – The community can expect Council to process building consent applications in a timely manner.	We will ensure that building consent applications are processed within statutory timeframes.	The percentage of building consent applications that are processed within statutory timeframes. Roll-over measure (including wording update for clarification).	2022/23: 76.55%. Not achieved.	100%	100%	100%	100%
Reliability / responsiveness – The community can expect Council to process resource consent applications in a timely manner.	We will ensure that resource consent applications are processed within statutory timeframes.	The percentage of resource consent applications which are processed within statutory timeframes. Roll-over measure.	2022/23: 92.7%. Not achieved.	94%	96%	98%	98%

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
Community Safety							
Animal Control							
Responsiveness – The community can rely on us to respond when there is a threat to public health and safety.	We will provide a prompt response time to requests for animal control.	The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that have Council personnel on site within one hour. Roll-over measure.	2022/23: 96.8%. Achieved.	95%	95%	95%	95%
Responsiveness – The community can rely on us to respond when there is a threat to public health and safety.	We will provide a prompt response time to requests for animal control.	The percentage of complaints regarding straying stock that have Council personnel on site within one hour. Roll-over measure.	2022/23: 97.65%. Achieved.	95%	95%	95%	95%
Environmental Health							
Quality - The community can expect food premises to be complaint with hygiene standards.	We will monitor food premises to ensure they meet food hygiene standards.	The percentage of food verifications completed annually as required by legislation. Roll-over measure (including wording update for clarification).	2022/23: 97%. Achieved.	95%	95%	95%	95%
Safety – The community can expect alcohol related harm to be minimised.	We will ensure that alcohol applications are reviewed and reported on within legislative timeframes.	The percentage of alcohol applications reported* within agreed timeframes as required by legislation.	2022/23: 95% New LTP	95%	95%	95%	95%

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
		*to the District Licencing Committee for consideration	measure.				
Monitoring							
Responsiveness – The community can rely on us to respond when there is a threat to public nuisance.	Complaints of excessive noise are responded to in a timely manner.	Percentage of excessive noise complaints responded to within agreed timeframes. *Timeframes depend on locality of the complaint. Roll-over measure.	2022/23: 86%. Achieved.	85%	85%	85%	85%
Reliability / responsiveness – The community can expect Council to monitor compliance with land use consents.	We will ensure that conditions of land use consents are adhered to.	The percentage of current* land use consents that are older than two years which have been monitored in the last two years. * a land use consent that has ongoing requirements to monitor. Roll-over measure.	2022/23: 38%. Not achieved.	40%	50%	60%	70%
Responsiveness – The community can expect council to ensure natural and physical resources are sustainably managed.	We will ensure that complaints are investigated in a timely manner.	The percentage of complaints of unauthorised activity against the District Plan are resolved within one calendar month.	New LTP measure.	80%	80%	80%	80%
Waste Management							
Reliability/ responsiveness – The community can expect Council to collect kerbside rubbish and recycling to prevent	We will provide a reliable kerbside rubbish and recycling service.	The number of substantiated complaints received by Council about uncollected kerbside rubbish and	2022/23: 196 New LTP	≤250	≤250	≤250	≤250

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
it from becoming a health risk.		recycling.	measure.				
Sustainability – The community can expect Council to provide education and engagement opportunities relating to waste minimisation to improve behaviour and preserve our environment.	We will deliver an annual engagement programme with opportunities to learn or engage in waste minimisation.	Number of face-to-face engagements with the community relating to waste minimisation.	2022/23: 325 New LTP measure.	>1,000 people attended face-to-face engagements	>1,250 people attended face-to-face engagements	>1,400 people attended face-to-face engagements	>1,500 people attended face-to-face engagements per year
Strategic and Spatial Planning							
Sustainability – The community has access to adequately zoned land for commercial and housing requirements.	We will provide sufficient zoned land to cater for the growth and development of the district.	The amount of land zoned* (supply) to cater for growth and development (demand) is in line with statutory requirements. *District Plan-enabled but not necessarily serviced or market-feasible. Roll-over measure (including wording update for clarification).	100%	100%	100%	100%	100%

SECTION 3.3 SUSTAINABLE COMMUNITIES

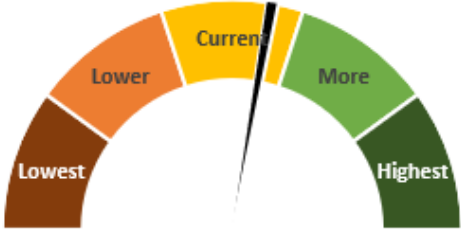
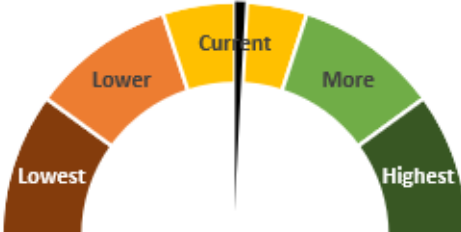
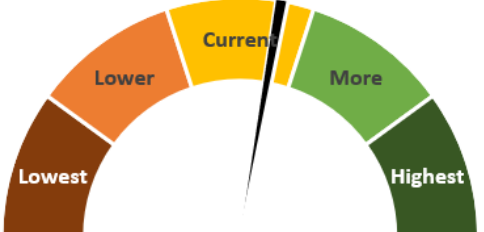
This group of activities includes:

- Economic and community development
- Customer experience
- Community resilience
- Open spaces
- Property and community facilities

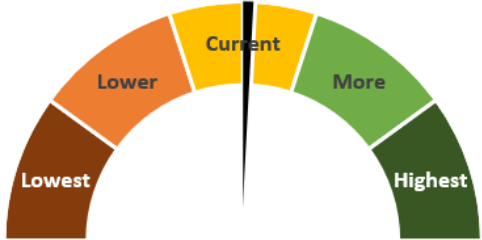
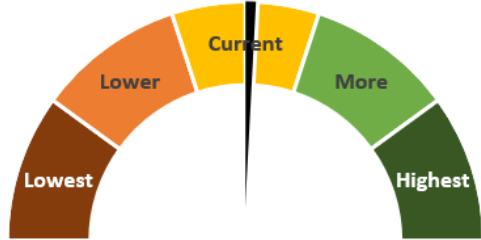
This group of activities focuses on improving the social and economic wellbeing of our communities. We achieve this through the provision of leisure options, while also protecting the enduring nature of our communities. We also support economic development for our district to enrich people's lives through local employment opportunities and improved quality of life.

What we've heard from Councillors

Throughout the Activity Management Planning process Councillors provided feedback on areas of the business where they would like to see increased effort in the services we provide. A summary of the feedback is included below for reference.

Community resilience	Economic and community development	Customer experience
		
<ul style="list-style-type: none"> • Want to maintain the current level of service that is being delivered now but understand this is currently being supported with external funding. • Increase investment in adaptative management. • Maintain current level of service for response 	<ul style="list-style-type: none"> • Maintain current level of service for Economic and Community Development, however, would like to see opportunities for efficiency gains and potential to offer new or different services within existing funding. • Staff to consider the investment required to support Mana Whenua and Rural forums. 	<ul style="list-style-type: none"> • Overall, would like the customer experience to be improved. • Consider options for a mobile library. • More investment in training our customer support staff to deliver a high level of service, as well as training for staff to ensure consistency of experience for all

<p>to emergency events.</p> <ul style="list-style-type: none"> Level of service increase to ensure that our communities are supported to plan and respond to significant weather events. 		<p>customers.</p>
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Open spaces	Property and community facilities
	
<ul style="list-style-type: none"> Staff to come back with options for how to get best utilisation out of our sports parks. Staff to come back with options on how we could deal with vandalism and theft, including considering a localised approach and the use of volunteers. Ensure that our staffing levels are right to support continued delivery of our existing levels of service. Keep delivering the same level of service in relation to reserves planning. 	<ul style="list-style-type: none"> Utilise developer agreements to get more investments in this space. Consider other ways to change and/or growth the strategic property portfolio, no additional rates funding for this area. Staff to come back with options for pools, including opening hours. Separate workshop was held on community halls.

Overview of proposed material budget changes

Economic and Community Development

39. Continued support for the Rural Economic Advisory Panel, but no additional resourcing is included in the proposed budget.

40. Funding for Te Waka (currently \$60k) has been removed from the proposed budget, funding for Hamilton / Waikato Tourism (currently \$150k) is proposed to be reduced to \$75k.

41. In the current LTP three grants totalling \$80k per annum are provided to local Museums. The funding split is currently Tuakau (\$10k), Huntly (\$50k) and Raglan (\$20k). Advice/feedback is sought from Council about whether the value of these grants should change going forward.

Customer experience

42. The proposed budget does not include funding for a mobile library, this is a departure from the current LTP. Note that the Meremere library site is proposed to be retained.
43. Focussed customer experience training is supported within existing budgets in the proposed budget.

