
2024-34
Mahere pae tawhiti
THE LONG TERM PLAN
Volume 2
South
Waikato
District
Council

LTP ROADMAP

The Council oversees community assets worth hundreds of millions, emphasising the importance of future planning.

South Waikato's 10-year plan serves as our roadmap towards promoting social, economic, environmental and cultural wellbeing in our communities both now and in the future. It guides us on our journey towards resilience and sustainability.

PUBLIC CONSULTATION

FROM THIS WE DEVELOPED OUR VISION OF:

A THRIVING COMMUNITY AND ROBUST ECONOMY THAT OUTPACES THE REST OF NZ

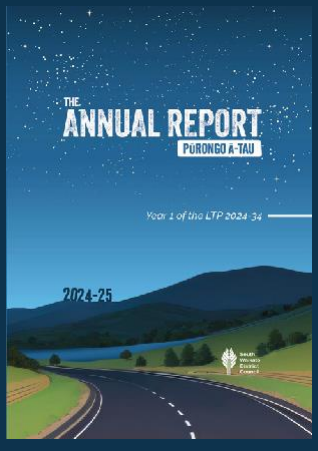
WE ARE HERE
SOUTH WAIKATO 10-YEAR PLAN

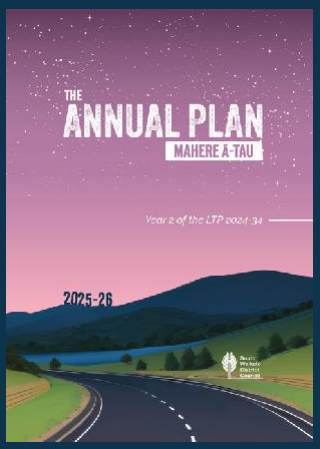
Outline our vision, community outcomes and strategic direction

- What services we plan to provide
- What we plan to do
- How much it will cost
- How it will be funded

Annual Report 2024-25

Evaluating Our Progress: South Waikato's 10 Year Plan 2024-2034





Annual Plan 2025-26

Indicators of Change in South Waikato's 10 Year Plan 2024-2034

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Document Outline

The Long Term Plan Volume 2 document is some support information for the Long Term Plan Volume 1 document. This is to ensure that we comply with section 101B, 102(1), Schedule 10(9) and Schedule 10(10) of the Local Government Act 2002.

The Long Term Plan Volume 1 document has summaries of the strategy and policy stated above but this document provides the full detail.

STRATEGY APPENDIX 1

30-Year Infrastructure STRATEGY

About this Strategy

This Strategy aims to identify significant infrastructure challenges for the South Waikato District Council over the next 30 years, and the options for managing those challenges.

South Waikato District Council

STRATEGY

Contents

1. Executive Summary

1.1 Purpose

The purpose of the 30-year Infrastructure Strategy (the Strategy) is to identify significant infrastructure challenges for South Waikato District Council (Council) over the next 30 years and the principal options for managing those challenges.

Providing and maintaining Council's infrastructure requires good asset management practices and strategic thinking. This Strategy assists Council in taking a long-term view of South Waikato's infrastructure needs. The Strategy is an indicative estimate of Council's future infrastructure needs. It is a statement of current assumptions and thinking on what infrastructure will be required to address the major issues facing the District over the next 30 years.

The Strategy outlines Council's approach to managing and investing in the District's infrastructure including what will be required, when, and how much it will cost across the following infrastructure classes:

- Water
- Wastewater
- Stormwater
- Land transport

The Strategy draws together information from the Three Waters Strategy and Land Transport Strategy and informs the Asset Management Plans (AMPs) for each of the classes.

The 30-year goal is to provide infrastructure in an efficient and effective manner that enables the provision of the agreed level of service for current and future customers in a sustainable manner.

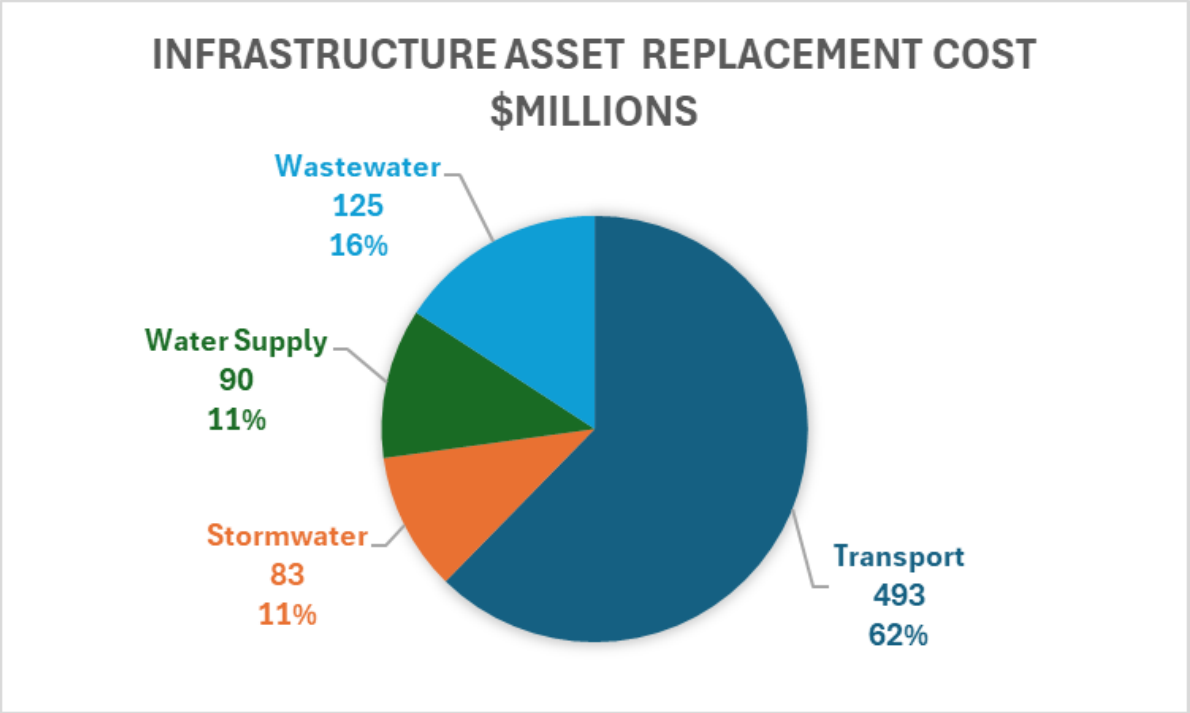
1.2 Scope

The Infrastructure Strategy includes the following assets:

- Transportation: sealing (surface layer of a road), pavements (below the surface), kerb and channel, rural drainage, traffic signs, bridges and large culverts, street lighting, footpaths, parking and vegetation control.
- Water supply: headworks, bores, reservoirs, pumps, treatment plants, underground pipe networks and all ancillary assets.
- Wastewater treatment: pump stations, treatment plants, underground pipe networks and all ancillary assets.
- Stormwater: major culverts, lined channels, underground pipe network, detention structures, swales, wadies and ancillary assets.

Table 1 and Figure 1 provide a breakdown of assets owned by Council covered by the 30-year Infrastructure Strategy.

Asset Class	Replacement Cost ($millions)
Transport	493 (2023[2])
Stormwater	83 (2022[1])
Water Supply	90 (2022[2])
Wastewater	125 (2022[3])
Total	**791**



1.3 Infrastructure Strategic Challenges

In order to deliver Council outcomes, Council needs to focus on its infrastructure investments. The following challenges are the most important infrastructure matters for Council to address:

- Renewals: Managing the replacement of existing assets by informed decision making.
- Population Growth: Responding to an increase in demand for services.
- Resilience: Planning for service disruptions.
- Compliance: Maintaining or improving public health outcomes, improving environmental outcomes and providing a safe transport system.
- Levels of Service: Maintaining sustainable delivery of existing levels of service and managing expectations for improved levels of service.

[1] Beca Valuation, Peer Review of SWDC Three Waters Infrastructure Assets, 24 August 2022
[2] Beca Valuation, July 2023. SWDC Roading Valuation 2023

- Recovery: Responding to natural disasters, and planning for future pandemics.
- Climate change: Planning for climate change in our renewals and replacement programme, and new infrastructure.
- Critical assets: Proactively maintaining and replacing critical assets to maintain the level of service, to protect the environment, and the health and wellbeing of the community.
- Asset management improvement: Identifying improvements to Council's asset management practices to enhance asset information and systems to enable informed decision making.
- Relationships: Maintaining relationships with residents and ratepayers, tangata whenua, Waka Kotahi, Waikato Regional Council, community partners, central government and government agencies.

1.4 Population Projections

Census results show that the population in the South Waikato declined from the District's inception in 1989 through to 2013. Since the 2013 Census the District has experienced growth in population with annual population growth recorded. Projections from our Housing and Business Capacity Assessment suggest a population increase of 3.8% to 18.6% in the medium-to-high-term. The population trends show that there is a demand for growth related infrastructure at the present time.

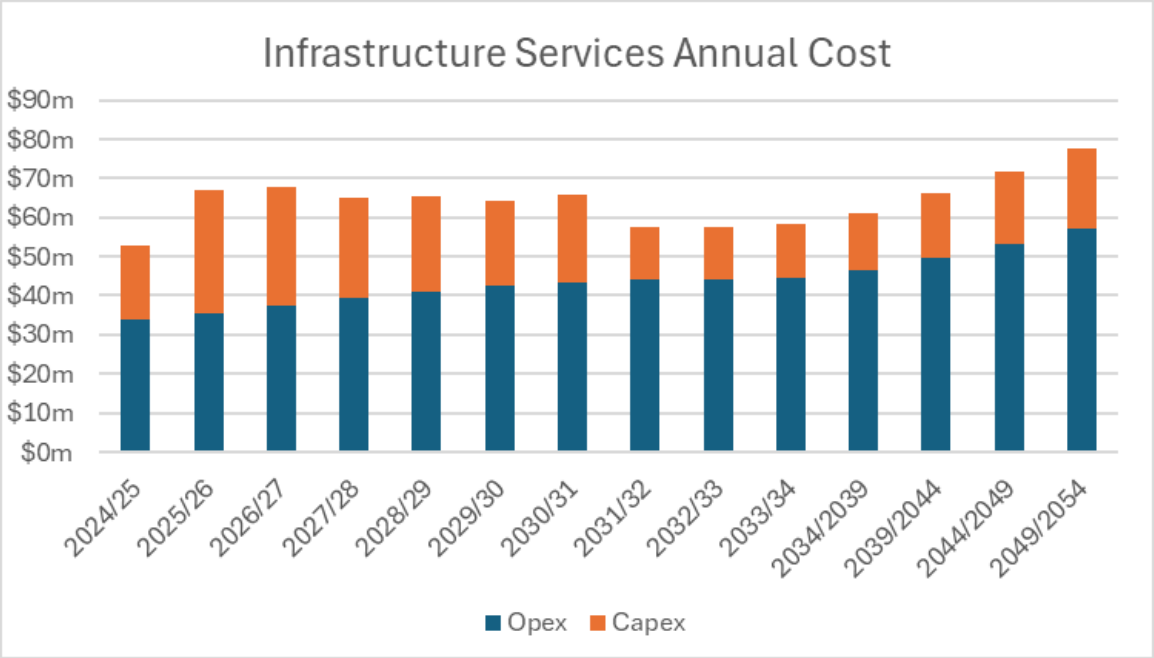
Currently, our District averages higher population growth for both young people (0-14) and our elderly (65+) than ages in-between (15-64). Over the medium-to-long-term, our District's population will have an increased proportion of 65+ year olds. This will have infrastructure implications that could lead to a change in levels of service expectations delivered by Council.

1.5 Investment / Financials

The 30-year forecasted operational expenditure and capital expenditure for three waters and roading infrastructure assets is summarised in the table and figure below.

Year	Opex	Capex	Total
2024/25	34,018,320	18,766,330	52,784,650
2025/26	35,408,131	31,703,034	67,111,165
2026/27	37,329,236	30,427,091	67,756,327
2027/28	39,530,172	25,424,225	64,954,397
2028/29	41,168,406	24,196,920	65,365,326
2029/30	42,472,256	21,831,981	64,304,237
2030/31	43,540,147	22,457,743	65,997,890
2031/32	44,071,285	13,468,627	57,539,912
2032/33	44,279,894	13,433,107	57,713,001
2033/34	44,580,005	13,678,968	58,258,973
2034/2039	46,394,527	14,675,034	61,069,561
2039/2044	49,641,385	16,454,527	66,095,912
2044/2049	53,216,586	18,409,618	71,626,205
2049/2054	57,153,724	20,557,637	77,711,361

Note: From 2031 onward the 5-yearly amounts shown are the annual average.



The renewal programme for wastewater and water reticulation networks over the next 30 years will be based on the results of performance, maintenance, breakage history, criticality and condition of specific assets. A programme of condition assessments is carried out. The assets are selected based on remaining life, criticality, performance and maintenance history. The information is analysed to determine what pipes will be replaced and when they will be replaced.

Network modeling has been carried out to assess where pipe sizes need to be increased to provide the level of service and where additional capacity is required to cater for growth.

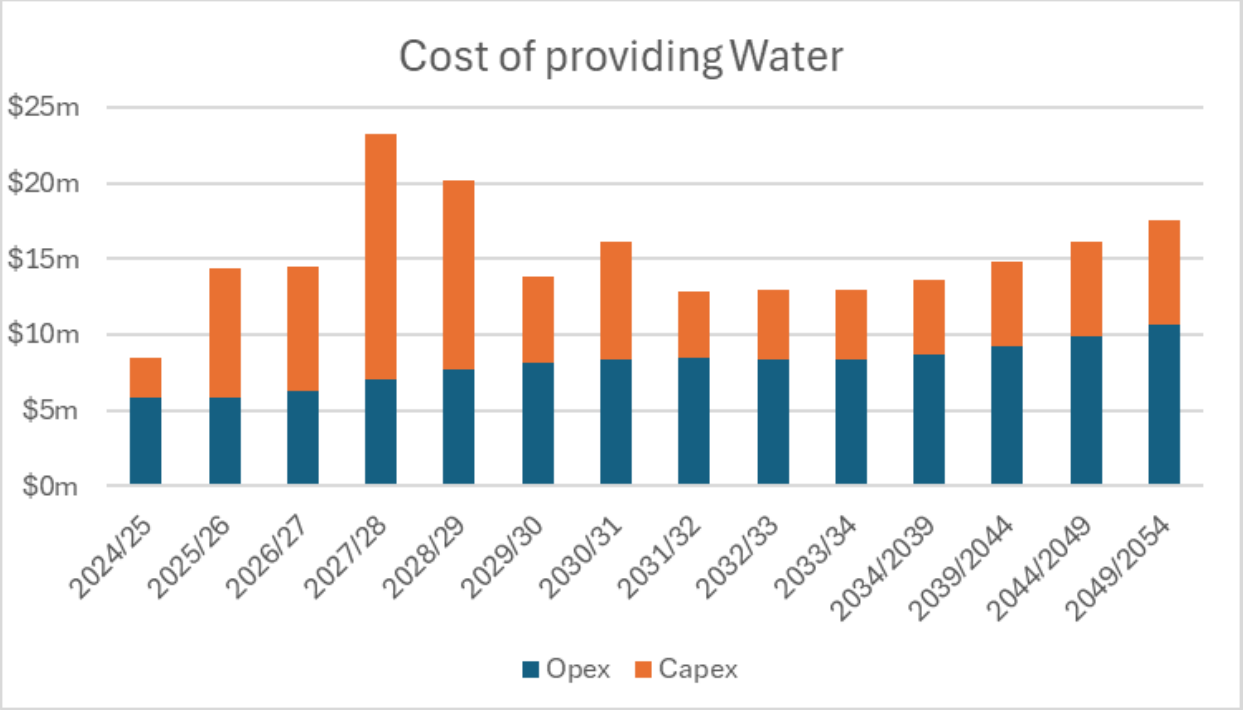
The result of the condition assessments and network modeling inform the forward works programme.

Council assessed the ways to fund renewals and the requirements of the capital programme for growth and levels of service in its entirety. On that basis, the hierarchy of funding for capital expenditure will remove the reliance on reserve funding for renewal programmes as we will no longer have asset replacement reserves. Capital expenditure will be funded through external funding like subsidies or grants, debt for growth and levels of service and cash surpluses created by funding depreciation for renewal.

Water Supply

Council will be implementing a programme of condition assessments based on performance and maintenance history, to determine the remaining service life of the assets. The condition assessment programme will then inform the actual replacement programme.

The 30-year capital and operating cost of water is detailed in the graph below. From 2034 onward the 5 yearly amounts shown are the annual average.



The graph above reflects an increase in the water supply capital expenditure in years 2025 to 2031.

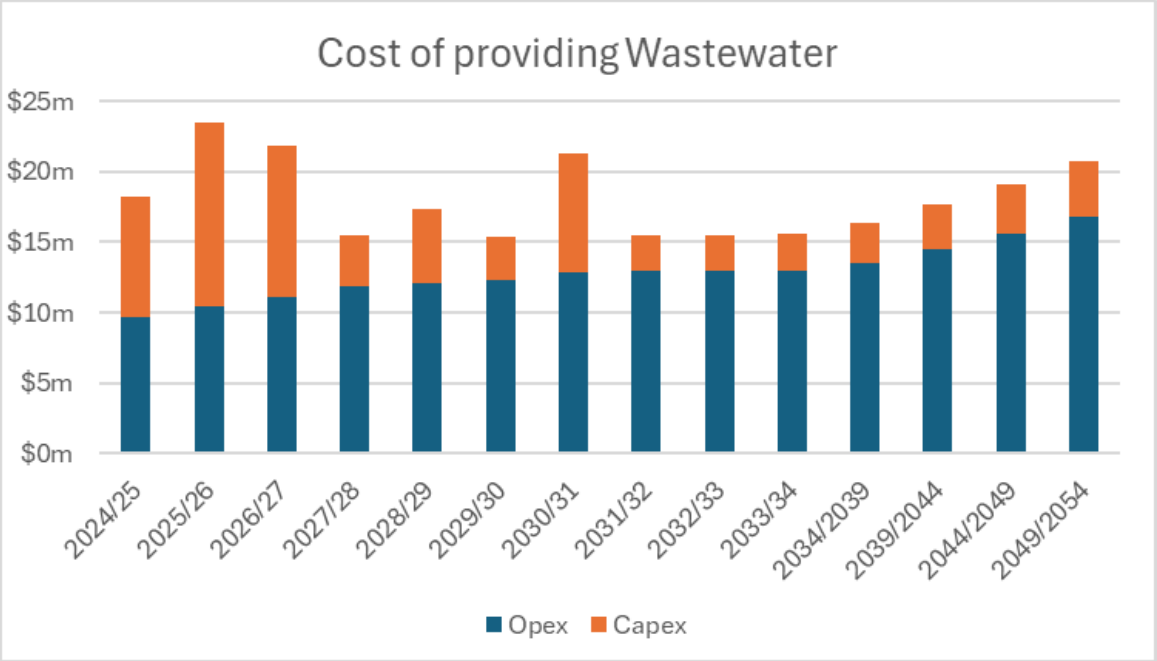
The increase in expenditure is due to projects that increase the level of service or provide capacity to service growth.

The major projects are:

- Tīrau - Increasing water storage to improve level of service to existing customers; additional pipeline upgrades to meet fire flow requirements in existing industrial zones.
- Tīrau – Infrastructure upgrades to provide capacity to service growth over the next 30 years.
- Tokoroa - Infrastructure upgrades to provide capacity to service growth over the next 30 years.

Wastewater

The 30-year capital and operating cost of wastewater is detailed in the graph below. From 2034 onward the 5 yearly amounts shown are the annual average.



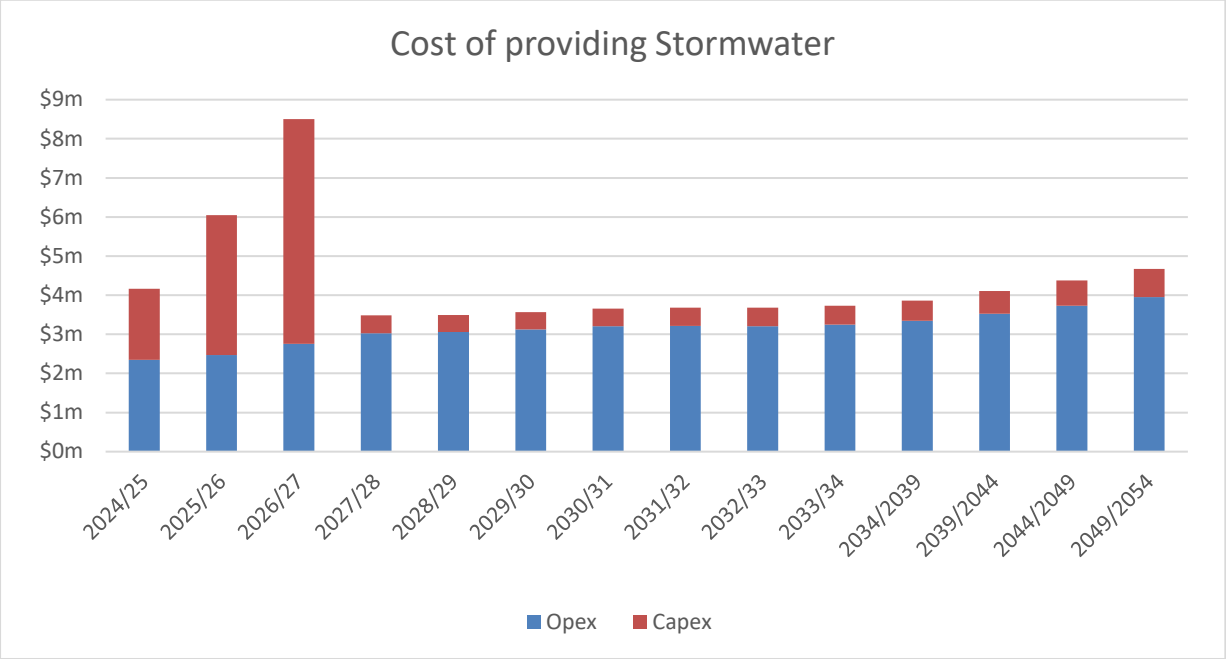
The graph above reflects an increase in the wastewater capital expenditure in years 2025 to 2027. The increase in expenditure is due to projects that increase the level of service or provide capacity to service growth.

