

Workshop and Briefing Day Public Agenda - 26 March 2026



Council Chambers
Waipā District Council
101 Bank Street
Te Awamutu

Chairperson
MG Montgomerie

Members
Mayor MJ Pettit, LV Bennett, AA Camson, JM Davies-Colley, RDB Gordon, ML Gower, PA Kempthorne, DM Morgan, CS St Pierre, DH Taylor, SL Walsh

Purpose of a Workshop
Workshops are informal sessions where elected members can discuss issues outside formal council meetings. They're often used to explain complex topics and give members the background they need to make good decisions. Workshops allow open discussion with staff, but they cannot be used to make decisions or pass resolutions—those must happen in official meetings under the Local Government Official Information and Meetings Act 1987 (LGOIMA).

26 March 2026 09:15 AM

Agenda Topic	Presenter	Time	Page
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[Presentation](#)

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|----|--|----------------|-------------------|
| 1. | LTP - Welcome | Katie Mayes | 09:17 AM-09:27 AM |
| | Welcome and purpose of the day
Key outcomes | | |
| 2. | LTP - Long Term Plan overview and the 2027-37 Long Term Plan | Kirsty Downey | 09:27 AM-10:12 AM |
| | LTP overview and its importance
This LTP – what the challenges are; how we want it to be different
Project Update | | |
| 3. | LTP - Recap of Operating Environment | Katie Mayes | 10:12 AM-10:27 AM |
| | Overview of macro factors, government reform, Councils top risks, community sentiment | | |
| 4. | MORNING TEA BREAK | | 10:27 AM-10:45 AM |
| 5. | LTP - Shaping strategic goals and priorities | Katie Mayes | 10:45 AM-12:15 PM |
| | Reviewing our strategic direction
Shaping new strategic goals and priorities
How they'll be used through the LTP | | |
| 6. | LUNCH BREAK | | 12:15 PM-01:00 PM |
| 7. | LTP - Financial Strategy | James Graham | 01:00 PM-03:00 PM |
| | Introduction to the Financial Strategy, how it fits within the LTP, and how it influences other aspects of the LTP
Current financial context
Discussion and feedback on the financial parameters | | |
| 8. | LTP - Recap and next steps | Katie Mayes | 03:00 PM-03:20 PM |
| | How what's been considered today informs the rest of the LTP
How we'll share out goals and priorities
What's next | | |
| 9. | PUBLIC EXCLUDED: Future Proof North Waipā / South Hamilton spatial study update | Vanessa Honore | 03:20 PM-04:05 PM |
| | The session will be conducted in a public excluded environment to enable free and frank expression of opinion, protect information subject to an obligation of confidence and to carry on, without prejudice or disadvantage, commercial negotiations. | | |

[Closing Karakia](#)

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HE KARAKIA TIMATANGA

Tākina te mārama ki a tātou.

Let the light be called forth to shine upon us.

Tākina te aroha ki a tātou.

Let love be called forth to rest among us.

Tākina te rangimārie ki a tātou.

May peace be called forth to dwell between us.

Ko Pirongia me Te Kawa,

Our mountains Pirongia and Te Kawa,

Ko Maungatautari,

Maungatautari, and Kakepuku.

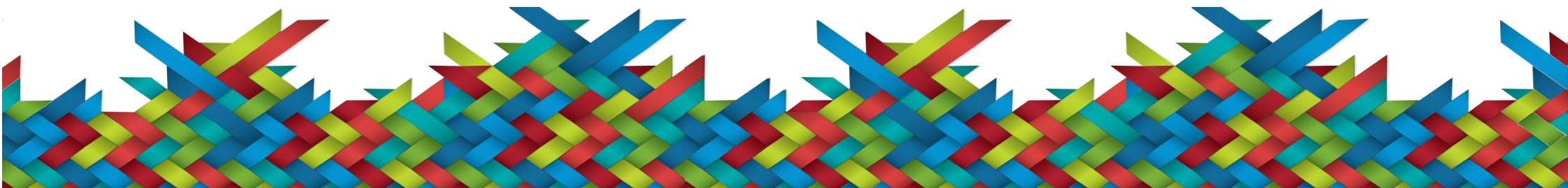
Ko Kakepuku ngā maunga.

Our rivers Waikato and Waipā.

Ko Waikato, ko Waipā ngā awa.

Tihei **mauri ora!**

Behold, the breath of life!



MEMO

To:	Elected Members	Cc:	
From:	Senior Strategic Policy Advisor		
Date:	26 March 2026	File Ref:	
Subject:	2027-37 Long Term Plan – Strategic direction workshop background paper		

PURPOSE

The purpose of this memo is to provide Elected Members with background information in preparation of the Long Term Plan (LTP) strategic direction workshop on Thursday 26 March. The material is intended to support Elected Members in the shaping of Council's new strategic direction, and in setting key financial parameters, which will provide the basis for the 2027-37 LTP.

WORKSHOP OVERVIEW

The strategic direction session is part of a series of workshops that will set the strategic foundations of the 2027-37 LTP. These include workshops on growth (including forecasting assumptions), a further Financial Strategy session and introduction to the Infrastructure Strategy. Together these workshops will enable Elected Members to effectively govern the development of the draft LTP.

The purpose of the strategic direction workshop is to:

1. Ensure a sound understanding of LTPs, their importance, and the context for the 2027-37 LTP
2. Establish a strong foundation for the 2027–37 LTP by shaping Elected Members' strategic goals and priorities
3. Introduce the Financial Strategy and gain direction on key financial parameters.

Background information, context, and how the workshop will be run is outlined below. Further information to support the workshop is provided in the attached pack.

1) LONG TERM PLAN

LTP overview

The LTP is one of Council's most important documents. It sets out the priorities and projects and services intended to be delivered over the next 10 years, and the budget and financial and infrastructure strategies that support those decisions.

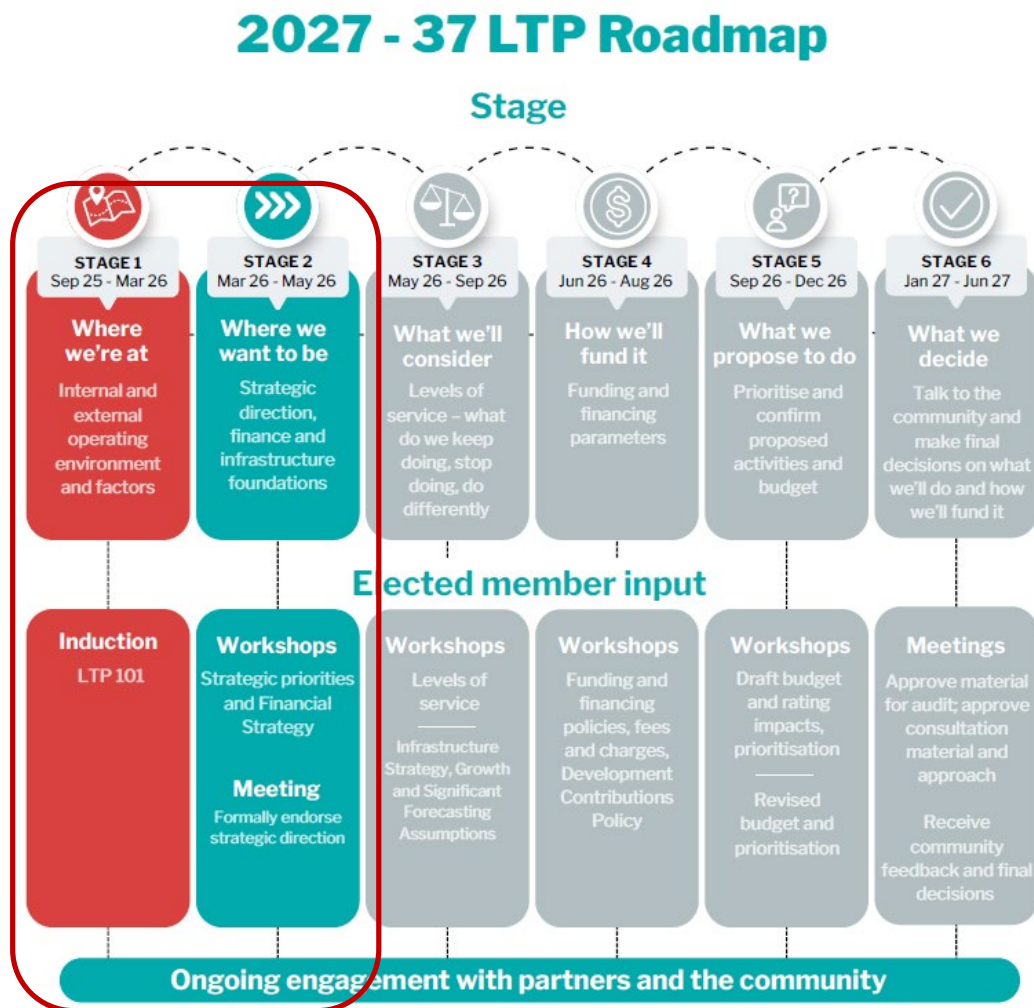
The LTP provides the community with certainty about what they'll get for their rates. Decisions through the LTP are made transparently, with the community able to provide early feedback on particular areas of focus, as well as through the formal consultation process.

MEMO

It is important that projects are carefully considered during the LTP development process. Adding a project later can be difficult because it may require public consultation and changes to budgets or rates.

LTP foundations

To set a solid foundation for decisions throughout the development of the LTP, a number of foundational workshops will be held with Elected Members to ensure agreement on 'Where we're at' and 'Where we want to be' (stages 1 and 2 of the roadmap below) – in essence, having a clear and agreed basis for all further elements of the LTP.



2027-37 LTP

This LTP will be particularly challenging. Council's financial position has changed significantly in recent years, with rising debt and rates increases reaching double digits. Our communities are rightly expecting us to ensure that every dollar is spent wisely and that affordability remains front of mind.

Adding to this pressure is Central Government signalling that councils will need to transition toward a 2–4 percent rates cap from 2027, with the cap expected to take effect in 2029/2030, which would



MEMO

represent year 3 of the new LTP. It is currently uncertain whether a slightly different approach will be provided for growth councils such as Waipā.

These factors mean we cannot continue doing things the way we always have. This LTP will require some difficult conversations and careful prioritisation as we make tough decisions about what we can and can't deliver over the next 10 years.

Additional uncertainty from broader Central Government reform (outlined in the attached workshop pack), and the changes to Council post the waters transition, adds further complexity to this LTP.

Lessons from 2025-34 LTP

Feedback and insights from the 2025-34 LTP on what worked and what can be done better were gained through debriefs with key parties to inform project planning for this LTP. That feedback formed the basis of several improvement opportunities that staff are actively working on, including the key challenges related to the audit processes. These improvement actions will be regularly reported to Elected Members throughout the development of the 2027-37 LTP.

A project update, including key timelines and milestones, will be provided at the workshop.

2) STRATEGIC DIRECTION

Background

Providing strategic direction is a core deliverable of the LTP, designed to give meaningful guidance on Council's priorities to staff, iwi and mana whenua partners, stakeholders, and the community.

A well-defined strategic direction ensures organisational investment is focused, shapes discussions, informs supporting strategies, guides work programmes, and helps prioritise activities within the LTP.

The current strategic direction (provided as Attachment 1 to this memo) was adopted in June 2023 for the 2025-34 LTP and consists of:

- A vision (long term; 30 years)
- Four community outcomes (medium-long term; 10+ years)
- Five external strategic priorities (short term; 3 years)

It was initially proposed that, in line with good practice for the 2027-37 LTP, Council would set a new vision, community outcomes and strategic priorities. Based on what we've heard is important to Elected Members and the clear priority themes that have emerged to date, the proposed approach was discussed by the LTP Project Governance Group (PGG) – made up of the Mayor, the chair of the Strategic Planning and Policy Committee and the Executive Team, where the PGG endorsed that the most meaningful way to focus Council work and decision making is to only review the **strategic priorities** for this LTP and retain the current **vision** and **community outcomes** as is.

MEMO

Rationale for reviewing strategic priorities only

Any significant change to the current vision and community outcomes would likely require community engagement. Council is currently operating in a complex environment, including significant Central Government reform, the transition of water services to Waikato Waters Ltd, and the organisational enhancement initiative. Given this context, it is likely that the vision and community outcomes will need to be reviewed again in the near future.

Significant changes would also require consequential updates to existing strategies, such as Ahu Ake – Waipā Community Spatial Plan, which are grounded in the current community outcomes.

Accordingly, limiting the review to strategic priorities aligns with Elected Members' direction to focus on responding to the current operating environment and addressing the most pressing challenges facing the district.

It is noted that only community outcomes are legislatively required to be included in the LTP, and the Local Government Act 2002 does not prescribe a timeframe for their review. The current community outcomes were developed in early 2020 following extensive community engagement, which identified social resilience, culture, a sustainable environment, and a thriving economy as key areas of focus. These were further revised as part of the development of the 2025-34 LTP with a small change to 'social well-being' following Elected Member input.

While the vision and community outcomes remain important for long-term direction, the PGG agreed that current effort is best focused on establishing meaningful medium-term goals and short-term priorities. This will help clearly communicate Council's key focus areas for the triennium to staff, communities, partners, and stakeholders, while still working towards longer-term aspirations.

The changes from the current strategic framework components to the proposed new framework are outlined below.

Current strategic framework



Retained

Replaced
with

Proposed new strategic framework





MEMO

Approach to shaping new strategic goals and priorities

The workshop will outline why shaping strategic goals and priorities is important and how these will guide, and be used through, the development of the LTP.

