

Elected Member Briefing (10-Year Plan) – 5 April 2018
Commencing at 9.30am in Committee Room One

Topic	HCC Contact / Presenter(s)	Open / Closed	Time Req'd (mins)
Waikato Regional Council Draft 2018-28 LTP and Draft Regional Land Transport Strategy.	Councillor Barry Quayle, Councillor Jane Hennebry, Councillor Tipa Mahuta, Mike Garrett (Chief Financial Officer)	OPEN	45
MORNING TEA			
Waikato District Council Draft 2018-28 LTP	Mayor Allen Sanson, Kurt Abbot (Organisational Planning and Project Support Team Manager)	OPEN	45
Demonstration of submission / hearing process	Sean Hickey	OPEN	15
MEETING ENDS			

Online submissions - demonstration

Gambling example:

<https://haveyoursay.hamilton.govt.nz/strategy-research/a38b30ee/>



Waikato District Council Long Term Plan (LTP)

2018-28

3 years ago – 2015 LTP

We planned to

- Support growth in targeted areas
- Maintain existing assets
- Modernise infrastructure where it is prudent to do so
- Do more within existing budgets.
- Moving the cost of a service to those using them
i.e. user pays
- Balance the targeted rate reserves
- Undertake condition assessment work

Some key happenings over the last 3 years...

Key Event	Impact
Growth pressures more significant than ever – leading to growth costs	Assets being vested in council now requiring to be maintained.
Cost pressures in hot contractor market	Costs of maintenance & capital works is increasing
Value of assets increased significantly	We are required to collect greater levels of depreciation (\$1.2 million in 18/19)
Havelock North water incident	Cost to separate waters services. Requirement to seek greater resilience and reliability in waters practice.
Cyclone Debbie	Emergency road works required. New emergency roading works budget of \$1.1 million per annum.

Continued..

Key Event	Impact
Introduction of user pays water services	Income from water metering has been insufficient to cover the cost of treating and delivery of water to the household.
Introduction of user pays refuse services	Private enterprise increased their presence in the refuse market. Private contractors entered the market. Lost income for council. Increased levels of dumping. A full review of service is occurring in 2018-19.
New Wastewater level of service – reduce overflows to 1&3	Targeted rate increase as per the annual plan
Legislation RMA changes District Plan review Building consent changes Health & Safety requirements	Significant internal costs to meet legislative requirements.

Seeking value - reducing costs

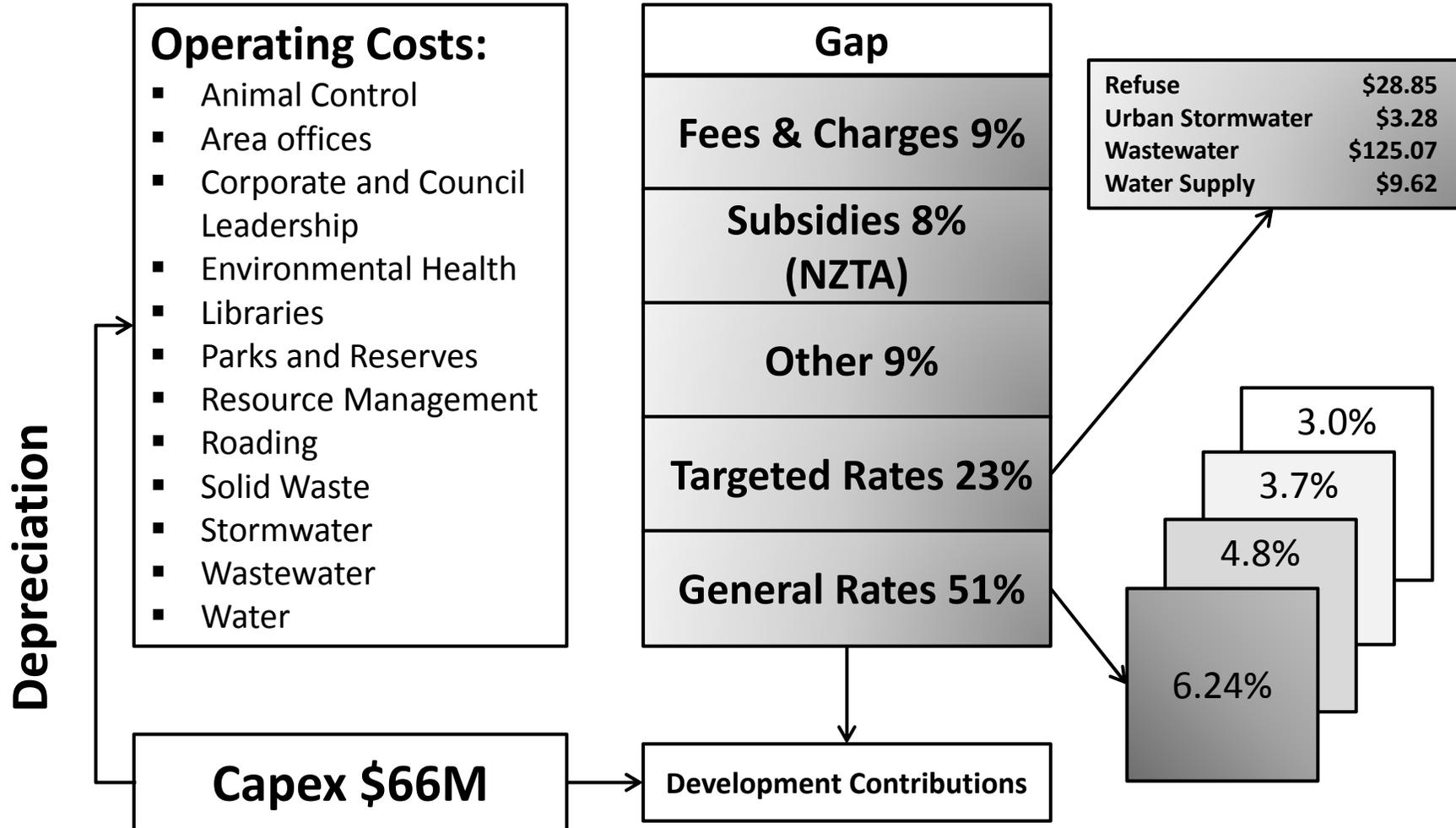
- Roothing & Parks-Reserves Alliance
 - Efficiencies are flowing into more essential work being done
- \$40 million interest free Housing Infrastructure Fund (HIF)
 - \$8million worth of interest savings
- Management of our 3 waters services
 - Potential to save \$28 million over 10years