The major projects are:

- Tīrau – Infrastructure upgrades to provide capacity to service growth over the next 30 years.
- Tokoroa – Infrastructure upgrades to provide capacity to service growth over the next 30 years.

Stormwater

The 30-year capital and operating cost of stormwater is detailed in the graph below. From 2034 onward the five yearly amounts shown are the annual average.



The graph above reflects an increase in the stormwater capital expenditure in years 2024 to 2027. The increase in expenditure is due to projects that maintain or increase the level of service. The major projects are:

- Improvements to open drain from Scotia Glen to Golf Street, Putāruru
- Improvements to drainage at Woolworths intersection with State Highway 1, Putāruru
- Drain and culvert improvements at Arapuni Street, Putāruru

Roading

Council does not put aside funding in an asset replacement reserve for the future replacement of our roads like it does for other core assets. Paying for upgrades, replacements, and maintenance to our roading network is paid for from rates that are collected in the same year that expenditure occurs. This is because:

- Council does not usually undertake significant improvements or additions to our roading network (ie we don't build new roads or significantly upgrade our roading system). Annual traffic counting provides evidence that there is still capacity within the network. If Council did build a new road, then it would be loan funded so that the cost of building is borne by those who benefit from it.
- The pattern of expenditure on roading that we term as capital (for accounting purposes) is very similar from year to year. It is largely determined by the level of funding from Waka Kotahi (NZTA) and our historical spend to maintain our level of service. However, the funding requirement to maintain the same Level of Services as in the past requires a significant fund increase due to the contact price increased for maintenance, operational, and renewal of roading contracts and the cost increase due to price escalation. The programme is based on performance, condition and age and in line with the Council's annual replacement targets.

Bridge replacement is the exception to this as the cost of building new bridges is significant but is only required every few years. Most of our bridges do not need replacement for 30-60 years. However, a periodic bridge inspection programme is in progress to determine the condition of the bridges.

The One Network Framework (ONF) is the new national classification system for roads and streets. It replaces the One Network Road Clarification (ONRC). The ONF is a system two-dimensional classification tool, uses the movement and place framework to determine the function of all roads and streets, acknowledging that roads and streets perform two functions – they help move people and goods and are places where people spend time. This is a nationwide change, the ONF aligns with strategic transport planning at all levels including long-term plans, Regional Land Transport Plans (RLTPs) and the NLTP.

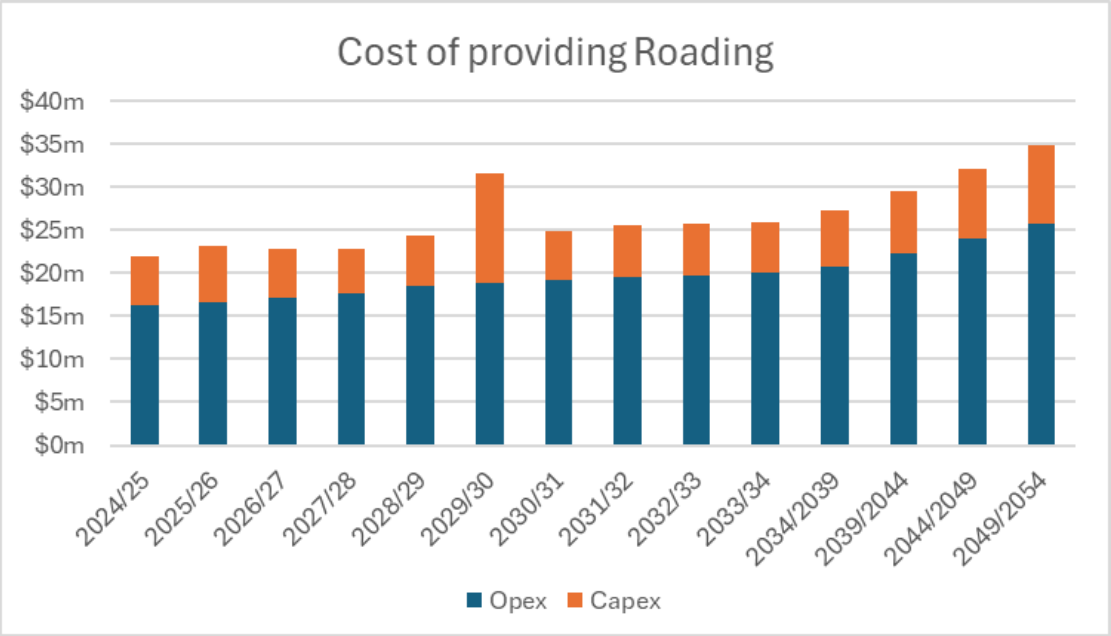
In August 2023, SWDC submitted the Draft Activity Management Plan (AMP) 2024-34 and the initial bid for the 3-year period (2024-27) to the Waka Kotahi. AMP describes in detail how the South Waikato District's network will support the Council's Vision, Outcomes and Goals, particularly over the next 10 years as encapsulated in the Long Term Plan 2024-2034. The outcomes and goals include reference to National and Regional Land Transport strategies such as the National and Regional Land Transport programmes, the Ministry of Transport's Transport Outcomes Framework, and Government Policy Statement (GPS).

The initial bid of maintenance and renewal work programme for the subsidies work is for the 2024-27 period is $30,556,000. This is for maintaining our current level of service without further deterioration. This essentially is an approach to "maintain what we have" with the lowest level of risk to the network.

The table below contains the recommended average annual levels of renewal quantities over the next five years.

	Average Annual Quantity (cl.km/yr.)	**Annual % Network / Year**
Rehabilitation	2.1	0.4%
Chip Resurfacing	30.1	6.0%
Thin AC Resurfacing	0.2	0.04%

The 30-year capital and operating cost of Roading is detailed in the graph below. From 2034 onward the five yearly amounts shown are the annual average.



1.6 Asset Management Improvement Programme

Providing and maintaining Council's infrastructure requires good asset management practices and strategic thinking. Understanding what assets we own and what key information (criticality, performance, condition and age) is required is fundamental to asset management.

Gaps in our asset knowledge of Council's infrastructure have been identified. A range of options have been considered to fill those gaps in order to allow Council to make good decisions that are fit for purpose. Funding for the improvement programme is identified in the 2024-34 Long Term Plan.

1.6.1 Performance Gaps

Information on how well assets are performing is missing in some areas. Collection of additional information will allow a better understanding of how our existing assets are currently performing. The information can also be used to assess how much capacity is available in our existing infrastructure to support growth.

1.6.2 Infrastructure Requirements

Key data required for forecasting and planning has been identified and a gap analysis of the existing data sets carried out.

Gaps in the management of our infrastructure assets have been identified as follows:

- Missing buried asset depths and invert levels in our asset management system.
- Our system of assessing the consequences of an asset failing needs review (criticality assessment).
- Asset condition data is missing or not current.
- Spatial location of some assets.
- The process of asset data capture needs review.
- Data accuracy confidence.

1.6.3 Forward Works

The following issues have been identified as requiring further investigation:

- Audit and/or investigate asset data for missing data, accuracy, and to confirm manhole locations, depths and pipe diameters.
- Investigation of assets with identified inconsistencies in asset information.
- Reliable condition assessment to be collected on near end of life and assets with performance issues.
- Prioritising which asset catchment areas need to be investigated first, based on criticality and level of service needs.
- Investigate new technologies to assist with data capture.
- Making better use of our asset information system functionality.
- Audit of assets to determine confidence in data accuracy.
- Improvement of asset location and spatial data.
- Improved monitoring and telemetry systems.

1.7 Significant Infrastructure Issues

We are increasing our knowledge of the stormwater systems performance in Tokoroa township, Putāruru township and Tīrau township. The knowledge of the stormwater systems performance allows Council to assess which areas of the townships are flood prone. Council uses this information to avoid new development in flood prone areas.

We are increasing the capacity of the water reticulation to meet firefighting standards within Tokoroa and Tīrau and to meet growth requirements. Allowance for growth within Putāruru was included in the 2021-31 LTP. We are also improving remote monitoring and reporting systems to ensure that the water treatment systems operate effectively and efficiently, thereby ensuring the water supplied to residents is safe and meets the New Zealand drinking water standards.

With wastewater we are increasing the capacity of wastewater system to meet expected growth within the townships of Tokoroa and Tīrau. Allowance for growth in Putāruru was included in the 2021-31 LTP. We are also improving remote monitoring and reporting system to ensure that the treatment of wastewater is effective and efficient, thereby ensuring the treated wastewater is discharged safely and in compliance with resource consent conditions.

1.7.1 Infrastructure Strategic Issues and Decisions

This Strategy relates to Council's wastewater, water supply, stormwater drainage and transport infrastructure assets. The tables on the following pages summarise the significant infrastructure issues facing Council, the proposed response to those issues, and the implications of taking or not taking the action proposed by the response. In many instances, the same principal response option is capable of addressing several infrastructure issues. The proposed responses are then developed into projects to be actioned.

Tokoroa and Tīrau Townships

Population Growth

In the medium-to-high-term, population growth is expected to increase between 1,000 and 4,850. Based on this projection, we would need an additional 2,950 households to service growth over the next 30 years. The majority in our District are couples, two parent families and one person household types (70%), with the rest being single parent and multi-family or non-family household types (30%).

Within Tokoroa there are several greenfield and infill sites, plus infill redevelopment opportunities which are planned for, and infrastructure ready and/or reasonably expected to be realised through Councils Asset Management Plans to cater for the short term.

However, using the lower occupancy rate of residential units there is a shortage of opportunities for development in the medium term and Council needs to provide for approximately 275 households for the medium term (3-10 years) and another 1400 for the longer term (10-30 years) (Tīrau Growth and Tokoroa Housing and Business Assessment, 2022 – ECM 586469). In Tokoroa, there is a shortfall of 42.24 hectares of industrial zoned land in the long term whereby 33 hectares needs to be zoned today to provide for the short term.

In Tīrau, there is a forecast shortfall of 145 dwellings, comprised of 58 infill and 87 greenfield, over the next 30 years. An additional 5 hectares of business and industrial zoned land will be needed in the long term.

Growth Plan

A growth plan has been developed to plan for future land uses that supports growth in housing and other economic activities. The growth plan ensures there is enough land and infrastructure available to meet projected growth. The growth plan will allow land use to change and evolve in a staged manner, balancing residential and economic growth in appropriate areas, ensuring efficient and co-ordinated infrastructure delivery, while protecting other areas for rural production and environmental enhancement.

Future growth cells in Tokoroa and Tīrau have been identified. Modelling of existing infrastructure has identified any upgrades required to service the new growth areas.

Plan Change - Growth Cells

South Waikato District Council is a Tier 3 local authority. The National Policy Statement for Urban Development (NPS-UD) encourages Tier 3 authorities to adopt modifications necessary to enable authorities to be infrastructure ready.

This means:

- In relation to short term, there is adequate existing infrastructure to support development.
- In relation to medium term, the above applies, or funding for adequate infrastructure to support development is identified in the LTP.
- In relation to long term, the above applies where it is identified in the LTP, or the infrastructure is identified in the infrastructure strategy (as required as part of the LTP).

Council has identified that infill housing and development of existing zoned land will provide for the first 3 years of demand. Catering for demand for years 4 to 30 requires additional land to be available for development. Council has initiated the plan change process to rezone land to cater for residential and industrial demand over the next 30 years.

The water supply and wastewater infrastructure required to support development of additional land in Tokoroa and Tīrau has been modelled and costed.

Major projects are listed below which address compliance with resources consent conditions, addressing levels of service, renewals and providing capacity for growth.

Stormwater

Community	Most likely scenario	Strategic issue	Alternative Option	Forecast delivery	Cost $
Putāruru	Develop infrastructure capacity to address identified capacity issues. Plan for climate change effects and resilience (LOS), reduce flooding of existing section (LOS).	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024 - 2028	8,065,000
Tokoroa	Stormwater Improvements.	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024 - 2027	2,000,000
Districtwide	Aging Infrastructure – Implement stormwater pipe condition assessment program. Implement prioritised renewal program.	Renewals	Do nothing – Increased risk of network failures resulting in flooding of property.	Annually	150,000
Districtwide	Stormwater Treatment Devices to reduce contaminants in stormwater runoff.	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	Annually	200,000

Wastewater

Community	Most likely scenario	Strategic issue	Alternative Option	Forecast delivery	Cost $
Arapuni	WWTP - Plant & Equipment Replacements.	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance.	2025-2026	15,000
Arapuni	New Pump Station.	Growth	Do nothing - No allowance for growth.	2027-2029	770,000
Districtwide	Wastewater pipeline Renewals.	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance.	Annually	1,500,000
Putāruru	Pump Station & Pipeline Upgrades.	Growth	Do nothing - No allowance for growth.	2029-2031	5,612,000
Putāruru	WWTP – Plant & Equipment Replacements.	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance.	Annually	150,000
Putāruru	WWTP – Upgrades to comply with consent conditions and improve resilience.	Level of Service	Do nothing - Levels of service not met, non-compliance with resource consent.	2024-2041	11,222,000
Tokoroa	Wastewater Pump Station - Seismic upgrades.	Level of Service	Do nothing - Levels of service not met.	2025-2027	400,000
Tokoroa	Wastewater Pump Station - Upgrades.	Growth	Do nothing - No allowance for growth.	2025-2030	1,935,000
Tokoroa	WWTP- Plant & Equipment Replacements.	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-	Annually	230,000

			compliance.		
Tokoroa	WWTP - Upgrades to comply with consent conditions and improve resilience.	Level of Service	Do nothing - Levels of service not met, non-compliance with resource consent.	2024-2027	6,950,000
Tirau	Wastewater - Pumpstation and pipeline upgrades.	Growth	Do nothing - No allowance for growth.	2025-2027	3,740,000
Tirau	WWTP - Plant & Equipment Replacement.	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance.	Annually	75,000
Tirau	WWTP - Upgrades.	Level of Service	Do nothing - Levels of service not met.	2024-2029	3,491,000

Water Supply

Community	Most likely scenario	Strategic issue	Alternative Option	Forecast delivery	Cost $
Arapuni	Water Supply headworks and treatment - Plant & Equipment Replacement.	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance.	Annually	15,000
Districtwide	Water Supply pipeline renewals.	Renewals	Do nothing - Levels of service not met.	Annually	3,350,000
Districtwide	Water Supply - Resource Consents.	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2028-2030	600,000
Districtwide	Water Meters.	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2026-2030	5,200,000
Districtwide	Water Supply Reservoirs - Seismic Assessments.	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024-2026	310,000
Putāruru	Water supply - Upgrades to pipelines, pumping and headworks.	Growth	Do nothing - No allowance for growth.	2028-2031	7,968,000
Putāruru	Water Supply - Reservoir and treatment upgrades.	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024-2026	5,300,000
Tokoroa	Water Treatment upgrade and reservoirs repair.	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024-2025	1,000,000

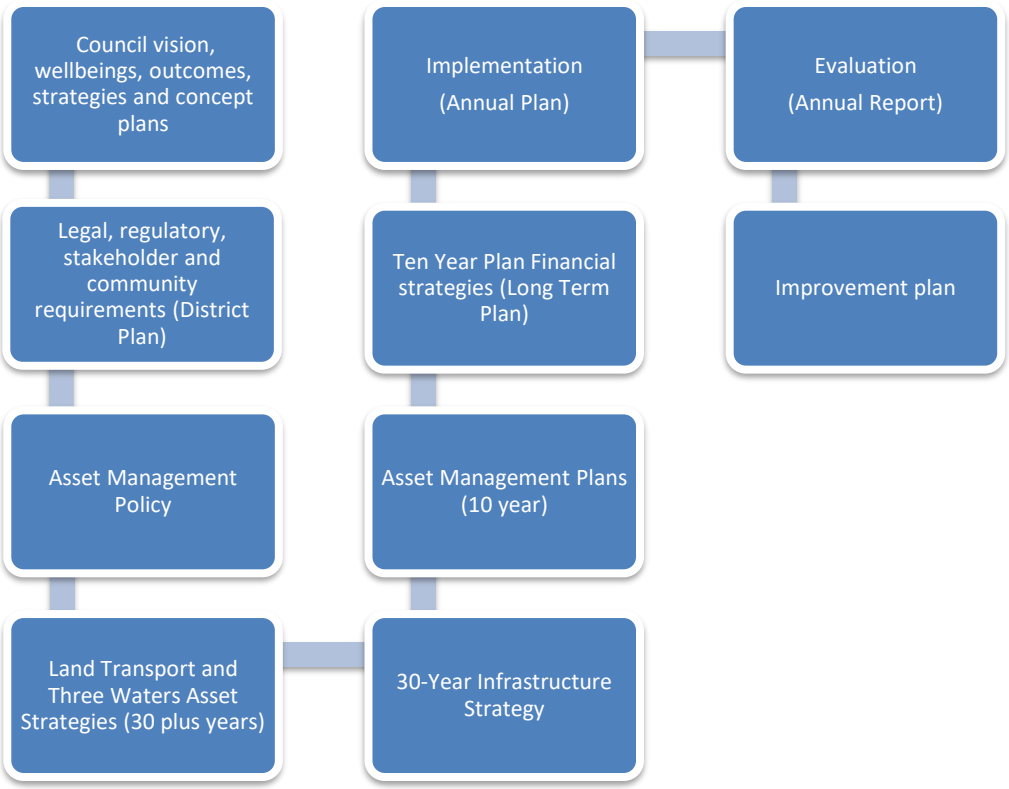
Tokoroa	Water Supply – Pipeline Upgrades.	Growth	Do nothing - No allowance for growth.	2026-2028	3,800,000
Tokoroa	Water Supply Headworks and treatment - Plant & Equipment Replacement.	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance.	Annually	85,000
Tīrau	Water Supply rising main and pipelines upgrade.	Growth	Do nothing - No allowance for growth.	2026-2028	5,763,000
Tīrau	Reservoir replacement and relocation of headworks.	Level of service	Do nothing - Level of service not met.	2024-2027	7,272,000
Tīrau	Tīrau Water Supply Plant & Equipment Replacement.	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance.	Annually	85,000

Land Transport

Community	Most likely scenario	Strategic issue	Alternative option	Probable year of action	Cost
Putāruru	Access road from Princes Street.	Growth	Do nothing – Site Development cannot proceed.	2024-2029	1,200,000
Tokoroa	Bridge St Upgrade.	Renewal	Do nothing – No improvement of Streetscape.	2028 - 2029	6,500,000
Districtwide	Road network renewals. Pavement renewal and resurfacing.	Renewal	Do nothing - No renewal resulting in no allowance for growth and potential for levels of service not met.	Annually 2024 - 2054	3,760,000
	Safety Improvements.	Compliance	Do nothing - No improvement to safety of users using road network.	Annually 2024 - 2054	415,000
	Cycling/ walking strategy.	Relationship	Do nothing – No improvement of transport mode choice.	2024-2029	20,000

2. Asset Management Objectives / Framework

The framework below outlines the asset management objectives of Council and how the asset management system will enable those objectives to be achieved.



This approach meets legislative requirements and supports good asset management practice.

Council's vision for the District along with community, stakeholder and legislative requirements, and the asset management policy informs the Land Transport Strategy and the Three Waters Strategy. The outcomes, strategies and objectives within the asset strategies are compiled into the 30-year Infrastructure Strategy.

The 30-year Infrastructure Strategy identifies the issues that will arise, or are likely to arise, over the next 30 years in terms of delivery of services. The strategic issues identified in the 30-year Infrastructure Strategy are analysed and scoped before being added to the Asset Management Plans.

The first ten years of the expenditure programme are consulted on with the community as part of the Long Term Plan (LTP) process. The LTP sets out how Council will balance competing demands from the community while delivering agreed levels of service.