Given the significant level of change facing Council in the short and medium term, the PGG agreed that while there is a need for short-term focus, these should be in support of aspirational, medium-term strategic goals.

This resulted in the proposal to have:

1) Medium-term strategic goals for the duration of the LTP (10 years)	Members will shape these at the workshop using a long list for consideration based on induction themes and our operating context.
2) Short-term focused priorities for the triennium (three years)	Members will use Cr Montgomerie's priorities as a base to shape the final statements.

In considering new strategic goals and priorities, there is a solid foundation for Elected Members to work from through:

- 1) The priority themes from the Elected Members' two- day off-site induction session in November 2025
- 2) The priorities drafted by Councillor Montgomerie which have been socialised with the Mayor and Councillors; these are provided as Attachment 2 to this memo
- 3) The draft strategic goals for discussion through the workshop; these have been developed by considering the key themes from Elected Members' induction, what's important to the community, and our operating context; these are provided as Attachment 3 to this memo.

The draft strategic goals and priorities are provided very much as a starter for the workshop discussion. It was considered that developing draft strategic goals with key themes and possible statements for Elected Members to consider and test was more valuable than starting with a blank page.

The below diagram demonstrates how the elements fit together.

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Embedding the new strategic goals and priorities

It will be important that the new strategic goals and priorities meaningfully guide what Council does and the decisions Council makes, and that performance against them is measured.

The strategic goals and priorities will guide the Financial and Infrastructure Strategies, be considered through the level of service review and business case process, and be demonstrated within the LTP Consultation Document and final LTP document.

During the workshop, Elected Members will be taken through how their new strategic goals and priorities will be used through the development of the LTP.

Communications and engagement

It is not intended to undertake community engagement on the strategic goals and priorities.

Council's new goals and priorities will be informed by what we've heard is important to the community through:

- Community sentiment gathered via feedback from Council engagement activity (included in the workshop pack)
- Directly from Elected Members, who have a good understanding of what their communities want Council to focus on, particularly through the 2025 election campaign.

While "engagement" (i.e. seeking feedback) with the community is not proposed, we would look to share (i.e. "inform") the strategic goals and priorities externally. This will ensure we are being transparent with our community, iwi and mana whenua partners, and key stakeholders about Council's areas of focus.

Internally, the new goals and priorities will be shared with staff, including what this means for their work.

4) FINANCIAL STRATEGY**Background**

The Financial Strategy is a critical component of the LTP and is required under the LGA. It sets the long-term limits and policies for rates, debt, and investment to ensure Council's plans are financially sustainable and transparent for the community. The Financial Strategy adopted as part of the 2025-34 LTP, is provided in [Attachment 4](#).

The Financial Strategy is the framework that supports the decisions made throughout the LTP development. It is therefore useful to consider high level parameters, such as rates increases and debt limits early in the process. Doing so provides direction in terms of the options staff can realistically bring forward for Elected Member consideration and, ultimately, consultation with our communities.

As Elected Members are aware, this LTP will be one of fiscal prudence. As it is developed, it is important to understand the trade-offs and levers available to meet these challenges. It is anticipated that at the end of the session staff will have clear guidance to begin developing the LTP work programmes and how they are funded.

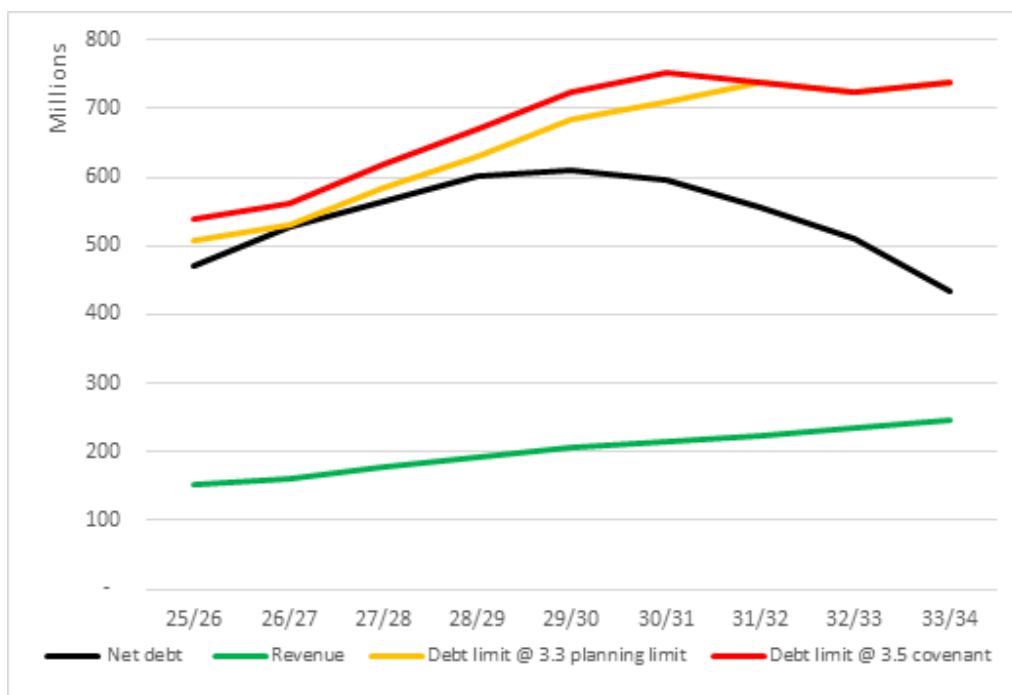
Starting point

As context for the 2027–37 LTP, the table and graphs below shows rates increases, debt and headroom for the years of the current LTP, both including waters (as presented during the development of the 2025–34 LTP and familiar to Elected Members) and excluding waters.

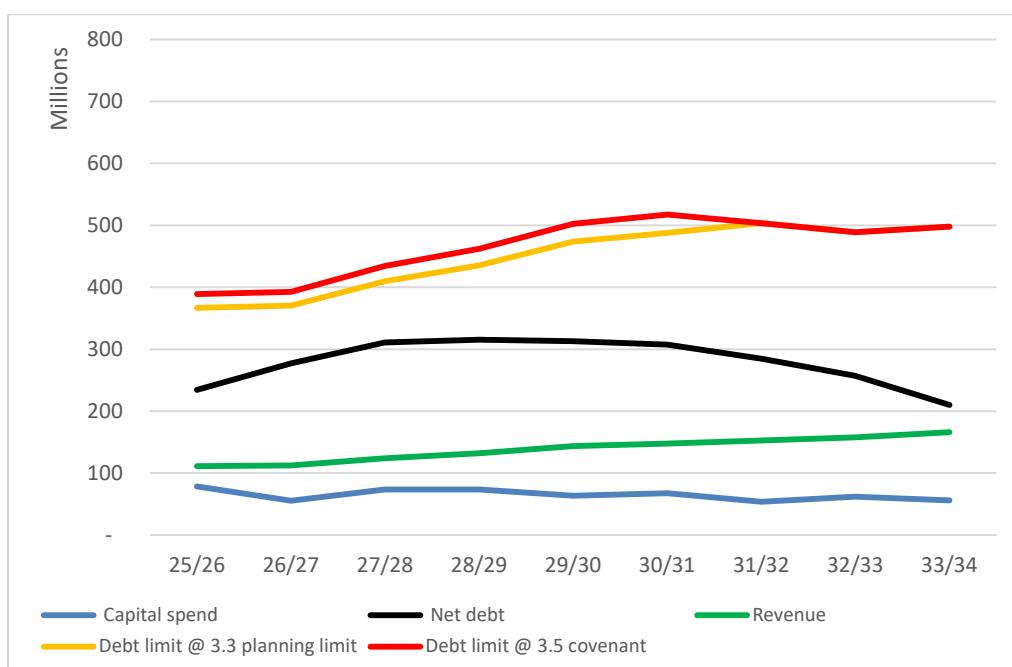
Table 1 - Rates increases for the 2025-34 LTP

Financial year	Headline rates increase excluding waters	Headline rates increase including waters	Growth – assumption	Rates requirement before growth excluding waters	Rates requirement before growth including waters
2025/26	10.70%	15.50%	1.20%	11.95%	16.70%
2026/27	6.80%	10.70%	0.80%	7.57%	11.50%
2027/28	6.40%	6.90%	0.80%	7.11%	7.70%
2028/29	5.70%	6.80%	3.60%	9.25%	10.35%
2029/30	5.00%	4.60%	3.60%	8.55%	8.14%
2030/31	2.30%	2.30%	3.60%	5.84%	5.86%
2031/32	2.00%	2.30%	3.60%	5.51%	5.84%
2032/33	1.80%	2.30%	3.60%	5.40%	5.83%
2033/34	2.50%	2.30%	3.60%	6.10%	5.89%

Graph 1 - Debt and the headroom position for the 2025-34 LTP including waters



Graph 2 - Debt and the headroom position for the 2025-34 LTP excluding waters



Approach to considering financial parameters

Elected Member feedback is requested on the following financial parameters that will guide the framework for the development of the Financial Strategy:

MEMO

Parameters		Commentary																				
1a	Rates increases	An early indication of Elected Members’ appetite for rates increases is sought. As noted above, there is an expectation from Central Government that councils will transition to the 2-4 percent rates increase from 2027/28 with the rates cap coming into force in 2029/30. However, the level of rates will be the limiting factor in the development of the LTP. They will determine what projects and services we can deliver over the life of the plan. As a reminder, projected rates increases over the life of the current LTP are included in the table below. Table 2 - 2025-34 LTP rates requirement <table><tr><th>Year</th><th>Rates increase</th></tr><tr><td>2025/26</td><td>10.70%</td></tr><tr><td>2026/27</td><td>6.80%</td></tr><tr><td>2027/28</td><td>6.40%</td></tr><tr><td>2028/29</td><td>5.70%</td></tr><tr><td>2029/30</td><td>5.00%*</td></tr><tr><td>2030/31</td><td>2.30%</td></tr><tr><td>2031/32</td><td>2.00%</td></tr><tr><td>2032/33</td><td>1.80%</td></tr><tr><td>2033/34</td><td>2.50%</td></tr></table> *The increase in 2029/30 is due to the inclusion of kerbside rubbish collection being funded. The growth rate set at 3.6 percent from 2028/29 drives the increase in rateable properties directly impacting revenue and the speed of collection of development contribution revenue to pay down debt. However, early indications suggest that the growth rate will be lower than previously assumed, indicating that the headline rates increases in these years of the LTP are likely to be higher than those outlined in the 2025–34 LTP. Direction requested Direction is requested on Elected Members’ tolerance for rates increases, noting that there is still significant information to come in terms of what projects and services will be required to meet our strategic goals and priorities in this LTP. The rates capping context needs to be considered, as well as community expectations.	Year	Rates increase	2025/26	10.70%	2026/27	6.80%	2027/28	6.40%	2028/29	5.70%	2029/30	5.00%*	2030/31	2.30%	2031/32	2.00%	2032/33	1.80%	2033/34	2.50%
Year	Rates increase																					
2025/26	10.70%																					
2026/27	6.80%																					
2027/28	6.40%																					
2028/29	5.70%																					
2029/30	5.00%*																					
2030/31	2.30%																					
2031/32	2.00%																					
2032/33	1.80%																					
2033/34	2.50%																					
1b	Community affordability	Council wants to ensure the affordability of rates. In the 2025-34 LTP, the assumption was made that rates must be within 5 percent																				

MEMO

Parameters		Commentary
		of the median household income. There is no official measure of affordability under the LGA. Direction requested Do Elected Members support continuing to use the “within 5 percent of median household income” metric for the 2027-37 LTP?
2	Debt levels – Capital delivery programme	Council debt levels have increased significantly in recent years. As illustrated in the graph in the previous section, Council debt (excluding waters) is projected to peak in 2028/29 and then decrease in the following years. However, this is driven by the collection of development contribution revenue to pay down growth debt for capital works. With the transfer of waters revenue to Waikato Waters Limited (WWL), ~36 percent of Council’s revenue with a corresponding 50 percent of water debt, will transfer to WWL. This significantly increases remaining Council's debt headroom, removing a key constraint in the 2025-34 LTP. Direction requested Do Elected Members want to maintain the debt headroom in the 2027-37 LTP or utilise it to deliver cornerstone projects* or other significant projects? <i>*Cornerstone projects were referred to in the 2025-34 LTP and include Te Ara Wai, Cambridge Library, Te Awamutu to Pirongia Cycleway and the Cambridge Town Hall refurbishments.</i>
3	Levels of service	Levels of service (LOS) describe the outcome or service that the community receives from the work Council carries out. A key assumption of the 2025–34 LTP was that existing LOS would be maintained despite the financial challenges the Council was facing at the time. Since then, several Elected Members have requested that a comprehensive LOS review be undertaken as part of the development of the 2027–37 LTP. Direction requested Is there an appetite for Elected Members to consider LOS changes either to reduce the service levels we deliver to our communities or increase service levels in priority areas? Note: any existing LOS cost increase that is above an inflation rate of 4 percent will either be unfunded with impending rates capping or require allocation of funds from another area of Council to deliver.