LTP on a page

- Continue to support growth nodes
 - providing amenity
 - includes HIF application
- Prioritised condition assessment investment rather than more \$ e.g. Annual Plan Wastewater LOS delivery
- Increased investment in unsealed network maintenance (\$1m)
- Increased provision for emergency works (\$1.1m)
- Hamilton to Auckland Rail – Tuakau rail platform
- Liveable, Thriving, Connected Communities
 - Master planning – (\$100k pa) + Amenity
 - New footpaths (\$500k pa) / Te Awa cycleway focus (\$1.4m)
- Being smarter with \$
 - Waters business case options, Investment in IM roadmap
 - Capacity to absorb growth & plan smarter
- Funding
 - Still balancing finances for some targeted rate activities
 - Property valuations add complexity/cost to some ratepayers

Cost of running Council \$125M

How Funded



So what are we consulting on?

- Future of Waters Business
 - 4 Options
 - Current operations (status quo)
 - Arrangement with Hamilton & Waipa
 - WDC Waters Company – with Watercare & Waikato Tainui
 - Waters Governance Board – with Watercare and Waikato Tainui
 - Forecast \$28.3m savings over 10 years – average of \$100 pa per targeted ratepayer
- Level of UAGC – recommendation to reduce by \$102 vs 17/18 year (or \$130 vs 2018/19)

What does this mean for ratepayers?

- Perfect storm for many urban ratepayers > 10% rate increase
 - General rate increase – 6.24% Yr. 1
 - Targeted rate increases (\$167)
 - Revaluation impact - value shift from rural to urban
 - UAGC offset (\$102 lower than today)

Summary

- Business as usual LTP – some Liveable Thriving Connected Communities
- Experiencing tough cost increases
- Continued innovation/planning/cost savings focus
- Major rates impact for some
- Affordability will be a challenge for many
- 15 roadshow events to tell story
- Keen to support HCC on Fuel Tax opportunity



FWD 10 YRS

BE PART OF THE CHANGE YOU WANT TO SEE

Mā tātou te ara ki tua e para

Consultation presentation for the
2018-2028 Long Term Plan | Te Mahere Roa



LET'S MAKE A PLAN

ME WHAI MAHERE TĀTOU

The plan needs to:

- tackle the big issues
- be realistic about cost
- balance legislative requirements and what's important to communities
- support a sustainable future
- build on the work we've been doing with our partners and communities.



PRE-ENGAGEMENT

KÖRERORERO-TÖMUA

Who took part and how

45 organisations
participated in a key
stakeholder forum



1286 people
voted on their top 3
priorities at Fieldays



**373 responded to an
online survey.** Of these,
14.81% identified as Māori



16 meetings with stakeholders from
20 organisations
4 meetings were with **7 iwi groups**



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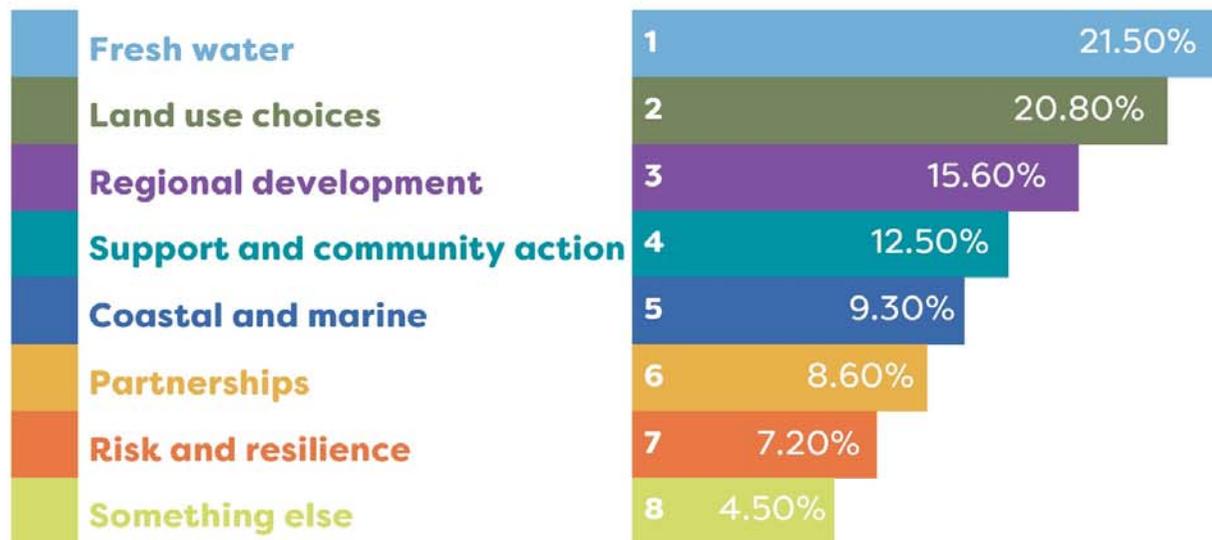
2018-2028 LONG TERM PLAN
TE MAHERE ROA

PRE-ENGAGEMENT

KÖRERORERO-TÖMUA

THE FINDINGS

Overall priorities of our people



(Total respondents = 1800)