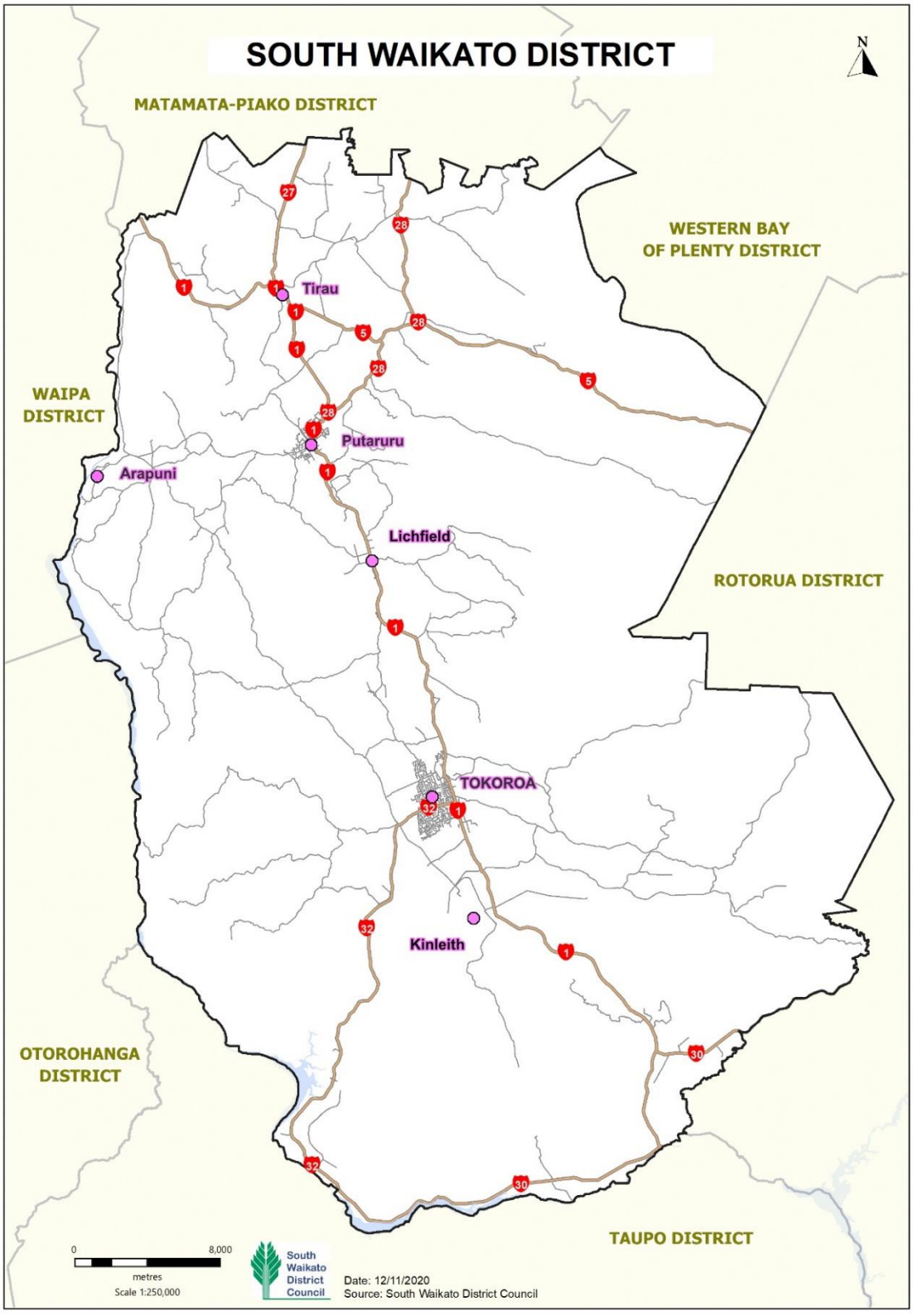
For each year of the LTP an Annual Plan is prepared that includes any issues that have arisen since the preparation of the LTP. Any significant changes from the LTP are consulted on with the community.

At the completion of each year an Annual Report is prepared which details Council's delivery of services. Opportunities to improve our performance in the delivery of services to the community are detailed in the Improvement Plan.

3. Strategic Context

3.1 Location

The District is wholly within the Waikato Region.



Tokoroa is the largest township in the South Waikato District. Putāruru is located 20km to the north of Tokoroa, with Tīrau at the northern end of the District. Smaller settlements include Arapuni, and Lichfield. Kinleith is a large wood processing complex.

3.2 Physical Context

The geology of the South Waikato District reflects major historic volcanic events in the Taupo, Rotorua and Tīrau zones. The geology is influenced by the action of the Waikato River and other waterways.

The temperate climate provides an annual rainfall of approximately 1,500mm and the prevailing wind is from the southwest. The Kaimai and Mamaku ranges to the east southeast and the significant area of forestry around Tokoroa and in the southern part of the District have an influence on weather patterns and air temperature.

Land Transport
The total roading network consists of local roads, state highways, private (mainly forestry) roads and unformed (paper) roads. In addition to the carriageway, the roading infrastructure also includes bridges and large culverts, signs and road marking, footpaths, street lighting, drainage, railings and carparks.

The District is traversed by State Highways 1, 5, 27, 28, 30 and 32 that have a significant bearing on the traffic that travels through the District and the use made of local roads. Council exercises its interest in the operation and management of state highways directly through close liaison with Waka Kotahi - NZTA and indirectly through input to the Regional Land Transport Programme through the Regional Land Transport Committee.

Three Waters
Stormwater collection and disposal, wastewater collection and treatment, water supply networks and treatment service the communities located in Tokoroa, Putāruru, Tīrau and Arapuni.

3.3 Hazards

Industrial and Road Hazards

Our District has two registered major hazard facilities. The first being the Oji Fibre Solutions (NZ) Limited operated Kinleith Mill which, during its manufacturing processes uses a large amount of chemicals and is the only chlorine manufacturing facility in New Zealand. The second is the Fonterra Limited dairy factory at Tīrau, which manufactures ethanol for commercial use.

Forestry is another major industry within our District that presents as a significant hazard with the potential for rural and forest fires, especially with the change in climate. This has been evident in other areas of New Zealand and around the world. It is not only the forestry industries that are at risk of fires but also our native bush and biodiversity.

Our District is serviced by several state highways and our local road network. Unfortunately, traffic accidents do occur. Following is a table of the number of accidents causing fatalities or serious harm, on SWDC owned roads from 2017/18 to 2022/23.

Accident Result	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Fatal	0	0	1	0	0	1
Serious harm	10	6	5	17	13	7

Natural Hazards

The South Waikato is located between 100m and 350m above sea level and is contoured to form a gully through the middle of the District. This encourages a progressive flow of water from *maunga* (mountain) to *moana* (sea). Although increased sporadic rainfall is predicted and increased westerly winds, the natural contour of the land positions the District in a favourable location to build resilience for a natural weather disaster.

The District does have to consider the secondary impact of natural disasters as our perceived safe-haven can become an ideal location for resettlement of communities from surrounding districts that may be impacted by coastal erosion, volcanic activity, geothermal activity or flooding. Our District does have to be aware of the effect that our decision-making has on surrounding districts.

Floods

Flood modelling has been carried out within the Tokoroa, Putāruru and Tīrau townships. The extent of flooding during a 1 in 100-year rainfall event has been mapped. Council is limiting new development in areas identified to be at risk of flooding in a 1 in 100-year event.

Tsunami

Our District is fortunate to be located inland and is unlikely to incur the physical impacts caused by a tsunami. However, our District is a suitable place for recovery or resettlement for communities that have been impacted by a tsunami. This scenario could put added pressure on our infrastructure, housing stock and social services. It is important that our District plans for such an event and that we are aware of recovery plans to accommodate coastal communities following a tsunami.

Earthquakes

Our District has one known fault line within it, the Kerepehi Fault, located at the northern end of the District. The Taupo Volcanic Zone is located immediately east of the District and is an area of active faulting and geothermal activity. We are likely to experience some level of earth shaking in our District due to movements on fault lines within and outside our District.
Council will continue to survey buildings within the District to monitor building earthquake resilience and ensure compliance with the Building Act 2004.

3.4 Population Projections

Census results show that the population in the South Waikato declined from the District's inception in 1989 through to 2013. Since the 2013 Census, the District has experienced growth in population with annual population growth recorded. Projections from our Housing and Business Capacity Assessment suggest a population increase of 3.8% to 18.6% in the medium-to-high-term. The population trends show that there is a demand for growth related infrastructure at the present time.
Currently, our District averages higher population growth for both young people (0-14) and our elderly (65+) than ages in-between (15-64). Over the medium-to-long-term, our District's population will have an increased proportion of 65+ year olds. This will have infrastructure implications that could lead to a change in levels of service expectations delivered by Council.

3.5 Infrastructure context

Over the last ten years, Council's strategy focussed on improving the condition of core infrastructure assets. In the water supply and wastewater activity areas, improvements to the infrastructure have been undertaken in order to meet resource consent conditions, drinking water standards and other legislative requirements. These infrastructure improvements support public health outcomes and achieve improved environmental outcomes.

While these improvements have been carried out, Council has also taken a prudent approach to financial management.

The demographic trend supports Council's decision to adopt an approach which involves ongoing improvements to meet changing regulatory requirements and maintaining the infrastructure to meet service delivery expectations.

In the last ten years Council has invested in capital projects in the four activities covered by this Strategy.

Some of the key projects completed in this period were:

- Refurbishment of the Lake Moananui dam.
- Disinfection upgrades to drinking water supplies.
- Tokoroa Wastewater Treatment Plant upgrades (drum filter, centrifuge, gas flare and digester).
- Road safety improvements (realignments, speed reduction and intersection improvement).
- Footpath and mobility crossing improvements.
- Establishment of public transport services.
- LED street lighting installed.
- Modelling of three waters infrastructure for capacity to support growth.
- Flood modelling for 1 in 100-year rainfall event in urban areas.

This Council and its predecessors have been involved in the provision of core infrastructure since the mid-twentieth century, providing services to residents in the District. These services have been historically provided by Council and future investment projections are made on the assumption that Council will continue to provide these services. Therefore, future investment is assessed to meet environmental requirements of resource consents, health standards, directives from Central Government on land transport and other legislative requirements.

Growth is forecast at higher levels in Putāruru, Tīrau and Arapuni but there is still growth forecasted in Tokoroa. The ability for Putāruru's infrastructure to support growth has been assessed. Areas where capacity needs to be increased to support greater demand for services have been identified and projects scoped to provide for the forecasted demand. These projects are detailed in Section 9.

The potential to service growth in Tīrau and Tokoroa is currently being reassessed. Areas where capacity needs to be increased will be revised and identified projects will be scoped and costed.

4. National and Regional Context

4.1 Three Waters

Council is required to give effect to legislation and other guidance for drinking water supplies, wastewater and stormwater infrastructure:

4.1.1 Settlement Acts

Settlement Acts with iwi are relevant to the management of the three waters within the South Waikato. These include:

- Affiliate Te Arawa Iwi and Hapu Claim Settlement Act 2008.
- Raukawa Claims Settlement Act 2014.
- Ngāti Koroki Kahukura Claims Settlement Act 2014.
- Ngāti Hauā Claims Settlement Act 2014.

Due to the Waikato River traversing the District, these Acts are also relevant:

- Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010.
- Ngāti Tūwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010.

In addition to the above, the following has relevance to Te Waihou River:

- Ngāti Hinerangi Deed of Settlement.

Each of these have specific purposes, however, common themes include the importance of the Waikato River for iwi and to restore and protect the health and wellbeing of the rivers within the region for future generations.

4.1.2 Vision and Strategy Waikato River Te Ture Whaimana o Te Awa o Waikato

The Vision for the Waikato River is:

Our vision is for a future where a healthy Waikato river sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato river, and all it embraces, for generations to come.

The Waikato River Authority was established in 2010 as the custodian of the Vision and Strategy for the Waikato River. The Authority is also the body responsible for overseeing the implementation of the clean-up of the Waikato River. Regional and District Plans are required to give effect to the Vision and Strategy for the Waikato River.

4.1.3 Resource Management Act 1991 (RMA)

The purpose of the RMA is to promote the sustainable management of natural and physical resources. The RMA governs water takes from both ground and surface water sources (water supply) and discharges (wastewater and stormwater).

4.1.4 National Policy Statement for Fresh Water (NPS)

The Freshwater NPS was introduced in 2011, updated and replaced in 2014, and amended in 2017 and 2020. The NPS directs regional councils, in consultation with their communities, to set objectives for the state of freshwater bodies in their regions and to set limits on resource use to meet these objectives. There are requirements for regional councils to improve water quality and report on the

achievement towards the targets every five years. The NPS is going to have a significant influence on the rules and requirements of regional plans in the future.

4.1.5 Waikato Regional Policy Statement (RPS)

Regional councils are required to produce a RPS every ten years. The RPS sets the framework for how freshwater resources throughout the region are to be managed.

4.1.6 Waikato Regional Plan

The Waikato Regional Plan (WRP) sets the rules to achieve the outcomes set in the RPS. There are rules that govern issues such as water allocation, water quality and discharges to the environment. The WRP is reviewed every ten years.

The Healthy Rivers Wai Ora Plan Change 1 (PC1) will influence how the three waters are managed with requirements to review and mitigate nutrient discharge from wastewater.

4.1.7 Waikato Freshwater Strategy

This strategy has been prepared by the Waikato Regional Council and recognises that the way that water is managed throughout the Waikato is not appropriate. It recognises that there is simply not enough water to go around for everyone who wants to use it and identifies new approaches for how water will be managed in the future.

4.1.8 Health Act 1956 and Health (Drinking Water) Amendment Act 2007

The Health Act 1956 and subsequent Amendment Act are applicable to water supply in the region. These set out the requirements for the Drinking-Water Standards of New Zealand and also the duties that drinking water suppliers are required to adhere to.

4.1.9 Health and Safety at Work Act 2015

The Health and Safety at Work Act 2015 and related regulations require that workers and others are given the highest level of protection from workplace health and safety risks, so far as is reasonably practicable. This includes risks to both physical and mental health.

4.1.10 Water Services reforms

Recent legislation, Taumata Arowai – the Water Services Regulator Act 2020 establishes Taumata Arowai, the water services regulator and sets out Taumata Arowai's objectives, general functions, and operating principles.

The new water regulatory framework is to ensure compliance with the drinking water standards of New Zealand.

4.2 Land Transport

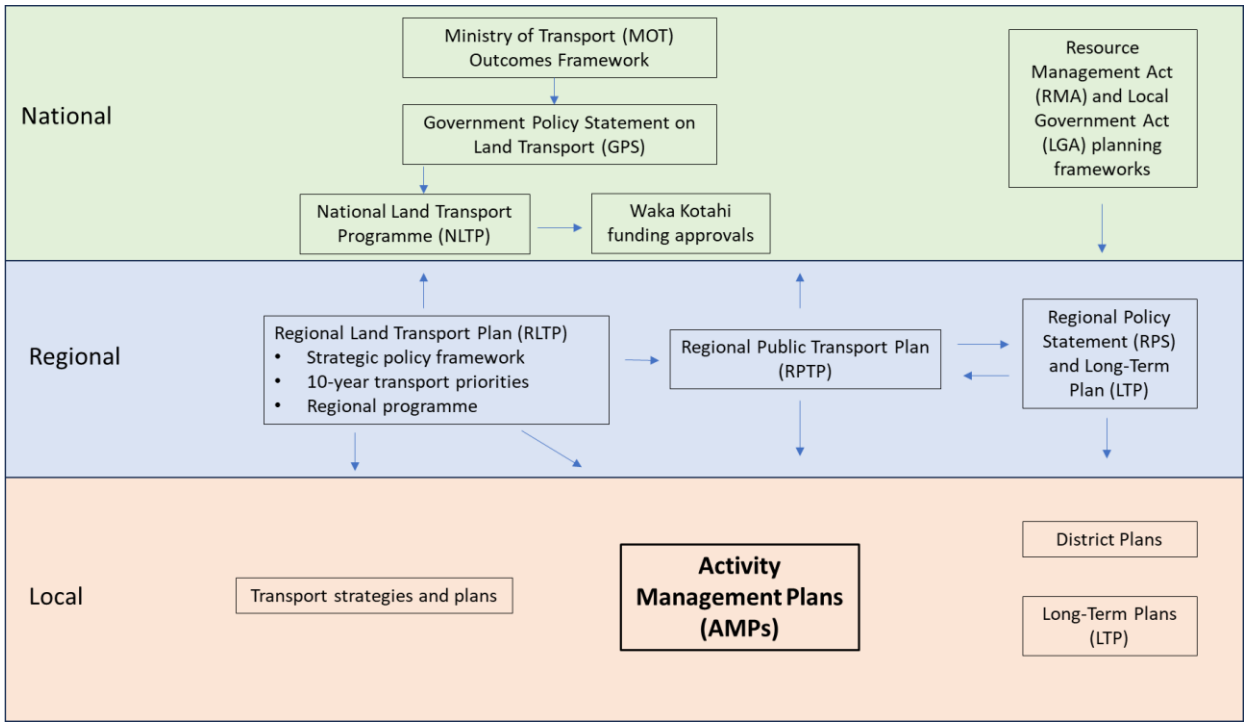
When working with land transport infrastructure, Council is required to give effect to the following:

- National Transport Outcome Framework
- Government Policy Statement (GPS) on Land transportation 2024-34

- Waikato Regional Land Transport Plan
- SWDC Strategic plan and policy process
- SWDC Long Term Plan

4.2.1 Transport Documentation Hierarchy

The figure below provides an overview of how the different key national, regional and local documents interrelate with each other. The Activity Management Plan (AMP) has been highlighted.



Relationship between National, Regional and Local Contexts

Details of the national, regional and local contexts related to the Activity Management Plan are provided in Appendix Six.

5. Vision and Community Outcomes

The vision for LTP 2024-34 is ***'A thriving community and robust economy that outpaces the rest of NZ.'***

Community Outcomes

Community outcomes are what Council aims to achieve in meeting the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions.

The outcomes have a role to play in strategic direction setting and help in prioritising improvements to activities and services provided by Council.

Council has identified three outcomes, and each have implications for the provision and maintenance of infrastructure for the District.

Thriving communities: Our diverse people of South Waikato are healthy and well, with ample opportunities to support their quality of life.

A sustainable environment: The District is a national leader in benefiting economically from a circular economy.

A robust economy: Leveraging our location and rich soils, we rebuilt a strong foundation for our grandchildren.

In order to achieve these outcomes, Council has set the following goals:

- More people in the South Waikato own their own home than anywhere else in the country.
- More people participate in community activities and events in the South Waikato than anywhere else in the country.
- Our economy grows faster than anywhere else in the country.
- All our young people are in either education or employment.
- No waste or rubbish leaves the District.

6. Infrastructure Challenges

To deliver Council outcomes and implement the strategies Council needs to focus its infrastructure investments.

The following challenges are the most important infrastructure matters for Council to address:

- Renewals – managing the replacement of existing assets by improving the information available to better inform decision making.
- Population change – responding to an increase (or decline) in demand for services.
- Resilience – assessing and reducing the risks of natural hazards.
- Compliance – maintaining or improving public health outcomes, improving environmental outcomes and providing a safe transport system.
- Levels of service – maintaining sustainable delivery of existing levels of service and managing expectations for improved levels of service.
- Recovery – planning for service disruptions.
- Climate Change – planning for climate change.
- Critical Assets – proactive maintenance and renewal programme for critical assets.
- Asset information improvements to assist in informed decision making.

6.1 Renewals

Infrastructure assets have a finite life. They require replacement when they get to the point where they no longer provide the required level of service, or the risk and consequences of them failing is unacceptable. Council plans for the renewal and replacement of assets. Accurate information on asset condition and the performance of those assets is essential for Council to make informed decisions about how the infrastructure assets in the District should be managed. Council has a mandate to maximise benefits from investments utilising ratepayer money and to be financially prudent.

Our Strategic Outcome	***Our Goals***	***Our Response***
Sufficient and accurate information to make informed decisions.	We will plan for and manage the maintenance and upgrading of Council's land transport and three waters infrastructure through effective monitoring of assets.	We will collect, store and manage three waters asset data (asset condition, age etc) in accordance with best practice. We will collect and manage land transport asset data.
	We will have a high level of knowledge of discharges from wastewater and stormwater sources.	We will monitor the discharges from Council's three waters infrastructure, in particular those from WWTPs.
	We will maintain existing assets, improving resilience through sound asset management.	We will utilise asset condition and monitoring data to make informed decisions that are financially prudent and ensure sound stewardship of public assets.

6.2 Population Change

The South Waikato District is experiencing a period of population and commercial/industrial growth, following a long period of slow decline. Council needs to understand these changing growth patterns and plan for effective and efficient provision of three waters infrastructure to meet both current and future demands. This will be undertaken through clear planning of how and where development should occur within the District. Growth in the District is likely to involve both areas for residential development and commercial/industrial purposes.

A growth plan has been developed and future growth planning undertaken for Tokoroa, Putāruru and Tīrau. This growth planning is important to be able to make informed decisions and to ensure that demand is met while maintaining financial prudence of investment in three waters infrastructure.

It is important that Council comprehensively plans for the location of growth to ensure infrastructure is provided in an efficient and effective way over the long term. One of Council's main roles is to determine the optimal timing and location of infrastructure to enable the District to grow. This means investing in efficient and effective infrastructure solutions at the right time and the right place.

Fragmented growth on multiple fronts leads to inefficiencies in infrastructure provision. Land is unable to be developed due to constraints by infrastructure sized only for previous individual developments resulting in Council needing to retrofit infrastructure to allow greater capacity. Infrastructure investments would also need to be duplicated across the District to allow for growth on multiple fronts.

The 2024-34 Long Term Plan and this Strategy proposes investment in strategic infrastructure to unlock the Tokoroa, Putāruru, and Tīrau growth cells. This investment in infrastructure is forecast in the next five years to create the necessary strategic infrastructure to enable residential development.

Our Strategic Outcome	***Our Goals***	***Our Response***
Understand and plan to meet current and future demands.	We will understand and plan for the District's growth trends and dynamics.	We will understand future industrial and residential growth aspirations and ensure future three water demand can be met, where appropriate and land transport needs are met.
	We will provide sufficient water supply, wastewater treatment, stormwater and transport infrastructure to support future growth aspirations.	We will develop a water demand profile using future growth projections that determines the 30 year water supply requirements for the District.
		We will ensure our infrastructure is capable of meeting the District's current and future water supply requirements.
		We will appropriately scale wastewater treatment upgrades and investments in the District to meet growth projections.
		We will ensure that stormwater management is undertaken in accordance with current good practice and required regulatory requirements.

Enable District economic growth and prosperity.	We will maximise economic development opportunities.	We will provide transport links at the appropriate levels of service to support economic growth and productivity.
		We will work with partners to monitor infrastructure, identify upgrades and determine funding mechanisms.
		We will provide better access to markets.
		We will promote the District for industrial and commercial development opportunities.
Provide infrastructure to support and promote land use change and ongoing population growth.	We will protect key freight and tourism corridors.	We will maintain and improve existing parts of the transport system to standards appropriate for their current and planned future use.
		We will plan for and provide better access to markets, employment and business areas.

6.3 Resilience

In general, a pragmatic approach is taken to risk management in individual Asset Management Plans. Identified risk events are grouped into:

- Natural events, where there is no real control over the timing or extent of the event, although probabilities may be understood, eg floods, lightning strikes, earthquakes.
- External impacts, where other service providers are not providing services which impact on the organisation or individuals, eg power supply failures, material supply failures and pandemics.
- Physical failure risks, where condition and/ or performance of the asset or third party damage could lead to failure.
- Operational risks, where maintenance and or management of the asset or asset management activities may impact adversely on the asset.