MEMO

Parameters		Commentary
4	Funding depreciation and balanced budget	The decision of the previous Council in the 2025-34 LTP was to sweat assets by underfunding the renewals programme in the short term, resulting in an unbalanced budget in years 1 – 3 of the LTP (\$4.4m renewals underfunded all within the remaining Council). The underfunded component is scheduled to be addressed in 2032/33. This shortfall continues in the remaining Council financials (post WWL). Direction requested Do Elected Members support continuing the underfunded component of the renewals programme in the 2027-37 LTP? Are Elected Members open to increasing the underfunded component? Note: Staff recommend that we do not run an unbalanced budget past the initial timeline of 2027/28 as we will breach the requirements from the LGFA as set out in the award of the bespoke debt limit covenant (3.5x headroom multiplier). To run a balanced budget from 2028/29, we will require additional revenue or reduced costs in other areas to ensure the renewals programme is caught up and delivered at 100 percent.
5	Appetite for borrowing for operating expenditure	To date, Council has not borrowed to fund operating expenditure. Direction requested Elected Member feedback is requested on whether this principle should apply for the 2027-37 LTP. Should Council elect to pursue this option, debt headroom would decrease and add to the rating base over future years to fund the repayment of the borrowing. Note: Ahu Ake and the District Plan are debt funded given the intergenerational component associated with these projects.

MEMO

Parameters		Commentary
6	Commitment to LGFA benchmarks	Council has several benchmarks that it must meet to satisfy the Local Government Funding Agency (LGFA) covenants. These are set out below: 1. Bespoke covenant as a growth Council: Net debt/total revenue (as defined) < 350% 2. Net interest/total revenue (as defined) < 20% 3. Net interest/annual rates income < 30% 4. Liquidity requirement: (external debt plus committed loan facilities plus liquid investments)/external debt > 110% Direction requested Is there appetite to not meet any of these benchmarks, noting they are set by our funders? Note: Staff recommendation is full compliance with the benchmarks given potential impacts on external credit rating and the breach of lending covenants.
7	Approach to use of Council owned property assets	With the increased debt headroom outlined in the graphs shown above for Council following the transfer of waters, there is no longer the urgency to sell property to fund debt capacity as per the current Financial Strategy. It is recognised by Council that our property and commercial assets can be better utilised to generate an ongoing revenue stream. The impending Property Strategy will inform the new Financial Strategy and related work programmes in the LTP. Direction requested The new Property Strategy as adopted by Elected Members will confirm the scope for commercialising property assets. This will be discussed at the Property Strategy workshop in April.

Other financial considerations

There will be further, more granular financial considerations such as grants, funds, fees and charges canvassed with Elected Members in the second Financial Strategy workshop.

WORKSHOP FORMAT

The workshop on Thursday 26 March will run as follows and be chaired by Cr Montgomerie:

Workshop component	Details	Timings	Presenter
Welcome	• Welcome and purpose of the day • Key outcomes	10 mins	Katie

MEMO

Workshop component	Details	Timings	Presenter
LTP overview and the 2027-37 LTP	- LTP overview and its importance - Context for this LTP - Project update and key milestones	45 mins	Kirsty
Recap of operating environment	Overview of macro factors, government reform, Council's top risks, community sentiment	15 mins	Katie
Shaping strategic goals and priorities	- Reviewing our strategic direction - Shaping strategic goals and priorities - How they'll be used through the development of the LTP	1.5 hours	Katie
Financial Strategy	- Introduction to the Financial Strategy, how it fits within the LTP, and how it influences other aspects of the LTP - Current financial context - Discussion and feedback on the financial parameters	2 hours	James
Recap and next steps	- How what's been considered today informs the rest of the LTP - How we'll share our goals and priorities - What's next	20 mins	Katie
Total: 5 hours plus breaks			

INFORMATION TO SUPPORT THE WORKSHOP

The pack provided as [Attachment 5](#) is intended to provide Elected Members with contextual information to support the shaping of new strategic goals and priorities and guidance on financial parameters, and includes:

- Operating environment
- Central Government direction
- Council's top risks and opportunities
- What we've heard is important to Elected Members
- What we've heard is important to the community

There will be a recap of this information at the start of the workshop.

NEXT STEPS

Elected Members will provide guidance on their strategic goals and priorities and financial parameters through the workshop as outlined above. The final strategic goals and priorities will be presented for approval at the April Council meeting.



MEMO

A further Financial Strategy session will be held in May to seek Elected Member feedback on progress made to date in the development of a draft Financial Strategy. This session will include an introduction to the Infrastructure Strategy, which is a key component of the LTP. There will also be a workshop on growth in May to introduce Elected Members to the Council's growth assumptions and key growth considerations to inform and support LTP decision making.

Staff will work on embedding the new strategic goals and priorities through the LTP process and across the business and will progress communicating the goals and priorities internally and externally.

ATTACHMENTS

Description	ECM #
1) Current strategic framework	11612528
2) Draft priorities	11635593
3) Draft strategic goals	11649702
4) 2025-34 Financial Strategy	11563379
5) Strategic direction pack	11623060

Authored by Gemma Brooks
SENIOR STRATEGIC POLICY ADVISOR

Reviewed by Katie Mayes
EXECUTIVE DIRECTOR

Reviewed by James Graham
ACTING CFO

Approved by Kirsty Downey
ACTING DEPUTY CHIEF EXECUTIVE/GROUP MANAGER STRATEGY



ATTACHMENT 1

Current Strategic Framework (document number 11612528)

ATTACHMENT 1: CURRENT STRATEGIC FRAMEWORK

Current strategic framework



Vision: Long-term (30 years)

The vision is an overarching statement of long-term intent. It should provide a clear and aspirational picture of the community's desired future state.

Current vision:

Waipā Home of Champions | Building connected communities

Community outcomes: Long-medium term (10+ years)

Community outcomes are a requirement under the LGA to help guide long-term planning and decision-making. They are aspirational statements and recognise that other partners, and the community itself, will need to play a part in achieving the goals.

Current community outcomes:

- Social well-being
- Environmental champions
- Cultural champions
- Economically progressive

ATTACHMENT 1: CURRENT STRATEGIC FRAMEWORK

Social wellbeing – all about people

- Great place to live, work, play and invest.
- Invest in health and well-being and support community groups.
- High quality of life.

Cultural champions – promote culture and heritage

- Unique history cultural awareness.
- Tangata Whenua partnerships.
- Respect cultural diversity.

Environmental champions – protect and sustain our environment

- Promote awareness and responsibilities.
- Support programmes.
- Responsive to climate change.

Economically progressive – supporting a thriving, sustainable economy

- Financially sustainable decision-making.
- Provide economic stimulus through new infrastructure.
- Provide value for money from services, promotion and a great place to invest and do business.

Strategic priorities: Short-term (3 years)

- Strategic priorities are high level objectives that focus Council discussions, guide work programmes and help prioritise activities in the short term.
- The priorities provide the foundation for all Council decision making and investment decisions, and are used through every step of the LTP process to ensure decisions made are aligned with Council’s strategic direction.

Current strategic priorities:

- Nurturing and respecting our unique culture and heritage
- Creating vibrant communities
- Caring for and valuing our environment now and in the future
- Effectively planning and providing for growing communities
- Responding to climate change

External Strategic Priority	What do we mean by this?
Nurturing and respecting our unique culture and heritage	• In partnership with Tangata Whenua, we increase our community awareness, understanding and appreciation of the district’s history and significant sites.

ATTACHMENT 1: CURRENT STRATEGIC FRAMEWORK

External Strategic Priority	What do we mean by this?
Creating vibrant communities	• We celebrate and take pride in everything we love about Waipā. • We have a strong community spirit and continue to work together to support each other and thrive. • We recognise and respond to the needs of the increasingly diverse cultures within our community.
Caring for and valuing our environment now and in the future	• We recognise our responsibilities to control the effects of land use on the environment, including natural hazards and indigenous biodiversity. • We work in partnership to support initiatives that promote the protection of the natural environment and sustainable living. • We plan and invest in our green spaces to enhance our environmental outcomes and achieve positive health and social well-being outcomes.
Effectively planning and providing for growing communities	• We plan ahead to ensure that Waipā continues to be the best place to live, work, play and invest. • We demonstrate our value to our community through our investment and funding approach, people, services and activities.
Responding to climate change	• We advance our knowledge to ensure decision-making is based on robust evidence and up-to-date information. • We work together to inform, educate, build resilience and develop new skills and ways of working. • We take action to reduce emissions causing climate change (mitigation). • We take action to manage the risks of climate change impacts (adaptation).