Community resilience

44. Funding has been included in the proposed budget to continue with adaptative management work.
45. Funding has been included in the proposed budget to continue with marae resilience work, however this will not be at the current level post cyclone Gabrielle, as this was achieved via external funding opportunities that will cease in the near future.

Open spaces

46. Provision has been included in the proposed budget for progressive land acquisitions for neighbourhood parks and sports park in areas with the highest priority land requirements.
47. Additional funding is proposed to support improvements to our sports parks to increase their usability.
48. Maintaining the investment in reserves planning.
49. Staff have accounted for the increase in the costs of existing contracts, e.g., City Care.

Property and community facilities

50. The Strategic Property portfolio has funding which supports continued delivery of the strategy to dispose of no longer required land and purchase strategic pieces of land.

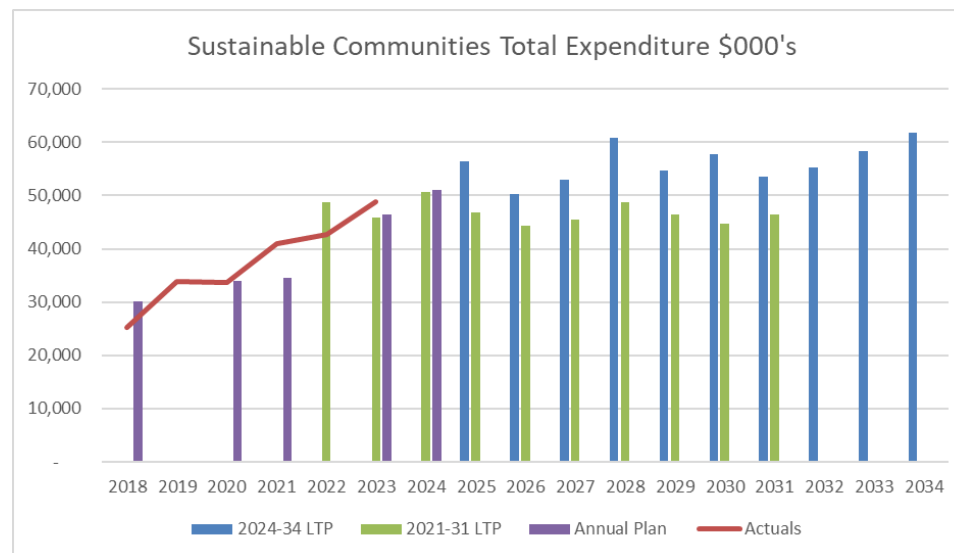
51. The following business cases for the Sustainable Environment Group of Activities are included in the proposed budget.

BC #	Activity	Business Case	What the community will receive
019	Open Spaces	Event booking system	Changing to an off the shelf online booking and reservation system rather than the current manual paper-based process. The transformation will provide a consistent and streamlined experience for users.
022	Open Spaces	General amenity parks and reserves - reserve acquisition	Progressive land acquisitions for neighbourhood parks and sports parks in areas with the highest priority land requirements. The acquisition of additional land would assist in maintaining our current level of service for areas experiencing significant growth.
024	Open Spaces	General amenity parks and reserves - reserve development	As a result of planning to increase our acquisition of reserve land, additional costs are needed to develop these reserves to be fit-for-purpose. The costs of developing these reserves are dependent on their park category (sports/neighbourhood) and size.
029	Open Spaces	Sports parks - maintenance	The long-term sustainability of district wide sports fields is being compromised due to inadequate infrastructure. The proposed budget intends to increase LOS of field surface maintenance, drainage, and lighting.
032	Open Spaces	Boat ramps - Manu Bay	The existing breakwater at the Manu Bay boat ramp is not fit-for-purpose and is causing safety and environmental issues. This is a heavily utilised area and there is a high level of community interest, support and commitment to

BC #	Activity	Business Case	What the community will receive
			design, consent and construct a new breakwater to ensure public safety and minimise coastal effects including natural wave processes and erosion.
013	Property and Community Facilities	JMA commitments	Staff will continue to work with Waikato Tainui and Mana whenua groups to deliver on our JMA commitments and align with the principles of Te Tiriti o Waitangi. The focus will be land history investigation and consultation regarding Council's property portfolio.
014	Property and Community Facilities	Strategic property rates	Increasing the strategic property budgets for paying rates on council-owned land, which currently fall well short of actual costs required to pay these rates. The benefits include more efficient financial and property management, and enhanced data to enable strategic decision-making. Note any reductions in rates payable on Council-owned or administered land will directly translate to a reduction in rates income.
021	Property and Community Facilities	Council offices - Ngaaruwaahia office	Increasing the level of renewals to the Ngaaruwaahia office building to extend operations. Staff also propose to develop a detailed business case for a long-term solution to current infrastructure issues.
025	Property and Community Facilities	Managing facilities - cleaning contracts	New district wide public and corporate toilet cleaning service contracts are required due to the expiry of previous contracts. In addition to the expected price increase when entering new contracts, there has been an increase in repair costs due to larger quantities of vandalism and graffiti.
026	Property and Community Facilities	Managing facilities - Seismic, asbestos and roof issues	Council owned buildings district wide require repairs and replacement works to ensure buildings are fit-for-purpose. Staff propose to address earthquake strengthening, asbestos removal and roof replacements for required buildings.
027	Property and Community Facilities	Community halls	Council owned halls are falling into disrepair due to limited hall committee funds and lack of Council investment. Staff propose a short-term assistance fund for halls with structural issues or requiring urgent repairs.
034	Property and Community Facilities	Library buildings - Ngaaruwaahia library	The current Ngaaruwaahia Library is undersized and aging, and is not suitable for expansion. Budget has been carried over from the 2021-2031 LTP which will enable investigation of a new library/hub to commence.
035	Property and Community Facilities	Managing facilities - disposal of buildings	Funding for the disposal of a number of Council buildings that are either end of life, condemned or affected by erosion. By removing these buildings, the risks of vandalism and health and safety concerns would be reduced, and reserve land could be better utilised for community recreation.
043	Property and Community Facilities	Strategic property portfolio	Proposal to continue to budget for the costs associated with the rationalisation of Council's property portfolio, and the related sale of assets subsequently identified for disposal. The budget is to be funded by property sales.
044	Property and Community Facilities	Property management improvements	Funding for property management tools, including mapping, sales data and survey, title and interest data. These third-party tools will enable staff to respond directly to routine queries without having to engage external consultants, resulting in greater efficiency, better relationships with customers, ability to make more strategic property decisions supporting sustainable growth, and reduced costs.
045	Property and Community Facilities	CCTV	Installation and ongoing management of monitored CCTV throughout the district, partnering with HCC City Safe. The installation is covered by Better Off Funding but annual management and maintenance funding is needed for this service to be implemented to improve security and safety for the community.

Total Expenditure for Sustainable Communities Group of Activities

52. The capital programme for this group of activities totals \$173.6 million.



Unfunded requests

53. The following business cases were excluded from the budget as they are not a critical priority.

BC #	Activity	Business Case	Rationale
006	Community resilience	Community Climate Resilience Fund	This is not a critical priority.
015	Open spaces	Mercer War Memorial	This is a project that would be funded externally to Council.
017	Property and community facilities	Woodlands	An outcome of not proceeding is that there will be no increase in grant funding to the Woodlands Trust.
018	Property and community facilities	Fleet Replacements & EV Charging Infrastructure	This work will be achieved with existing budgets
020	Open spaces	Digitisation of Historic Cemetery Maps	This is not a critical priority.
023	Open spaces	District Wide Trails	This work will be achieved with existing budgets

BC #	Activity	Business Case	Rationale
028	Property and community facilities	Public Toilets	Investment in new toilets beyond existing budgets will be limited.
030	Open spaces	Districtwide Tree Management	This work will be achieved with existing budgets
031	Open spaces	Maintenance Contract (CityCare) Renewal	It has been assumed that Waka Kotahi/NZTA funding to subsidise open spaces will be received.
033	Open spaces	Managed Retreat	This work will be addressed at a later date

Performance measures

54. The following table presents the proposed performance measures for the Sustainable Communities Group of Activities.

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
Economic and Community Development							
Community sustainability – The community is supported by Community Boards to deliver on community aspirations.	We will deliver training and mentoring to increase citizen led democracy and engagement by working directly with Community Boards.	In partnership with Community Boards, develop plans for each Community Board outlining how they will support local aspirations.	No baseline. New LTP measure.	All Community Boards have a plan in place.	Not applicable	All community board plans are revised in line with the expectations of revised membership post local elections.	All community board plans are revised in line with the expectations of revised membership post local elections.
Customer Experience							
Customer service – The community can expect consistent quality customer service.	We will ensure the community receives customer support that aligns with their expectations.	How easy is it to conduct business with Council. * *Measured on a scale of 1-5, 5 being high effort and averaged across all responses.	2022/23: 2.7. Not achieved.	Less than 2.5	Less than 2.5	Less than 2.5	Less than 2.5