The main natural hazards potentially impacting on Council's infrastructure assets are volcanic eruption, earthquake and flooding. Resilience is imperative to ensure that the provision of three waters infrastructure will appropriately be able to respond to demands placed on it, both in terms of growth and the ability of the District to be able to respond to natural disasters.

Our Strategic Outcome	***Our Goals***	***Our Response***
Minimise disruption to services.	We will take resilience into account when planning for three waters infrastructure and transport.	We will plan for and implement resilience considerations when considering three waters and land transport infrastructure works.

		We will protect the function of key freight and tourism and transport corridors.
		We will determine the level of service required during incidents and major event, including diversion routes.
Route safety, resilience reliability and accessibility are enhanced	We will enable transport choice and access	We will support different modes of transport in urban areas.
Provide and plan for sustainability	We will protect or enhance the environment	We will work with other key industry partners to capture opportunities that emerging technologies provide for improving the transport system.

6.4 Compliance

Three Waters

We recognise that regulatory and legislative requirements are ever changing, and that Council needs to be able to respond to these changes with regard to the provision of three waters infrastructure.

Public health protection is, first and foremost, a fundamental requirement of Council for water supply. Council is a drinking-water supplier and under the Health Act 1956, councils are required to ensure that they: "…improve, promote and protect public health within its District." (Health Act, Section 23)

Council operates four urban and two rural water supplies. This includes ten reservoirs, ten bore water pumps and 228 km of pipes. In order to ensure regulatory compliance, Council must have adequate and sufficient monitoring information and asset data.

In regard to drinking water, significant changes (including those resulting from the Havelock North inquiry) have changed the regulatory environment. This has influenced the level of treatment and monitoring required for reticulated water supplies to residents within South Waikato District.

Further, Council must be aware of and responsive to regulatory change and the implications that this may have for the provision and management of the three waters in the District. Changes such as Healthy Rivers/Wai Ora (Waikato Regional Council Plan Change 1) will have implications for the way in which discharges from both wastewater and stormwater sources are required to be managed. Council needs to be able to plan for and implement changes to manage discharges from wastewater and stormwater sources to the environment. It is acknowledged that more stringent guidelines and requirements are likely to be implemented in the future, so Council needs to be able to adapt and respond to these changes.

As with service levels, public health and environmental outcomes are largely dominated by national and regional regulatory considerations. Recent upgrades of infrastructure assets have been to address issues regarding public health and environmental protection. Council's long-term approach is to maintain and improve its infrastructural assets as required to gain compliance with national and regional standards.

Land Transport

We are committed to enhancing the safety, reliability and accessibility of our transport system. As a priority we will be progressing road safety initiatives, working collaboratively with key stakeholders. Council will work with regional and national partners to implement speed management that is safe, legible and appropriately consistent with adjacent District's networks and national speed management initiatives.

The Speed Management Plan is being developed by South Waikato District Council to support their

short-term and long-term road safety goals. To achieve the desired goals a range of initiatives are required to be implemented such as speed limit changes and future improvements to roads to support either existing or changes in speed limits if and when required. These physical works will be undertaken in conjunction with education programmes and enforcement as required.
The speed limit around schools must be reviewed and the road controlling authority must have made all reasonable efforts to reduce the speed limits in the vicinity of 40% of the schools directly accessed from their roading network by the 30 June 2024 and all schools compliant by the 31 December 2027. Therefore, by 2027 South Waikato District Council will be required to have reduced the speed limits in the vicinity of all twenty-one schools within its District to either 30 km/hr for urban schools or a maximum of 60km/hr for rural schools. These speed limits can be either variable or permanent.

Our Strategic Outcome	***Our Goals***	***Our Response***
Fully compliant with relevant legislative requirements.	We are committed to minimising the health risk posed by Council water supply.	We will comply with Drinking Water Standards of New Zealand and Health (Drinking Water) Amendment Act 2007 and any subsequent amendments.
		We endorse and will implement the six key principles of drinking water safety recommended by the Havelock North inquiry.
	We will seek to ensure discharges from wastewater treatment plants and stormwater sources are appropriately managed.	We will plan for and implement required upgrades to meet increased expectations in the quality of final systems discharges as agreed through resource consent processes.
	We will be aware of the development of regulatory and legislative change.	We will be actively involved and provide feedback on the development of regulatory and legislative change that affects three waters in our District.
		We will comply with and implement requirements from legislative change.
Route safety, Resilience reliability and accessibility are enhanced.	We will provide a safe transport system	We will provide safe, consistent road environments throughout the District.
		We will work with partners to deliver intersection rationalisation and safety improvements.
		We will participate and provide leadership in safety, including speed management, education and enforcement.
		We will determine the level of service required during

	incidents and major events, including diversion routes.
	We will work with partners to provide a resilient land transport system.
	We will provide for changes in traffic volumes along local roads as a result of tourism and provide safe and appropriate parking facilities.
	We will create a safe town centre environment in collaboration with Waka Kotahi.

6.5 Levels of Service

Three Waters

Council seeks to ensure that the community is informed, with an understanding of what needs to be done, where growth is planned and how the provision of infrastructure is planned to meet that growth. Three waters infrastructure can be expensive, and it is important that communities understand the requirement and reasons for investment, given that ratepayers will be using it and contributing to funding it. Communities will have the chance to input into the plans for infrastructure in the District through the Long Term Plan and Annual Plan processes.

Levels of service for three waters are primarily driven by regulatory and technical considerations. Generally, service levels have been improved in recent times in alignment with those considerations and are expected to be maintained over the Strategy period.

Land Transport

Council needs to provide a transport system that enhances economic growth, social and environmental wellbeing while promoting safety, resilience and flexibility. Our focus will be on mode neutrality, growing public transport and active mode share, particularly for the transport disadvantaged.
In August 2023, SWDC submitted the Draft Activity Management Plan (AMP) 2024-34 and the initial bid for the 3-year period (2024-27) to the Waka Kotahi. AMP describes in detail how the South Waikato District's network will support the Council's Vision, Outcomes and Strategies, particularly over the next 10 years as encapsulated in the Long Term Plan 2024-2034. The outcomes and strategies include reference to National and Regional Land Transport strategies such as the National and Regional Land Transport programmes, the Ministry of Transport's Transport Outcomes Framework, and Government Policy Statement (GPS).
The initial bid of maintenance and renewal work programme for the subsidies work is for the 2024-27 period is $30,556,000. This is for maintaining our current level of service without further deterioration. This essentially is an approach to "maintain what we have" with the lowest level of risk to the network.

Our Strategic Outcome	*Our Goals*	*Our Response*
Have access to adequate (capability/capacity) resources to deliver service	We will ensure that the right people are tasked with delivering the three waters.	We will ensure that appropriate resources are in place to deliver three waters and transport services in the District, noting that at times the volume and type of work may require expertise and capacity that is beyond that held in-house.
		We will look to grow local resources to fill requirements for delivering three waters services where appropriate.
		We will look into opportunities to collaborate and partner with other local authorities.
Enhance travel through appropriate transport mode choice and better connectivity	We will enable transport choice and improved access.	We will develop a holistic District approach in conjunction with Waikato Regional Council and other partners for enhanced public transport and active transport mode share.
		We will explore opportunities to improve the mobility of socially disadvantaged communities, including implementation of technology solutions to support transport needs.
Contribute to improved health and wellbeing for local communities	We will provide increased access to economic and social opportunities.	We will grow public transport and active transport mode share.

6.6 Climate change

The Ministry for the Environment has identified the three major impacts associated with climate change are floods, coastal hazards and droughts. The effects of climate change can be felt by changes in long term averages and in the frequency and intensity of extreme events.

Increased frequency and intensity of extreme rainfall events will result in the drainage systems being at capacity more often, resulting in secondary flow paths been utilised more often. Flooding that may occur during an extreme event is projected to extend to more properties.

A complete catchment assessment has been carried out for Tokoroa, Putāruru and Tīrau. These catchment assessments allow for climate change projections and inform Council of the potential flooding hazards in the existing urban areas and in future areas of urban development. The information obtained is being used to limit development in flood prone areas.

Our Strategic Outcome	***Our Goals***	***Our Response***
Provide and plan for climate change	We will protect our community.	We will work with other key industry partners to capture opportunities that emerging technologies provide for to improve the transport system.
		We will take into account the effects of climate change in the planning and design of new infrastructure.

6.7 Critical assets

Critical assets are those that have the highest consequence of failure. Assessing the criticality of our assets allows the programmes for conditions assessments, maintenance and replacement to be prioritised based on that criticality. In an emergency the information will also assist in re-establishing services.

Council's critical assets are those that provide drinking water, wastewater disposal and allow access for emergency services and lifelines.

The criticality of infrastructure is part of the considerations taken into account when planning the renewal of assets. As part of the 2024- 2034 LTP the strategy for the renewals, planning and budgeting of our wastewater and water supply has taken into consideration the criticality as well as age, performance, maintenance history, hydraulic modelling results and growth projections.

The criticality of our assets has also been assessed taking into consideration cultural, economic environmental, and health impacts. The criticality of our pipe

networks has been assessed and are reported in our AMPs and in our asset management system.

All of our water supply treatment plant and wastewater treatment plant assets are considered critical as failure of these components could result in significant impacts to our community health or the environment.

Council has installed systems to mitigate the risk, such as alarms at pumping stations, wastewater treatment plant and water supply headworks, treatment plants and reservoirs.

The existing criticality framework was developed and implemented in 2009. A review of the current criticality framework has been identified as an asset management improvement. When completed, the list of critical assets will be updated.

Our Strategic Outcome	***Our Goals***	***Our Response***
Critical assets remain operational	We will protect our community health and the environment.	We will identify and proactively maintain our critical assets.

6.8 Levels of Service

Council has defined specific levels of service that describe what the customer will receive from a particular activity.

Key Performance Indicators (KPIs) have been developed for the purpose of monitoring and reporting by the service provider, to ensure that the service is being delivered to the defined performance level.

A service level gap exists when the reported results of service level monitoring are lower than the service level target. From this point, improvements can be developed that may involve altering the parameters of fixed assets, altering process features or reviewing the level of service.

Asset management plans document the long-term approach to managing the assets to provide the agreed level of service to the community while also meeting any resource consent condition and legislative requirements. The key challenge is to provide the level of service in an efficient and effective manner that is sustainable for current and future rate payers.

Key issues that Council has to consider to achieve this objective are:

- Backlog - modelling of our networks has indicated that some parts of our three waters networks are not providing the level of service that is considered current best practice.
- Population growth – increasing demand on our services will trigger a need to upgrade the infrastructure when the existing assets can no longer provide a satisfactory level of service.
- Ageing population - changes in the population can lead to changes in the levels of service desired by the community. Meeting some of those changes may require investment in new infrastructure or modification of existing infrastructure.

- Legislative compliance - changes in legislation can lead to unplanned increases in infrastructure investment to meet more stringent health or environmental standards. These will need to be met to continue to operate and provide the service.
- Consent compliance - future consent conditions are expected to have lower levels of contaminants allowed to be discharged necessitating new infrastructure to achieve compliance. These will need to be met to continue to provide the service.
- Climate change - climate change is projected to affect the provision of stormwater drainage during events and water supply during summer.

6.8.1 Current levels of service

Roading and Footpaths

Activity	Level of Service
Resealing of road and cycleways	Council maintains its sealed road surface as part of its renewal targets set by the Asset Management Plan.
Pavement (road) rehabilitation	Council's roading network allows its users to travel efficiently to their desired destinations.
General maintenance	Users of our roading network can expect their enquiries and service requests relating to the roading network to be responded to in a timely manner.
Road safety programme	Council continues to provide a safer roading network.
Footpaths	Council has a footpath network that allows its users to travel safely and easily to their desired destination.

Water Supply

Activity	Level of Service
Drinking water treatment and distribution	Council operates and maintains four urban and two rural water supplies. This includes ten reservoirs, ten bore water pumps and about 228 km of pipes. We ensure that residents who are serviced by Council's water supply have high quality water available at all times, for drinking and to meet other household and business needs. Council is responsible for looking after the network and making sure all statutory requirements and environmental standards are met.

Wastewater

Activity	Level of Service
Wastewater collection and treatment	Council maintains about 167km of sewer pipes and 18 pumping stations that make up the District's wastewater network. Each year the wastewater network carries about 55,000 cubic metres of sewage to Council's treatment plants, ensuring that sewage is treated and disposed of to comply with environmental standards.
	Residents can expect timely responses to interruptions to the wastewater reticulation system.
	Residents can expect a reticulated wastewater treatment system that is reliable and does not fail unnecessarily.
	Council operates its wastewater treatment system in an environmentally responsible manner and ensures that it complies with the conditions of the resource consents it holds with the Waikato Regional Council.

Stormwater

Activity	Level of Service
Stormwater collection	Council manages and maintains about 123 km of stormwater network in the urban areas.
	The network complies with all statutory requirements and that public health and safety risks are minimised. This work includes maintaining the network and monitoring stormwater for contaminants to ensure harmful contaminants do not enter waterways.
	Residents who experience flooding can expect to have the flooding issues investigated by Council in a timely manner.
	The stormwater network is reliable.

7. Asset management improvement

Providing and maintaining Council's infrastructure requires good asset management practices and strategic thinking. Understanding what assets we own and what key information is required is fundamental to asset management.

Gaps in our asset knowledge of Council's infrastructure have been identified. A range of options have been considered to fill those gaps in order to allow Council to make good decisions that are fit for purpose.

7.1 Performance Gaps

Performance can be measured in terms of levels of service and performance measures, outages, demand vs capacity and cost of maintenance. Information on how well assets are performing is missing in some areas.

Collection of additional information will allow a better understanding of how our existing assets are currently performing. The information can also be used to assess how much capacity is available in our existing infrastructure to support growth.

7.2 Infrastructure requirements

A key requirement is to understand what asset data is required to effectively and efficiently manage the assets to provide the agreed levels of service to our customers. Key data required for forecasting and planning has been identified and a gap analysis of the existing data sets carried out.

The primary issues are:

- Availability of resources to collect and maintain data.
- Accessibility of assets to obtain the data.
- Availability and cost of different data collection methods.
- Collecting the data required to make informed decisions.
- Funding and prioritisation of data collection.
- Confidence in the accuracy of the data for decision making.
- Understanding the risk that we are managing.
- Understanding the needs of the organisation.
- Assess if the additional information will make a material difference to the management of the assets and outcomes.

Gaps in the management of our infrastructure assets have been identified as follows:

- Missing attribute data in our asset management system.
- Framework for deciding which assets are critical needs reviewing.
- Asset condition data to be collected on assets near end of life or have performance issues.
- Data on asset maintenance is not being captured in asset management system.
- Process of asset data capture needs review.
- Auditing of asset data.

7.3 Forward works

A detailed forward works programme for asset management improvements have been identified and are attached in Appendix 1.

7.3.1 Stormwater and wastewater data

A survey of manhole lid levels, invert depths, pipe size, bearing and direction of pipes has been undertaken during network modelling in 2019. The survey was limited to manholes where information was required to fine tune reticulation network models. The survey data has been processed and compared to the data in our GIS and asset information system. A forward works programme has been formulated to investigate and address identified inconsistencies.

7.3.2 Water Supply Data

Hydraulic modelling of the water supply in Tokoroa, Putāruru and Tīrau identified issues for further investigation:

- Structural checking of reservoirs.
- Recording water flows at reservoirs.
- Areas of low pressure or flow.

7.3.3 Flood Hazard Mapping

Flood hazard modelling for a 100-year event includes all existing urban development and identified growth planned for the next 30 years.

The following issues have been identified as requiring further investigation:

- Confirm flood hazard mapping covers all current growth areas.
- Audit stormwater assets for missing data, accuracy and confirm locations, manhole depths and pipe diameters.

- Survey of manholes and inlets/outlets (where deemed required).

7.3.4 Stormwater, Wastewater and Water supply modelling

Modelling of the three waters networks established the following:

Identification of critical manholes, inlets and outlets, stormwater pipe network capacities and backflow effects.

The priority of the individual projects is based on the District development strategy goals. Specifically, the mitigation works are prioritised to allow more infill housing to occur in existing urban areas.

7.4 Three Waters Maintenance

- Investigate and implement process for capturing maintenance of three waters assets in AssetFinda.
- Investigate and implement process for capturing cost of maintenance of three waters assets in AssetFinda.

7.5 Land Transport

Gaps identified in the land transport area are:

- Review monitoring and reporting procedures.
- Complete asset risk assessment.
- Undertake condition inspections of critical assets.
- Develop and implement contingency plans.
- Optimise renewals, maintenance, new work and operations.
- Undertake financial sensitivity analysis.
- Improve knowledge of assets.
- Improve demand planning.
- Review and implement new Standard Operating Procedures (SOPs) and Quality Assurance (QA) procedures.
- Review asset management resource.

- Assess the extension of the roading modelling tool.
- Update transportation strategy.
- Update utilities strategy.
- Review grant application procedures.
- Analyse effects of demographic change.
- Revaluation of land transport assets.
- Update asset plan.
- Review procurement approach.
- Review communication plan.

8. Resource consents

Council has invested in wastewater, stormwater and water supply infrastructure to improve the health and wellbeing of the community. Resource consents are required to operate these systems. The purpose of these consents is to address the impacts on the environment from the operation of the systems that have been created. The resource consents are strategically important to the continued operation of the various systems. The consents are listed in the tables below.

8.1 SWDC Wastewater Schemes

SWDC owns and operates four wastewater schemes within the District at Tokoroa, Putāruru, Tīrau and Arapuni. The largest scheme is at Tokoroa. The discharge consents for all four wastewater treatment plants have recently been renewed.

Wastewater Discharge	**Scheme**	**Activity**	**Date Granted**	**Expiry**
Consent Number				
AUTH140049.01.01	Arapuni	Discharge to Land		1 Sep 2056

AUTH140126.01.01	Putāruru	Discharge to Oraka Stream	29 Jun 2020	30 Apr 2055
AUTH140124.01.01	Tīrau	Discharge to Oraka Stream	13 Aug 2020	10 Aug 2055
AUTH140055.01.01	Tokoroa	Discharge to Whakauru Stream		1 Sep 2056

8.2 Water Supply Schemes

Council owns and operates six water supply schemes at Tokoroa, Putāruru, Tīrau, Arapuni, Lichfield and Athol. Higher levels of service driven by the Public Health (Drinking Water) Amendment Act 2007 and security of supply are two key issues impacting on all schemes. Consents to take water are critical to maintaining adequate, all year, water supply quantities for domestic, commercial and industrial use.

The following table summarises water supply consent expiry dates:

Water Take				
131427.01.01	Putāruru	Take from Blue Spring - Waihou	31 Jul 2014	31 Mar 2048
130334.01.01	Tokoroa	Take from two bores - Elizabeth Park	1 Dec 2013	31 Dec 2031
AUTH144316.01.01	Tīrau	Take from Oraka Spring		31 May 2058
125251	Arapuni	Take from underground near Johnsons Rd	1 Apr 2013	31 Dec 2031
940284	Lichfield	Take from underground near Ngātira Rd	16 Aug 1994	1 Aug 2029
122363	Putāruru	Take from Glenshea Park	10 Jan 2013	31 Dec 2031

8.3 Stormwater discharge consents

Council has discharge consents for its stormwater networks which service the urban areas of Tokoroa, Putāruru, Tīrau and Arapuni. These all expire in 2025. We have initiated the renewal process for these consents.

Recent changes to the Regional Water Quality Plan mean there will be significant changes to the way stormwater is managed in the future. There will be an expectation that councils will design, monitor and maintain stormwater systems to a high level with the aim of improving water quality before it enters the receiving waters.

The following table summarises the stormwater consent expiry dates:

Stormwater				
105044	Tokoroa	Comprehensive discharge from urban area	18 Feb 2005	14 Feb 2025
105045	Putāruru	Comprehensive discharge from urban area	18 Feb 2005	14 Feb 2025
105047	Tīrau	Comprehensive discharge from urban area	11 Oct 2005	25 Jan 2025
125257	Arapuni	Discharge	19 Dec 2012	14 Feb 2025

8.4 Other consents

There are consents for the landfills, dams, bridges and culverts. The Tokoroa landfill closed at the end of the consented period in October 2020. The remaining landfill consents covering discharges from the closed landfills will not expire until 2034.

Consent Number	**Town**	**Activity**	**Date Granted**	**Expiry**
Landfill				
102446	Tokoroa	Municipal Waste	27 Feb 2001	31 Oct 2020
102447	Tokoroa	Landfill stormwater to tributary of	27 Feb 2001	31 Oct 2035

		Pokaiwhenua		
102448	Tokoroa	Landfill gas to air	27 Feb 2001	31 Oct 2035
102480	Tīrau	Leachate	7 Feb 2000	15 Dec 2034
102481	Tīrau	Landfill stormwater onto land	7 Feb 2000	15 Dec 2034
102482	Tīrau	Landfill gas to air	7 Feb 2000	15 Dec 2034
102536	Tokoroa	Landfill stormwater onto land	27 Feb 2001	31 Oct 2035
102537	Tokoroa	Leachate	27 Feb 2001	31 Oct 2035
102588	Putāruru	Landfill stormwater onto land	24 May 2000	20 Apr 2035
102589	Putāruru	Landfill gas	24 May 2000	20 Apr 2035
102747	Putāruru	Leachate	24 May2000	20 Apr 2035
Dams				
123518	Tokoroa	Dam Matawara stream to create Lake Moana-Nui	30 Sep 2012	30 Sep 2045
132908.01.01	Tokoroa	Dam - Grampion St	13 Aug 2014	13 Aug 2049
132908.02.01	Putāruru	Dam A near Putāruru Intermediate School	13 Aug 2014	13 Aug 2049
Culverts				
Consent Number	**Town**	**Activity**	**Date Granted**	**Expiry**
104227	Okoroire	Replace two culverts in Tukutupere Stream and tributary - Kakahu Rd		30 Jun 2035

109838	Waotu	Replace culvert in bed of Waipa stream - Wiltsdown Rd		31 Oct 2038
109839	Waotu	Replace culvert in bed of Raparahi stream - Wiltsdown Rd		31 Oct 2038
110562	Putāruru	Install culvert and rock ramp in bed of Pokaiwhenua - Waotu Rd		10 Mar 2039
112477	Putāruru	Install twin culverts adjacent to narrow bridge over Mangakaretu Stream - Arapuni Rd		19 Apr 2040
113943	Putāruru	Install culvert in bed of Pokaiwhenua - Arapuni Rd		17 Mar 2041
Bridge				
105872	Putāruru	Construct a bridge over Waihou Stream for walkway		15 Oct 2036
107293	Putāruru	Construct 11m span bridge over Waihou Stream for walkway		26 Apr 2037
Others				
125252	Arapuni	Discharge from Water Take	1 Apr 2013	31 Mar 2031

9. Significant Infrastructure Issues

This Strategy relates to Council's wastewater, water supply, stormwater drainage and transport infrastructure assets. The tables on the following pages summarise the significant infrastructure issues facing Council, the proposed response to those issues, and the implications of taking or not taking the action proposed by the response. In many instances, the same principal response option is capable of addressing several infrastructure issues. The proposed responses are then developed into projects to be actioned.