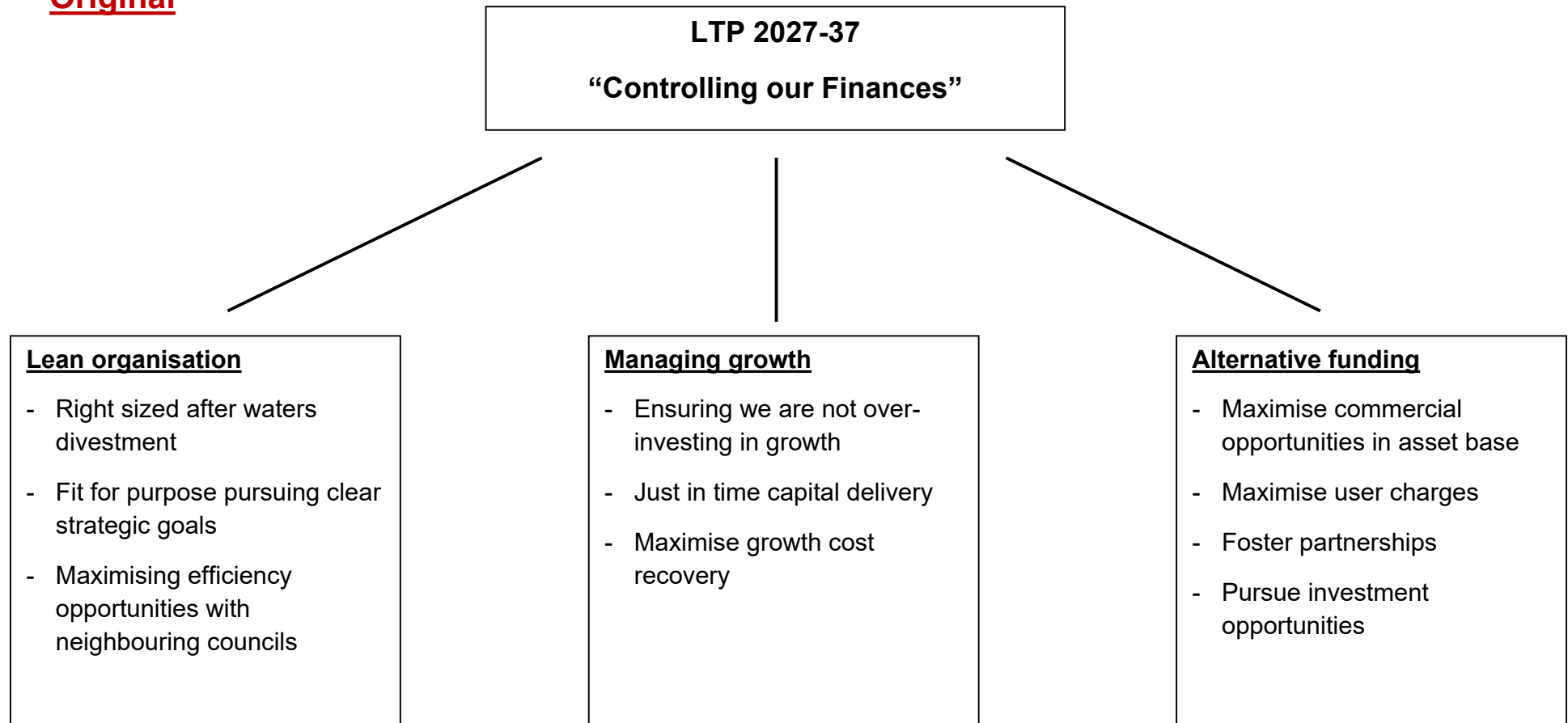


ATTACHMENT 2

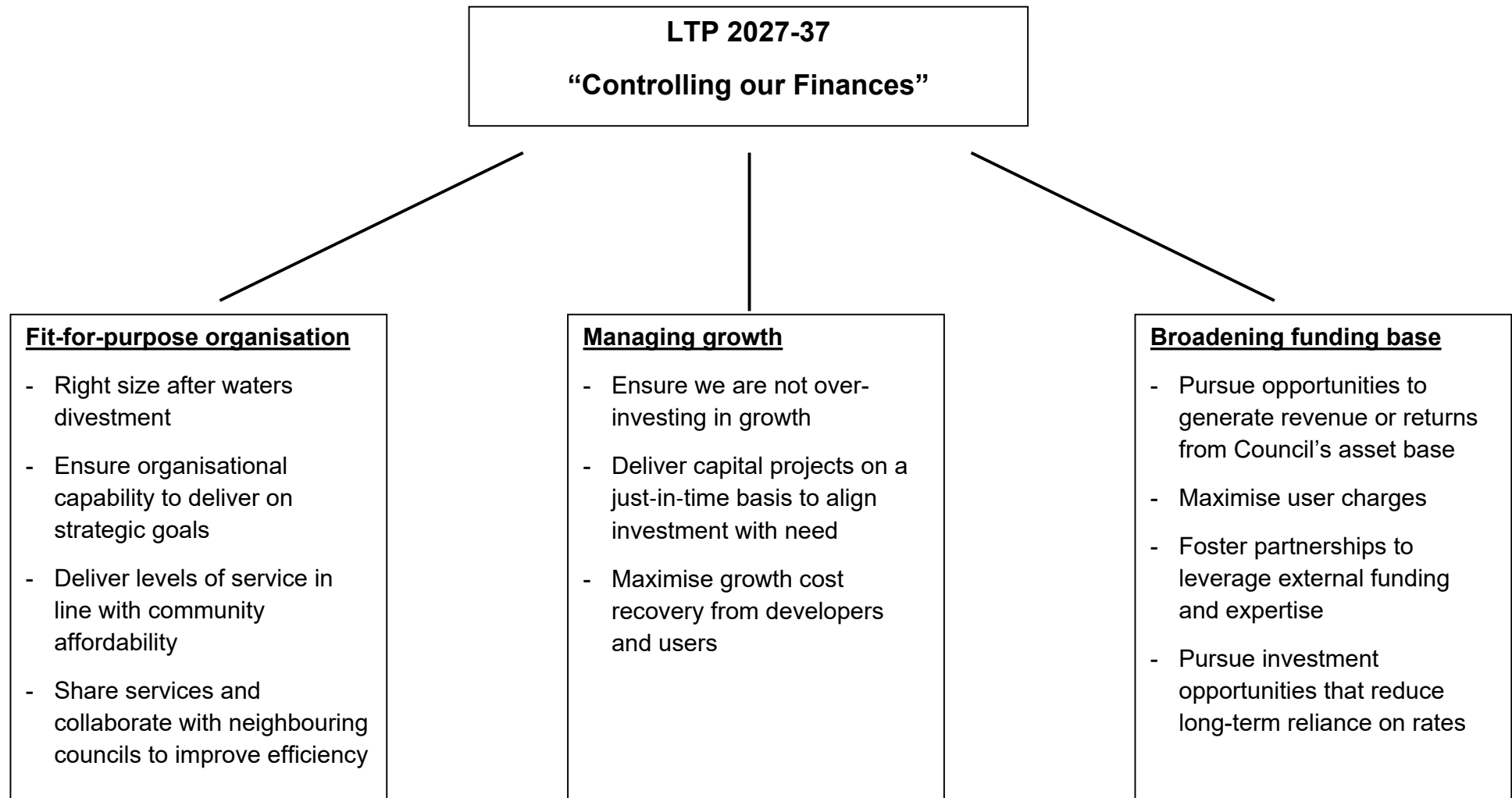
Draft Priorities (document number 11635593)

ATTACHMENT 2: DRAFT PRIORITIES

Original



Possible amendments for discussion





ATTACHMENT 3

Draft Strategic Goals (document number 11649702)

ATTACHMENT 3: DRAFT STRATEGIC GOALS

Draft strategic goals

Theme	Goal statement
1. Responsible financial management	Ensure prudent and sustainable financial management to deliver value for the community now and into the future
2. Well-planned growth and great places	Enable well-planned growth that creates vibrant, connected, and liveable places for people and communities
3. Community resilience	Ensure communities are well positioned to adapt to the impacts of disruptions, emergencies, and climate change
4. Readiness for government reform	Ensure the community is well served by positioning the organisation to respond effectively to central government reform
5. Shared outcomes through partnership	Advance shared environmental, economic, and community outcomes by leveraging our role as an anchor institution through strong, local partnerships
6. Economic development and growth	Support regional economic development and growth to build long-term economic resilience and prosperity for our communities
7. Trust and confidence in Council	Strengthen trust and confidence between Council and the community through transparent decision-making and meaningful engagement



ATTACHMENT 4

2025 – 34 Financial Strategy (document number 11563379)

ATTACHMENT 4: 2025-34 FINANCIAL STRATEGY

Financial Strategy

About our Financial Strategy

This Financial Strategy clearly outlines the financial vision and priorities for the next nine years.

It aims to ensure we are achieving a balance between the needs of our community, responsible management of our assets, and financial sustainability over the long term.

It provides guidance for Council's financial decisions and a means to monitor our financial performance.

The budget for this Long Term Plan (LTP) has been developed to give effect to the priorities as agreed by Council. It honours the commitment to ensure we are meeting legislative requirements, maintaining current level of services, looking after our assets, and ensuring alignment with Ahu Ake – Waipā Community Spatial Plan, our blueprint for the district for the next 30+ years.

We also want to continue to give effect to our strategic priorities of:

- Creating vibrant communities
- Nurturing and respecting our unique culture and heritage
- Responding to climate change
- Caring for and valuing our environment now and in the future
- Effectively planning and providing for growing communities.

Operational efficiencies, changes in the timing of our renewal programme, and some project cuts have been required to ensure these priorities will be achieved and to mitigate the un-avoidable budget increases.

Further budgetary cuts would compromise these priorities.

Council is facing additional challenges being driven by central government changes to policy and legislative requirements. The biggest of these is the requirement for us to review the delivery of water services. For the purposes of this plan, the costs to operate, and maintain these critical infrastructure assets, are included for the full nine years until a decision is made on how they will be delivered into the future.

Post the Covid-19 pandemic, the whole of the country also faced significant inflation, interest rate and cost increases, which then led to a significant slowdown in the economy and in growth. Over the nine years covered by this strategy, we expect Waipā to experience high levels of growth particularly in non-residential areas.

This Financial Strategy has been adapted to respond to the challenges outlined, along with financial sustainability considerations, including the impact on rates and debt, to achieve the right balance.

We will continue to act prudently with the aim of striking a balance between limiting rates increases and ensuring Waipā is a great place to live, work, play and invest.

ATTACHMENT 4: 2025-34 FINANCIAL STRATEGY

A significant change

This Financial Strategy fixes our balance sheet to address previous funding shortfalls and sets us up for a more financially sustainable future. This will take time, and we will need to ‘stay on track’ to achieve this.

As a tier one growth Council, we have been required by successive governments to plan for growth, and that comes at significant cost. While growth pays for growth over time, we are required to put infrastructure in the ground to cater for development ahead of time. We only recoup the cost when sections go to market.

When you combine growth with a need to comply with legislative and markedly increased regulatory and environmental standards, we have had a history of underfunding water and wastewater activities through successive LTPs.

To keep rates lower in some years, we’ve used debt and ringfenced reserves, however, those reserves have been exhausted and debt is near its limit. To fix our balance sheet, we now need to not only rate for the full cost of these activities, but also to get the debt levels in our balance sheet into a sustainable position.

Are we being financially prudent?

We annually monitor progress against six benchmarks, in accordance with the financial prudence regulations requirements.

Debt

Two of the six benchmarks relate to debt – debt servicing, which measures the percentage of net interest costs against total revenue, and debt affordability which sets a net debt ceiling.

We can currently borrow 3.5 times the amount of revenue we take. It has been recognised that for growth councils in particular, it is becoming more difficult to meet that benchmark. As a result, a bespoke increased borrowing limit of 3.5 times revenue was approved by our lenders, the Local Government Funding Agency (LGFA), with effect from 1 March 2025. We applied for this increased debt covenant so we can achieve our capital programme, retain affordable interest rates, and have an appropriate level of debt headroom. Without this increased covenant, increase to rates would need to be much higher to ensure we can meet the debt covenant provision given the level of debt that is required.

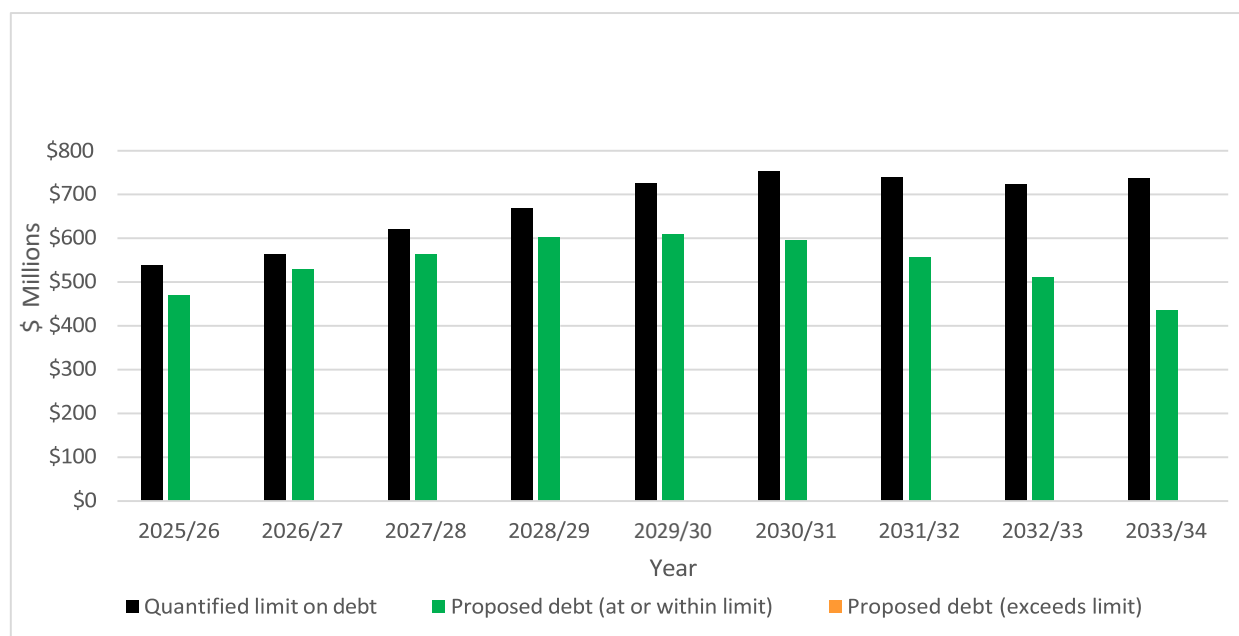
It makes sense for our financial prudence measure to be consistent with the covenant. In addition to this benchmark, Council has prepared this plan ensuring that it remains within a debt limit of 3.5 times revenue. This represents our approved borrowing limit. Additionally, the LGFA monitors our plan against a maximum planning debt limit of 3.3 times revenue. This planning limit is an agreed condition of our bespoke debt covenant. This in effect creates a buffer between what Council can plan for through the LTP (set at 3.3 times revenue) versus Council’s actual borrowing capacity of 3.5 times revenue.

ATTACHMENT 4: 2025-34 FINANCIAL STRATEGY

For the purposes of this strategy, we have used the actual 3.5 debt covenant limit for year one to year six, in year seven this limit reduces to 3.3, in year eight to 3.1 and in year nine to 3.0.

We have more commentary on the debt servicing benchmark in the disclosure statement section of this strategy.

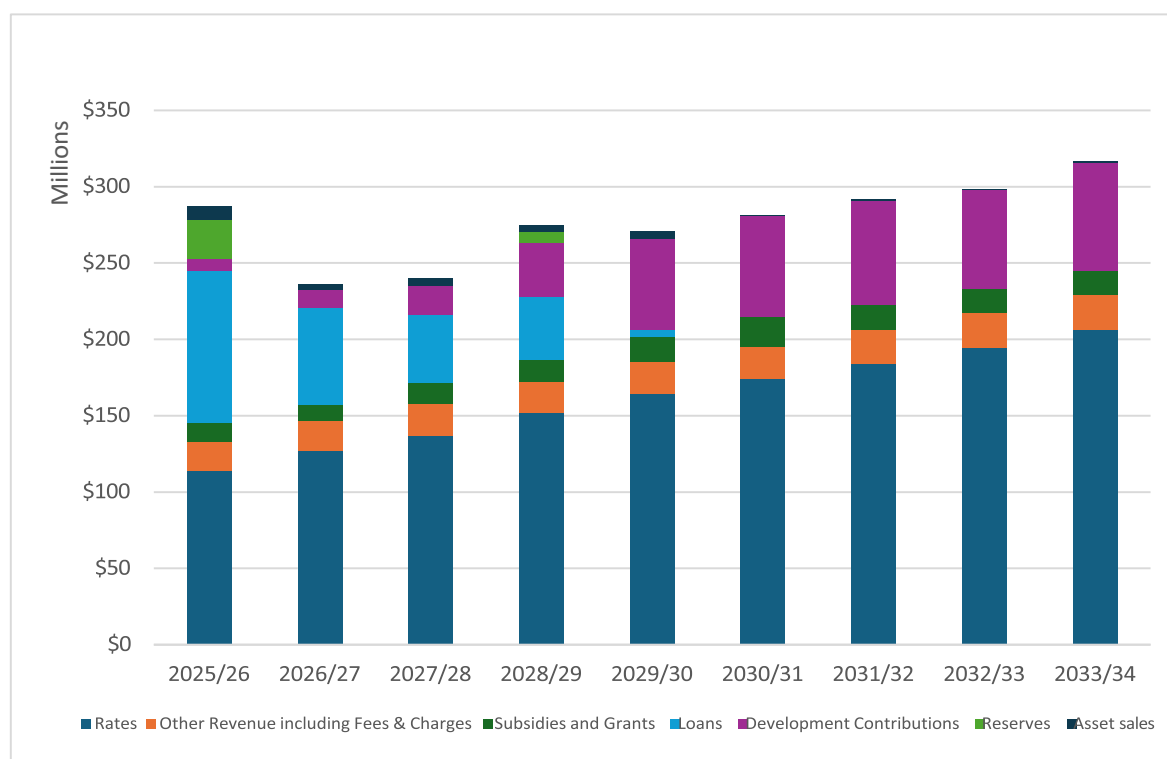
Graph 3: Debt limit benchmark



ATTACHMENT 4: 2025-34 FINANCIAL STRATEGY

We need to address our debt levels by increasing revenue

We fund our activities from a number of sources. Our forecast funding sources over the nine years is represented below.