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
		Roll-over measure (with wording update for clarity). Source: Residents Survey.					
Reliability / responsiveness – The community can expect Council to respond and complete service requests within a reasonable time.	We will ensure all service requests are responded to and completed within agreed timeframes.	The overall percentage of service requests* responded** to by Council within the agreed timeframes.	2022/23: 79%. New LTP measure.	83%	85%	87%	88%
		The overall percentage of service requests* completed by Council within the agreed timeframes.	2022/23: 68%. New LTP measure.	77%	78%	80%	82%
<p>* A service request is a formal or informal communication from a customer to request assistance, support, or action from council.</p> <p>** A response to the specific service request, rather than an automated acknowledgement.</p>							
Accessibility - The community can access our online information as and when they want it via a range of channels.	We will ensure our digital tools are up and running.	The percentage of time our digital tools* are available within hours of service. *Digital tools include the contact centre platform, website, customer portal, payment gateway and Antenno.	2022/23: 99%. New LTP measure.	99%	99%	99%	99%
Quality – The community can expect our libraries to offer quality resources.	We will ensure all libraries offer a range of resources which enhance learning, research and provide entertainment.	Level of customer satisfaction that the quality of libraries resources meets their needs* *Measured in a six-monthly	2022/23: 98%. Achieved.	90%	90%	90%	90%

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
		inhouse customer survey. Roll-over measure.					
Community Resilience							
Sustainability – The community has the tools to build resilience in response to climate change.	We will work with communities living in vulnerable locations to provide guidance on the impacts of climate change.	Produce Adaptive Management Plans in conjunction with the community.	New LTP measure.	Not applicable	Plan in place for Port Waikato	Plan in place for Raglan	Plan in place for River communities
Safety – The community can rely on Council to respond effectively in an emergency event.	Council is resilient and ready to respond in the event of an emergency.	The evaluation of annual exercise* as a measure of effectiveness of training delivery. ** Roll-over measure (existing KPI with minor wording tweak to target for readability).	No annual exercise undertaken. Not achieved.	Score of >70% from evaluation	Score of >70% from evaluation	Score of >70% from evaluation	Score of >70% from evaluation per year
<p>* If within six months of a planned assessment, a Coordination Centre has been activated and an after-action report (AAR) has been produced, there is no requirement to conduct the planned assessment. An assessment will instead then be performed on the activation efficiency based on the outcome of debriefs conducted by the nominated assessor(s).</p> <p>**mandatory CDEM KPI for Council's in the Waikato.</p>							
Reliability / responsiveness- The community can rely on us to respond efficiently during an emergency operation over a sustained period.	Council is resilient and ready to respond in the event of an emergency.	Council has intermediate level trained responders, to fulfil core Emergency Operations Centre roles. Roll-over measure (existing KPI with minor wording	2022/23: 70. Achieved.	>50	>50	>50	>50

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
		tweak for readability).					
Open Spaces							
Quality – The community can expect parks and reserves to be fit for purpose and encourage community connectedness.	We will ensure that parks and reserves are functional, safe, and well maintained.	Parks and reserves are maintained to the agreed standard. * *As measured by audits of maintenance work.	<i>Baseline to come. Target might be updated as a result.</i> New LTP measure.	Maintain and increase on previous year.	Maintain and increase on previous year	Maintain and increase on previous year	Maintain and increase on previous year
Accessibility – The community will have adequate access to open spaces.	We will ensure that the community has access to a network of parks within existing residential neighbourhoods, and forward plan for new residential growth areas.	Total area of Council managed open space available for recreation per 1,000 population. * *Includes all publicly accessible land which is either owned or managed by Council.	<i>Baseline to come. Target might be updated as a result.</i> New LTP measure.	Maintain or increase on previous year	Maintain or increase on previous year	Maintain or increase on previous year	Maintain or increase on previous year
Reliability / responsiveness – The community can expect Council to encourage and support event organisers by providing quality open spaces and customer service.	We will ensure that consistent and reliable customer service is provided to community members who are booking events.	Percentage of event booking requests responded to within seven days.	New LTP measure.	Implement booking system	100%	100%	100%
Property and Community Facilities							
Quality – The community can expect Council to provide public toilets that are	We will ensure the community can use toilets that are well maintained, safe and	Public toilets are maintained to the agreed standard. *	98% New LTP measure.	85% of actions* in the audit are met	85% of actions* in the audit are met	85% of actions* in the audit are met	85% of actions* in the audit are met

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
accessible and fit for purpose.	accessible.	*As measured by audits of maintenance work.					
<p>* Actions include ensuring the toilet is working, that there is running water, any tagging has been reported, adequate lighting and the building and gardens are maintained.</p> <p>There is no performance measure for the strategic property activity as the work the community see from this service is delivered by other activities across the organisation e.g. facilities and roading.</p>							

SECTION 3.4 TRANSPORT

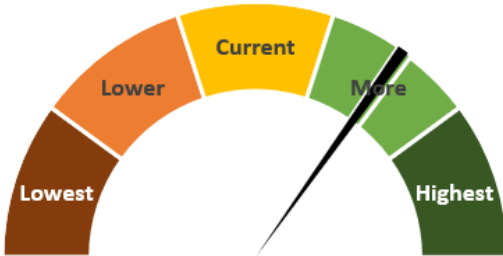
This group of activities includes one activity:

- Transport

We aim to create a well-designed transportation network for the Waikato district that provides people with a range of choices on how they move around our towns and villages.

What we've heard from Councillors

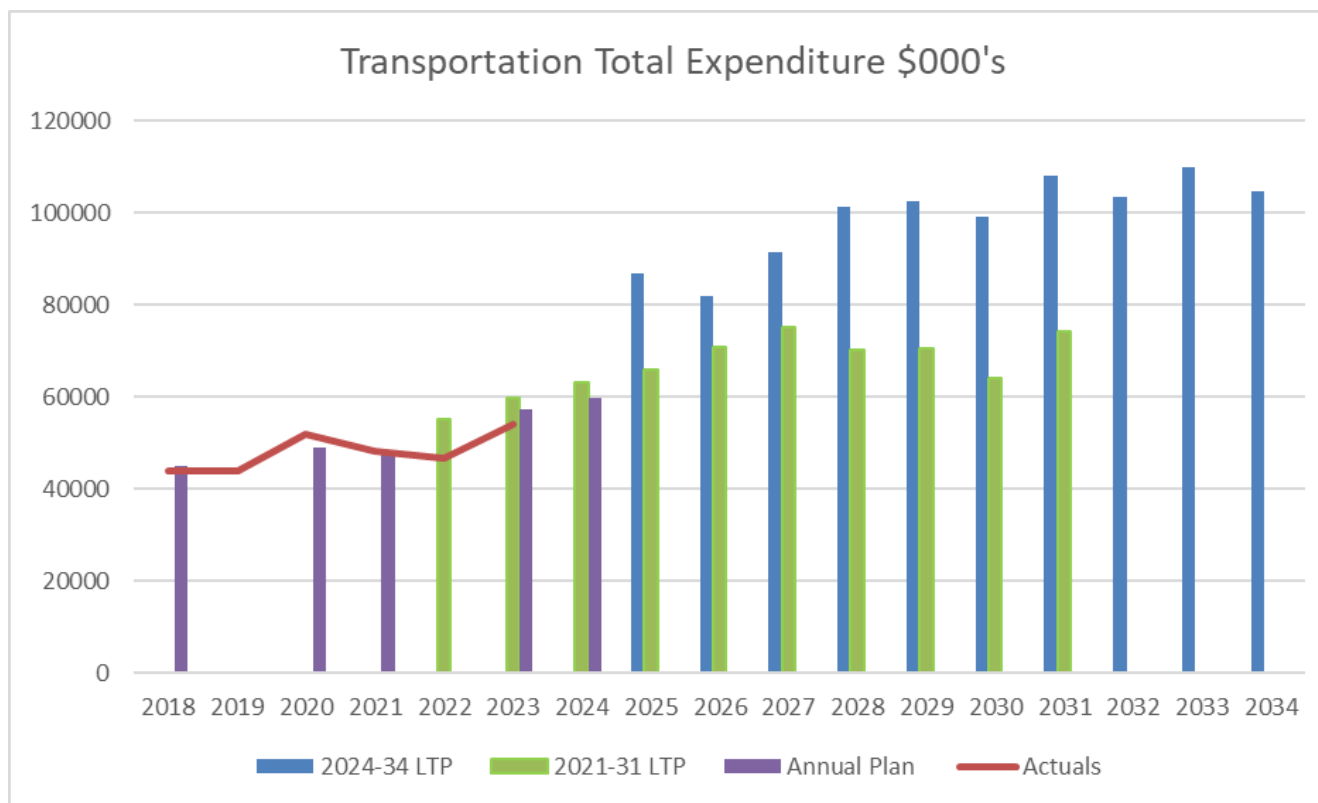
Throughout the Activity Management Planning process, Councillors provided feedback on areas of the business where they would like to see increased effort in the services we provide. A summary of the feedback is included below for reference.