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TE MAHERE ROA

DOING BUSINESS IS GETTING MORE EXPENSIVE

KEI TE PIKI HAERE TE UTU WHAKAHARE OHANGA

Sustainability of our flood infrastructure ●.....○

Changing community needs ●.....○

Technology and information ●.....○

Central government ●.....○



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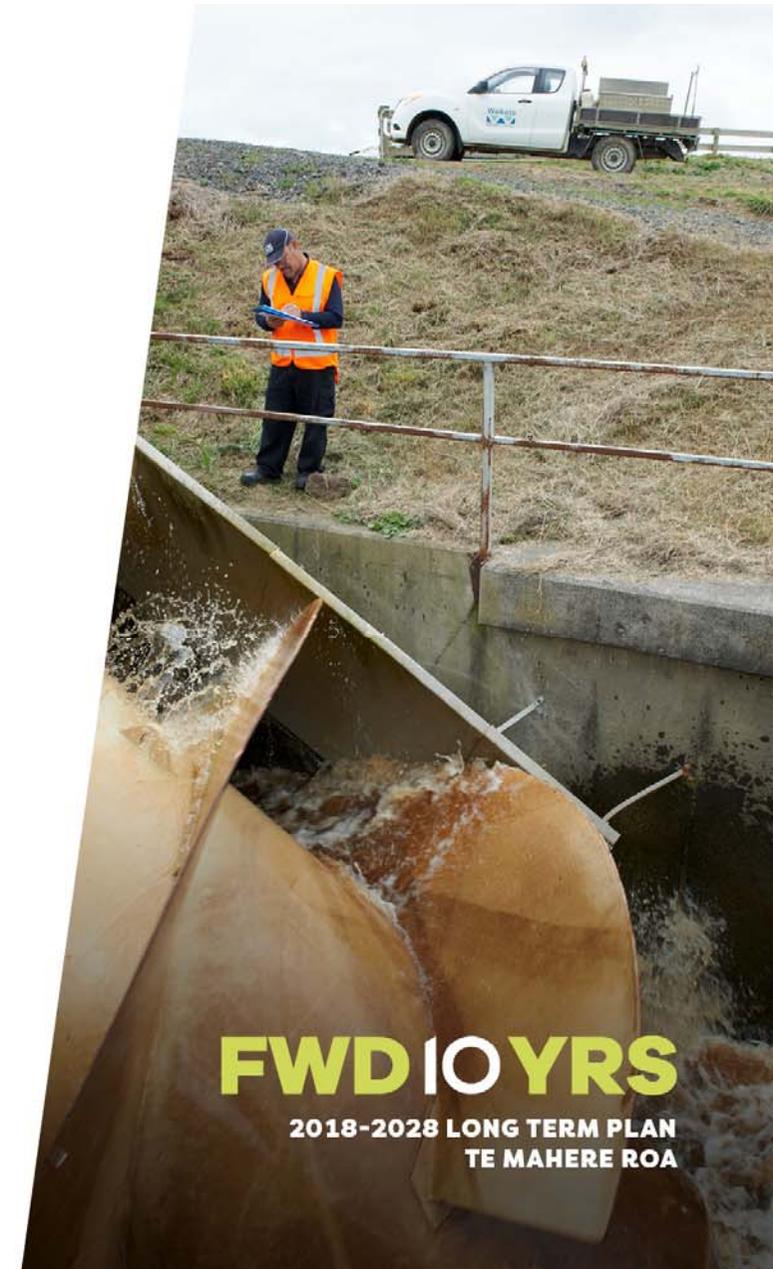
2018-2028 LONG TERM PLAN
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BIGGEST COST DRIVER

SUSTAINABILITY OF OUR FLOOD INFRASTRUCTURE

A number of issues will impact on our assets in the next 50 years, including:

- age
- changing environment and climate
- increased construction costs
- expanding urban environments
- increased health and safety requirements
- environmental performance expectations.



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BALANCING COSTS WITH AFFORDABILITY

EXTERNAL BORROWING PROGRAMME

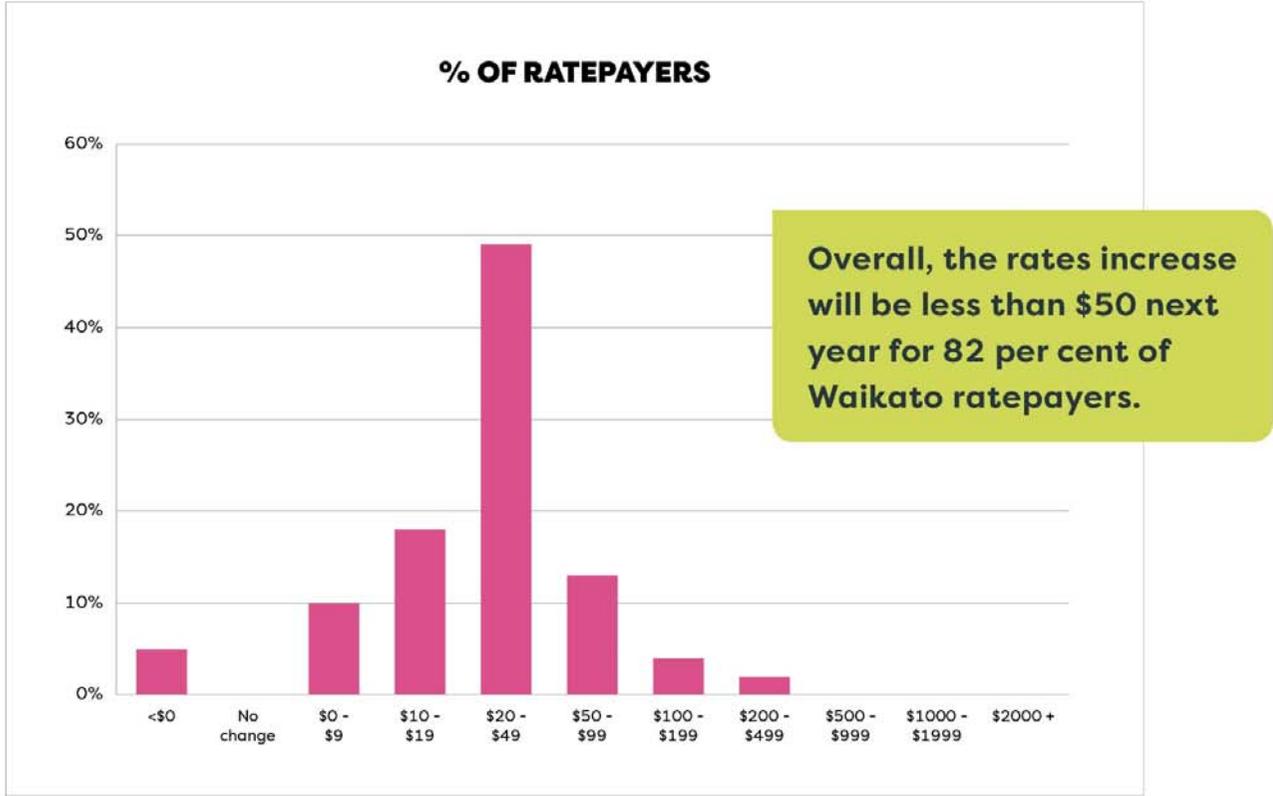
For the first time, we are proposing to take on external borrowing. This will:

- peak at \$50 million
- allow us to better match funding needs over the lives of assets
- make the cost of this work more affordable for targeted ratepayers.