Graph 4 – Sources of Funding

A significant element of this Financial Strategy is ensuring we remain well within our debt covenant provisions. Increased revenue is a key factor to achieving this. In the waters activities we are having to increase revenue sharply in the first two years to comply with a net debt to revenue ratio limit of 5.0 times revenue for our water activities. This is what the limit will be if those activities move out to a separate entity.

We also need to ensure that across all our activities in our LTP are compliant with a net debt to revenue ratio limit of 3.5. This is what we refer to as fixing the balance sheet.

We need to address the compounding effect infrastructure investment decisions have had on the level of our debt and interest costs now. Over time, higher rates will be used to pay debt down faster, reducing interest costs. Our debt management approach will ensure rigorous checks and balances are in place across all investment decisions, particularly when made outside of a Long Term Plan or Annual Plan budget process. Accounting surpluses are largely due to non-cash revaluations and vested asset income. We will use additional revenue or cash surpluses to pay down external debt; while keeping a close eye on other organisational requirements.

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Council considers this is the most fair and equitable approach to set a more sustainable financial position in the future. We don't want to continue to 'kick the can' down the road and we can't keep taking a short term or year by year approach to how we manage our finances. This will only create higher costs down the track. Other key changes from previous financial strategies are:

- Temporarily increasing the limit for the proportion of our income from rates to 75 per cent for the first three years, reducing to 65 per cent for the remaining period consistent with previous strategies.
- Focussing on one nine year plan rather than looking year by year.
- Providing rates predictability in the later years of this plan (consistent rates rise for the latter years (year 6 onwards) rather than fluctuating year on year).

A large portion of our projected revenue will be recovered via development contributions, particularly from year 4 onwards. Council is currently in the process of investing significantly into growth areas to ensure that our existing and new infrastructure can facilitate the current and projected growth. From year 4 onwards, Council will not be undertaking as many growth projects, but we will be in the recovery phase where infrastructure will have sufficient capacity to facilitate projected growth.

Population predictions for Waipā prepared by Te Ngira and Statistics New Zealand have estimated that population will increase significantly over the next nine years which will in turn drive the demand for residential, industrial, and commercial development. This will also result in increased development contribution revenue.

One third of the development contribution revenue will come from non-residential development, i.e. commercial and industrial development. Due to the scarcity of the readily available industrial zoned land in the wider sub-region and with the availability of land within Waipā at strategic transportation nodes, we anticipate there will be strong uptake of industrial and commercial development activity within the district. For more detailed information about development contribution revenue and population projections assumptions, please refer to the LTP significant forecasting assumptions.

We will continue to work with the wider local government sector to investigate and consider other revenue streams.

Balanced budget

Under the Local Government Act 2002, local authorities are required to set balanced budgets, where operating revenue is equal to expenditure. Council can set an unbalanced budget only where this can be shown to be financially prudent. This benchmark aims to ensure that the operating expenditure needs of the organisation are met by the level of revenue, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or can access.

In other words, 'everyday costs' are covered by everyday income – such as fees and charges, grants and subsidies, investment returns, and rates revenue – ensuring the budget remains balanced.

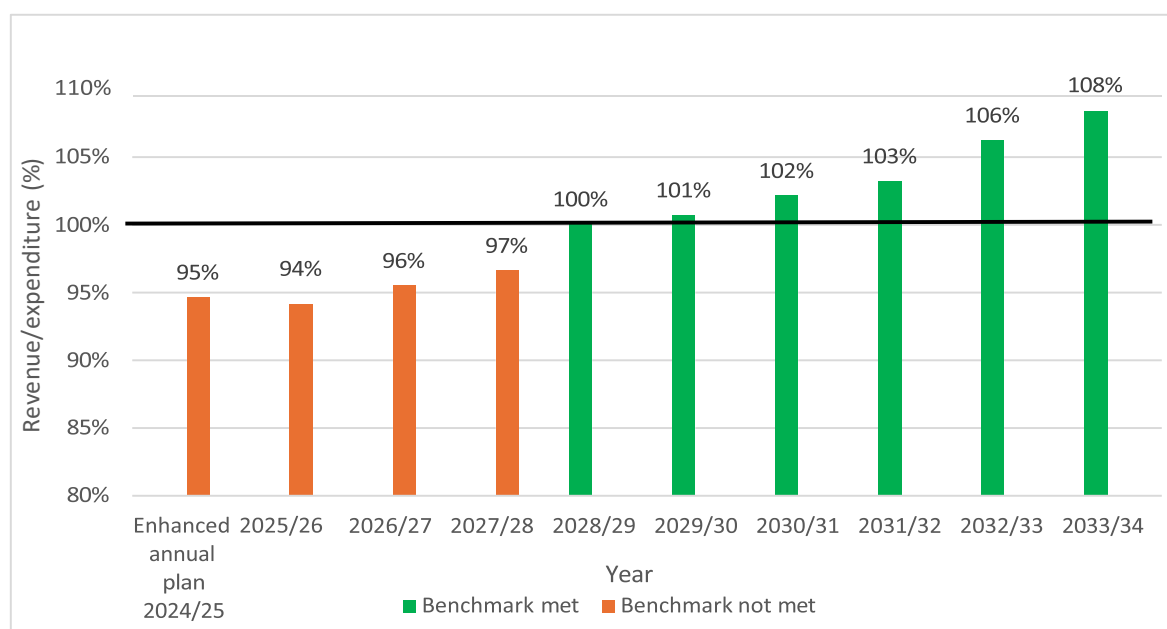
The balanced budget benchmark is not met in years one to three because operating reserves are used to reduce the overall rates requirement, some depreciation costs are unfunded (in some cases

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temporarily), and certain operating costs for projects like the District Plan and Ahu Ake - Waipā Community Spatial Plan are loan funded rather than funded through rates.

In making sure these decisions are financially prudent over those three years, Council has considered the risks and what effect they may have on the level of service we can provide and how both current and future ratepayers might be impacted. These considerations are outlined in the financial information section of the LTP.

Graph 5 - Balanced budget benchmark



Rates affordability

We want to ensure the affordability of rates over time, for both current and future ratepayers. Decisions made today will affect rates affordability in the years ahead, as there is potential to pass rates burden on to future generations if we don't invest in infrastructure and services now, or ensure we have a sustainable financial model in place.

We use an intergenerational equity approach to split asset costs across multiple generations, over the useful life of an asset. This means that all those that benefit from it contribute - today's communities and tomorrow's communities paying their share. We achieve this by raising 30-year loans on long life assets, and funding the majority of depreciation costs, to replace or renew assets at the end of their useful life.

We have used a threshold of no more than five per cent of median household income to measure rates affordability for all Council activities. Within that, there is a two per cent threshold for the cost of water and wastewater. Our proposed rate increases achieve compliance with the all-of-Council thresholds over the nine years, but the water and wastewater threshold is exceeded from year five

ATTACHMENT 4: 2025-34 FINANCIAL STRATEGY

onwards. We have also set quantified limits on the amount of rates we can collect (see the disclosure statement below).

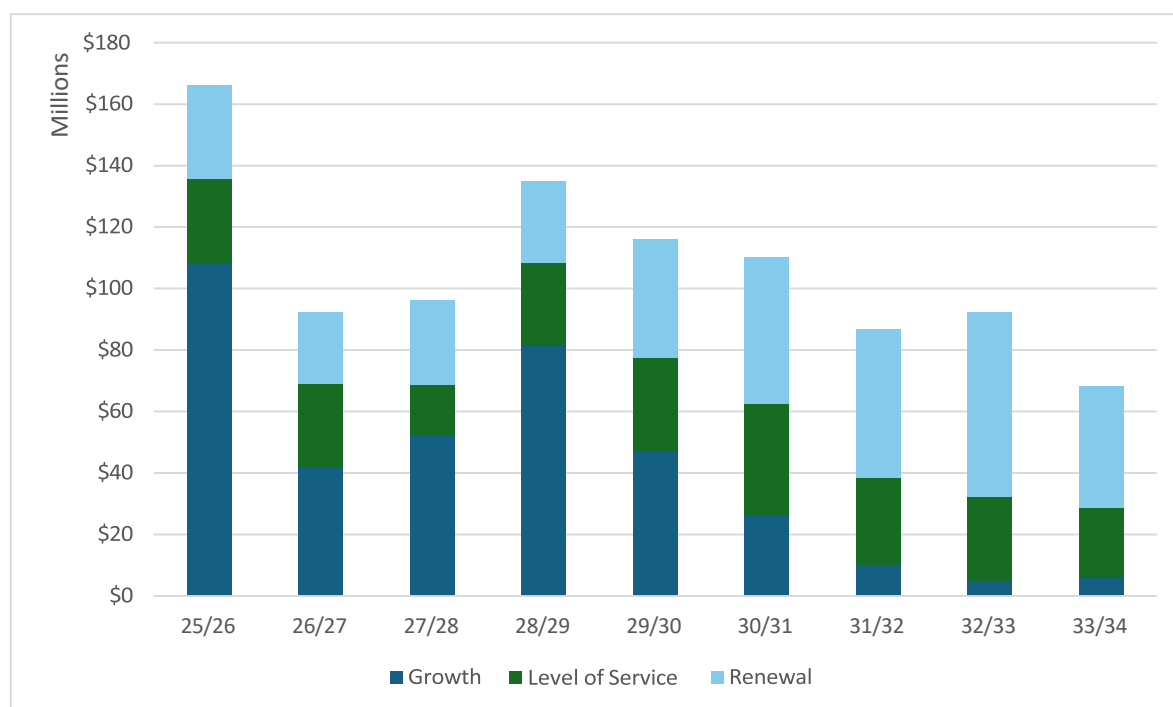
This Financial Strategy aims to give our ratepayers predictability in rates increases to help them plan for their budgets and finances.

We recognise rates increases can put pressure on household budgets, especially for those on fixed incomes. In addition to our existing automatic payment options, we can offer some support through our rates postponement policies and rates rebate schemes.

Our financial forecasts

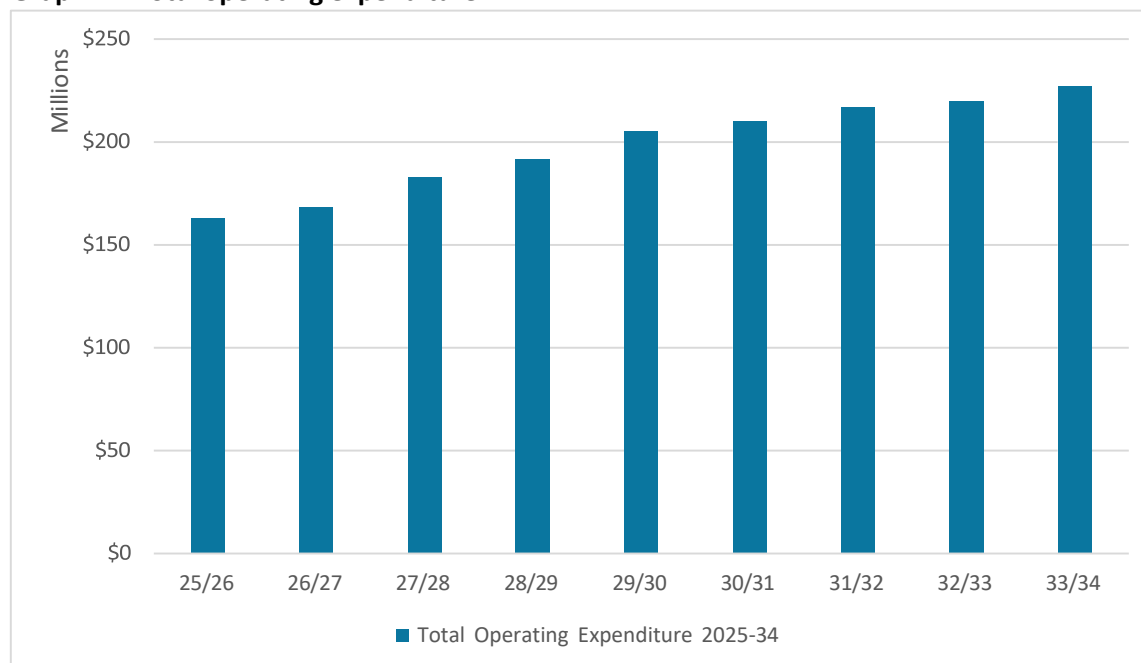
Based upon our assumptions and ensuring we stay within the limits set we have developed detailed financial forecasts. Our high-level financial forecasts over the next nine years are outlined below.

Graph 6 – Capital expenditure



We have planned to spend a total of \$963.2 million capex and \$1.8 billion opex across all of our projects over the nine years. Further details of the nine years are outlined below.

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Graph 7 – Total operating expenditure

Our other key objectives

1. Continuing to deliver value to our communities

Good stewardship of community assets and resources

We will maintain our existing assets in an appropriate condition for current and future generations.

We are ensuring investment in the renewal of assets is a budget priority. This means making the most of what we have and correcting funding gaps from previous LTPs over time. This will help to reduce the potential for negative perceptions of core services over the short term (some of which are being experienced now), and the risk of asset failure over the longer term. Any reduction in funding received from Government departments to help fund renewal work, such as the New Zealand Transport Agency, could compromise our ability to maintain the desired levels of renewal.

We are using the full nine-year period to move towards fully funding the cost of renewing our assets. The Infrastructure Strategy provides more detail on our renewal approach.

2. Achieving more together

We recognise the value of partnerships and collaboration. We can achieve more when we work together with others to unlock positive outcomes for our community.

Council partners with mana whenua and iwi to recognise the importance of Te Tiriti o Waitangi, and specific responsibilities that derive from our Joint Management Agreements with Waikato Tainui, Ngāti Maniapoto and Ngāti Raukawa.