Transport
 <p>The gauge chart is a semi-circle divided into five segments: Lowest (dark brown), Lower (orange), Current (yellow), More (light green), and Highest (dark green). A black needle points to the 'More' segment.</p>
<ul style="list-style-type: none">• Overall, would like the roading network improved.• Improvements to be made in roadside drainage.• More proactive approach to tree trimming/maintenance and vegetation control.• Increase footpath maintenance.• More information to come back on our bus stop assets and where improvements could be made.• Undertake an assessment of our unsealed roading network to identify if there are any areas where it would be more cost effective if they were sealed vs current cost of maintenance.• Decision to come back to Council re the S17A process re provision of roading services.• Staff to consider the most cost-efficient ways to meet minimum requirements of a low emissions transport system.

Overview of proposed material budget changes

- 55. There is an increase in the Transportation budgets compared with the current LTP. These increases in part are a result of increasing costs, but also an increased investment in maintenance and protection of our existing assets. The public are unlikely to see large shifts in the overall condition of the network but will see minor improvements and less deterioration of existing assets.
- 56. Final confirmation of the Transport work programme from Waka Kotahi is not expected before the LTP is adopted.

Total Expenditure for Transport Group of Activities



Capital programme

57. The capital programme for this group of activities totals \$492.6 million.

58. Crown funding amounting to \$20 million has been included for various eligible projects.

Performance measures

59. The following table presents the proposed performance measures for the Transport Group of Activities.

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
Safety – The community can expect Council to maintain the roading network to the required safety standards.	We will ensure that the roading network is safe for all users.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. * Roll-over measure.	2022/23: reduction of 1. Not achieved.	Reduction by 2 on the previous year	Reduction by 2 on the previous year	Reduction by 2 on the previous year	Reduction by 2 on the previous year
Quality – The community can expect Council to maintain the roading network to the required standard.	We will ensure that the roading network is maintained to a good operating condition.	The average quality of ride on a sealed local road network, measured by smooth travel exposure. * Roll-over measure.	2022/23: 96%. Achieved.	96%	96%	96%	96%
		The percentage of the sealed local road network that is resurfaced. * Roll-over measure.	2022/23: 4.02%. Not achieved.	Min 5%	Min 5%	Min 5%	Min 5%
		The percentage of footpaths that fall within the level of service or service standard for the condition of footpaths that is set out in the LTP. *	2022/23: 95.9%. Achieved.	95%	95%	95%	95%

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
		Roll-over measure.					
Reliability / responsiveness – The community can expect a response from Council within the specified timeframe.	We will ensure the community can contact us via their preferred channel.	<p>The percentage of customer service requests relating to roads and footpaths responded to within the timeframe specified in the LTP. *</p> <p>Roll-over measure.</p>	<p>2022/23</p> <p>Footpaths: 76.5%, Roads: 76%.</p> <p>Not achieved.</p>	95%	95%	95%	95%
*Mandatory measure.							

SECTION 3.5 GOVERNANCE

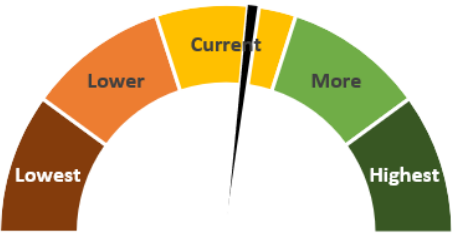
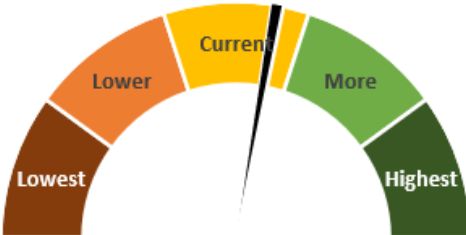
This group of activities includes:

- Democracy
- Cultural partnerships

This group of activities is dedicated to promoting local democracy, supporting elected officials, and manage local elections. Our commitment extends to fostering partnerships with Maaori, upholding Te Ao Māori, and ensuring Te Tiriti o Waitangi principles are embedded across the organisation.

What we've heard from Councillors

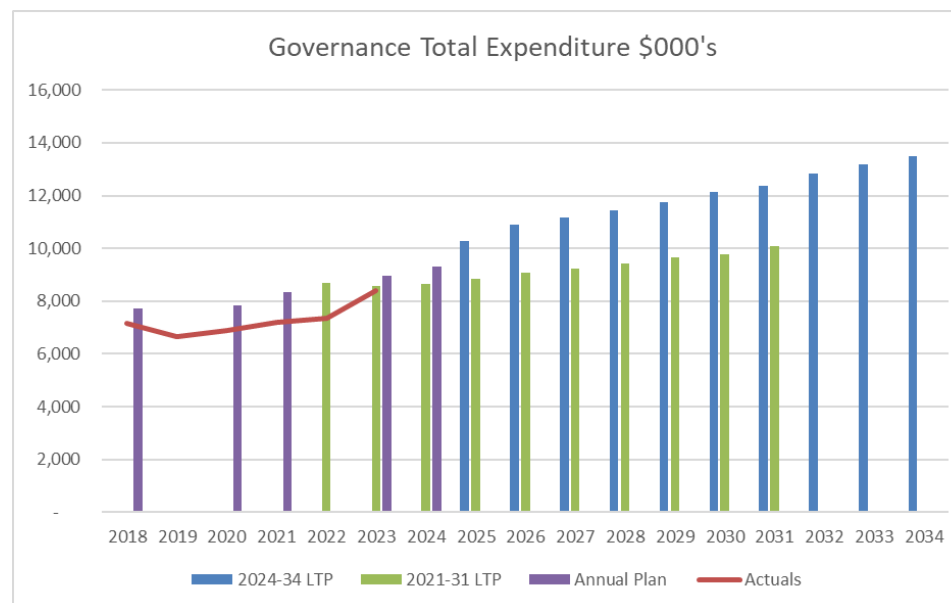
Throughout the Activity Management Planning process Councillors provided feedback on areas of the business where they would like to see increased effort in the services we provide. A summary of the feedback is included below for reference.

Democracy	Cultural partnerships
	
<ul style="list-style-type: none"> • Expectation to have our agendas and minutes online in a timely manner, acknowledging investment in efficiency gains via system upgrades. • Support required to service Community Committees, Boards and Councillors. 	<ul style="list-style-type: none"> • Need to provide for a potential increase to support Mana Whenua forums.

Overview of proposed material budget changes

60. The funding for ANZAC events is continued in the proposed budget.
61. Additional funding included in the proposed budget to accommodate elections and representation reviews.
62. The proposed budget includes funding for the additional community board compared with last LTP.
63. Funding included in the proposed budget to fund Mana Whenua forums.

Total Expenditure for Governance Group of Activities



Performance measures

64. The following table presents the proposed performance measures for the Governance Group of Activities.

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
Democracy							
Reliability - The community can expect information on the decisions	We will ensure that our Council agendas are delivered in line with legislative timeframes.	Percentage of Council agendas for all open meetings that are publicly available within legislative timeframes.	2022/23: 100%. Achieved.	98%	98%	98%	98% per year

What's important for this activity (major aspects)	What the community can expect from us (level of service)	How we will measure our performance (how the customer receives the service)	Targets				
			Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 27/28 – 33/34
Council is making to be available.			New LTP measure.				
Representation –The community can expect Councillors to be engaged in district and local community issues.	Councillors will participate in formal meetings they are appointed to.	The number of appointed councillors that attend 75 per cent of scheduled Council Meetings and Community Board Meetings.	No baseline. New LTP measure.	14	14	14	14 per year
Cultural Partnerships							
Quality – The community can expect Council to work with our iwi partners to achieve mutually beneficial outcomes.	We will ensure our agreed obligations to our JMA (joint management agreements) partners are met.	Number of committee meetings held with our JMA partners. *	2022/23: 2** New LTP measure.	≥4	≥4	≥4	≥4 per annum
* Current JMA partners include Waikato-Tainui and Ngāti Maniapoto.							
** The two scheduled meetings for Ngāti Maniapoto were cancelled as the tribe was embedding its settlement agreement with the Crown.							

SECTION 3.6 ORGANISATIONAL SUPPORT

This group of activities includes:

- Communications, marketing and engagement
- Projects and innovation
- Information management
- Finance, legal, procurement and contracts
- People and capability
- Corporate planning and strategy.

This set of activities is at the core of the Council's operations. These teams work together behind the scenes to enable our external facing teams to deliver their services. These activities play a key role in moving the Council forward, making services more efficient and cost effective for ratepayers, and fostering continuous improvement.