9.1 Infrastructure Strategic Issues and Decisions

Stormwater

Community	Most likely scenario	Strategic issue	Alternative Option	Forecast delivery	Cost $
Putāruru	Develop infrastructure capacity to address identified capacity issues. Plan for climate change effects and resilience (LOS), reduce flooding of existing section (LOS).	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024 - 2028	8,065,000
Tokoroa	Stormwater Improvements.	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024 - 2027	2,000,000
Districtwide	Aging Infrastructure – Implement stormwater pipe condition assessment program. Implement prioritised renewal program.	Renewals	Do nothing – Increased risk of network failures resulting in flooding of property.	Annually	150,000
Districtwide	Stormwater Treatment Devices to reduce contaminants in stormwater runoff.	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	Annually	200,000

Wastewater

Community	Most likely scenario	Strategic issue	Alternative Option	Forecast delivery	Cost $
Arapuni	Arapuni WWTP Equipment Replacements	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance.	2025-2026	15,000
Arapuni	New Pump Station at 53 - 55 Arapuni Rd	Growth	Do nothing - No allowance for growth	2027-2029	770,000
Districtwide	District Wide Wastewater Renewals	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance.	Annually	1,500,000
Putāruru	Buckland Street WW Pump Station Upgrade	Growth	Do nothing - No allowance for growth.	2029-2030	506,000
Putāruru	Galway Crescent WWPS - Flood Protection	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2027-2028	100,000
Putāruru	Grey Street Pump Station Rising Main	Growth	Do nothing - No allowance for growth.	2030-2031	3,114,000
Putāruru	Grey Street Pump Station Upgrade	Growth	Do nothing - No allowance for growth.	2030-2031	133,000
Putāruru	Lower Tīrau Street Main Upgrade	Growth	Do nothing - No allowance for growth.	2030-2031	1,859,000
Putāruru	Putāruru Wastewater Plant & Equipment Replacement	Renewals	Do nothing - No renewals resulting in potential for levels of service not met.	Annually	150,000

			Potential for non-compliance		
Putāruru	WWTP - Reduce nitrogen levels in effluent, to comply with consent conditions	Level of Service	Do nothing - Levels of service not met, non-compliance with resource consent	2024-2027	10,000,000
Putāruru	WWTP - Reduce phosphorus levels in effluent, to comply with consent conditions	Level of Service	Do nothing - Levels of service not met, non-compliance with resource consent	2040-2041	222,000
Putāruru	Putāruru WWTP Standby Generator	Level of Service	Do nothing - Levels of service not met.	2026-2027	250,000
Putāruru	WWTP – Wetlands to be constructed to comply with consent conditions	Level of Service	Do nothing - Levels of service not met, non-compliance with resource consent	2024-2025	750,000
Tokoroa	Baird Road & Tasman Drive WW Pump Station - Seismic Upgrades	Level of Service	Do nothing - Levels of service not met.	2025-2027	400,000
Tokoroa	Baird Road WW Pumpstation Upgrade	Growth	Do nothing - No allowance for growth.	20225-2027	1,200,000
Tokoroa	Buckland Street WW Pump Station Upgrade	Growth	Do nothing - No allowance for growth.	2029-2030	65,000
Tokoroa	Harris Block WW Pumpstation Upgrade	Growth	Do nothing - No allowance for growth.	2024-2026	550,000
Tokoroa	Tasman Ave WW Pumpstation Upgrade	Growth	Do nothing - No allowance for growth.	2024-2026	120,000
Tokoroa	Tokoroa Wastewater Plant & Equipment Replacement	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance	Annually	230,000

Tokoroa	Tokoroa WWTP - FAST Filter Media Replacement	Level of Service	Do nothing - Levels of service not met, non-compliance with resource consent	2024-2026	2,000,000
Tokoroa	WWTP - Reduce nitrogen levels in effluent, to comply with consent conditions	Level of Service	Do nothing - Levels of service not met, non-compliance with resource consent	2024-2025	1,000,000
Tokoroa	WWTP - Reduce phosphorus levels in effluent, to comply with consent conditions	Level of Service	Do nothing - Levels of service not met, non-compliance with resource consent		
Tokoroa	Tokoroa WWTP Hydraulic Improvements	Level of Service	Do nothing - Levels of service not met, non-compliance with resource consent.	2024-2025	500,000
Tokoroa	Tokoroa WWTP Portable Generator	Level of Service	Do nothing - Levels of service not met.	2026-2027	150,000
Tokoroa	Tokoroa WWTP Standby Generator	Level of Service	Do nothing - Levels of service not met.	2025-2026	250,000
Tokoroa	Tokoroa WWTP Wetland	Level of Service	Do nothing - Levels of service not met, non-compliance with resource consent.	2024-2026	3,300,000
Tīrau	Bear Street WW Pumpstation Upgrade	Growth	Do nothing - No allowance for growth.	2025-2027	330,000
Tīrau	Parapara WWPS Upgrade	Growth	Do nothing - No allowance for growth.	2025-2027	110,000
Tīrau	Tīrau wastewater - Growth Cell B Pumpstation and rising main	Growth	Do nothing - No allowance for growth.	2025-2027	1,650,000
Tīrau	Tīrau wastewater - Growth Cell C	Growth	Do nothing - No allowance for growth.	2025-2027	1,650,000

	Pumpstation and rising main				
Tīrau	Tīrau Wastewater Plant & Equipment Replacement	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance.	Annually	75,000
Tīrau	Tīrau WWTP Inlet Screen Upgrade	Level of Service	Do nothing - Levels of service not met.	2024-2025	1,300,000
Tīrau	Tīrau WWTP MBR Improvements & Alum Dosing	Level of Service	Do nothing - Levels of service not met.	2027-2029	2,191,000

Water Supply

Community	Most likely scenario	Strategic issue	Alternative Option	Forecast delivery	Cost $
Arapuni	Arapuni Water Supply Plant & Equipment Replacement	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance.	Annually	15,000
Districtwide	District Wide Water Supply Renewals	Renewals	Do nothing - Levels of service not met.	Annually	3,350,000
Districtwide	District Wide Water Supply Resource Consents	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2028-2030	600,000
Districtwide	Water Meters	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2026-2030	5,200,000
Districtwide	Water Supply Reservoirs - Seismic Assessments	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024-2026	310,000
Putāruru	Arapuni Street Watermain Upgrade	Growth	Do nothing - No allowance for growth.	2028-2030	975,000
Putāruru	Duplicate Pinedale Reservoir Outlet	Growth	Do nothing - No allowance for growth.	2030-2031	1,696,000
Putāruru	Glenshea Booster Pump station Upgrade	Growth	Do nothing - No allowance for growth.	2028-2029	1,019,000
Putāruru	Glenshea Water Supply - Reservoir Repairs	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024-2026	900,000

Putāruru	Glenshea Water Supply - Standby Generator	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2025-2026	150,000
Putāruru	Pinedale Reservoirs Upgrade	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2026-2029	3,150,000
Putāruru	Putāruru Water Supply - pH Correction Plant	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024-2026	1,100,000
Putāruru	Reservoir Street Watermain Upgrade	Growth	Do nothing - No allowance for growth.	2025-2026	2,078,000
Putāruru	Sholson Street Watermain Upgrade	Growth	Do nothing - No allowance for growth.	2025-2026	950,000
Putāruru	Waihou Pump Station Resource Consent	Growth	Do nothing - No allowance for growth.	2030-2031	121,000
Putāruru	Waihou Pump Station Upgrade	Growth	Do nothing - No allowance for growth.	2030-2031	1,129,000
Tokoroa	Billah Street Filtration	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024-2025	500,000
Tokoroa	Colson Hill Reservoirs - Repairs and Seismic Reinforcement	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024-2026	500,000
Tokoroa	Tokoroa Water Supply - Growth Upgrades	Growth	Do nothing - No allowance for growth.	2026-2028	3,800,000
Tokoroa	Tokoroa Water Supply Plant & Equipment Replacement	Renewals	Do nothing - No renewals resulting in potential for levels of service not met.	Annually	85,000

			Potential for non-compliance.		
Tīrau	Tīrau Headworks Pump upgrade	Growth	Do nothing - No allowance for growth.	2025-2027	880,000
Tīrau	Tīrau Water Supply rising main and pipelines upgrade	Growth	Do nothing - No allowance for growth.	2026-2028	4,333,000
Tīrau	Tīrau - New Rising Main and Distribution Network Upgrades	Growth	Do nothing - No allowance for growth.	2025-2027	550,000
Tīrau	Tīrau - New Reservoir for growth and level of service. Relocation of headworks.	Growth, Level of service	Do nothing - No allowance for growth. Level of service not met.	2024-2027	6,772,000
Tīrau	Tīrau - Investigation into New Water Source	Level of Service	Do nothing - Existing infrastructure not providing required level of service.	2024-2025	500,000
Tīrau	Tīrau Water Supply Plant & Equipment Replacement	Renewals	Do nothing - No renewals resulting in potential for levels of service not met. Potential for non-compliance.	Annually	85,000

Land Transport

Community	Most likely scenario	Strategic issue	Alternative option	Probable year of action	Cost
Putāruru	Access road from Princes Street.	Growth	Do nothing – Site Development cannot proceed.	2024-2029	1,200,000
Tokoroa	Bridge St Upgrade.	Renewal	Do nothing – No improvement of Streetscape.	2028 - 2029	6,500,000
Districtwide	Road network renewals. Pavement renewal and resurfacing.	Renewal	Do nothing - No renewal resulting in no allowance for growth and potential for levels of service not met.	Annually 2024 - 2054	3,760,000
	Safety Improvements.	Compliance	Do nothing - No improvement to safety of users using road network.	Annually 2024 - 2054	415,000
	Cycling/ walking strategy.	Relationship	Do nothing – No improvement of transport mode choice.	2024-2029	20,000

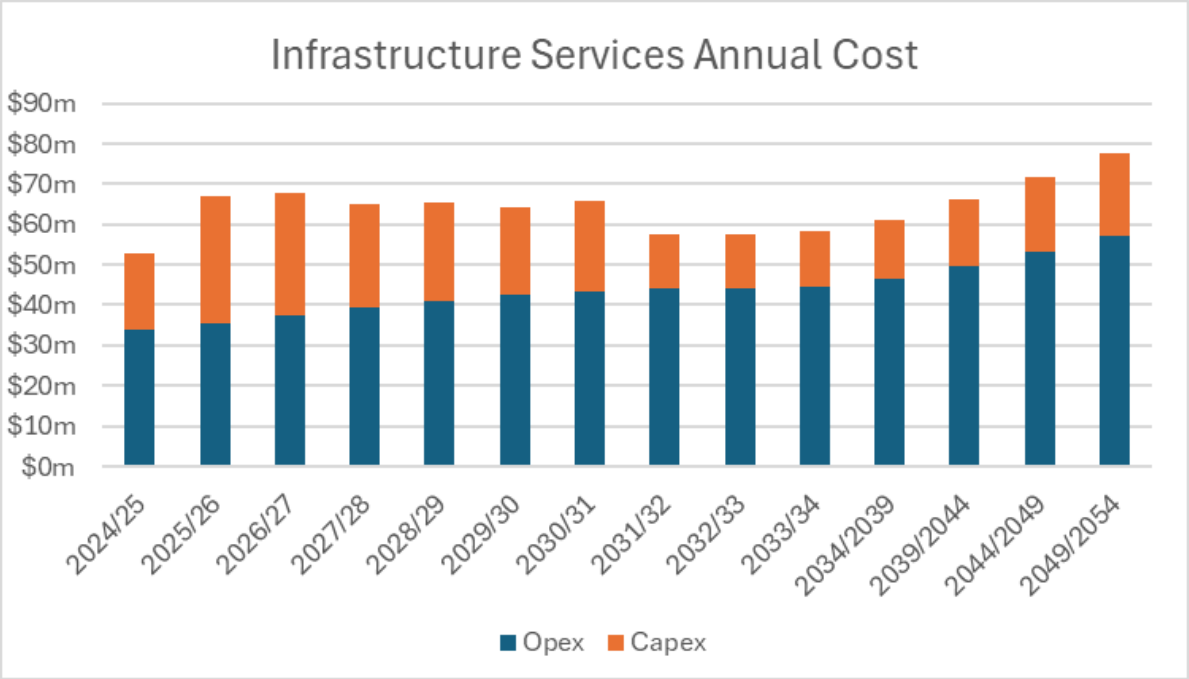
10. Infrastructure Financial Summary

10.1 Thirty-year Cost

In addressing the issues identified in this Strategy the South Waikato District Council expects to spend $564 million on new or replacement infrastructure between 2024 and 2054. Within the same period operating costs are expected to be $1,438 million. The forecasted cost split is shown below:

Infrastructure Activity	Operational Expenditure	Capital Expenditure	TOTAL
Transport	647,248,700	219,501,244	**866,749,944**
Stormwater	102,440,050	26,664,890	**129,104,940**
Water Supply	266,729,519	193,396,647	**460,126,166**
Wastewater	422,010,699	124,775,952	**546,786,651**
Total	**1,438,428,968**	**564,338,733**	**2,002,767,701**

The following figure shows the expected overall annual expenditure for the four infrastructure services from 2021 to 2051. From 2034 onward the 5 yearly amounts shown are the annual average.



10.2 Funding

Council assessed the ways to fund renewals and the requirements of the capital programme for growth and levels of service in its entirety. On that basis, the hierarchy of funding for capital expenditure will remove the reliance on reserve funding for renewal programmes as we will no longer have asset replacement reserves. Capital expenditure will be funded through external funding like subsidies or grants, debt for growth and levels of service and cash surpluses created by funding depreciation for renewal.

11. Infrastructure Assumptions and Uncertainties

11.1 Confidence Levels and Financial Forecasting Risks

The degree of reliability of the data affects confidence and margin of error in the projected renewal programmes and financial forecast estimates.

Table 11.1a Confidence Grading Table

Confidence Grade	General Meaning
A	Highly Reliable Data based on sound records, procedure, investigations, and analysis, documented properly and recognised as the best method of assessment
B	Reliable Data based on sound records, procedures, investigations, and analysis, documented properly but has minor shortcomings, for example the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some
C	Uncertain Data based on sound records, procedures investigations, and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available
D	Very Uncertain Data based on unconfirmed verbal reports and/or cursory inspection and analysis

The Confidence Level of different categories of Asset Information based on asset data quality, completeness and currency varies from Very Uncertain to Reliable as shown in the following table.

The data for the assets' Demand (13 – Demand information) and Condition (2b – Condition/Remaining Life of Buried Components) is graded as Uncertain and Very Uncertain. Financial forecasting confidence is limited by the confidence in asset data. Lower data confidence for assets condition, and demand information contribute to the confidence in the financial forecasting and the forecasting risks.

The very uncertain attributes are for assets that are buried underground. The assumed asset life is based on the design life from the asset manufacturer or supplier. At the time of reporting there are no assets at critical failure identified.

The table below shows the range in data confidence within the land transport, water supply, wastewater and stormwater asset classes. For more detail in relation to the data confidence, refer to each of the asset management plans for each of the asset classes.

Table 11.1b Assessment of Confidence in Key Inputs to Programmes

Assessment of Confidence in Key Inputs to Programmes					
	Attribute	D Very Uncertain	C Uncertain	B Reliable	A Highly Reliable
1	Unit cost for Replacement				
2	Condition/Remaining Life:				
2a	*Above-ground Civil, Mechanical & Electrical*				
2b	*Buried Components*				
3	Asset Size				
4	Asset Depth				
5	Material				
6	Date of Installation				
7	Asset Type				
8	Location				
9	Length (pipelines)				
10	Quantity (other assets)				
11	Deterioration Rates:				
11a	*Above-ground Civil, Mechanical & Electrical*				
11b	*Buried Components*				
12	Asset Performance				
13	Demand Information				

Notes:

2, 11b and 12: While condition, remaining life, and performance information are not as accurate as desired in some areas, fault frequency generally demonstrates that within this ten-year plan period, buried components are very unlikely to require significant renewal.

One of the key future objectives is to improve our asset management practices. Where new data is obtained, our analysis will be reviewed and, where required, the condition of assets and renewal programmes will be adjusted. Any changes will be reflected in the Long Term Plan, reviewed every three years. Our Infrastructure Strategy will also be adjusted to reflect changes in our knowledge of our assets.

11.2 Infrastructure specific assumptions

Global planning assumptions are covered in the LTP. Assumptions specific to the Infrastructure Strategy are outlined below:

Assumption	Likelihood*	Risks
Construction cost No major change to current costs.	Unlikely	During the Annual Plan process there is the opportunity to reassess forecasted budgets. This is an opportunity to mitigate the effects of this risk. Every three years during the LTP the budgets are reassessed and adjusted taking into account prevailing costs and BERL forecasts for inflation.
Operational and maintenance costs No major change in forecast costs over next 30yrs.	Unlikely	Inflation factors, using BERL indices, have been applied to budgets over the next 30 years.
Asset lives Assumed lives of assets are reasonable	Pipelines - Moderate	Risk that pipeline asset lives are inaccurate. They are based on industry standard design life and are best assessment of life currently available. Life can be modified based on condition assessments and performance. Most of the network has not been condition assessed and risk that some sections may need renewing sooner than forecast.
Natural Disasters That there is no natural disaster that requires additional funding to reinstate assets.	Unlikely	There is a low risk of a natural disaster occurring during the 30 year period which may require additional significant funding to reinstate assets. Further work is needed to determine the level of resilience required.
Climate change The effects of climate change will be minimal over the planning period	Unlikely	The likely effects of climate change have been factored into our forward planning of our infrastructure.
Growth in Demand Population will increase by 1% across the District	Unlikely	Potential changes in demand due to population increase have been analysed and factored into our renewals and new assets programmes.
Changes to level of service Expected changes to level of service are expected to be minor	Unlikely	Significant change to the level of service will require a review of the Infrastructure Strategy to assess the impact on infrastructure.

Assumption	**Likelihood***	**Risks**
Council policy No significant policy changes that impact on assets.	Unlikely	Any significant policy change that impacts assets will trigger a review of the Infrastructure Strategy.
Government legislation. The Government has proposed legislation (Water Services Bill) before parliament that changes the operation and provision of water supply, wastewater and stormwater services at local government level.	Likely	The 30-year Infrastructure Strategy has assumed that ownership of water supply, wastewater services and stormwater services will remain with council for the next 30 years. Government has signalled this is unlikely to be the outcome of the reform process now underway. The exact form of the changes is under development through a consultation process between Government and territorial authorities. Once known, the 30 year Infrastructure Strategy will require review to reflect those changes.

*See Appendix 2 for definition of likelihood.

Appendix 1: Asset Management Improvement Projects

Asset Class	What's required	Timing	Gaps	Task	By who	Priority	Estimate
Water supply, wastewater and stormwater	Description of maintenance activity undertaken on the asset.	TBC	Most Maintenance data not been sent to Assetfinda.	Determine what data to collect Set up process to collect required data Record maintenance location, details and send to Assetfinda Need to differentiate the extent of repair activities for each of the asset (ie collar vs pipe/other fittings)	Water and wastewater services; 3 waters manager, Infrastructure Strategy manager, finance, business innovation	High	Internal Cost $30k
Water supply, wastewater and stormwater	Cost of maintenance	TBC	Maintenance cost not assigned to assets	Set up process to assign cost to assets	Water and wastewater services; 3 waters manager, Infrastructure Strategy manager, finance, business innovation	High	Internal Cost $30k
Water supply, wastewater and stormwater	Hierarchy/ naming	2024-2029	Review naming	Review existing data	Infrastructure Strategy manager, 3 waters manager	High	Internal Cost $20k
Water Supply	Current asset condition based on age and performance	2024-2054	Only testing AC pipes as these have been identified as been an issue - performance / breakages	Confirm process. Review results and review design life of pipes Update Assetfinda lives Review modelling to assess performance issues	Water services - Retain AC pipe for testing; 3 waters manager to arrange testing, assess results, adjust life; AIO update pipe life in AF.	Very Low	Lab testing of samples; $20k annually. Should be in 3 waters Budgets not

							required at this time. Have enough data at present.
	Headworks/ bores	2024-2029	Headworks assets missing or incomplete data	Obtain data and standardise across sites	Infrastructure Strategy, 3 waters manager, Water services	Moderate	Internal Cost $10k
Wastewater	Diameter Manhole	2024-2054	Some manhole diameters need to be confirmed	Run report on missing manhole diameters Check in field	Wastewater services	Low	Internal Cost $10k
	Criticality of pipes	2024-29	Confirm Criticality of pipe correct	Review criticality of individual pipes	Infrastructure Strategy manager, 3 waters manager	Moderate	Internal Cost $10k
	Condition of critical pipes	2024-2054	Condition of critical pipes inferred from age.	Assessment of condition by CCTV	3 waters manager, Water and wastewater services.	Moderate	$70k in wastewater for condition /CCTV inspection?
	Current asset condition based on age and performance.	2024-2054	Develop condition assessments process; CCTV not been entered into AMS	CCTV of pipes; Determine pipe condition grade. External consultants	CCTV pipe condition. Grading done by consultant.	High	$70k in existing ops/ maintenance budget?