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We will make the most of enhanced opportunities of Central Government funding when they arise, regional deals, subsidies, partnerships, and other incentives to advance our strategic priorities. We will continue to work with Government and other current and potential future partners with a view to establishing more enduring ways of funding services we provide to the community.

3. Staying focused on the longer term and the bigger picture

We are committed to delivering projects such as Te Ara Wai and a fit for purpose Cambridge Library. It will just take longer to deliver than what was originally envisaged, and we want to explore all possible options for funding and delivery.

We are proposing we have a comprehensive community conversation on these projects leading up to our 2027-37 LTP. This will ensure we connect levels of service with our strategic priorities and the Ahu Ake - Waipā Community Spatial Plan to understand expectations, associated costs and potential trade-offs.

We will also use the 2027-37 LTP to better understand the community's views on potential new levels of service such as a kerbside refuse service. In the meantime, this has been deferred to later years where the year-on-year rates increases are forecasted to be lower, deferring the impact on the overall rates requirement to later years.

4. Considering alternative funding and financing options

We have looked at the viability of alternative funding and financing options and will continue to explore those that help reduce the impact on our ratepayers. The option of utilising the Infrastructure Funding and Financing mechanism through Central Government was explored to remove a portion of infrastructure debt from our balance sheet. However, this would be more expensive for our community due to higher interest costs compared to other options so has not been pursued at this stage.

5. Providing for growth

By 2034, we're expecting an additional 10,259 people to be living in our district, bringing our population to around 74,165.⁵⁸

Population growth brings benefits to the district including increased prosperity, the attraction of investment, and community vibrancy and diversity. It also creates challenges for the delivery of services and funding of infrastructure, creating demand for additional services and facilities. Many growth projects will provide capacity for growth over a period of up to 30 years.

We will borrow to fund this work and repay the loans through charging developers over several years using our 'growth pays for growth' approach. We recognise that there will be a time-lag between when Council builds the necessary infrastructure and when developers pay their development contributions (when sections go to market).

⁵⁸ Revised Te Ngira (NIDEA) revised population projections. March 2025

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This significantly impacts Council debt levels, especially when there is a slowdown on sales in the current economic climate.

To manage growth risk and our financial challenges, we have taken the following approach:

- Reforecasting development contributions revenue and growth projects to respond to changing market conditions, which has seen a slowdown in uptake and revenue, growth predictions, and what is occurring on the ground.
- Fully realising our existing infrastructure investments in the growth cells under development before taking on new growth areas where there is a significant cost to Council.
- Reducing investment and, in some cases, stopping investment where there is little or no uptake of growth. All growth cell related infrastructure projects that do not already have existing Council commitments have either been removed or shifted out to year four and beyond.
- The debt associated with growth is managed separately from other Council debt. The costs associated with growth is added to the growth debt and revenue generated through development contributions is used to reduce the growth debt balances.

We will continue to review growth uptake and demand, and review our capital work programme annually, amending the scale and timing of projects in response to actual or anticipated growth.

6. Maintaining existing levels of service

Levels of service are what we have agreed to deliver to, and on behalf of, our community. Levels of service are sometimes set in response to community desire, and sometimes in response to legislative requirements.

For this LTP, we are proposing to continue to maintain our levels of service, noting that in some cases higher environmental standards have been built into levels of service. For example, stormwater discharge consents require a higher standard of treatment of stormwater prior to discharge.

7. Renewing and upgrading ageing infrastructure

We are responsible for \$2.7 billion worth of assets, the majority of this is large and critical waters and roading infrastructure networks. Once an asset is worn out or becomes obsolete, it usually requires renewal or replacement. Depreciation is the method used to account for the cost of these assets over the assets' lives and to ensure they are appropriately funded. Activity Management Plans outline the funding necessary to deliver the activity's services to the required levels.

Most renewals are considered a capital expense as they relate to the renewal of a capital asset. Council has limited depreciation funding reserves, and they are typically spent year to year. As with most services, renewal costs have significantly increased with some of this due to increasing government standards and compliance with consent requirements.

In the 2021-31 LTP, we constrained investment in renewals to keep rates increases low. Nearly all activity areas have renewal funding at levels lower than required in the first three years with the intent to catch-up in later years.

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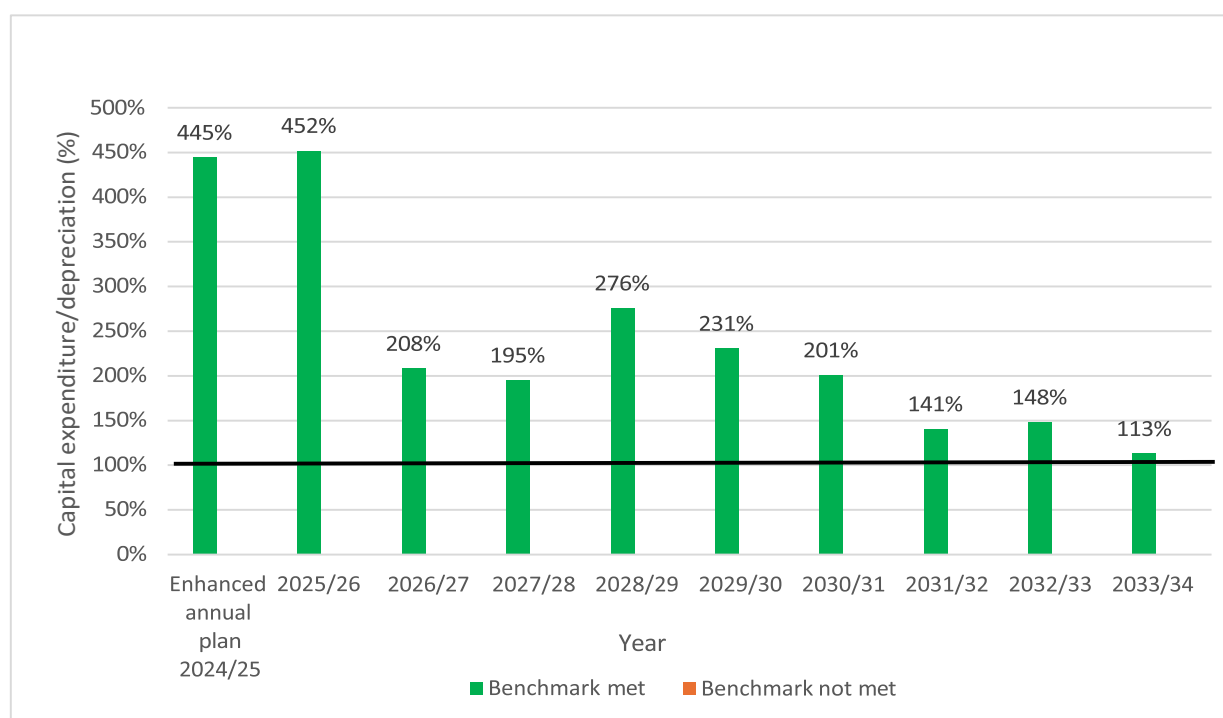
Timely renewal of assets is crucial to the continued effective delivery of services. Renewal funding shortfalls over the short term can be managed to minimise negative impacts of delivering services to desired levels. Continually delaying renewals can lead to extra maintenance costs, reduced quality of service, and an increase in risk of unplanned service failures.

In the 2025-34 LTP, we have prioritised renewals expenditure to reduce the risk of asset failure over the longer term and negative perceptions of core services over the short term.

The majority of our investment is allocated for renewal of our existing assets, which ensures we are able to continue to provide our existing levels of service. Levels of service investment is driven predominantly by legislative and regulatory compliance, and community expectations.

More information on the capital projects we are planning over the nine-year period by activity is outlined below.

Graph 8 - Essential services benchmark



8. Responding to climate change

Our assumptions recognise that Waipā can expect to see a changing climate, including more extreme weather and greater risks from natural hazard events such as floods, slips, and drought.

Responding to climate change is one of Council's five external strategic priorities making it a focus area for the organisation. The 'failure to effectively mitigate and adapt to climate change impacts' is a top risk that is regularly monitored and reported against to the Executive Team and Audit and Risk Committee.

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Carbon emission baselining and monitoring is in place. Carbon impacts are included in business cases and through the project lifecycle. A climate change governance improvement programme has been agreed to and is being implemented over the next three years. We have included funding in the 2025-34 LTP for climate change projects and initiatives including the development of a Climate Change Strategy and work that will improve our understanding of district-specific risks and opportunities. In most cases, funding is embedded in activity management plans for the activity concerned and is largely focused on improving the resilience of our assets.

9. Effect of changes in land use on service demand

Demand for infrastructure services (roads, water supply, wastewater, stormwater, reserves, community facilities) increases where development occurs and can strain existing networks. Development may be subdivisions for housing, new commercial or industrial areas, or intensification of existing development. Any new development has been planned for through our growth strategy (Waipā 2050 Growth Strategy). Budget to enable new development to occur, with timing provided for within this LTP.

What we are not prepared to do in this Long Term Plan

We have included this section so we can be as transparent as possible with our community on the approach we have taken to this LTP. This is what we are proposing, and community consultation may indicate differing points of views on what we have deemed to be our 'bottom lines'.

The things we are not prepared to do are:

- Compromise on projects that achieve our strategic priorities.
- Compromise our approach to managing critical and lifeline infrastructure and services.
- Significantly lower levels of service purely from a cost saving perspective.
- Put too much pressure on the business. It is important that we look after staff welfare. We have achieved operational savings through multiple budget reviews; however, we still have business-as-usual activities and services to deliver.
- Change our funding model by funding operational costs through loans instead of rates (to reduce the rates impact). This approach is not prudent or sustainable in the longer term. It does not achieve intergenerational equity as we will get into a position where we have future generations repaying the loans incurred now to achieve this.

Financial risk and uncertainty

Council has an assumption regarding global crisis and emergency events; that Council will maintain its level of service during a global crisis such as a pandemic or local emergency event, with sufficient systems and procedures in place to ensure business continuity.

We've considered how we would respond if unexpected circumstances or unplanned events had a significant impact on our financial situation. This is particularly relevant in uncertain economic and political times, and given we have fewer financial contingencies in place than previous plans.

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Affordability for ratepayers, Council's financial sustainability, and delivery of service levels and key projects may be significantly impacted. Council has accepted a high level of risk in this regard.

It is important that we manage, to the best of our knowledge, the potential financial risk and uncertainty that comes from these types of events. Unplanned events may require earlier than planned investment (e.g. Civil Defence emergencies, natural events, fire, theft, and safety concerns). These events, if they occur, could result in significant unplanned operating and capital costs.

Council's financial mitigations include:

- Debt is a key tool for financing infrastructure while retaining borrowing headroom for unexpected events.
- A committed cash advance facility of \$5 million is available in the event of a natural disaster, and short-term lending opportunities exist with the Local Government Funding Agency.
- Urgently reprioritise and reduce capital spending and community levels of service spending, to mitigate the risk of breaching debt-to-revenue limits.
- Ensure there is adequate insurance to cover the district's assets (where possible) against such events.
- An insurance programme through Co-Lab will fund some operational costs (e.g. business interruption) and capital costs where a claimable event occurs. All councils in the Co-Lab group have material damage insurance and infrastructure insurance using a maximum probable loss approach rather than reinstatement value for all properties. This Policy has the benefit of spreading risk across a wider geographical area. Maximum probable loss is the anticipated value of the biggest monetary loss that might result from an event, whether natural or otherwise.

Securities and investment

Borrowing is secured by a charge over rates by way of debenture trust deed. Generally, assets are not offered as security for any loan or performance of any obligation under an incidental arrangement.

Our investment policy sets out the detail of the type of investments Council currently holds, and objectives and risk management strategies related to holding these investments. The approach to managing our investments is set out in the Treasury Management Policy.

Council is a shareholder in Waikato Regional Airport Limited, the New Zealand Local Government Funding Agency Limited and Local Authority Shared Services Limited. We also hold a small interest in Civic Financial Services Limited.

Other than to achieve strategic objectives, it is not our intention to undertake new equity investments. We will periodically review investments with a view to exiting at a time when market conditions are favourable and overall strategic objectives are not compromised.

Any dividend income from investments is generally included as part of other revenue. Any purchase or disposal of equity investments not identified in the LTP is by Council resolution. At the time of disposal, we will determine the most appropriate use of sale proceeds.