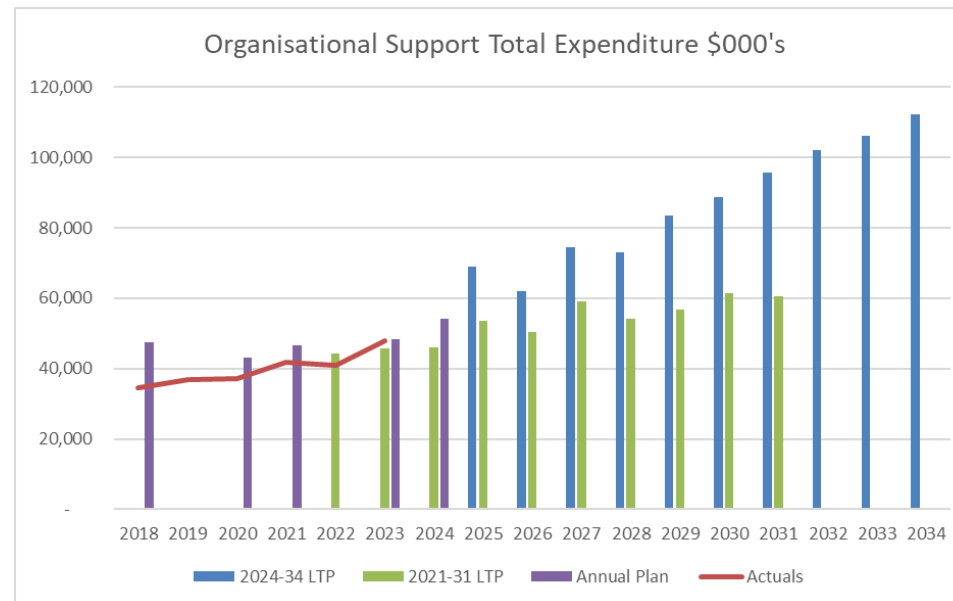
What we've heard from Councillors

Throughout the Activity Management Planning process, Councillors were provided with information on our Organisational Support activities and the outcomes that the business is trying to achieve with these activities. It is important to note that these activities support our external facing activities to deliver quality outcomes for our customers. These activities have been focused on transformation to fit. Some of the key outcomes that these activities support include:

- Improve customer experience
- Reduce cost
- Understand and manage risk
- Engaged staff
- Connection into community
- Safe and resilient staff
- Delivery and Performance
- Financial confidence and accountability
- Transition from transactional to value add.

Key financial planning assumptions

65. Operational expenditure has been forecast at levels that assumes no additional (over current) activities will be undertaken, in line with the directive given. Capital expenditure includes the ongoing renewal programme and committed works, plus projects included in LTP 2021-2031 except for how IS projects are accounted for.
66. Total Organisational Support operating and capital expenditure is as follows:



Capital programme

67. The capital programme for this group of activities totals \$72.3 million.

68. Attachments 4 and 5 detail the capital expenditure projects and variances to LTP 2021-2031. New information system costs were capitalised in LTP2021-2031 and these costs are expensed in LTP 2024-2034.

Material changes to operating programme

69. Costs of acquisition of new information systems and for upgrades thereto are required to be expensed. For LTP 2021-2031 these costs were included as capital expenditure.

Proposals for change

70. The following business cases are proposed for the Organisational Support Group of Activities.

BC #	Activity	Business Case	What the community will receive
046	Information Management	Cyber Security	Since 2022, Council has been working to reduce its cyber and information security risk. In order for Council to appropriately manage the ongoing risk and meet community and regulatory expectations around cyber security, a prudent level of ongoing investment in people, process and technology must be maintained in this area.
047	Information Management	Data Quality Remediation	Proposed investment in the remediation of Council's data and records information. Information quality issues impact both Council decision-making and the quality of information provided to external parties. Inaccurate information also impacts the ability of Council to modernise its processes, so investing in this remediation will result in far better delivery of our services and improve responsiveness.
048	Information Management	Our Plan Innovation Chapter Initiatives	Continue several existing innovation initiatives, including the Service Request Transformation Project (Phase 2), the Customer Portal Project (Phase 2), the Business Intelligence Project (reestablishment of funding), and software lifecycle replacements (reduced). Funding is also being sought for improvement initiatives, which would self-fund from savings realisation from Year 2.
049	Information Management	Records Digitisation	Remediation and digitisation of paper-based consents files, and remediation of electronic files in unstructured network drives, which will not only ensure our legal obligations for records management are complied with, but also reduce Council's legal risk, and improve internal work flows and self-service capabilities for our customers.
050	Information Management	TechOne EPR (CiA and Asset Management)	Reestablishment of funding for upgrading the legacy Ci version of the Property & Rating and Enterprise Mapping modules within the TechOne suite of applications, and integrate asset management into TechOne, migrating this over from third party, non-integrated solutions. These upgrades will enable considerable efficiency and quality improvements for Council while serving the community.
052	Information	Geospatial	Three programmes of aerial photography capture, two of which are through CoLab and one internal. Each of

BC #	Activity	Business Case	What the community will receive
	Management		these are to be undertaken every four years and are important for maintaining accurate imaging for planning, consenting and monitoring activities.
054	Information Management	Technology costs for increasing people numbers	Based on the assumption of 20 additional people per year, there is a need to increase investment in technology devices and software. Deferring lifecycle replacement is not considered viable as it impacts efficient delivery of core services and creates future cost pressure.

Performance measures

71. There are no performance measures proposed for the Organisational Support Group of Activities. The work that these activities undertake supports the business to deliver quality outcomes for our customers through our external facing activities. Therefore, customer and community benefit are measured via our external facing activities.

SECTION 4 STAFF NUMBERS AND SALARY BUDGETS

72. Over the term of the LTP, Full Time Equivalent (FTE) staff numbers are projected to increase from a baseline of 452 FTEs in 2023/24 to 477 FTEs in 2033/34 – an overall increase in permanent FTEs of 25. These new FTEs are inclusive of approvals given by ELT to date and new roles included in LTP 2021-2031. Further details of the costs of changes in staff FTEs can be found in Attachment 6.

73. Six fixed term roles are also included in the draft budget in 2024/25. Council’s current practice is to exclude these fixed term roles from the FTE count, however for budgeting purposes these have been included as they are contributing to the overall rating impact presented.

74. The following table summarises the change in FTEs by GOA across the term of the LTP. A full breakdown of FTEs by cost centre can be found in Attachment 11.

Group of Activities	2023/24 Baseline	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3	2027/28 - 2033/34 Year 4 - 10
ROADING	21	23	23	23	23
SUSTAINABLE COMMUNITIES	145	150	149	149	149
SUSTAINABLE ENVIRONMENT	161	162	162	163	163
WATERS	4	5	5	5	5
GOVERNANCE	10	12	12	12	12
ORGANISATIONAL SUPPORT	110	128	124	125	124
Total LTP 2024-2034	451	480	476	478	477
Total LTP 2021-2031	403	403	403	403	403

The annual salary cost increases use the BERL factors, also shown below.

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
2024-2034	2.4%	2.2%	2.1%	2.1%	2.0%	1.9%	1.9%	1.9%	1.8%	1.8%

75. The new roles in the first year are assumed to commence on 1 July in each year. Annual savings of \$1.1 million in respect of vacancies are included in the budget figures.

76. Additional New Staff Requests (NSR) requested through the business case process are included in the table below.

NSR	Activity	Role	What the community will receive
01	Community Safety	Senior Monitoring Officer	This role will focus on consenting, monitoring activities and prosecution action, as well as providing technical direction to existing staff. There will be a reduction in contractor use by bringing this resource in-house.
04	Community resilience	Resilience Team Marae Resilience Advisor	This is an extension to a fixed-term role that engages with iwi/Maori with a view to improving community resilience planning for iwi and marae in the Waikato district, and to develop the role of Pouaarahi in an emergency response.
05	Community resilience	Adaptive Management Planner	This is an extension to a fixed-term role working with communities to plan for how to respond to inevitable climate changes including coastal erosion arising from increased storm activity and sea level rise, increased flooding etc.
06	Waste Management	Solid Waste Administrator	Impending changes to the Waste Minimisation Act, including introduction of a kerbside food-waste collection will require significant reporting. There is a possibility this role could be funded from the waste minimisation reserve.
08	Property and Community Facilities	Community Venues Officer	This is an extension to a fixed-term role that manages the Community Halls portfolio, including being the contact point for Hall Committees and allowing Council to have a deeper understanding of the issues and options facing our halls portfolio.
13	Strategic & Spatial Planning	Heritage Advisor	This is an extension to a fixed-term role responsible for maintaining a strategic overview of relevant national and regional heritage frameworks and disseminating this information across Council and to the community.
14	Cultural partnerships	Maaori Strategic Advisor	This strategic advisor will focus specifically on Maaori strategies and Hapuu and Iwi management plans in areas where resource is scarce to provide meaningful support to our Maaori communities.
17	Information management	ERP Solution Architect	The Solutions Architect will bridge communication between IT and Business owners to ensure alignment in developing and implementing technical solutions for business problems.
18	Information management	Geospatial Developer	The Council has a relatively small Geospatial Developer team with two positions, one of which is Fixed Term expiring in June 2024. This Business Case is seeking increasing the Geospatial Developer capacity from two to three.
19	Information management	Business Intelligence Developer	The purpose of these roles is to accelerate the delivery of the required performance monitoring, KPI, and dashboard reporting, as well as accelerate technology enablers to business owner lead innovation initiatives to improve our customers experience, the efficiency and effectiveness of our Councils delivery, better meet our regulatory obligations, and improve the quality of outcomes
19	Information management	Technical Business Analyst	