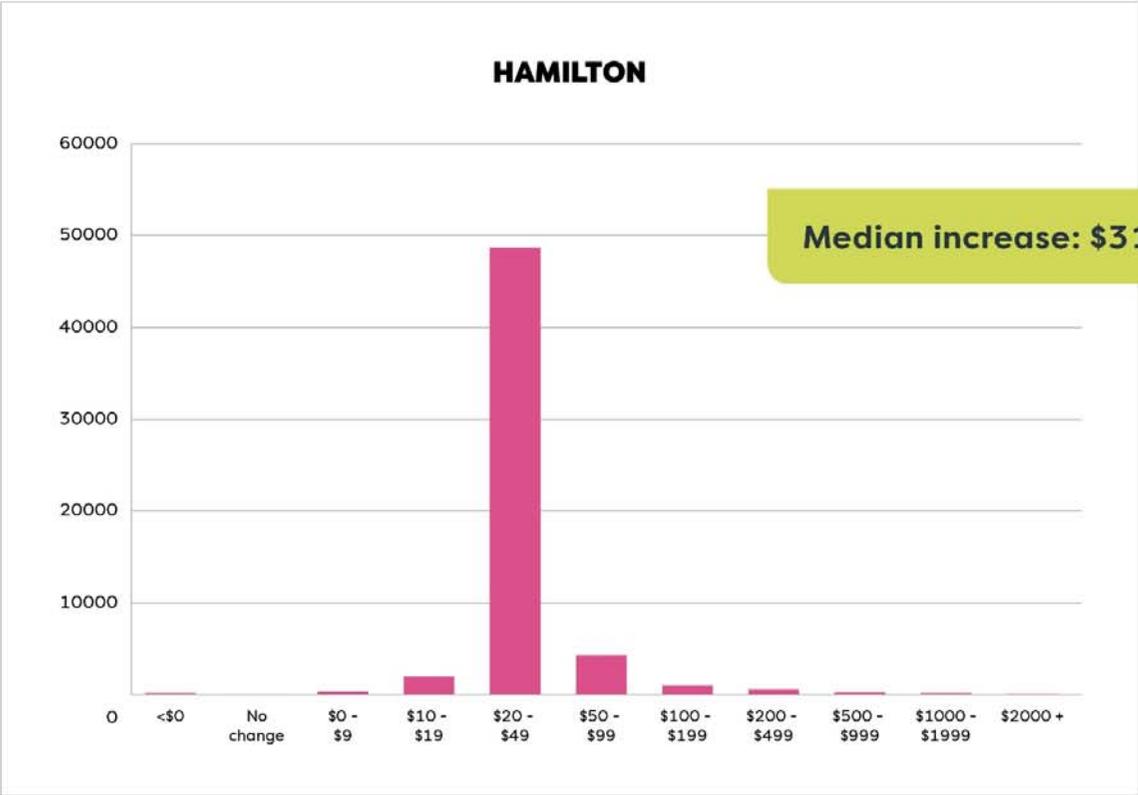
Our advisors have told us that external borrowing will be cheaper than internal borrowing.



PROPOSED RATES INCREASE



HAMILTON



WHAT WE'RE ASKING FOR FEEDBACK ON

OUR PROPOSALS		AFFECTED RATEPAYERS
1	Use of investment fund returns Maintain the rates subsidy, reducing funding for regional development	All
2	Funding depreciation of our assets Changing how we pay for our flood protection assets	Lower Waikato and Waihou Piako catchments
3	Pest management Tackling high risk plant and animal pests	All
4	Catchment rates for new works Soil conservation, erosion prevention and stream protection works to protect land and water	All (varies depending on your catchment)
5	Community facilities framework A new framework for assessing who should contribute to funding regional sports, recreation, cultural and arts facilities	All
6	Regional theatre A new home for our artistic and creative communities	All excluding Hamilton City
7	Regional services fund Funding for volunteer emergency services	All
8	Hamilton to Auckland passenger rail service Improving transport connections	Hamilton City

TARGETED CONSULTATION

UIUINGA NGANGAHU

We will also be talking to affected ratepayers and consent holders about:

- water user charges and information gathering fees
- Tauhei flood protection scheme
- Matangi boundary adjustment.



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REDUCING THE IMPACT ON RATEPAYERS

PROPOSAL 1: USE OF INVESTMENT FUND RETURNS

OPTION 1 Status quo – continue to reduce the rates subsidy over the next two years

OPTION 2 Hold rates subsidy at the current level

PREFERRED
OPTION



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REDUCING THE IMPACT ON RATEPAYERS

PROPOSAL 2: FUNDING DEPRECIATION OF OUR ASSETS

OPTION 1 Status quo – fully fund depreciation as we go

OPTION 2 Don't fully fund depreciation in years 1 and 2

PREFERRED
OPTION



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IMPROVING OUR NATURAL ENVIRONMENT