ATTACHMENT 4: 2025-34 FINANCIAL STRATEGY

Disclosure statement

The Disclosure Statement is provided in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

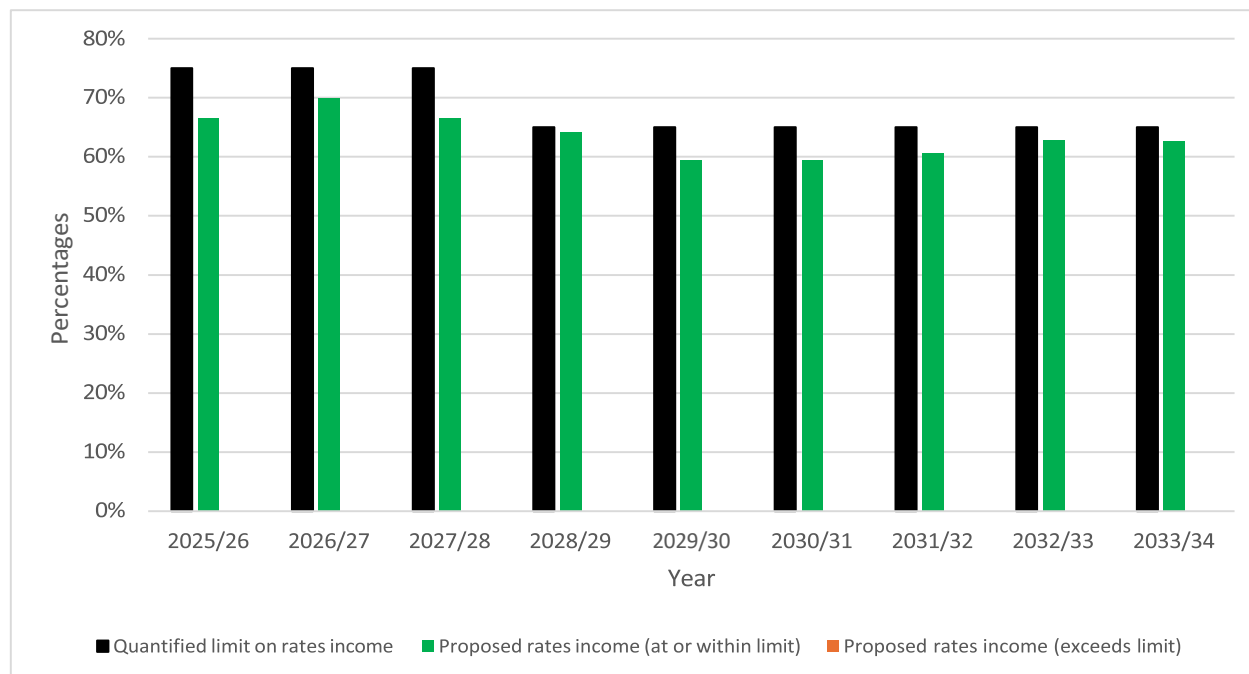
This statement discloses our planned financial performance in relation to various nationally consistent benchmarks. These benchmarks enable the assessment of whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings.

This Financial Strategy outlines the benchmarks Council has set for rates and debt affordability, balanced budget, essential services and debt servicing, and our compliance with these benchmarks.

Rates (income) affordability

The following graph compares Council's planned rates with a quantified limit on rates contained in the Financial Strategy included in this LTP. The quantified limit is limiting rates levels to a maximum of 75 per cent of our total revenue in 2025/26 to 2027/28; after this the limit reduces to 65 per cent of our total revenue.

Graph 9 - Rates (income) affordability



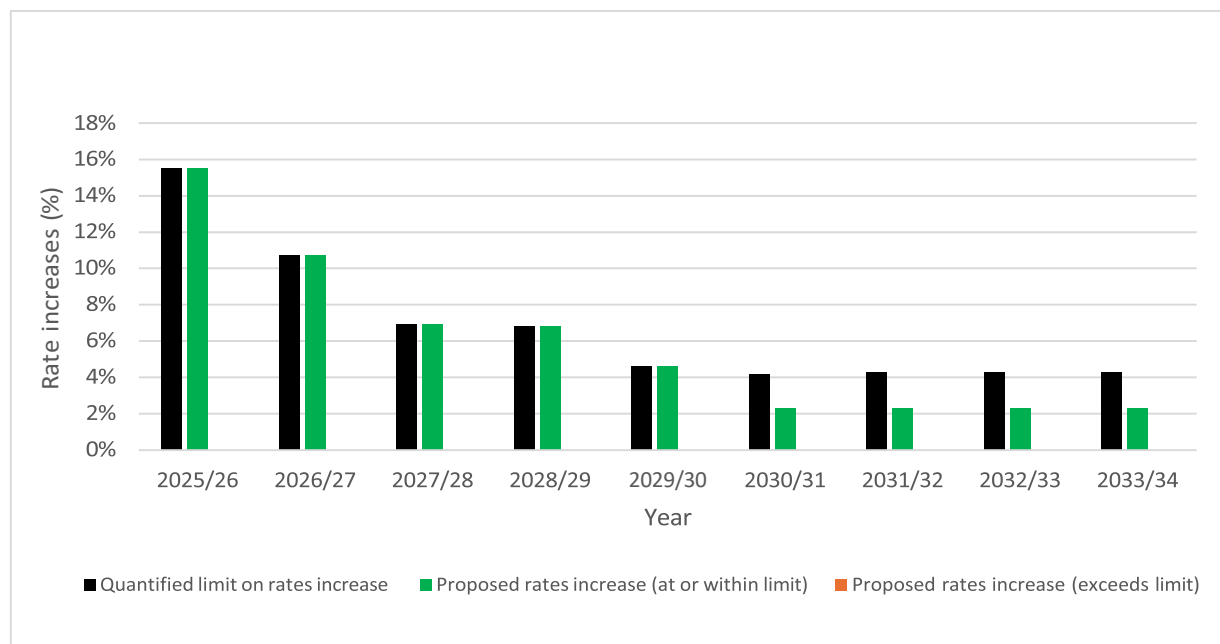
Rates (increase) affordability

The following graph compares Council's planned rates increases to a quantified limit on rates increases contained in the Financial Strategy included in this LTP. Council will limit the increase in rates requirements (after growth) to 15.50 per cent in 2025/26, 10.70 per cent in 2026/27, 6.90 per cent in 2027/28, 6.80 per cent in 2028/29, and 4.60 per cent in 2029/30. For the remainder of the LTP,

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Council will limit the annual rates increases to the projected⁵⁹ Local Government Index cost for the year plus 2 per cent.

Graph 10 - Rates (increases) affordability



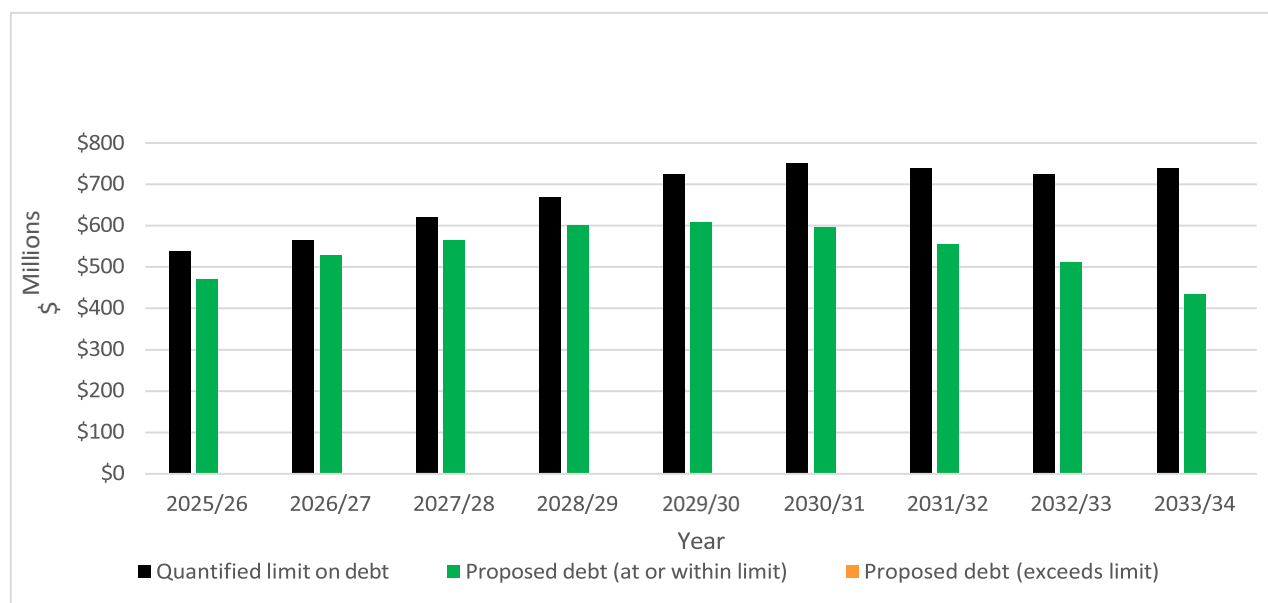
Debt affordability benchmark

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares Council's planned debt with a quantified limit on borrowing contained in this Financial Strategy. The quantified limit is set at 3.5 times revenue⁶⁰ for years one to six, 3.3 times revenue for year seven, 3.1 times revenue for year eight, and 3 times revenue for year nine.

⁵⁹ The projected Local Government Index cost percentage will be reaffirmed at each Annual Plan stage.

⁶⁰ Total revenue excludes development contributions, financial contributions, vested assets, gains on derivative financial information and gains on revaluations of property, plant and equipment).

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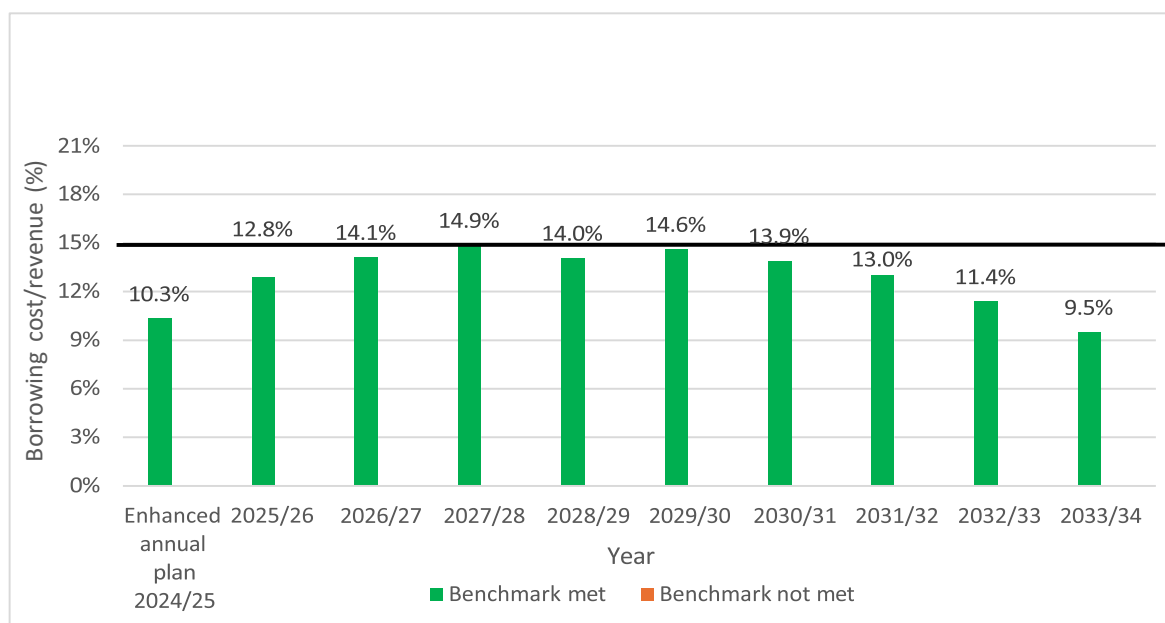
Graph 11 - Debt Affordability**Debt servicing benchmark**

The following graph displays Council's planned borrowing costs as a proportion of planned total revenue.⁶¹ Because we are a growth Council, we meet the debt servicing benchmark if our planned borrowing costs equal or are less than 15 per cent of our planned total revenue⁶². For our debt covenant purposes with the Local Government Funding Agency, this threshold is 20 per cent and our planned ratio is also measured against this.

⁶¹ Total revenue excludes development contributions, financial contributions, vested assets, gains on derivative financial information and gains on revaluations of property, plant and equipment).

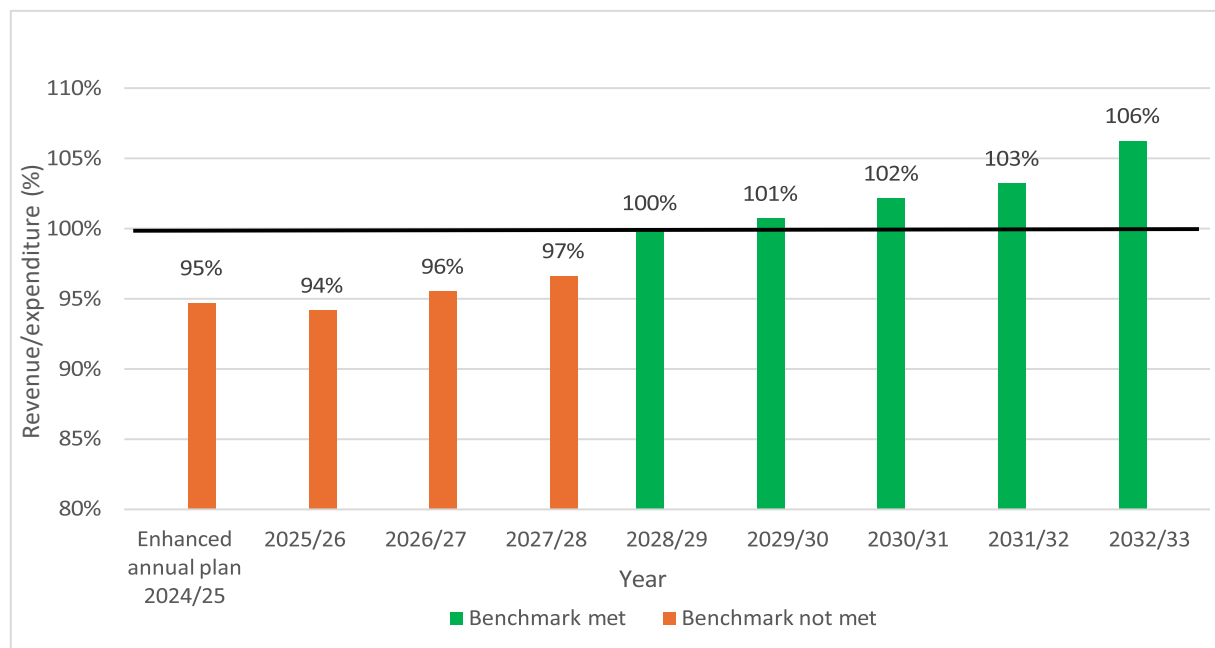
⁶² Total revenue excludes development contributions, financial contributions, vested assets, gains on derivative financial information and gains on revaluations of property, plant and equipment).