NSR	Activity	Role	What the community will receive
			delivered.
20	Information management	Contracts & Change Advisory Board Manager	This role will manage a contracts management framework, transferring all SaaS system contract management to a central location and ensure all changes to essential and core systems have appropriate oversight.
21	Information management	GIs Developer (Fixed Term to Permanent)	This is an extension to a fixed-term role which utilises maps to enable location based data-driven decision making on a variety of issues including development, planning and environmental impacts.
22	People and capability	Elearning design and developer	A dedicated design and developer role for IT learning would manage a wide range of electronic systems to an optimal level and ensure data is accurate for staff use.
24	Corporate planning and strategy	LTP Project Manager	Bringing this role in-house will reduce contractor costs and ensure continuity and consistency for the LTP project. There could be a secondment opportunity to ePMO if there is a lull in work following an LTP.
25	Finance, Legal and Procurement	Accounts Payable Officer	A role is requested to ensure payables are transacted on time, within set budgets and compliant with legislative requirements. In addition, the role will be available to support other areas of the Accounts Team that is very thinly resourced, during periods of high activity (e.g., rates
26	Finance, Legal and Procurement	Contract Advisor	A dedicated resource to support a portfolio of business groups enabling them to get a deep understanding of contracts within that portfolio and help build staff capability progressively and longitudinally.
26	Finance, Legal and Procurement	Senior Contract Coordinator	Resource to support a portfolio of lower risk contracts, as well as supporting best practice of the Contracts function across the organisation and the team.
27	Finance, Legal and Procurement	Rates Assistance	This is an increase of a current 0.75 FTE to a full time FTE to continue to support the rates team who have experienced an increase in workload. A key focus will be increasing rates rebates claims.
28	Finance, Legal and Procurement	Procurement Advisor	An additional resource to support the team on an increased number of CAPEX projects, additional work around market dynamics, ensure strategic alignment and manage stakeholder expectations.

Unfunded New Staff Requests

77. The following new staff requests have been excluded from the proposed budget as they are not a critical priority.

NSR	Activity	Role
002	Strategic and spatial planning	Spatial Planner
003	Community Resilience	Resilience Emergency Management Advisor
007	Open spaces	Reserve Planning
009	Property and community facilities	Strategic Property Officer
010	Strategic and spatial planning	Analytics staff
011	Transport	Roading Contract Manager
012	Transport	Roading Recovery Engineer
015	Economic and community development	Economic Development Advisor
016	Economic and community development	Community Led Development Advisor
023	People and Capability	P&C HRIS Analyst
024	Corporate Planning	LTP Graduate Corporate Planner

SECTION 5 FUNDING AND REVENUE

78. General rates are made up by Uniform Annual General Charge (UAGC) that is a fixed amount per rating unit and a factor applied to the capital value of each property. The draft budgeted general rates are shown below.
79. Targeted rates are charged for services provided to a rating unit or Separately Used Inhabitable Part (SUIP) of a rating unit. The draft budgeted targeted rates are shown below.
80. Through early discussions with Councillors about potential general rate increases, they have indicated that our communities are facing huge financial pressure. In the current year, income from late payment penalties tracking higher than anticipated and an upwards trend in direct debit dishonours is evidence of financial pressures.
81. The draft budget results include revenue from property rates as shown below.

<i>\$000</i>	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
General rates	98,530	105,695	113,381	121,626	130,471	136,658	143,138	149,926	157,035	164,482
Targeted rates	45,411	52,189	59,852	68,730	79,040	90,979	104,856	120,935	139,627	161,314
	143,941	157,884	173,233	190,356	209,510	227,637	247,994	270,860	296,662	325,796

82. The draft budget results in a general rate increase of 13.75% in year 1, 6.0% in years 2 to 5 inclusive and 3.5% thereafter. Targeted rate increases range 8.1% to 16.2% per year, resulting in average rates increase of 14% for properties receiving services funded by targeted rates.

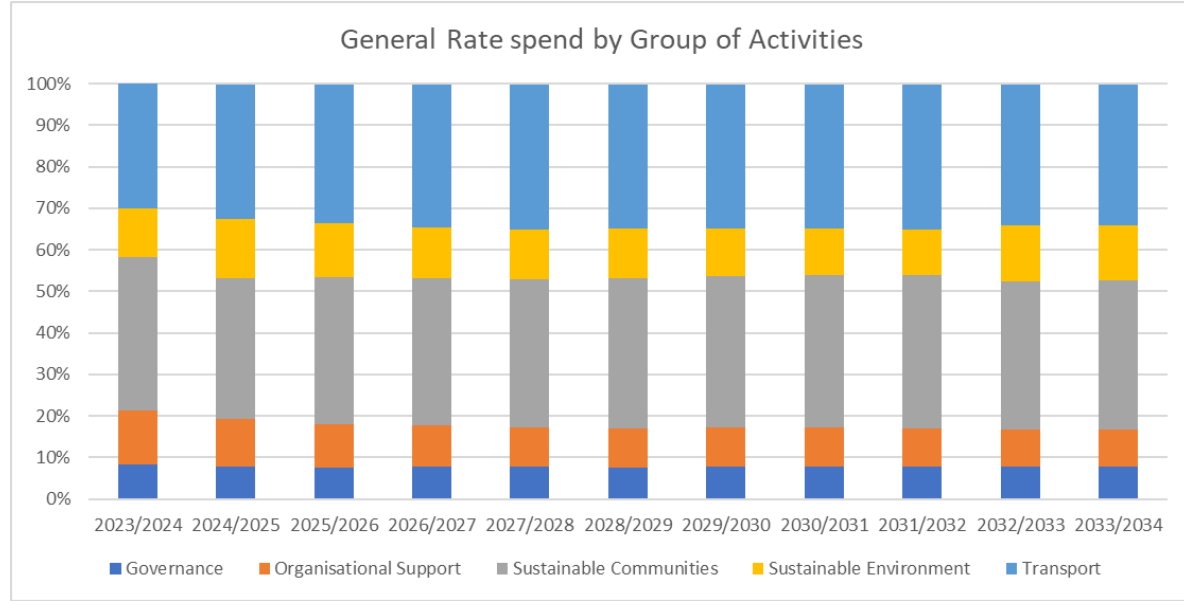
% increase		2024/25		2025/26		2026/27	
		LTP 2021-2031	LTP 2024-2034	LTP 2021-2031	LTP 2024-2034	LTP 2021-2031	LTP 2024-2034
General rates							
	General rate	3.5%	13.75%	3.5%	6.0%	3.5%	6.0%
	UAGC	3.5%	13.75%	3.5%	6.0%	3.5%	6.0%
Targeted rates							
	Water	17.2%	16.2%	17.2%	16.2%	17.2%	16.2%
	Wastewater	8.9%	14.2%	8.9%	14.2%	8.9%	14.2%
	Stormwater	11.1%	15.2%	11.1%	15.2%	11.1%	15.2%
	Solid Waste - District Wide	3.0%	15.3%	3.0%	15.3%	3.0%	15.3%
	Solid Waste - Raglan	5.3%	8.1%	5.3%	8.1%	5.3%	8.1%

83. The draft budget results in general and targeted factor and charges as shown below, for the first three years of the plan period. These are compared to the corresponding factor and charges included in the 2021-2031 LTP. See Attachment 12 for property rating examples.