PROPOSAL 3: PEST MANAGEMENT

OPTION 1 Address high risk pests and maintain our current work programme

PREFERRED
OPTION

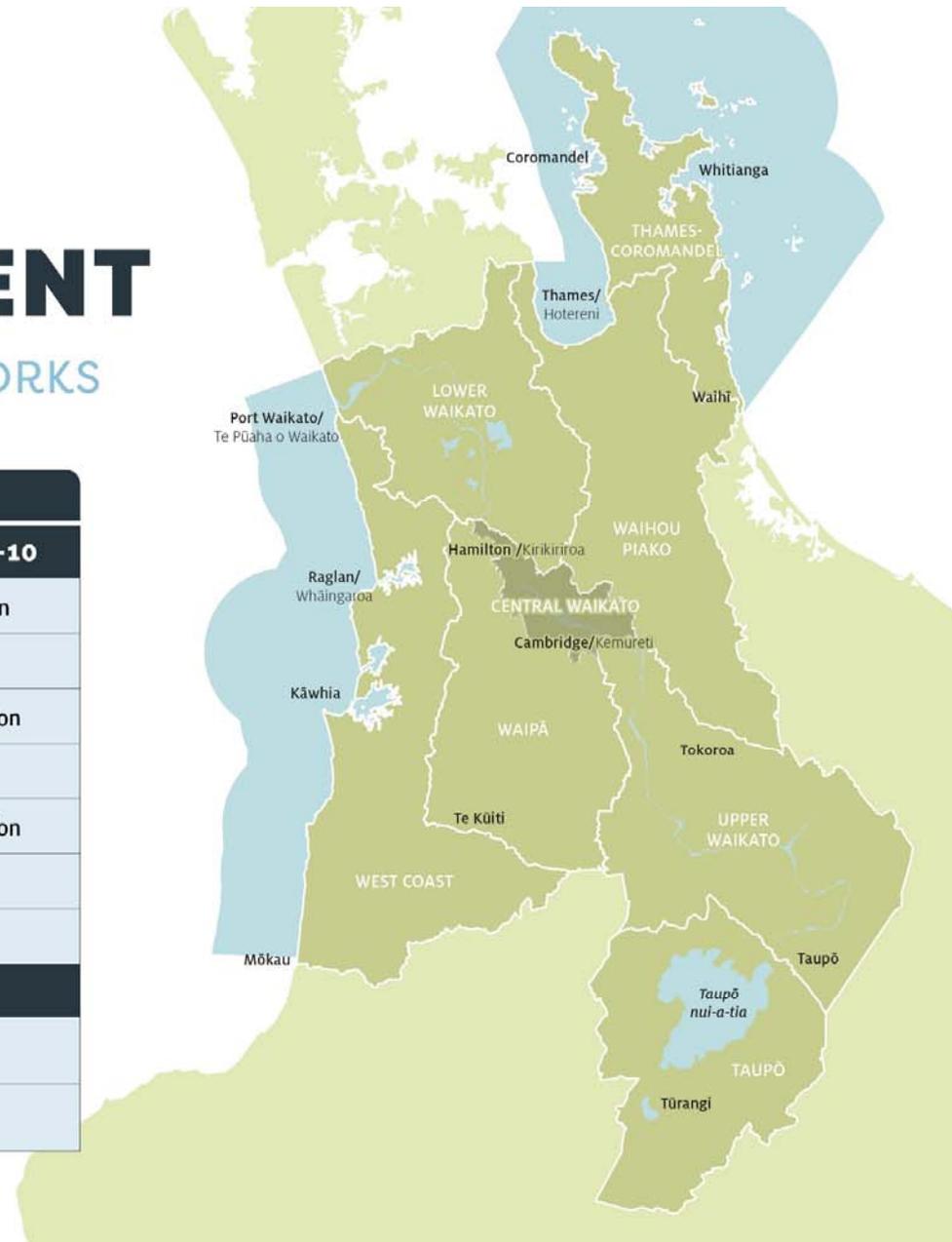
OPTION 2 Address high risk pests and reduce some of our current work programme



IMPROVING OUR NATURAL ENVIRONMENT

PROPOSAL 4: CATCHMENT RATES FOR NEW WORKS

	ADDITIONAL FUNDING PROPOSED			
	YEAR 1	YEAR 2	YEAR 3	YEARS 4-10
LOWER WAIKATO	\$90,000	\$467,000	\$923,000	\$6.9 million
UPPER WAIKATO	\$56,000	\$56,000	\$56,000	\$392,000
CENTRAL WAIKATO	\$50,000	\$190,852	\$293,000	\$3.31 million
WAIPĀ		\$21,813	\$32,719	\$431,465
WAIHOU-PIAKO	\$65,000	\$223,000	\$263,000	\$1.33 million
COROMANDEL	\$95,000	\$145,000	\$110,000	\$470,000
WEST COAST	\$85,000	\$100,000	\$100,000	\$700,000
ALL OF REGION BENEFIT				
Additional funding to implement the land biodiversity programme on own land.	\$30,000	\$30,000	\$42,250	\$316,000
Additional funding for a catchment planner who would work on catchment plans with the initial focus being the west coast.*	\$73,000	\$93,000	\$93,000	\$651,000