	Location	2024-2054	When errors are noted in GIS check in field.	AMS team	GPS by Infrastructure Strategy,	Low	Internal Costs $20k
	Depth - General	2024-2029	Data missing - 90% of depths and lid levels	AMS team / surveyor	Survey Consultant - $200/hr or staff cost	Low	$600k
	Performance	2024-2029	Not mapping repairs or recurring maintenance in Assetfinda	Set up system to record spatially where recurring maintenance or breakages and forward to Asset Information Officer	Infrastructure Strategy, 3 waters manager, Water and wastewater services	Moderate	Internal cost $10k
Stormwater	Asset type	2024-2029	Check, point type, connection types	Review existing data; Field check	Infrastructure Strategy	Moderate	Internal Costs $10k
	Current asset condition based on age and performance	2024-2054	Condition based on age.	Determine pipe condition grade CCTV of pipes	CCTV pipe condition. Grading done by consultant.	Moderate	In existing operations maintenance budget Confirm with part of $70k year?
	Location	2024-2054	Check location of outlets, inlets, MH, Open drains	Audit percentage of location of assets on an annual basis	Infrastructure Strategy	Moderate	Internal Costs $10k
	Depth, invert levels	2024 - 2029	Data missing - 90% of depths and lid levels	Desktop assessment of lid levels Survey depths annually	Staff / Surveyor	High	$600k
	Critical assets	2024-2029	Confirm Criticality of pipe correct	Review criticality of individual pipes	Infrastructure Strategy manager, 3 waters manager	High	Internal Costs $10k

	Critical assets	2024-2054	Condition based on age.	Condition inspection by CCTV	Infrastructure Strategy manager, 3 waters manager	High	In existing operations and maintenance budget.
	Flood Hazard Mapping	2024-2054	Data validation process beyond that carried out for modelling May require mitigation of the flooding effects.	Field check relevant asset attributes	Watershed, Stormwater engineer, Infrastructure Strategy manager, 3 waters manager	High	Rerun model $30k; survey $20k - once every 3 years
Plant 3 waters	Asset Details	2024-2029	Assess what useful data is missing	Review data, determine what is useful, collect, enter. Audit.	Infrastructure Strategy, Water Operations and Maintenance, Water and wastewater services	High	Internal Costs $10k
	Hierarchy	2024-2029	Assess Structure changes improve reporting ability may be improved	Review hierarchy	Infrastructure Strategy, Water Operations and Maintenance, Water and wastewater services	Moderate	Internal Costs $30k
	Location	2024-2029	Assess what benefits of having site location of assets ie WWTP and head works etc.	Scope if we can capture this data with GIS and AF; Benefit?	Infrastructure Strategy, Water Operations and Maintenance, Water and wastewater services	Low	Internal Costs $10k

	Condition	2024-2029	Condition assessment of WWTP plant	Undertake condition assessment	Water Operations and Maintenance, Water and wastewater services	High	Internal Costs $10k
Transport		2024-2034	Strengthen links between LOS/Demand/ Plan	Alignment between 2024 AMP and LTP.	Operations and Maintenance team/ CoLAB		$160k in Roading budget for data improvement
		2024-2034		On-going community and targeted stakeholder engagement.			
		2024-2034		Realistic growth projections working alongside other Council Departments.			
		2024-2034	Demonstrate Technical/Community Outcomes	Ongoing monitoring and reporting confirmed achievements.			
		2024-2034		High levels of satisfaction recorded in quarterly community surveys.			
		2024-2034		Align the LOS with the revised Council Outcomes in the 2024 LTP.			

		2024-2034	Review Monitoring and Reporting Procedures	Summary of procedures prepared for review. Generally, effectively carried out. May look at more consistent formatting between different activities.			
		2024-2034		An electronic Register of all SWDC Plans, Bylaws, Strategies and Plans has been prepared to update current status and renewal dates.			
		2024-2034	Complete Asset Risk Assessment	Consideration given to extending to include assessment of failure probability in Land Transport to enable completion of risk profile.			
		2024-2034	Condition Inspection of Critical Assets	Implemented of Land Transport for Lifelines .			
		2024-2034	Develop and implement Contingency Plans	Ongoing support for, and co-ordination with, Civil Defence and Emergency Management.			
		2024-2034		Participation in vulnerability assessment exercise and other activities of the Waikato Engineering Lifelines Group.			
		2024-2034	Emergency Response Exercises	Not implemented, apart from working together with CDEM and Lifelines.			

		2024-2034	Renewals, maintenance, New work and operations optimisation	Business case approach implementation to assist planning and funding for renewals.			
		2024-2034		Benefits and options analysis needs further development.			
		2024-2034		Better use of PMRT, particularly for peer group comparisons.			
		2024-2034		Consequences of not investing in the network identified.			
		2024-2034	Financial Sensitivity Analysis	Business case approach used for all investment decisions.			
		2024-2034	Improve Knowledge of Assets	dTIMS modelling.			
		2024-2034		Data collection Strategy.			
		2024-2034		Better undertaking of Network through continued appropriate, evidence based data collection.			
		2024-2034		Continued support by CoLAB Assets Management Forum.			
		2024-2034	Improve demand planning	Growth Plans.			
		2024-2034		Better data collection.			
		2024-2034	Extend asset system to include all significant groups in one database	Land Transport information will remain in RAMM.			

		2024-2034		Support of CoLAB.			
		2024-2034		Improvement use of RAMM through on-going training. Implementation of Asset Management Data Standard (AMDS) Programme.			
		2024-2034	Review and implement new Standard Operating Procedures and Quality Assurance procedures	Existing SOPs are kept up to date.			
		2024-2034		QA procedures need further development.			
		2024-2034		Renewal and maintenance strategy to be developed.			
		2024-2034	Asset Management Resource review	Review of staff resources completed previously.			
		2024-2034		Budgets for external resource.			
		2024-2034	dTIMS modelling tool extension	Implemented for Land Transport (see IP14).			
		2024-2034	Transportation strategy updating	Reviewed and update.			
		2024-2034	Utilities strategy; assessment and plan updating	Ongoing liaison with various Utilities providers and work programmes.			

		2024-2034	Grant application procedures	Maximise NZTA Waka Kotahi subsidies through smart procurement and good planning.			
		2024-2034	Demographic change in demand analysis	Population projections are addressed on a corporate wide basis to ensure consistency in planning and alignment with the LTP process.			
		2024-2034	Revaluation-Land Transport Assets	Completed - 30 June 2023.			
		2024-2034	Asset Plan update	2024-34 AMP updated and compliance status review implemented.			
		2024-2034	Procurement	Apply the smart buyer principles assessment tool.			
		2024-2034		A 'Best for Network' approach with a focus on costs and network ownership by both parties.			
		2024-2034		Working Smarter through better joint planning and decision making.			
		2024-2034		A 'whole of life approach' increase the percentage of planned to reactive works on the network and identifying causes rather than simply 'patching the pothole'.			

		2024-2034					
		2024-2034		Providing avenues for innovative solutions and technological advances in industry to be applied, increased the depth of knowledge and skills for both parties, including greater understanding of the political context of decision-making.			
		2024-2034		Flexibility to deal with future uncertainty.			
		2024-2034		Opportunities to extend learnings for both Council and contractors, particularly with cadets.			
		2024-2034		Potential opportunity to bundle contracts with other road authorities (District Councils and NZTA).			
		2024-2034		More engagement with the industry			
		2024-2034	Communication	Review and update communication plan			
		2024-2034					
		2024-2034		Maintain relationships with stakeholders			

Appendix Two: Risk Likelihood Matrix

Rating	Description	Likelihood Percentage	Strategic	Operational	Project
			Probability of the risk occurring	Probability of the risk occurring	Probability of the risk occurring
5	Almost Certain	>80% chance of occurring	It is almost certain to occur in most circumstances in the next five years.	It is almost certain to occur in most circumstances in the next year. In relation to Health and Safety risks, definite probability, very limited or no controls. Has happened in the past and no compensating controls were implemented. Without additional controls the event is expected to occur in most circumstances. Is expected to occur again within a short period of time (likely to occur at least once in the next 3 months).	It is almost certain to occur in most circumstances during the life of the project.
4	Likely	50% - 80% chance of occurring	The event will likely occur sometime in the next five years	The event will likely occur sometime in the next year. In relation to Health and Safety risks, event will probably occur in most circumstances. Weak controls e.g. be careful. No auditing carried out to provide assurances. With existing	The event will likely occur sometime during the life of the project.

				controls in place this event will probably still occur with some certainty.	
3	Moderate (Possible)	20% - 49% chance of occurring.	Possibly occur sometime in the next five years.	Possibly occur sometime in the next year. In relation to Health and Safety risks, event could occur in some circumstances. Minimal controls. Event has occurred in other Councils or industries with similar levels of controls in place. Is expected to occur within the next 1 - 2 years.	Possibly occur sometime during the life of the project.
2	Unlikely	10% - 19% chance of occurring.	Unlikely to occur in the next five years	Unlikely to occur in the next year. In relation to Health and Safety risks, event could occur in some circumstances, however more likely through human error by not following the controls. Event has not occurred in the business but could in some circumstances in the next 2 - 5 years.	Unlikely to occur during the life of the project.
1	Rare (Highly Unlikely)	<10% chance of occurring	Would occur only in rare circumstances in the next five years	Would occur only in rare circumstances in the next year. In relation to Health and Safety risks, event may occur in some exceptional	Would occur only in rare circumstances during the life of the project

				circumstances (eg serious assault). Improbably: a very small chance of events occurring that may be caused by events not previously seen or certain conditions. Despite effective controls being used an external event or uncontrollable event could occur.	

Appendix Three: Consequence / Impact Table

* Critical Service include those which directly impact the immediate health & safety of the community.

Descriptor	Insignificant	Minor	Moderate	Major	Catastrophic
Level	**1**	**2**	**3**	**4**	**5**
Achievement of the Vision and Community Outcomes	No impact on the Vision and Community Outcomes	Inconvenience or delay in achieving the Vision and Community Outcomes	Significant difficulty introduced to achievement of the Vision and Community Outcomes Lost opportunity to contribute positively to one or more of the Vision and Community Outcomes	Failure to achieve a specific Community Outcome Lost opportunity to significantly advance a specific Community Outcome	Failure to achieve multiple Community Outcomes Lost opportunity to significantly advance multiple Community Outcomes
Health & Safety **(People)**	No harm foreseen. First aid injury but no or minimal medical treatment required	Slightly harmful – Medical aid required. Lost time injury < 1 week	Harmful - Serious injury and/or permanent disability. Lost time injury > 1 week	Very harmful - multiple severe injuries/disabilities	Extremely harmful - fatalities
Finance	Negative financial impact (increased costs, lost revenue or direct loss) SWDC <$5,000 Community <$50,000	Negative financial impact (increased costs, lost revenue or direct loss) SWDC <$10,000 Community <$100,000	Negative financial impact (increased costs, lost revenue or direct loss) SWDC <$100,000 Community <$500,000	Negative financial impact (increased costs, lost revenue or direct loss) SWDC <$500,000 Community <$1,000,000	Negative financial impact (increased costs, lost revenue or direct loss) SWDC >$1,000,000 Community >$5,000,000
Legal / Regulatory	Contractual, legislative, or regulatory non-compliance but no litigation likely, Internal query	Contractual, legislative, or regulatory non-compliance but litigation unlikely, enquiry by Ombudsman	Contractual, legislative, or regulatory non-compliance with potential for litigation	Contractual, legislative, or regulatory non-compliance with probable litigation, District or Environment Court	Contractual, legislative, or regulatory non-compliance with certain litigation, High Court or Criminal Action

Descriptor	Insignificant	Minor	Moderate	Major	Catastrophic
Level	**1**	**2**	**3**	**4**	**5**
Service delivery	No impact on quality of services delivered. Negligible performance impact. No impact on critical services. Unable to operate for less than one day	Minor impact on the delivery or quality of services. Substandard quality of delivery or operation of critical service or activity. Unable to operate for 1 day – 3 days	Some impact on the delivery or quality of services. Workarounds required to maintain operation of critical service or activity. Unable to operate for up to a fortnight	Considerable impact on the delivery or quality of services. Short term inability to deliver critical services or activities. Impedes or significantly delays achievement of key strategic objective, significant workarounds and impact to BAU. Unable to operate for up to one month	Major impact on the delivery or quality of service or operation. Sustained inability to deliver critical services or activities. Prevents achievement of key strategic objective major impact to Council. Unable to operate for >1 month
Image & Reputation	External Reputation not affected. No effort or expense required to recover. Customer complaint by	Local Media attention no more than one day. Negative association with SWDC brand for single stakeholder. Marginal drop in satisfaction survey results for one quarter.	Regional media attention 1-3 days, little effort or expense required to recover. Negative association with SWDC brand for multiple stakeholders. Potential medium term impacts seen satisfaction survey results for two quarters	Nationwide media attention, greater than 2 days. National headlines, variety of media. Requires effort or expense to recover and mitigate. Significant drop in satisfaction survey results for one year. Significant impacts to attractiveness as provider or partner of choice for multiple stakeholders.	Sustained media attention, including international exposure. Significant damage to SWDC brand, requiring urgent effort or expense to recover. Involves unplanned Council time to address. Significant drop in satisfaction survey results for greater than one year.
Environmental	Negligible impact to the environment, and/or effects able to be fully mitigated within one week.	Material damage to the environment of local importance, and/or with prosecution possible, and/or effects able to be fully mitigated within three months.	Serious damage to the environment of local importance, and/or with prosecution probable, and/or effects able to be fully mitigated within one year.	Serious damage to the environment of national importance, and/or with prosecution expected, and/or effects able to be fully mitigated within five years.	Serious damage to the environment of national importance, and/or with prosecution certain, and/or effects not able to be fully mitigated.

Descriptor	Insignificant	Minor	Moderate	Major	Catastrophic
Level	**1**	**2**	**3**	**4**	**5**
Organisation Wellbeing	Minor staff morale impact resulting in minor dissention but managed over a short period of time.	Moderate staff morale problems resulting in some staff resignations but managed through minor restructuring.	Major staff morale or other organisational problems affecting performance and productivity may arise and could lead to loss of key staff skills, within one area of council, resulting in skills, knowledge and expertise deficits within this area of council.	Severe staff morale problems for up to 2 months and/or other organisational problems affecting performance and productivity may arise and could lead to loss of key staff within two or more areas of council, resulting in skills, knowledge and expertise deficits.	Long term severe staff morale problems may likely arise leading to loss of a significant number of key senior staff, impacting on skills, knowledge and expertise.
Corporate Information / Systems	Loss of low risk data / information or systems	Loss of moderate risk data / information or systems for a period < 7 days	Loss of moderate risk data / information or systems for a period > 7 days	Loss of high risk data / information or systems for a period < 24 days or	Loss of high risk data / information or systems for a period > 24 days or Unauthorised access to sensitive / private information
Project Delay	Insignificant delays, minimal impact on project timeline. No impact in overall ability to realise planned benefits.	Minor delays, minimal impact on project timeline. Minor impact in ability to realise planned benefits.	Critical tasks not completed on time. Likely downstream impacts to project timelines and delivery dates. Timeline is behind schedule. Moderate impact on ability to realise benefits. Additional effort and manual tasks required to achieve benefits.	Key milestones are missed and significant delay to the project delivery date. Timeline is behind schedule with a key date or critical missed. Major impact on ability to realise benefits. Significant additional work required to achieve benefits. Noticeable impact to intended outcomes.	Severe impact to schedule, and/or missed critical fixed delivery dates. Significantly behind schedule with multiple key dates/milestones have been missed. Critical benefits will not be realised by the project. Significantly reduced probability of attaining primary objectives . Variation and scope changes significantly erode expected benefits.

Appendix Four: Risk Level matrix

This matrix is used to map the likelihood and consequence levels of a risk and provide a pictorial representation of the relativity of strategic, operational and project risk across South Waikato District Council.

		CONSEQUENCE				
		Insignificant (1)	**Minor (2)**	**Moderate (3)**	**Major (4)**	**Catastrophic (5)**
LIKELIHOOD	Almost Certain (5)	Moderate 5	Significant 10	High 15	High 20	High 25
	Likely (4)	Low 4	Moderate 8	Significant 12	High 16	High 20
	Moderate (possible) (3)	Low 3	Moderate 6	Significant 9	Significant 12	High 15
	Unlikely (2)	Low 2	Low 4	Moderate 6	Moderate 8	Significant 10
	Rare (highly unlikely) (1)	Low 1	Low 2	Low 3	Low 4	Moderate 5

Appendix Five: Risk Treatment Matrix

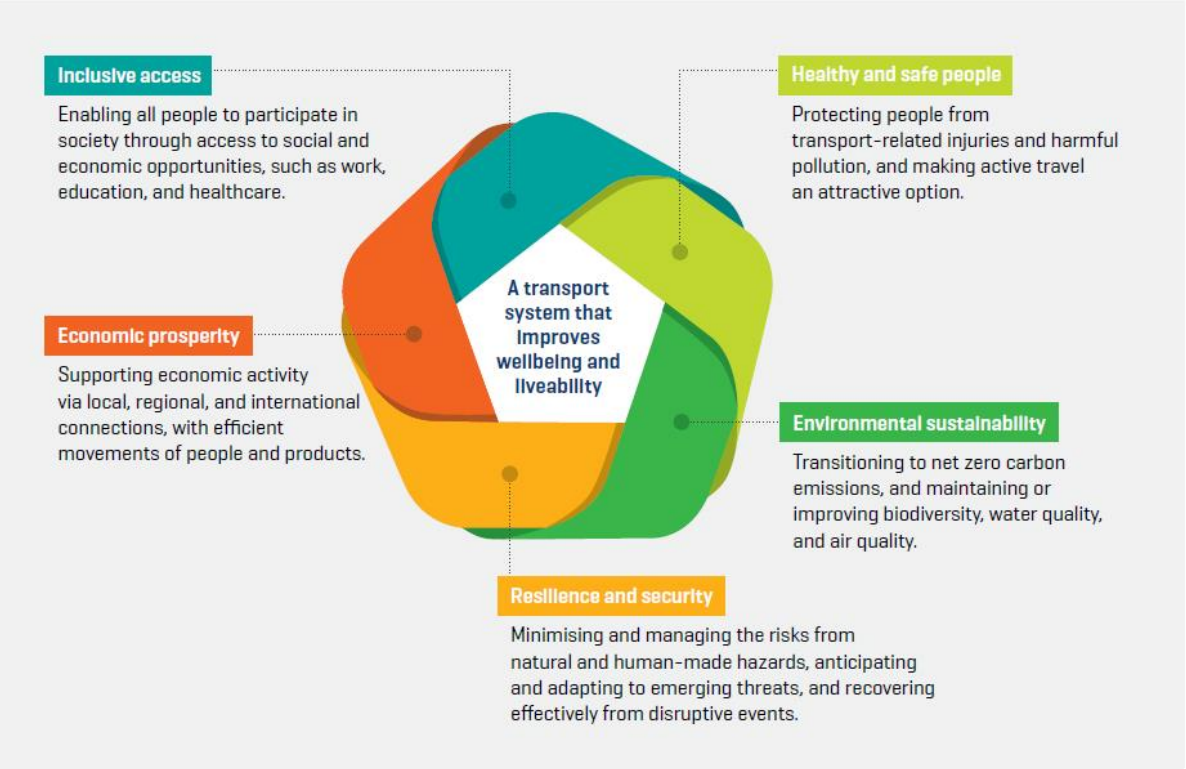
This table details the required actions based upon risk rating:

Risk Rating	Risk Acceptability	Accountability	Actions Required	Risk Treatment Requirements
High	Unacceptable	CE or Council	Urgent	• Immediate action required. Likely to prevent achievement of objectives • Treatment plans / controls require CE/Council input / sign-off • Risk owned by CE • Controls (cost/implementation) may not be viable leading to cessation of activity/programme • Regular monitoring & reporting to ET & FAR committee
Significant	Unacceptable	Executive Team	Important	• Advise Executive team. Action plans and management responsibility specified and scrutiny required (as agreed). May prevent achievement of objectives. • Treatment plans / controls require detailed planning & decision making by Executive team & implementation by project team • Risk owned by ET level • Control owner assigned to ensure risk treatment implementation is effective • Requires regular monitoring and monthly reporting to ET
	• Council will not accept >Significant level risks. Risk treatment strategies must be undertaken to modify the risk (by reducing the consequence or likelihood / transferring the risk / eliminating the risk or retaining the risk by informed)			
Moderate	Tolerable under certain situations	Department or General Manager	Operational	• Management ownership and controls identified and generally managed within normal budget parameters • Risk is regularly monitored to ensure risk exposure is managed effectively • Investigate feasibility of risk treatment strategies for any Moderate risks with controls identified as Fair or Poor • Risk may be shared / transferred ie insurers • Risk reported to ET on three monthly basis as part of normal risk reporting cycle
Low	Acceptable	Department Manager or Coordinator	Capture in risk register	• Accept the risk as it is as it is within acceptable risk tolerances. • Ensure risk is captured • Risk should be managed via routine procedures & internally reported

Appendix Six: Land transport

1. National Transport Outcomes

The Ministry of Transport's Transport Outcomes Framework states the key purpose of the national land transport system. The Transport Outcomes Framework is developed, which sets a purpose for the transport system cantered around the wellbeing of New Zealanders and the liveability of places (see *diagram below*).



Transport Outcomes Framework - Source Minister of Transport

2. National Strategies and Plans

2.1 Land Transport Management Act 2003

The Land Transport Management Act exists to contribute to central government's overall vision for transport, the aim of which is to achieve an affordable, integrated, safe, responsive and sustainable land transport system. This is set out in the New Zealand Transport Strategy. The vision is underpinned by the principles of affordability, sustainability, integration, safety and responsiveness.