\$		2024/25		2025/26		2026/27	
		LTP 2021-2031	LTP 2024-2034	LTP 2021-2031	LTP 2021-2031	LTP 2024-2034	LTP 2021-2031
General rates							
	General rate - factor on CV	0.0023720	0.0026096	0.0024576	0.0027662	0.0025436	0.0029322
	UAGC	478.74	526.71	496.02	558.31	513.38	591.81
Targeted rates							
	Water	472.99	469.11	554.35	545.27	649.69	633.80
	Wastewater	1,494.37	1,567.23	1,627.37	1,789.94	1,772.20	2,044.29
	Stormwater	265.22	274.93	294.68	316.64	327.41	364.68
	Solid Waste - District Wide	228.26	255.56	235.11	294.71	242.16	339.86
	Solid Waste - Raglan	167.44	171.84	176.31	185.71	185.66	200.70

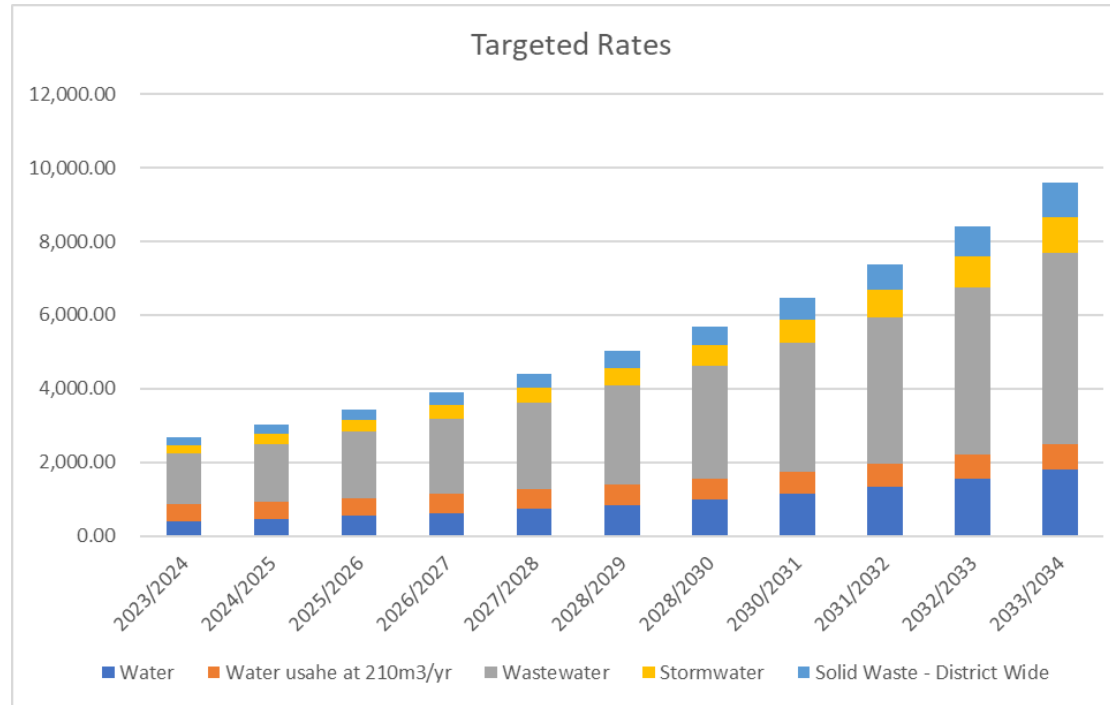
84. Costs, by Group of Activity, that are funded by the general rate income are shown below.

\$000s	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Governance	6,929	8,013	8,344	8,751	8,960	9,045	9,572	9,744	9,957	10,441	10,691
Organisational Support	10,867	12,120	11,601	11,632	11,366	11,656	11,790	12,036	12,343	12,448	12,734
Sustainable Communities	31,071	35,349	38,693	39,804	41,670	43,657	44,871	46,255	47,464	48,508	49,770
Sustainable Environment	9,834	14,870	14,399	13,837	14,132	14,303	14,301	14,203	14,370	18,171	18,521
Transport	25,346	33,629	36,546	39,050	40,699	41,724	42,736	43,625	44,955	45,910	46,970
	84,046	103,982	109,583	113,073	116,826	120,385	123,271	125,863	129,088	135,479	138,685



85. Rates charges for each year are shown on Appendix 12. The following tables and charts show targeted rates for the current year and the draft targeted rates for the LTP period.

\$s	This year	LTP 2024-2034 Targeted Rates (DW Solid Waste)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Water	403.58	469.11	545.27	633.80	736.70	856.30	995.33	1,156.91	1,344.74	1,563.06	1,816.82
Water usage at 210m ³ /yr	458.37	476.70	495.77	515.60	536.22	557.67	579.98	603.18	627.30	652.40	678.49
Wastewater	1,372.46	1,567.23	1,789.94	2,044.29	2,334.78	2,666.55	3,045.46	3,478.22	3,972.48	4,536.97	5,181.67
Stormwater	238.65	274.93	316.64	364.68	420.00	483.71	557.09	641.61	738.94	851.05	980.15
Solid Waste - District Wide	221.65	255.56	294.71	339.86	391.93	451.97	521.22	601.07	693.15	799.34	921.80
	2,694.71	3,043.53	3,442.33	3,898.22	4,419.63	5,016.21	5,699.08	6,480.98	7,376.62	8,402.81	9,578.92



86. The General and Targeted Rate increases for different property types are shown in Attachment 12 – Rates increases by property type. In summary, Residential properties pay proportionately higher targeted rates due to the services provided while Rural and Lifestyle properties receive fewer services.
87. The significant assumption that has been made regarding the funding of the capital expenditure programme is \$120 million of Government Grants will be received to part fund the Huntly Wastewater Treatment plant upgrade (\$50 million) and various smaller Transport projects (\$20 million)
88. Revenue from Fees and Charges has been forecast to recover costs with the exceptions of Animal Control, Building Quality and Consents. Animal Control costs have increased in areas not recovered by animal registration fees, Building Quality relies on consultants to complete many consents and Consents require additional time not fully recovered to assess applications under the operative and proposed district plans.
89. Revenue from Development Contributions has been included in the forecasts at an average of \$11 million per year. This amount is in line with current receipts and is below revenue earned in previous years. The forecasts are based on best estimates.

<i>\$000</i>	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Capital Projects	0	0	0	0	0	0	0	0	0	0
Closing Balance	973	973	-1027	-3,027	-5,027	-7,027	-9,027	-11,027	-13,027	-15,027

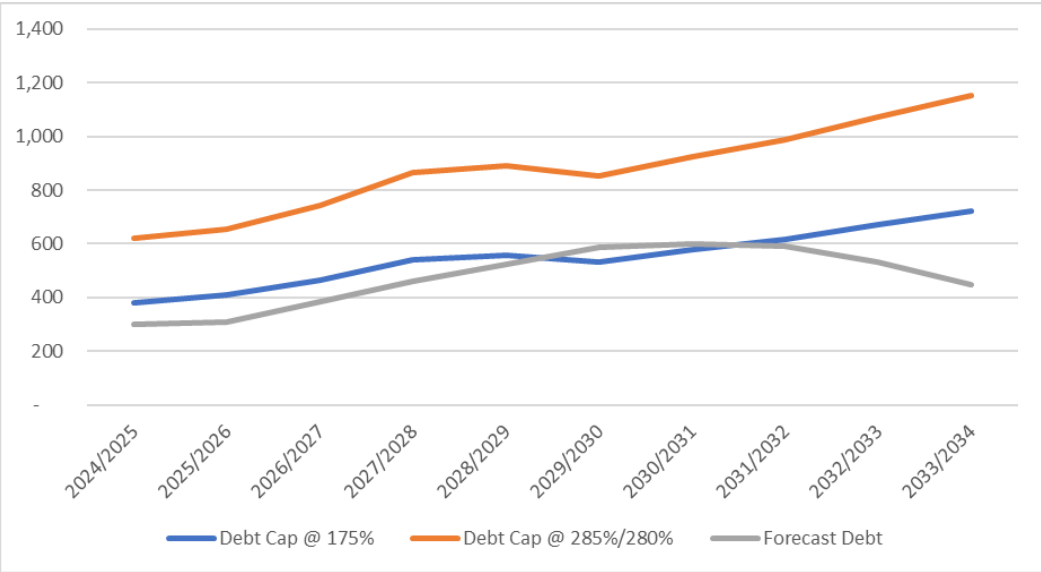
93. The Gearing for Growth and Greatness (G4GG) reserve has not been funded. It is expected the GARF funding (see point 92 above) is sufficient to cover any unexpected expenditure.
94. Replacement Reserve funds are funded by depreciation and are used to fund replacement capital expenditure. Despite the high level of planned capital expenditure, the infrastructure assets replacement reserves retain small surplus balances at the end of the LTP period, as shown in Attachment 8.
95. Targeted rate reserves have been fully funded by the end of the plan period. The reserve balances and targeted rate increases are shown in Attachment 9.
96. Structure Plan and Development Contribution reserves are funded by development contributions and are used to fund growth related capital expenditure. Many of these reserves end the plan period in deficit due to capital expenditure incurred prior to full recovery by way of development contributions.

SECTION 7 FINANCIAL OUTCOME

97. External debt capacity is currently constrained to a multiple of 1.75 of revenue, excluding development contributions and the value of vested assets. The draft budget results in external debt peaking at \$601 million in year 7 of the plan period and the debt cap is breached in Years 6 and 7.