MAXIMISING OPPORTUNITIES FOR THE WAIKATO

PROPOSAL 5: COMMUNITY FACILITIES FRAMEWORK

OPTION 1 Status quo – don't adopt the framework

OPTION 2 Adopt the framework

PREFERRED
OPTION

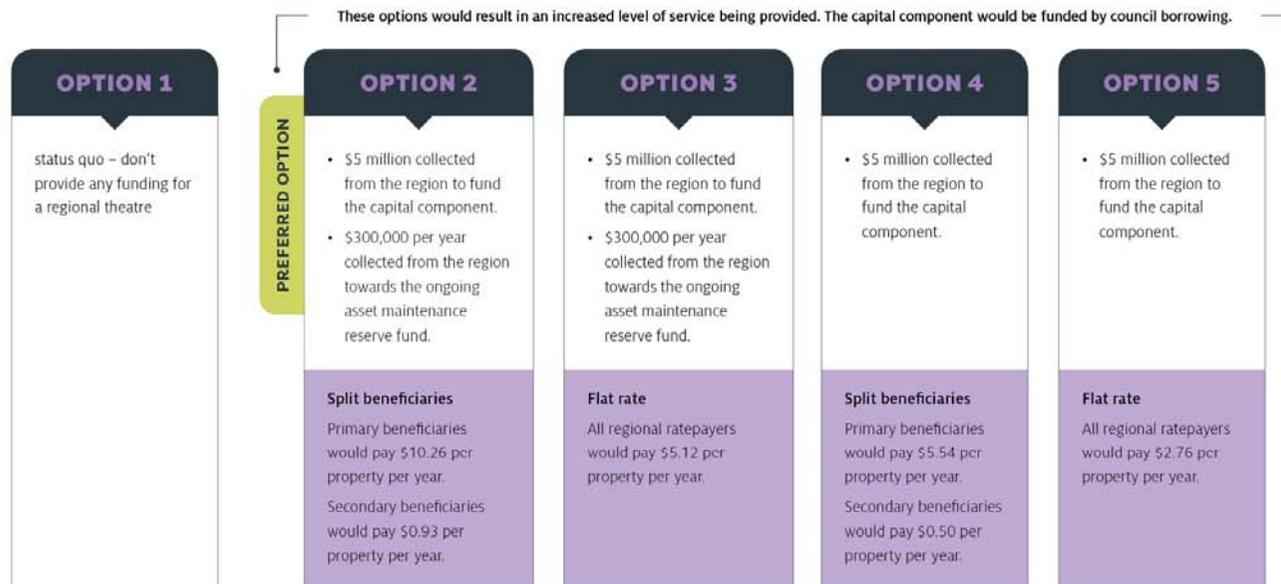
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MAXIMISING OPPORTUNITIES FOR THE WAIKATO

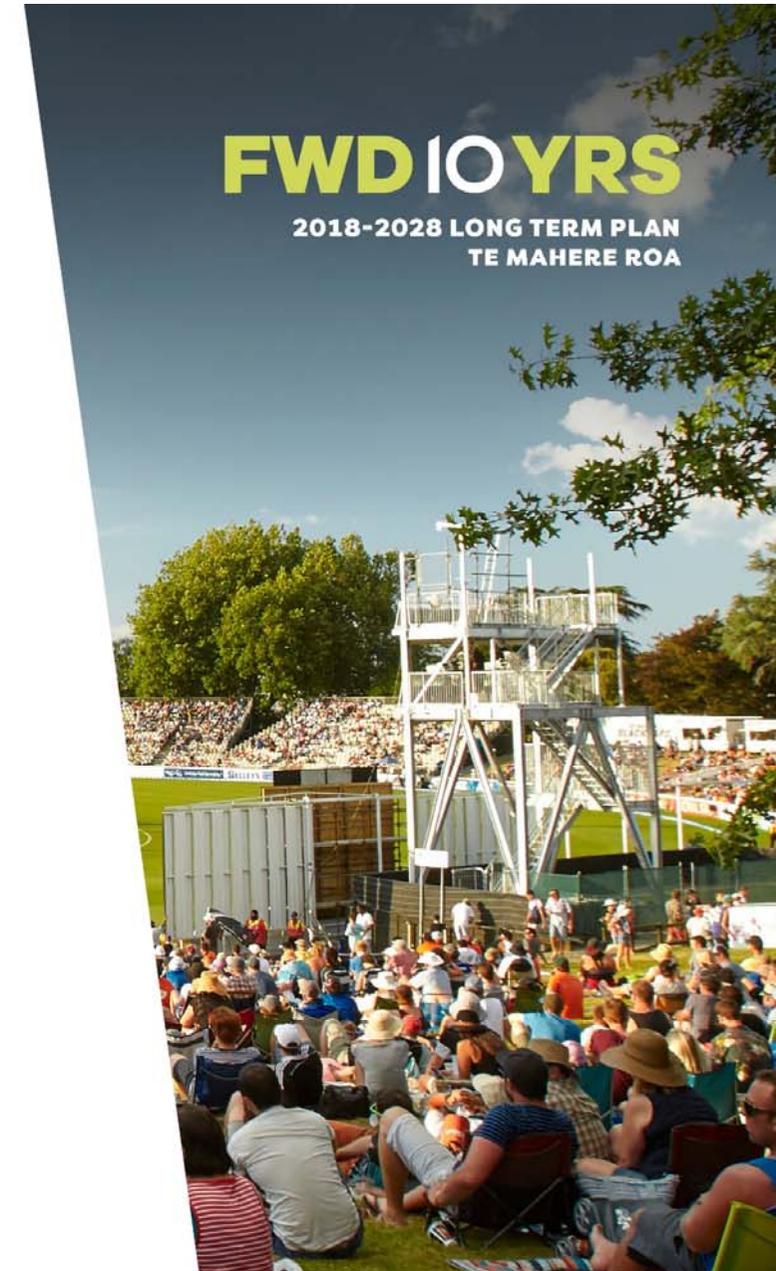
PROPOSAL 6: REGIONAL THEATRE



Note: All of these options exclude Hamilton City ratepayers as they will pay for this facility through their Hamilton City Council rates.