2.2 Government Policy Statement (GPS) on Land transportation 2024-34 (Draft)

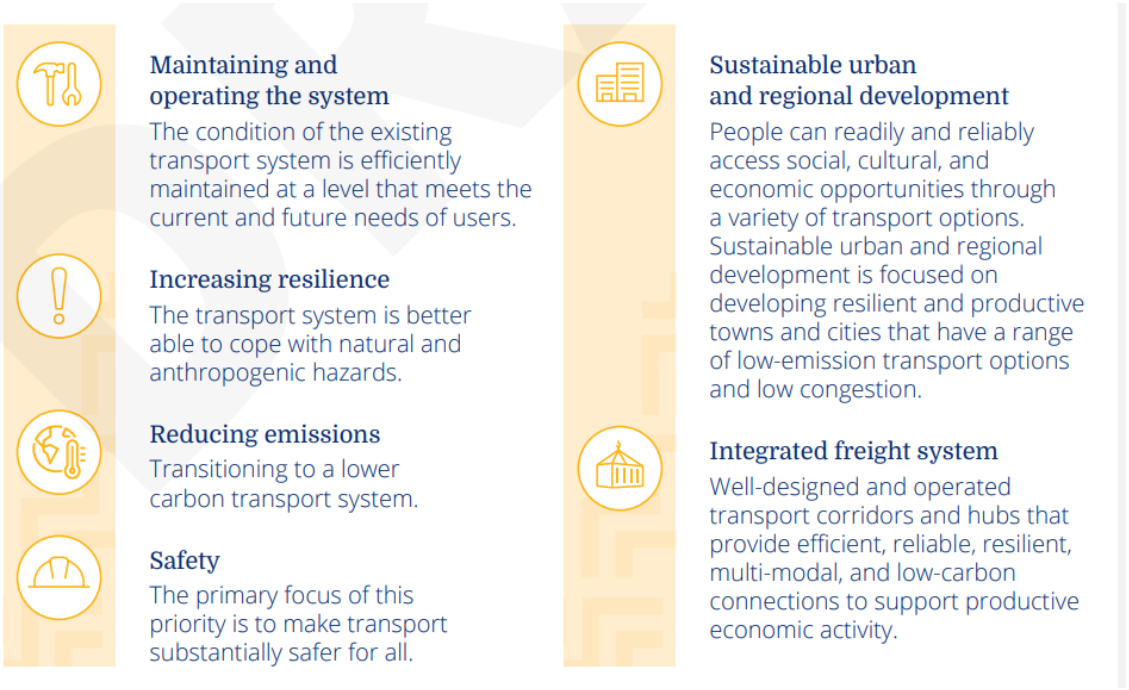
The Government Policy Statement on land transport outlines the Government's strategy to guide land transport investment over the next 10 years. It also provides guidance to decision-makers about where the Government will focus resources. The Land Transport Management Act 2003 sets out the scope, and requirements for the GPS. This section will be updated once 2024 GPS has been finalised.

The policy influences decisions on how money from the National Land Transport Fund (the Fund) will be invested across activity classes, such as State highways and public transport. It also guides Waka Kotahi and local government on the type of activities that should be included in Regional Land Transport Plans and the National Land Transport Programme.

GPS 2024 (Draft) provides direction and guidance to those who are planning, assessing, and making decisions about land transport. There are six priorities for GPS 2024. These strategic priorities reflect the need to rebuild after recent weather events and strengthen the resilience of the entire transport system. These priorities must be supported by firm

foundations, which is why GPS 2024 (Draft) includes as a priority maintaining and operating our existing transport system, including our roads and public transport services. Together, these priorities support environmental sustainability, resilience and security, economic prosperity, access, and healthy and safe people. These strategic priorities underpin the work of all government transport agencies. The priorities will guide investment decisions by Waka Kotahi (NZ Transport Agency) and its co-investment partners, including local authorities and KiwiRail.

The summarised GPS 2024 (Draft) priorities are given below.



Strategic Investment Priorities GPS 2024 (Draft)

2.3 National Land Transport Programme (2024-2027)

In line with the Government Policy Statement, the National Land Transport Programme (NLTP) is Waka Kotahi's key commitment with the sector for how the Transport Agency will use National Land Transport funding to provide a transport system that enables New Zealand to thrive.

The National Land Transport Programme (NLTP) contains all the land transport activities, such as public transport services and road construction and maintenance, which are expected to receive funding from Waka Kotahi.

The NLTP is compiled from the proposed Regional Land Transport Programmes (RLTP) in accordance with available funding. The 2024-2027 RLTP is currently under preparation and will be published early 2024.

3. Regional Land Transport Plan (RLTP)

The operative Waikato Regional Land Transport Plan 2021-2051 (RLTP) provides the strategic context for the preparation of the region's 2024 AMPs. The RLTP sets out the strategic policy context for what the region is trying to achieve for its' regional land transport system over a 10-to-30-year planning horizon, as well as the six-year programme of transport activities and improvements that have been identified and prioritised for inclusion in the National Land Transport Programme for National Land Transport Fund funding.

The 2024-2034 RLTP is currently being developed. This section will be updated when the new RLTP is available.

Summary of RLTP 10-year priorities

Summary of RLTP 10-year priorities
Strategic corridors • protecting and improving priority strategic corridors (road and rail) • improving network resilience, route reliability and safety on key strategic corridors • resolving rail constraints in the upper North Island • supporting the region's covid-19 recovery
Managing growth • providing multi-modal transport solutions to support housing and growth in high growth areas • future-proofing priority transport corridors to achieve urban growth outcomes
Road safety • implementing priorities in Road to Zero for the Waikato 2020 road safety strategy • planning and implementing safe and appropriate speeds and safe network improvements, particularly around schools
Access and mobility • shaping urban form that supports better multi-modal transport options • growing public transport and active mode share in urban and high growth areas • transition towards a public transport system with rapid and high frequency corridors in greater Hamilton • growing interconnected cycle, micro-mobility and pedestrian networks in urban areas • enhancing passenger rail and planning for expansion in the Hamilton to Auckland corridor • improving access and mobility for rural areas and the transport disadvantaged
Climate change • transforming to an environmentally sustainable, low carbon transport system
Maintaining what we have • maintaining existing transport assets • maximising efficiencies across the transport system
Integrated planning • advocating for the implementation of agreed regional priorities • implementing agreed planning outcomes

Note: This section will be updated once the RLTP 2024-34 is available.

POLICY APPENDIX 2

Revenue and Financing POLICY

About this Policy

This Policy aims to clarify how Council will fund operating and capital expenditure in order to meet the current and future needs of the community.

South Waikato District Council

POLICY

Revenue and Financing Policy

DocSet ID number:	ECM 647792 (Old version 15 - ECM 397273)	
Version:	V8	
Approval Date/Resolution Number:	2 September 2024	RES 2024-375
Responsibility:	Executive Manager Business Support	
Next review date:	30 June 2027	
Historic revision dates:	10 July 2003 (265/03) – *first adopted*, 31 January 2006 (026/06 – 028/06), 10 July 2006 (347/06); 2009 (137/09); 28 June 2012 (236/12), 18 June 2015 (15/165), 16 June 2016 (16/144), 1 Feb 2017, 29 March 2018 (18/80), 12 March 2021 (C21/22).	
Review frequency:	Three yearly, at the time of preparation of LTP, or more frequently if required	
Approval authority:	Council	
Consultation required:	Local Government Act 2002 Section 82 consultation	
Associated Documents:	The Long Term Plan, Annual Plan and financial policies	

1. Policy and Scope

This policy explains the choices South Waikato District Council (Council) has made in deciding the appropriate sources of funding for operating and capital expenditure from those sources listed in the Local Government Act 2002 (LGA). The policy also illustrates Council's compliance with LGA section 101(3) which sets out the factors the Council must consider in making these decisions.

A comprehensive analysis of how the Council has complied with LGA s101(3) is included in the Funding Needs Analysis.

The Policy recognises that land is a taonga tuku iho of special significance and the importance of retaining that land and facilitating its occupation, development and use for the benefit of its Māori owners, their whanau and hapu.

The Council believes it has a role to encourage owners of Māori land to retain that land and to develop it in ways that benefits its owners, their whanau, and their hapū.

2. Principles

The following principles guide will be applied when considering the use of funding sources.

Strong Financial Management

- We will adopt a prudent Financial Strategy, which supports our current credit rating.
- The everyday costs of running the district will be met from everyday revenues.
- The main source of everyday revenue will be general rates.

District-Wide Focus

- Funding priorities will be established on a district-wide basis.

Strong Asset Management

- We will prioritise funding maintenance and renewals in accordance with Asset Management Plans, with these being regularly updated to reflect changing needs and emerging risks that will ensure resilience of our assets and services.

Beneficiary Pays

- Those who benefit from growth pay a fair share of the cost of that growth.
- When a private benefit can be identified, and it is efficient to collect revenue, user charges will be considered.
- Targeted rates could be used to fund our portion of new projects where costs and beneficiaries of these activities can be easily identified.
- Growth cells will be completed to an approved level of service.

Affordability for Ratepayers

- Rates certainty will be a key consideration.
- Affordability of rates will be considered.
- We will explore external funding options for new agreed discretionary projects wherever possible.
- Asset sale proceeds will be used to pay down debt.

Balancing these principles can be challenging at times. The Council must use its judgement in assessing many options in the development of budgets or acquisition of assets and the choice of funding sources to enact these.

3. Policy

Funding Sources for Operating Costs

Operating costs are the everyday spending on services the Council provides. This includes contributions to the wear and tear of assets used (depreciation), interest charges on borrowing for capital projects and overhead costs.

We must consider the funding of each activity individually. Some activities may be best funded by user charges, such as building consent fees, others with targeted rates, such as wastewater, and others from the general rate, such as road maintenance.

The funding sources for operating costs are described in the following sections.

User Charges

User charges are applied to services where it is identified these is a benefit to an individual or group. User charges are a broad group of fees charged directly to an individual or entity and includes:

- Entry fees
- Services fees
- Hire
- Rent, lease, licences for land and buildings
- Permits
- Regulatory charges
- Fines and penalties
- Connection fees
- Deposits
- Private Works
- Memberships
- Planning and consent fees
- Statutory charges
- Retail sales

The price of the service is based on a number of factors, including:

- The cost of providing the service;
- The estimate of the users' private benefit from using the service;
- The impact of cost on encouraging/discouraging behaviour;
- The impact of cost on demand for the service;
- Market pricing, including comparability with other Councils;
- The impact of rates subsidies if competing with local businesses;
- Cost and efficiency of collecting the user charge;
- The impact of affordability on users;
- Statutory limits; and
- Other matters as determined by the Council.

The Council's ability to charge user charges is limited by various statutes and regulations. As a general rule, fees for statutory functions should be set at no more than the cost of providing the service. In some cases, regulation sets the fees at a level that is below cost and in other cases, where provided by legislation (e.g. Waste Minimisation Act 2008) fees may be set at greater than the cost of providing the service. The Council considers it appropriate to incorporate overhead charges and depreciation when determining the cost of providing the service.

Where goods and services are sold commercially, and taking into consideration legislative limitations, the Council's preference is to charge a market price. This includes leases, rents and licences for land and buildings.

Fees and charges may be set at any time and are reviewed annually. A list of current fees and charges is maintained on our website.

Revenue form user charges is allocated to the activity which generates the revenue.

Grants, Sponsorship Subsidies and Other Income

Grants, sponsorship and subsidies are used where they are available. Many of these types of income are regular and predictable and can therefore be budgeted for. Some other types are unexpected or unpredictable and may not be able to be prudently budgeted (eg reparation payments, civil defence and other reimbursements, legal settlements and insurance claims).

SWDC expects to continue to receive substantial subsidies from central or its agents for road maintenance.

Investment Income

The Council's approach to investments is documented in its Treasury Management Policy. These investments generate income such as dividends, interest and rents.

Income from assets is receipted to the activity that owns the asset.

Development Contributions, Financial Contributions, Proceeds from Sale of Assets and Lump Sum Contributions

Generally, the Council does not collect revenue from these funding sources to fund operating costs.

Development contributions revenue funds the interest cost on debt for growth-related capital projects.

Reserve Funds

Council maintains a small number of cash-funded reserve funds. Some of these reserves may be used to meet operating cost. Generally, reserve funds are used for the purposes they were created for.

Borrowing

Borrowing is generally undertaken at a whole of Council level subject to constraints on rates increases and debt levels set by the Financial Strategy.

The Council generally plans to fund all cash operating costs from sources other than borrowing. However, in specific circumstances, where the Council decides it is prudent to do so, it may fund some operating costs from borrowing.

Rates

Having appropriately exhausted all other funding sources, we fund all remaining operating expenses from rates. For many activities this is the main funding source.

The above matters are all considered when determining the funding required from general rates or targeted rates for each activity in the Funding Needs Analysis, as required by s101(3(a) of the LGA.

The Council may choose to establish targeted rates to fund operating costs.

Further information on rates can be found in later in this document.

Summary of Sources of Funding for Operating Costs

The Council will apply the funding source preferences noted above to each activity in its Funding Needs Analysis. Table 1 shows the degree to which (expressed as a range) each funding source is used to fund operating costs following the LGA s101(3)(a) assessment.

The s103(3)(a) assessment may be modified by the s101(3)(b) assessment. The latter assessment requires the Council to consider the overall impact of any allocation of liability for revenue needs on the community. Council's consideration of s101(3)(b) is included later in this policy.

Table 1 indicates the primary and secondary funding sources of the revenue required for each activity and are indicative only. They may change over time a s a result of changes in expenditure requirements. It is possible that actual funding may differ from budgeted funding sources.

Activity	General Rates	Targeted Rates	Fees & User Charges	Subsidies & Grants
Resource Management	x		X	
Building Control	x		X	
Animal Welfare	x		X	
Health and Alcohol	x		X	
Transport and Roading	X			X
Water Supply	x	X		
Wastewater	x	X		
Stormwater	x	X		
Solid Waste and Recycling	x	X	x	x
Pools	X		x	
Libraries	X		x	
Parks and Reserves	X		x	x
Economic Development	X			
Community Development	X			
South Waikato Event Centre	x		X	
Democracy	X			
Iwi Liaison	X			
Business Support	X	x	x	
Property	X		x	
Emergency Management	X			x
Project Management Office	X			
Strategic Planning	X			
Infrastructure Strategy	X			

X = Primary Funding Source

x = Secondary Funding Source

Table 1 Summary of Funding Sources by Activity s101(3)(a) Only

Funding Sources for Capital Costs

Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs are described in the sections that follow.

User Charges

User charges are not often for capital costs as individual user contributions would generally be too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of collecting user contributions for capital costs.

Council charges for capital works that are solely for private benefit (eg a network extension to a single dwelling) or where capital works are undertaken outside of Asset Management Plans at the request of individuals (eg a rural seal extension for dust suppression).

Grants, Subsidies, and Other Income

Council relies on significant subsidies for capital works relating to the transport activity. Grants and subsidies may be available for other activities from time to time. Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital costs could include bequests, insurance claims and legal settlements.

Grants, subsidies and other income are used wherever they are available.

Development Contributions

Council collects development contributions (DCs) to fund capital costs necessary to service growth, in accordance with the Development Contributions Policy (DC Policy).

DCs are applied on an activity and catchment basis, as identified by the DC Policy. Projects identified in the DC Policy may be either completed projects (with debt yet to be repaid from future development contributions) or future projects planned in the period from which DCs may be collected.

Most contributions receipted are used to repay development contributions debt and interest on that debt. A portion may pay for capital expenditure in the year it is receipted, depending on projects.

It is important to note that, in addition to the requirements of s103 and s101(3), the DC Policy describes funding matters in more detail as required by s106(2)(c).

Financial Contributions

Council collects financial contributions under the Resource Management Act 1991 to avoid, remedy or mitigate adverse effects on the environment as conditions to resource consents. The requirements for these contributions are outlined in the Operative and Proposed South Waikato District Plan. Council receives most contributions as revenue by the vesting of assets although some may be paid directly to us.

Proceeds from the Sale of Assets

From time to time assets are disposed of. Usually these are low value items and the revenue is received by the activity that owns the asset.

Council holds some higher value assets for investment purposes which, although not budgeted for, could be sold. Unrestricted proceeds from the sale of these assets would be used to repay debt, unless otherwise resolved by Council. Council may also determine whether to add value to these assets to maximise the return on investment. Restricted revenues would be placed in the appropriate reserve fund and used for the purpose required by the document that imposes the restriction.

Reserve Funds

We maintain some reserve funds for capital projects and will approve the use of the funds when a project meets the specific criteria for accessing the reserve.

Borrowing

Council must borrow to fund its asset programme. The amount of borrowing available is restricted by the Financial Strategy debt limits.

Borrowing funds, both principal and interest components, are generally repaid by future rates.

Borrowing spreads the cost of a project over a longer period of time, smoothing changes in rates and ensuring that future ratepayers who will enjoy the benefits of long-lived assets contribute to their cost.

Lump Sum Contributions

When undertaking a major project, Council has the option to seek lump sum contributions to the capital cost of the project from those who are identified in the "capital project funding plan". Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have restrictions placed on how they are used. Where a lump sum payment option is proposed, ratepayers may choose to pay the lumpsum or not. If nil, the rating unit will be liable to pay any targeted rate set to recover the loan costs.

Generally, Council does not plan to seek lump sum contributions.

Rates

Rates are mostly used to fund everyday expenses including depreciation and interest costs relating to borrowing.

Each year, Council calculates its operating cash surplus which determines the amount of rates funding available to fund capital projects or debt repayment. The greatest portion of this rates funding is allocated to pay for depreciation (which is a non-cash operating cost). These funds are used to fund capital replacement and/or renewal projects.

A portion of the rates funds the capital (principal) repayment of debt.

Council may establish targeted rates to fund specific capital projects. Targeted rates are more likely to be considered where a benefit can be linked to an identifiable individual or group, either arising from the use of the asset or as a consequence of a decision. For clarity, this may include the growth portion of any project or groups of projects that are unable to be funded from a DC Policy.

Potential Future Funding Sources

Infrastructure Funding and Financing Act (IFF)

The IFF, which was enacted in August 2020, enables Council to access a new off-balance sheet funding mechanism to support delivery of infrastructure projects.

The Council may explore options for the application of the IFF tool.

Council has not yet negotiated any IFF deals, and as such, the 2024-34 LTP does not reflect any potential off-balance sheet funding arrangements.

Summary of Sources of Funding for Capital Costs by Activity

As described in the Financial Strategy, Council has a challenge to manage growth, affordable rates increases and debt. To achieve the appropriate balance between these variables Council will take the following approach:

- Council will set the annual rate increase;
- The existing rating base plus an estimate for growth determines the rates income;
- Activity operating revenue and expenditure budgets are determined within rate income restraints;
- An amount is budgeted for development contributions payments, which is set aside to fund growth projects or growth debt and interest, as determined by the DC Policy;
- The net cash operating costs is determined (net of cash revenue budgets);
- This leaves the funded portion of operating costs. A small amount may be held in a cash funded reserve; otherwise, the funds will be available for capital costs. This amount largely represents rate funded depreciation but may include operating surpluses from some activities and accounting provisions. This funding is not held by specific activities and is available to funds any capital costs; and
- Council will then set the limit on debt, which determines the maximum debt funding available for capital costs.

Council will use the following guidelines when considering the funding of capital projects:

- All projects are first funded from grants; subsidy or other income, which are budgeted as operating revenues;
- Growth related projects for network infrastructure to meet increased demand are funded from DCs, as allowed under the DC Policy;
- Reserve funds for other purposes are considered;
- Targeted rating options may be considered;
- Debt; and
- Projects that have exhausted previous funding sources are funded from general rates.

A single project may have a mix of each of the above funding options.

Council will not compete with the private sector for delivery of project unless there is a market failure.

Whenever Council resolves to fund a separate project, it will consider the sources of funds above, the Revenue and Financing Policy and LGA s101(3) to determine an appropriate funding policy for that project. Generally, Council will resolve the funding in setting the budget for the project at the time it is proposed in an Annual Plan or LTP.

Overall Funding Consideration

Council is required by LGA s101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. This allows Council, as a final measure, to modify the overall mix of funding that would otherwise apply after the s101(3)(a) analysis.

The following adjustments have been made:

The Financial Strategy has the guiding financial principle that those who benefit from growth pay a fair share of the cost of that growth. Growth drives both operating and capital costs. Council will use all available funding sources to ensure that those who benefit from or create growth contribute an appropriate share towards the costs of providing infrastructure to meet the demands of that growth. This includes financial contributions, development contributions, user charges and general and targeted rates.

Council considers the benefits of services associated with the development of land are realised from the time the development is started.

Council may waive or discount fees and charges where it is considered appropriate to do so. Some matters considered in deciding whether it is appropriate to waive fees are for social reasons, broader economic benefit, the promotion of events and facilities, commercial reasons, due to poor service or to minimise risk.

Council may remit rates where it is considered appropriate to do so and as allowed for in the Rates Remissions and Postponements Policy. Thes policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (eg additional or no provision of services).

Council may use accounting provisions and/or reserve funds to spread the cost of activities over multiple years to smooth the cost to users and ratepayers.

Council may modify the allocation of liability for growth related network infrastructure projects when considering the matters required by s106 in the DC Policy.

Rates

Council's final consideration of funding by rates comes:

- After considering how other funding sources will be used to fund operating and capital costs;
- After that has been applied to activities in the Funding Needs Analysis; and/or
- After being adjusted for the overall funding considerations.

The following section outlines the Revenue and Financing Policy requirements that are used to set rates. To have a full understanding of rates they should be read with regard to the analysis above and in conjunction with the Rating Policy, Funding Impact Statement and Rates Resolution.

General Rates

The general rate is allocated to all rateable properties based on the capital value of the property. A Uniform Annual General Charge (UAGC) will be set on each separately used or inhabited part (SUIP) of all rating units.

The Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from the general rate and the UAGC.

Resource Management	**Parks and Reserves**	**Emergency Management**
Building Control	**Economic Development**	**Project Management Office**
Animal Welfare	**Community Development**	**Strategic Planning**
Health and Alcohol	**South Waikato Event Centre**	**Infrastructure Strategy**
Transport and Roading	**Democracy**	**Libraries**
Solid Waste and Recycling	**Iwi Liaison**	**Property**
Pools	**Business Support**	

Differential Rating

Council is able to operate a rating system that meet the requirements of the revenue and financing principles without differential rating.

UAGC

The level of the UAGC will be determined based on the overall impact of rates to individual ratepayers and categories. There is no direct allocation of any activity nor is there a calculation methodology for determining the UAGC amount.

Targeted Rates

Council collects targeted rates to fund activities as identified in the Funding Needs Analysis or as a result of overall funding considerations.

Name	**Activities Funded**	**Basis for Rate**
Metered Water Supply	Water Distribution and Water Treatment and Storage Activities	Uniform amount per water meter plus charges based on consumption as defined in the Funding Impact Statement
Non-metered Water Supply	Water Distribution and Water Treatment and Storage Activities	Uniform amount as described in the Funding Impact Statement
Solid Waste Collection	Refuse and recycling collection Activities	Uniform amount as described in the Funding Impact Statement
Wastewater	Wastewater Collection and Wastewater Treatment and Disposal Activity	Uniform amount as defined in the Funding Impact Statement
Stormwater	Stormwater Management Activities	On a capital value basis as defined in the Funding Impact Statement
Clean Heat	Replacement of Home Heating	Based on extent of service provided

Council may introduce new targeted rates when setting rates for any year as documented in the relevant

year's Funding Impact Statement and Rates Resolution.

References

- Funding Needs Analysis, s101(3), provides the background and analysis to explain the funding decisions Council has made. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy.
- The DC Policy provides further analysis, as required by s106(2)(c). This explains why the Council has chosen to use DCs to fund the capital costs needed to meet increased demand for infrastructure.
- The Investment and Liability Management Policy places restrictions on the use of the proceeds from asset sales.
- The Rating Policy further clarifies funding requirements by documenting matters not included in the Funding Impact Statement, rates resolutions or the Revenue and Financing Policy. It includes detailed definitions and maps for rating areas.
- The Funding Impact Statement is included in each Long Term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10. This statement shows the results of the detailed rates calculation of the first year of the 2024

Long Term Plan

Together the above documents form the necessary components to lawfully charge under the LGA for Council's revenue requirements. Council must also comply with other legislation regarding the setting of some fees and charges and the Local Government (Rating) Act 2002 for setting of rates.

Relevant Delegations

Any changes to this Policy require Council approval.

References and Relevant Legislation

Local Government Act 2002.
Local Government (Rating) Act 2002.

Annotations

Res No	Date	Subject/Description
265/03	10/07/03	Policy adopted
235/04	24/06/06	Policy amended/confirmed as part of Long Term Council Community Plan process
291/05	23/06/05	Policy amended/confirmed as part of Annual Plan process
026/06 to 028/06	31/06/06	Refuse Collection, Economic Development and Governance activity
347/06	10/07/06	Policy amended/confirmed as part of Long Term Council Community Plan process
358/07	28/06/07	Policy amended/confirmed as amendment to LTCCP. Change to rate:fee ratio, Business Promotion Activity Funding and The Plaza Activity Funding. Defining Separately Used or Inhabited Parts of a Rating Unit
134/09	28/05/09	Policy amended/confirmed as part of Long Term Council Community Plan process
236/12	28/06/12	Policy amended/confirmed as part of Long Term Plan 2012-22 process
165/15	18/06/15	Policy amended/confirmed as part of Long Term Plan 2015-25 process
16/144	16/06/16	Policy amended/confirmed as part of Annual Plan 2016-17 process
18/80	29/03/18	Policy amended/confirmed for consultation as part of LTP 2018-28 process
C21/155	27/05/21	Policy amended/confirmed for consultation as part of LTP 2021-31 present

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
Animal Welfare	Thriving Community	The Owner; The benefits are in the knowledge that if a dog is lost, once found; it can be identified and the owner can be notified. If the dog misbehaves it can be identified and dealt with accordingly and there is a register of the owners who have responsibilities in owning a dog. The whole community benefits; through dog control and registration, local and national education and stock control, and, more especially, through public safety.	pound upgrade does have intergenerational equity considerations.	The level of responsibility of dog and stock owner's impacts on the cost of this activity and the level of complaints received for this activity.	This activity is distinct from any other Council activity. Council has appropriate systems in place to allocate costs to this activity.	The animal control service relates to dog ownership which is an individual's choice. For this reason Council considers that dog owners should, in addition to registration fees, contribute to the cost of both dog and stock public safety and nuisance avoidance. Offenders should, through a scale of fees, contribute towards the cost of investigations, impounding and prosecution. A combination of fees, charges and fines is the most efficient, effective and transparent way to fund the private benefit.
Building Control	Robust Economy	The holder of the consent receives benefits by being assured that the building work has been completed in compliance with the appropriate building code. This ensures that the building is safe and built to the appropriate standard. Members of the general public receive benefits by being able to receive advice about the requirements of relevant	This activity is about service delivery to current ratepayers and residents. There is minimal or no capital expenditure and no significant inter-generational equity considerations for this activity.	The actions of most individuals or groups have a minor impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	The most efficient, effective and transparent method of funding the private benefit is a cost recovery basis using a range of fees and charges The public good element is to be funded from rates revenue.

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
		legislation and having locally provided service and guidance hub.				
Community Development	Thriving Community	The beneficiaries of this activity are those who receive grants and other support. There is a wider public benefit as grants and other assistance help support our community groups, contributing to a vibrant community. The South Waikato Performing Arts Centre represents a portion of Council's contribution to the cultural and leisure infrastructure of the district. The most direct beneficiaries are the regular users and those who attend or will attend events held in these venues. The community benefits from having multiple cultural/leisure opportunities to enjoy and the district's reputation is enhanced by the provision of a broad spectrum of cultural/leisure choices.	There is minimal or no capital expenditure and no significant inter-generational equity considerations for this activity.	The impact of others should be minimal. Misuse by theatre users can impact on the quality of these facilities.	As this is a key leadership role for Council, it is appropriate that the results and associated costs are separately disclosed. Council has an appropriate structure in place to allocate costs to this activity.	Council considered that the most effective, efficient and transparent method for funding this public good service was general rating mechanisms.
Democracy	Thriving Community	The expenditure on this service is for the public good.	There is minimal or no capital expenditure and no significant inter-generational		The level of public interest within this community necessitates the separate disclosure.	The most appropriate funding source is general rates.

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
			equity considerations for this activity.		Council has appropriate systems in place to allocate costs to this activity.	
Regulatory	Thriving Community	There is a greater element of public good in the enforcement area.	This activity is about service delivery to current ratepayers and residents. There is minimal or no capital expenditure and no significant inter-generational equity considerations for this activity.	Stakeholders must maintain high standards for the activity objectives to be achieved. The impact of this not occurring will result in increased costs for the activity.	The regulatory nature of the relevant Acts makes it appropriate to combine the various requirements of these Acts together into a separate activity. Council has appropriate systems in place to separately allocate costs to this activity.	It is sometimes difficult to recover costs in the enforcement area, in particular when complaints are received. Income from the exacerbator is unpredictable and not significant eg parking infringements.
Economic Development	Robust Economy	Economic growth and development results in improved job opportunities for our residents, helping to improve prosperity.	The benefits are for current and future communities. However, there is minimal or no capital expenditure and no significant inter-generational equity considerations for this activity.	The involvement of the community can impact on the success or otherwise of this activity.	The benefit received from this activity is not always tangible. For this reason, it is important that Council keeps track of its contribution to this activity, which is distinct from other activities. Council has an appropriate structure in place to allocate costs to this activity.	The most appropriate effective, efficient and transparent method of funding the public good allocation is general rating revenue.
Emergency Management	Thriving Community	The operation of the Civil Defence service involves maintaining a state of readiness so that the district is equipped to cope, should a civil emergency occur.	This activity is about being prepared to respond in an emergency. There is capital expenditure that has inter-generational equity considerations for this activity eg generators,	There is minimal impact from others through natural disasters, although fires may result from human intervention.	Given the high community benefit it is appropriate that the activity is separately disclosed. The nature of this activity indicates that it should be	Council considered that the most effective, efficient and transparent method for funding these services was general rating revenues.

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
			communication equipment and response vehicle.		accounted for separately. Council has appropriate systems in place to allocate costs to this activity.	
Health and Alcohol	Thriving Community	Food and Alcohol Premises, Licenses, noise control and inspection/verification Where services provide independent certification that adequate standards have been met in the operation of an activity, eg hairdressers, food premises, alcohol outlets, the benefits of the service are predominantly received from the holder of the certificate or licence. Another important part of regulatory inspection work is providing information and advice to the developer as well as the general public about potential effects and/or relevant legislative requirements. **Enforcement** There is a greater element of public good in the enforcement area.	This activity is about service delivery to current ratepayers and residents. There is minimal or no capital expenditure and no significant inter-generational equity considerations for this activity.	Stakeholders must maintain high standards for the activity objectives to be achieved. The impact of this not occurring will result in increased costs for the activity.	The regulatory nature of the relevant Acts makes it appropriate to combine the various requirements of these Acts together into a separate activity. Council has appropriate systems in place to separately allocate costs to this activity.	Legislative limitations on fees, eg alcohol licensing, places a restriction on Council's ability to recover user charges. Council will to the extent possible fund the private benefit on a cost recovery basis using a range of fees and charges designed to generate approximately 20% of revenue required to operate the service. The public good element is to be funded from general rating revenues eg noise control activity.
Libraries	Thriving Community	The library service provides a mix of community, district and private benefits. The direct beneficiaries are	Council utilises depreciation and loan funding as a source of funding, recognising that a relevant and	Charges are levied to reflect misuse of library books and materials.	The Library activity is distinct from other core activities. With no alternative providers, it is	Council wishes to ensure equitable access to the library and because of this, the most effective,

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
		the users of services provided by the district libraries. There is a public good in terms of community learning and support that is provided by the library service.	accessible collection, and facilities that are fit for purpose are the keys to providing a library service for future generations. There are both current and future benefits.		considered appropriate to separate this activity. Council has an appropriate structure in place to allocate costs to this activity.	efficient and transparent method available within the limitations of statute for funding the community wellbeing generated by providing a library service was user fees and general rating revenue.
Parks and Reserves	Thriving Community Sustainable Environment	The benefits of sportsgrounds, cemeteries and parks and reserves include the encouragement of health and fitness, enhancement of community amenities and contributes to public pride and general wellbeing.	Capital development will benefit future generations. Funding should be from depreciation reserves and loan funding.	Misuse of the facilities will impact on the costs of providing these services.	The activity collectively represents a substantial cost and provides a key component of the infrastructure. There is no logical grouping into which the activity could be added. Council has an appropriate structure in place to allocate costs to this activity.	Sportsgrounds: the encouragement of sport and recreation within the district and the improvement of its image are important objectives, which Council has recognised in setting its user charges. Council considered that the most effective, efficient and transparent method available for funding the sports grounds was general rating mechanisms and a small amount of admission fees and user charges. Parks and reserves: the collection of parks and reserves represent a substantial cost of Council's activities and a key component of environmental infrastructure. Cemeteries:

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
						Are funded primarily by User charges.
Property	Thriving Community Robust Economy	It was considered that private use of Council property conveyed private benefits. However, some of the properties in this group are held for the public good and their strategic importance. Hall users are the direct beneficiaries of community halls. On a district-wide basis, halls provide options for the community at large. The direct beneficiaries of Council Housing are the occupants who are housed in quality, affordable housing.	Council's involvement in halls is largely historical. There is no planned replacement programme. Inter-generational equity has been considered, but Council has resolved to fund projects as they arise. Council believes that it has a social responsibility to continue to provide this service albeit on a rationalised basis. Council involvement is being maintained and no significant capital development is proposed in the foreseeable future. The focus is on ensuring that the housing units are maintained to a good standard. There are no significant inter-generational equity considerations for this activity.	Tenants and lessees have the ability to impact on the quality and standard of the facilities. Hall users can have an impact on the standard and quality of facilities.	Council's direct management of these properties necessitates separate division of this activity. The nature of this activity indicates that it should be accounted for separately. Council has appropriate systems in place to allocate costs to this activity.	Council noted that there may be issues of fairness and equity which would alter the allocation of cost. This activity is, wherever possible, supported by rental income. In some cases encumbrances on the properties or market rentals limit income, resulting in a shortfall between income and expenditure. There will always be a need for rating support. The value of the support required from rates varies from year to year as properties are sold, and varies from property to property according to individual circumstances. For Housing the cost of operations and on-going maintenance should be fully funded from rental income. The most appropriate, effective, efficient and transparent method of funding this service is rental income.

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
Resource Management	Sustainable Environment Thriving Community Robust Economy.	**Consents and inspection** Where services provide resource consents to individuals or developers, the benefits of the service are predominantly received from the holder of the consent. Another important part of consent work is providing information and advice to the public about the requirements of relevant legislation. **Enforcement** There is a greater element of public good in the enforcement area. At present, most enforcement work is undertaken in response to a complaint from the public about an activity. Where possible, the costs of enforcement work are recovered from the exacerbator. There is also a monitoring fee on all resource consents to help cover the costs of inspection. Where people are not meeting the conditions of the consent, further action may be taken and costs recovered. **Policy** The main purpose is to prepare plans which set	This activity is about service delivery to current ratepayers and residents. There is minimal or no capital expenditure and no significant inter-generational equity considerations for this activity. District Plan costs where capitalised are loan funded?	Stakeholders must maintain high standards for the activity objectives to be achieved. The impact of this not occurring will result in increased costs for the activity.	The nature of this activity makes it appropriate to separate it from other activities that Council carries out. Council has appropriate systems in place to separately allocate costs to this activity.	Council considered that, with the exception of policy and monitoring work, the most efficient, effective and transparent method of funding the private benefit (the applicant allocation) is a cost recovery basis using a range of fees and charges The public good element of consenting work, and the policy and monitoring work, is to be funded from general rating revenue.

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
		standards or guidelines for the sustainable management of the environment and benefits for the community as a whole. The District Plan sets the standards to ensure the resources in the district will be available for future generations. It is appropriate that the community as a whole meets the costs of policy planning.				
Transport and Roading	Thriving Community Robust Economy	Central Government collects user charges from the motorist via petrol excise tax, road user charges and registration fees. The balance of the cost is raised from local ratepayers. Council contends that this should be treated as a public good element as it has no authority to levy user charges. The local public good element is predominantly about providing access and opportunity for use. Council considered the issues and, on both an economic and public wellbeing basis, determined that the allocation of the ratepayer contribution was considered to be 100% public good.	Roading is a long-term asset. Council has identified long-term benefits of developing new roads and funds this through depreciation, loans and NZTA subsidies.	Heavy vehicle and high volume users impact on the quality of the roading network. This exacerbator situation is covered to a certain extent by the NZTA subsidy being partly sourced from road user charges and excise tax which are weighted towards heavier and higher users.	The size and nature of this activity is unique to Council. The practical management of this activity is such that it operates as one activity. Council has an appropriate structure in place to allocate costs to this activity.	Council considered that the most effective, efficient and transparent method available for funding the public good, after Government subsidies, was general rating mechanisms, after gaining as much revenue as possible from Central Government subsidies. User fees for bus services will contribute towards public transport costs.
South Waikato	Thriving Community	The most direct beneficiaries are	The South Waikato Sport	Misuse by users can	It is necessary to	Fees collected from using the

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
Events Centre		the regular users and those who will play sport or attend events held in the centre. The community benefits from having contemporary facility to enjoy and the district's reputation is enhanced by having the facility.	and Events Centre, will benefit the community and users, currently and in the future. Council proposes to fund significant development through built-up reserves, depreciation reserves and loan funding.	impact on the quality of these facilities.	keep these facilities separate from other activities to clearly identify the cost to the community. Council has established a structure which caters for easy allocation of costs to these activities.	SWSEC will be set at a level which recovers the primary operating costs. However, it is considered that pricing is sensitive. Prices that are considered by users as being too high could have an adverse effect on usage and, in particular, for people in the lower socio-economic areas of the community.
Stormwater	Sustainable Environment	Council is of the view that publicly owned stormwater control services provide both community and district benefits. The community (including private) benefit is high as it reduces the risk of flooding and associated problems, including disruption to transport, property damage and risk to personal safety. Stormwater services provide similar benefits to the district, albeit on a smaller scale. These benefits include maintaining high standards of public health, keeping roadways clear of flood water and minimising inconvenience for the public at large. This is particularly important because of the	There are inter-generational equity considerations especially within the urban environment related to public safety. Capital work will be funded by depreciation and loans.	Users of the scheme can impact on this activity.	Stormwater is an activity closely monitored by the community. Given the high community benefit, Council considers it appropriate to separate this activity. Council has appropriate systems in place to allocate costs to this activity.	Council considered that the most effective, efficient and transparent method for funding urban stormwater services is to charge a targeted rate in the dollar of rateable value within each urban stormwater drainage area. The choice of a capital value targeted rate in part recognises that larger properties have the potential to discharge more water into the stormwater system.

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
		close settlement within urban areas. Stormwater services on a private property that are for the benefit of that property or are to mitigate the effects of stormwater runoff from that property on downstream properties are the responsibility of the property owner.				
Pools	Thriving Community	The most direct beneficiaries are pool users. They include individuals, both children and adults, senior adults, clubs and schools. These groups are identifiable and therefore excludable. Community benefit is based on option values in that residents have an additional leisure activity choice. Quality leisure facilities enhance the reputation of the district (district image) and assist in promoting the South Waikato as a place in which to invest, live and work.	The South Waikato Indoor Pools complex is primarily for current and future users of the facility. Any significant capital developments and renewals will be funded from the depreciation or loans.	Swimmers impact on the cost of this activity and, to a lesser extent, the swimming club, schools and user groups.	There is sufficient interest to separate out this activity. It is considered necessary to keep these facilities separate from other facilities to clearly demonstrate the benefits and costs to the community. There is no alternative grouping into which this activity could be added. There is an appropriate structure in place for the allocation of costs to this activity.	Ticket sales will be used to generate as much revenue as possible. However, it is considered that pricing is sensitive. An increase in prices could have an adverse effect on pools usage and, in particular, for people in the lower socio-economic areas of the community. This was felt to be an appropriate, effective, efficient and transparent way of funding the public good. Council considered that admission fees (ticket sales) were the most appropriate, efficient, effective and transparent method of funding the private benefit.
Solid Waste	Sustainable Environment	The disposal of solid waste	There are inter-generational	Users of transfer	Council has decided to	Council will fund the

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
		conveys significant private benefits to ratepayers and residents, however the operation of environmentally sound transfer station sites also assists in maintaining local public health standards. It also reduces the incidence and impact of illegal dumping of solid waste, and the consequent reduction of district aesthetic values. Appropriate disposal methods and aftercare (including monitoring of closed landfill sites) assists in reducing the possibility of future environmental damage. These matters are public good benefits. Users of transfer stations are the direct and largest group of beneficiaries of this service. On the basis of the exacerbator pays, Council considered that the largest portion of economic benefit accrued to this group. Individual property owners benefit from the kerbside collection service.	equity considerations with this activity. The landfills require monitoring after closure. Capital spending will be met from depreciation and loans, and Government grants when they are approved.	stations sites impact on this service. The level of recycling also impacts on this activity. Those who litter will impact on the cost of this activity. The urban properties within the kerbside collection areas will impact on the cost of this service.	separate this activity due to its nature (disposal) being different from collection and recycling. Council has an appropriate system in place to separately allocate the costs to this activity.	primarily private benefit funding through user charges with the balance relating to public good split for litter and transfer station operations covered by general rates. The refuse collection service should be funded on a user pays basis.
Wastewater	Sustainable Environment Thriving Community	Council decided that the direct beneficiaries of a sewage collection	This activity has inter-generational equity	Users of the sewerage schemes impact on the	The empowerment by the Local Government	Of all the funding tools available, Council

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
	Robust Economy	and treatment service are the users of that service. This applies whether the user is a club, charitable organisation, commercial or industrial enterprise, or a private residence. In addition, a benefit accrues whether the property is connected to the system or could be connected to the system. While the service provides predominantly private benefits, the community at large benefits from the elimination of public health risks arising from open sewers and inadequate septic tank facilities. Environmentally sound treatment services reduce the adverse impact on receiving waterways. This improves the environment downstream from the treatment plants and benefits property owners in the adjacent rural areas within and beyond the district boundaries.	considerations. Depreciation funding or loans are used for capital renewal work with growth assets funded through debt.	provision of this service.	Act 2002 and the safety requirements necessitate separate disclosure of the activity. Council has an appropriate structure in place to allocate costs to this activity.	considered that the most efficient, effective and transparent method available was a targeted rate on a uniform basis on each serviced rating unit.
Water Supply	Sustainable Environment Thriving Community	Council considered that with the major exceptions of community health	The greater requirements of newly enhanced national	The users of the schemes impact on the provision of	The public expectation of Council's provision of this service	Consideration has been given to the introduction of a domestic

	Community outcomes	Distribution of benefits	Capital expenditure - period of benefits	Action/inaction by others	Costs and benefits of separating this activity	Funding conclusion
	Robust Economy	and safety, firefighting, street cleaning, public toilets, parks, reserves and swimming pools; the benefits accruing from this service were primarily private and that this decision applied to both commercial and domestic customers connected to the supply.	drinking water standards will necessitate the need for significant capital development. There is an intergeneration al equity component for this activity. Depreciation funds, targeted water rates, loans and where possible, government funding are appropriate funding sources for capital work.	these services.	necessitates the separate disclosure of this activity. Council has appropriate systems in place to allocate costs to this activity.	metered water supply.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