98. The policy debt cap can be increased to 285% of applicable revenue in Year 1 of the LTP, and 280% in the subsequent years. This debt cap is set the Local Government Funding Authority (LGFA).

\$ million	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Debt Cap @ 175%	382	408	463	542	556	533	578	616	669	720
Debt Cap @ 285%/280%	621	653	741	867	889	853	925	986	1,071	1,153
Forecast Debt	301	310	386	459	523	586	601	590	532	446



SECTION 8 OPPORTUNITIES TO SMOOTH THE GENERAL RATE INCREASE

99. Option 1: (Base Case). The General Rate increase is 13.75% in Year 1, 6% in Years 2 to 5 and 3.5% in years 6 to 10. The General Rate Factor and UAGC for the 10 years are as shown below.

% increase	2024/25		2025/26		2026/27		2027/28		2028/29		2029/30		2030/31		2031/32	2032/33	2033/34
	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 24/34	LTP 24/34	LTP 24/34
General rate	3.5%	13.75%	3.5%	6.0%	3.5%	6.0%	3.5%	6.0%	3.5%	6.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
UAGC	3.5%	13.75%	3.5%	6.0%	3.5%	6.0%	3.5%	6.0%	3.5%	6.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

\$	2024/25		2025/26		2026/27		2027/28		2028/29		2029/30		2030/31		2031/32	2032/33	2033/34
	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 24/34	LTP 24/34	LTP 24/34
General rate - factor on CV	0.0023720	0.0026096	0.0024576	0.0027662	0.0025436	0.0029322	0.0026326	0.0031081	0.0027248	0.0032946	0.0028201	0.0034099	0.0029188	0.0035293	0.0036528	0.0037806	0.0039129
UAGC	478.74	526.71	496.02	558.31	513.38	591.81	531.35	627.32	549.94	664.95	569.19	688.23	589.11	712.32	737.25	763.05	789.76

100. Option 2: The General Rate increase in Year1 is 10%, 7.5% in Year 2, 6% in Years 3 to 5 and 3.5% thereafter. This can be achieved by removing the contingency funding of the General Accounting Reserve fund for Years 1 and 2 (\$4 million), fully utilising the Strategic Property Reserve Fund (\$3.4 million) in Years 1 and 2 and delaying the start of amortising the District Plan costs to Year2. The General Rate Factor and UAGC for the 10 years are as shown below.

% increase	2024/25		2025/26		2026/27		2027/28		2028/29		2029/30		2030/31		2031/32	2032/33	2033/34
	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 24/34	LTP 24/34	LTP 24/34
General rate	3.5%	10.0%	3.5%	7.5%	3.5%	6.0%	3.5%	6.0%	3.5%	6.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
UAGC	3.5%	10.0%	3.5%	7.5%	3.5%	6.0%	3.5%	6.0%	3.5%	6.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

\$	2024/25		2025/26		2026/27		2027/28		2028/29		2029/30		2030/31		2031/32	2032/33	2033/34
	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 24/34	LTP 24/34	LTP 24/34
General rate - factor	0.0023720	0.0025236	0.0024576	0.0027129	0.0025436	0.0028756	0.0026326	0.0030482	0.0027248	0.0032311	0.0028201	0.0033442	0.0029188	0.0034612	0.0035823	0.0037077	0.0038375

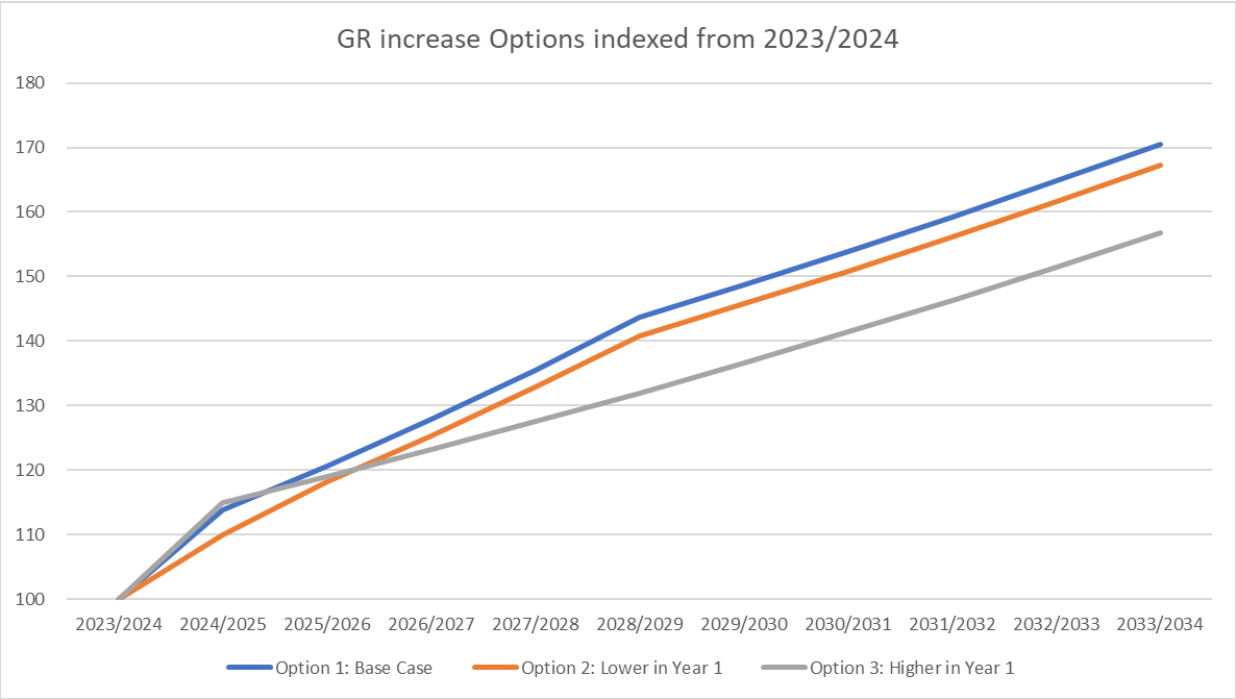
\$	2024/25		2025/26		2026/27		2027/28		2028/29		2029/30		2030/31		2031/32	2032/33	2033/34
	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 24/34	LTP 24/34	LTP 24/34
on CV																	
UAGC	478.74	509.34	496.02	547.54	513.38	580.40	531.35	615.22	549.94	652.13	569.19	674.96	589.11	698.58	723.03	748.34	774.53

101. Option 3: The General Rate increase in Year1 is 15% and 3.5% from year 2 to 10. This can be achieved by deferring the start of amortising the District Plan costs from Year 1 to Year 2 (\$1.5 million) and removing the funding of the General Accounting Reserve fund (\$2 million per year). The General Rate Factor and UAGC for the 10 years are as shown below.

% increase	2024/25		2025/26		2026/27		2027/28		2028/29		2029/30		2030/31		2031/32	2032/33	2033/34
	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 24/34	LTP 24/34	LTP 24/34
General rate	3.5%	15.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
UAGC	3.5%	15.0%	3.5%	3.50%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

\$	2024/25		2025/26		2026/27		2027/28		2028/29		2029/30		2030/31		2031/32	2032/33	2033/34
	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 21/31	LTP 24/34	LTP 24/34	LTP 24/34	LTP 24/34
General rate - factor on CV	0.0023 720	0.0026 383	0.0024 576	0.0027 306	0.0025 436	0.0028 262	0.0026 326	0.0029 251	0.00272 48	0.0030 275	0.0028 201	0.0031 335	0.0029 188	0.0032 432	0.0033567	0.0034741	0.0035957
UAGC	478.74	532.49	496.02	551.13	513.38	570.42	531.35	590.39	549.94	611.05	569.19	632.44	589.11	654.5	677.48	701.19	725.73

102. The following chart compares the progression of the General Rate increases of each of the options. In summary, Option 1 and 2 (Year 1 increase of 13.75% and 10% respectively) are similar after Years 1 and 2, while Option 3 (higher Year 1 increase of 15%) shows the benefit of lower rates increases from Year 2 onwards on a higher Year 1 revenue base.



Attachments:

Attachment 1: Information about Groups of Activities

Attachment 2: Significant negative effects

Attachment 3: Significant forecasting assumptions

Attachment 4: Detailed capital expenditure

Attachment 5: Capital expenditure variances to LTP 2021-2031

Attachment 6: Operational expenditure variances to LTP 2021-2031

Attachment 7: Expenditure graphs by Group of Activities

Attachment 8: Replacement Fund Reserve Balances

Attachment 9: Proposed Targeted Rate report

Attachment 10: Property rating examples

Attachment 11: Summary of changes in staff FTEs

Attachment 12: Rates increases by property type