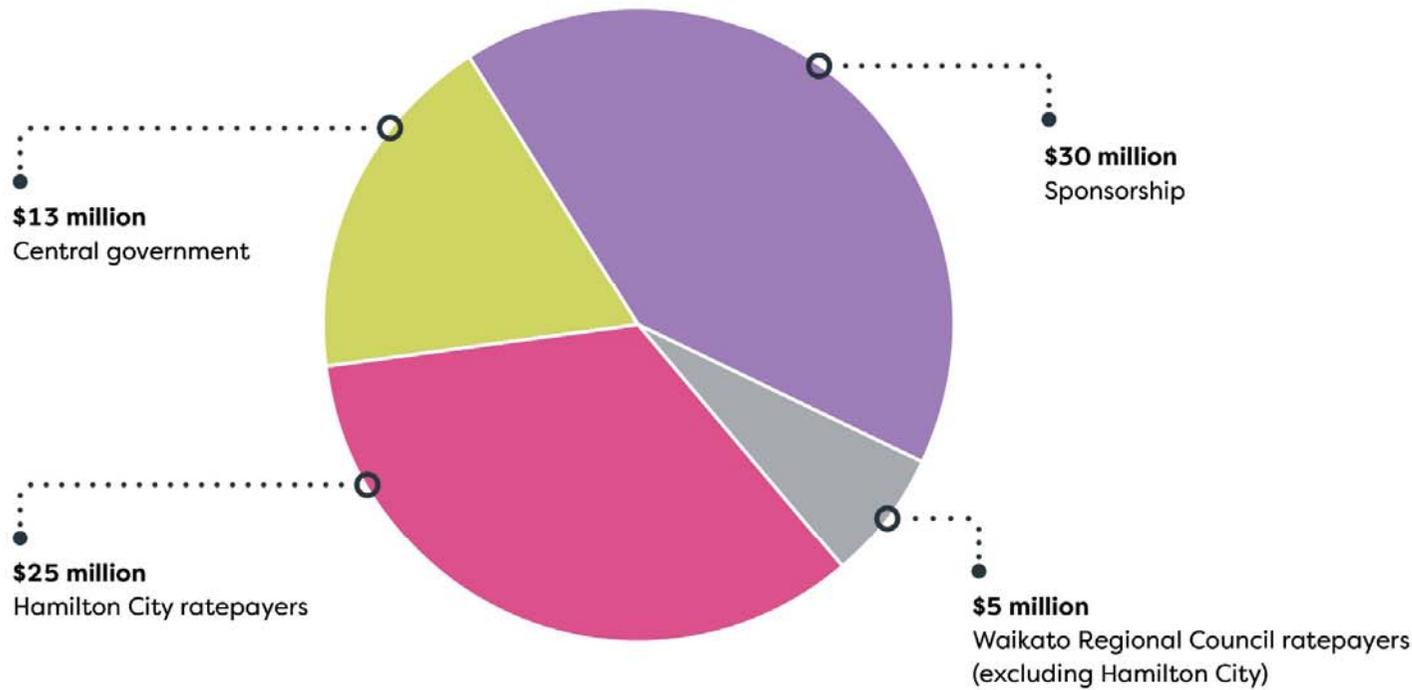
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PROPOSAL 6: REGIONAL THEATRE

PROPOSED FUNDING TO BUILD THE THEATRE



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MAXIMISING OPPORTUNITIES FOR THE WAIKATO

PROPOSAL 7: REGIONAL SERVICES FUND

OPTION 1 Status quo – maintain current funding levels

OPTION 2 Add LandSAR as a beneficiary

OPTION 3 Add LandSAR as a beneficiary, and increase the existing funding to Surf Life Saving services

PREFERRED
OPTION

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MAXIMISING OPPORTUNITIES FOR THE WAIKATO

PROPOSAL 8: PASSENGER RAIL SERVICE

OPTION 1 Status quo – no trial passenger rail service

OPTION 2 Implement an interim rail service between Hamilton and Auckland with rating based on capital value of the property

PREFERRED
OPTION

OPTION 3 Implement an interim rail service between Hamilton and Auckland with rating based on a minimum \$20 uniform charge component and then capital value of the property

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WATER USER CHARGES AND INFORMATION GATHERING FEES

- It's costing more to monitor the region's natural resources.
- Changing the way we charge for science and information gathering work.
- Current funding policy:
 - ratepayers pay two thirds
 - third paid by consent holders.
- No change to this ratio, but there are changes to how the share of costs by consent holders would be met.
- Affected consent holders will receive a letter.



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**2018-2028 LONG TERM PLAN
TE MAHERE ROA**

WATER USER CHARGES AND INFORMATION GATHERING FEES

- Working party established to review charges for science and information gathering work.
 - Sub-group of representatives from the Water Users Liaison Forum.
 - Representation from municipal supply.
- Municipal consent holders take the largest volumes of water, so will see large increases.
- Consent holders will receive a letter with the proposed charges for 2018/19.



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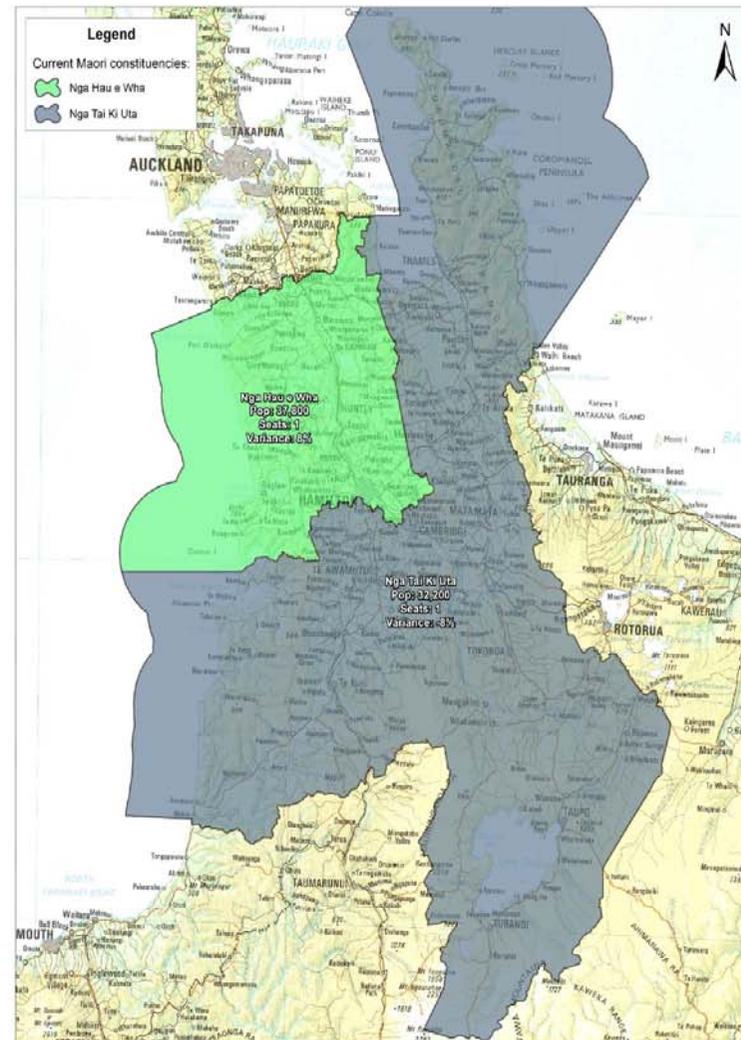
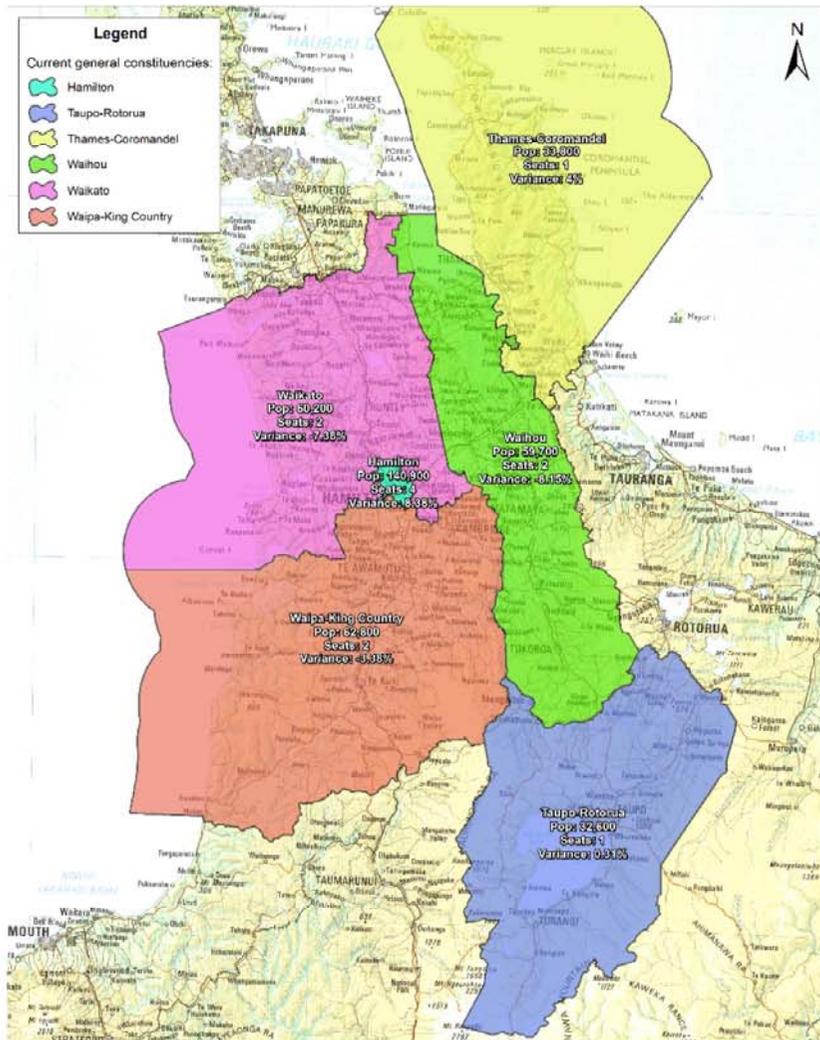
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- **16 March-16 April**
Consultation
 - **Consultation document available**
 - waikatoregion.govt.nz/ltp-fwd10
 - libraries and council offices
- **7-11 May**
People present their feedback to councillors
- **28 May-1 June**
Deliberations week
- **26 June**
2018-2028 Long Term Plan adopted



REPRESENTATION REVIEW

- Hamilton General Constituency (4 councillors)
- Taupō-Rotorua General Constituency (1 councillor)
- Thames-Coromandel General Constituency (1 councillor)
- Waihou General Constituency (2 councillors)
- Waikato General Constituency (2 councillors)
- Waipa-King Country General Constituency (2 councillors)
- Ngā Hau e Whā Māori Constituency (1 councillor)
- Ngā Tai Ki Uta Māori Constituency (1 councillor)



REPRESENTATION REVIEW

FORMAL CONSULTATION PROCESS

STAGE	WHEN
Initial proposal	End of June 2018
Hearing of submissions	July 2018
Hearing of submissions	Mid-August 2018
Final proposal	Late August 2018
Appeal/objection period	September to early October 2018
Appeals/objections (if any) to Local Govt Commission	Mid-October 2018
Local Govt Commission determination	By 10 April 2019

DRAFT 2018 UPDATE TO 2015 RLTP

UPDATED POLICY FRAMEWORK AND LAND TRANSPORT PRIORITIES FOR THE REGION

Key problems

- Protecting the function of our strategic corridors in context of growth pressures.
- Tackling road safety.
- Providing for the access and mobility needs of our communities.

Priorities

- Strategic road and rail corridors:
 - SH1/29-ECMT, WEX, extension of WEX to Piarere, Southern Links and Hamilton to Auckland passenger rail trial project.
- Safe system road safety priorities: leadership, speeds, road use, refresh regional model.
- Providing transport infrastructure in high growth areas – Hamilton and North Waikato.
- Growing public transport and active transport mode shares.
- Ensuring network resilience, maintaining assets, maximising efficiencies.

DRAFT 2018 UPDATE TO 2015 RLTP

UPDATED PROGRAMME OF TRANSPORT ACTIVITIES FOR THE REGION

Programme activities

- WEX SH1/29 inter-regional corridor package – to realise full benefits of investment and contribute to upper North Island social and economic outcomes.
- Hamilton growth package – to provide for projected growth of city (Southern Links, Access Hamilton strategic corridors, public transport services and infrastructure, mass transit plan).
- Greater Hamilton access and mobility package – suite of urban improvements to contribute to access and mobility outcomes.
- North Waikato package – to facilitate inter-regional transport connections and provide multi-modal transport options.

DRAFT 2018 UPDATE TO 2015 RLTP

UPDATED PROGRAMME OF TRANSPORT ACTIVITIES FOR THE REGION

Programme activities continued

- Safety package – combination of state highway/local road activities and education to target high risk.
- Resilience package – to address regional hotspots.
- Significant inter-regional activities package – to support key projects in the upper North Island that are critical to realising full benefits of transport investment in the Waikato region. For example:
 - Auckland southern corridor improvements
 - inter-regional rail activities that enhance efficiency and resilience
 - activities that improve safety outcomes on SH2 inter-regional corridor

RLTP

Consensus regional view, supported by LTPs, will maximise potential central government funding.

HAVE YOUR SAY

Online

waikatoregion.govt.nz/ltp-fwd10

Post

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