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Graph 12 - Debt servicing benchmark**Balanced budget benchmark**

The following graph displays Council's planned revenue as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, and equipment). Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses. The balanced budget benchmark is not met in years one and two due to the fact that operating reserves are applied to reduce the overall rates requirement, some depreciation costs are not funded (in some cases just on a temporary short-term basis), and the fact that specific operating costs associated with projects such as the district plan and Ahu Ake - Waipā Community Spatial Plan are loan funded and not funded through rates. It should be noted that in years 4 – 9 of the LTP, there is forecast a significant increase in the collection of development contributions, due to significant investment in infrastructure spend. The risk is that macro and micro economic conditions could shift the development revenue timing and mismatch the capital investment from the revenue collection. This could necessitate in the future a change in the timing of capital investment and an increase in development contribution fees.

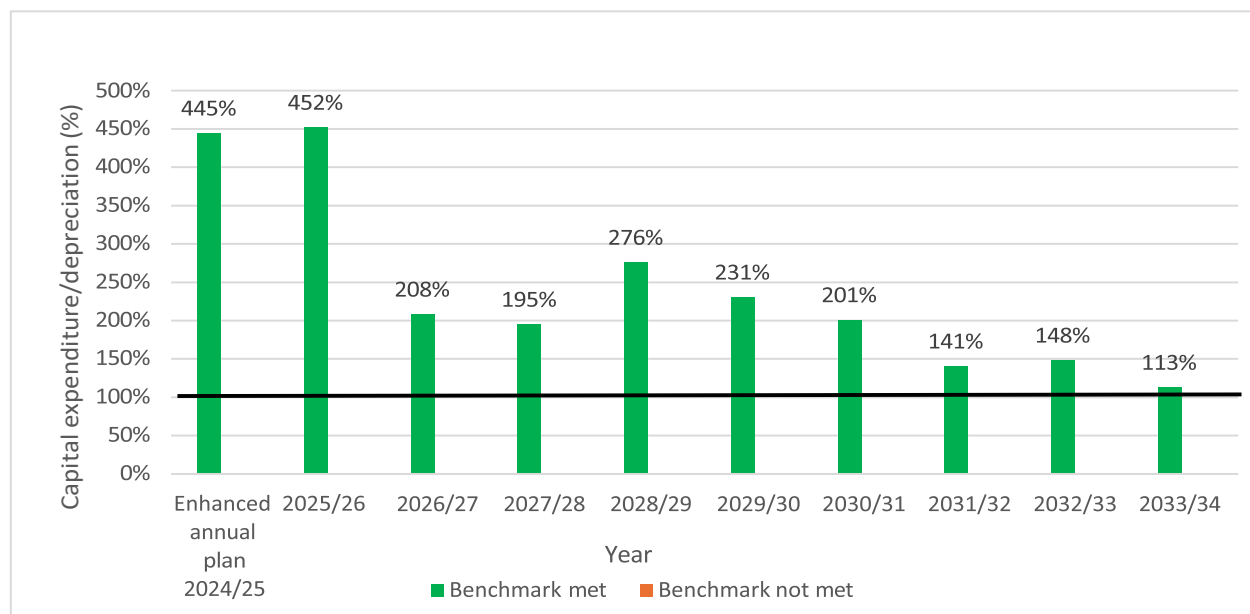
ATTACHMENT 4: 2025-34 FINANCIAL STRATEGY

Graph 13 - Balanced budget benchmark**Essential services benchmark**

The following graph displays Council's planned capital expenditure on network services as a proportion of expected depreciation on network services. Council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

ATTACHMENT 4: 2025-34 FINANCIAL STRATEGY

Graph 14: Essential services benchmark





ATTACHMENT 5

Strategic Direction Pack (document number 11623060)

Strategic direction workshop pack

This information is provided to support Elected Members to shape their new strategic goals and priorities within the current operating environment, while considering Council's risk, opportunities, and what we've heard is important to our communities.

A recap of this information will be provided at the start of the workshop.

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1. Operating environment

- It is important to consider the operating context in which Council is working, and in which our communities are living, when shaping new strategic goals and priorities.
- Elected Members canvassed key contextual factors during induction sessions, including those at a global level:

 Climate impacts	Insurance costs have increased ~30% nationally, with extreme weather now driving the largest private-sector losses in NZ history.
 Tech and AI	- Shift to high value industries. - The future of work is changing (NZ tech sector generated \$17.95B in 2024 – up 7.7%).
 Supply chains	Material risk of geopolitical conflict shifts global business from cost to risk focus (e.g. semiconductors, sea lanes).
 Social and demographic change	- Ageing population (65+ population to double next 15 years). - Wider social inequalities.
 Trade impacts	- US tariffs impact on China and globally; decline of the WTO and rules-based system. - Fonterra changes. - Building resilience into infrastructure, finances and community preparedness is essential.

ATTACHMENT 5: STRATEGIC WORKSHOP PACK

 Economic challenges	▪ Deeper recession. ▪ Unemployment 5.4% nationally, local rates rises, insurance, interest.
 Māori economy	▪ Economic engines (asset base of \$126B in 2023), accelerating nationally.

- Key environmental factors and considerations for Waipā were also canvassed through the induction, and are supported by the Environmental Scan that has been developed to inform the LTP and is provided at **Appendix A**.
- The scan details key trends at a global, national, regional, and district level, and considers the implications for Council:

 Rapid and uncertain growth	▪ The district is experiencing growth beyond previous projections. ▪ Migration is now the primary driver, which is volatile and largely outside Council's control. ▪ This creates planning uncertainty and increases the risk of over or under investment in infrastructure and services.
 Demographic shifts	▪ The district's population is ageing, especially within the New Zealand European ethnic group, while Māori communities remain younger and are growing faster. ▪ This dual trend means Council must plan for smaller, more accessible housing and services for older residents, while also meeting the needs and aspirations of younger people.
 Financial pressures and affordability	▪ Affordability is a major concern for households and a key driver of trust in Council. ▪ Record-high rates increases, rising interest costs and inflation have constrained Council's ability to deliver on all community expectations. ▪ Careful prioritisation, clear communication, and exploring alternative funding models will be critical to maintaining financial sustainability.
 Central government direction	▪ Significant Central Government change is currently, and will continue, impacting Council across the areas of planning and resource management, funding and financing, local government purpose and structure, and rates. ▪ Further information on the current changes facing Council is provided below.
 Resilience and risk	▪ Waipā is exposed to significant natural hazards, with a high probability of a major disruptive event occurring within the next 50 years. ▪ Climate change, global instability and supply chain risks add further uncertainty. ▪ Building resilience into infrastructure, finances and community preparedness is essential.

ATTACHMENT 5: STRATEGIC WORKSHOP PACK

 Community expectations and trust	▪ Community sentiment reflects a desire for greater transparency, accountability and clarity in decision-making ▪ Expectations around Council delivery remain high, with communities often seeking improved services and outcomes within constrained budgets. ▪ Strengthening engagement and clearly demonstrating how feedback shapes outcomes will be key to maintaining trust and legitimacy over time.
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2. Central Government direction

- Local Government is facing the most significant level of change since the 1980s. The relevant current reforms, and what they mean for Waipā, should be given consideration in shaping Council's new strategic goals and priorities and in the LTP budget process so implementation can be funded:
 - **Local Government (Systems Improvement) Bill** – refocuses the purpose of local government, prioritises core services and better measuring of council performance; removes the reference to four wellbeings.
 - **Local Government (Infrastructure Funding) Amendment Bill** – replaces development contributions with a new development levies system.
 - **Rates capping proposal** – directs councils to keep annual rates increases to between 2 and 4 percent, with transition from 2027 onwards.
 - **Simplifying Local Government** – proposes replacing elected regional councillors with Combined Territories Board (CTB) consisting of the region's mayors; CTBs will also be responsible for developing Regional Reorganisation Plans.
 - **Infrastructure funding and financing** – amends the Infrastructure Funding and Financing Act to simplify the funding and financing process to make it more accessible and usable as a funding tool to support urban development.
 - **Resource management reform** – replaces the Resource Management Act with two acts that distinguish between land-use planning and natural resource management.

3. Council's top risk profile, risk appetite and opportunities

- Council's top risks have been canvassed widely with members through induction sessions and Council meetings to date.
- Council's top risks, their risk ratings, mitigations, appetite and how that links to priorities, prioritisation and funding, and investment all need to be considered in shaping new strategic goals and priorities, specifically:
 - Where this is a large gap between current levels of risk and Elected Member appetite, whether Elected Members want to decrease the gap or accept the risk

ATTACHMENT 5: STRATEGIC WORKSHOP PACK

- Whether these risks lead to opportunities that Elected Members want to consider in shaping new strategic goals and priorities (more information below).
- Council's top 11 risks and risk definitions are listed below.

Risk	Residual risk	Interim risk appetite	Risk appetite
1. Inadequate workforce capacity and capability to deliver Council's priorities	High	High	Moderate
2. Failure to adequately invest in and deliver infrastructure	Very high	High	High
3. Failure to manage to Financial Strategy	Very high	High	High
4. Failure to align investment and funding timing of growth	Very high	High	High
5. Failure to effectively mitigate and adapt to climate change impacts	Very high	Climate change: High	Climate change: High
		Emergency management: Very low	Emergency management: Very low
6. Failure to give effect to Te Tiriti o Waitangi (Treaty of Waitangi) and build authentic Mana Whenua and Iwi partnerships	Very high	Moderate	Low
7. Failure to maintain effective stakeholder relationships and engage with the community	High	High	High
8. Failure to position to manage change to future state of local government	Very high	High	High
9. Failure to manage health and safety and wellbeing	Wellbeing: High	Wellbeing: Moderate	Very low
	H&S: Low	H&S: Very low	
10. Failure to balance protection of information management assets and ability to innovate	Low	Moderate	Moderate
11. Failure to transition to Waikato Waters Ltd	Very high	High	High

ATTACHMENT 5: STRATEGIC WORKSHOP PACK

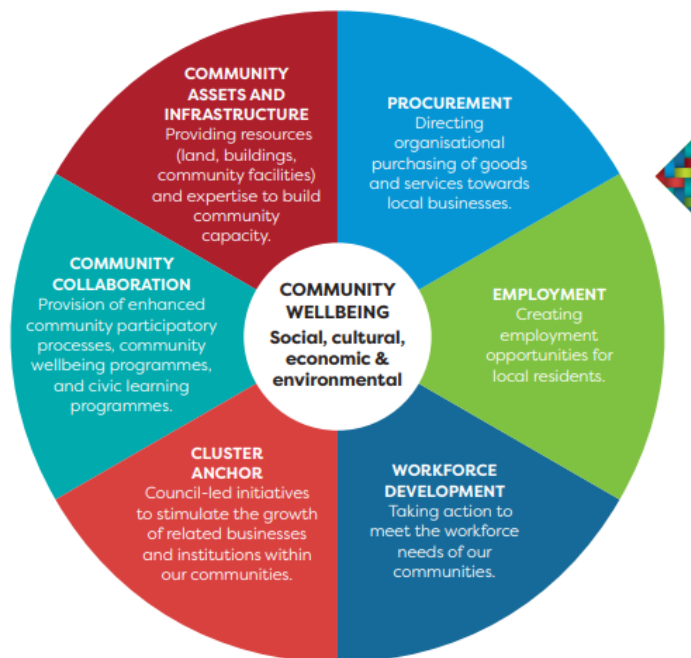
Council's risk appetite definitions

	Rating	Philosophy	Tolerance for Uncertainty	Choice	Trade-off
			Willingness to accept uncertain outcomes or variations	Willingness to select an option that puts objectives at risk	Willingness to trade off against achievement of other objectives
5	Very High (Open)	Will take justified risks to harness opportunities	Fully anticipated	Will choose option(s) with highest return, accepting possibility of failure	Willing
4	High (Justified)	Will take strongly justified risks	Expect some	Will choose to put at risk, but will manage impact	Willing under right conditions
3	Moderate (Measured)	Preference for delivering expected outcome	Limited	Will accept if limited and heavily outweighed by benefits	Prefer to avoid
2	Low (Cautious)	Extremely conservative	Low	Will accept only if essential, and limited possibility/extent of failure	With extreme reluctance
1	Very Low (Averse)	Avoidance of risk is a core objective	Extremely low	Will always accept the lowest risk option	Never

Opportunities

- In assessing risk and risk appetite, Elected Members should consider what opportunities are presented as they shape new strategic goals and priorities.
- As a well-connected district with strong partnerships, this may include opportunities to work better collectively to best serve our communities.
- When shaping new strategic goals and priorities, consideration should be given to possible opportunities for working better together, including:
 - **Strengthening partnerships with mana whenua and iwi:** Council is embedding a more genuine and enduring partnership approach with mana whenua and iwi, supported by the Māori ward councillor until the 2028 triennial election and the appointment of a Kaihautū, Director Strategic Māori Partnerships at the Executive Leadership Team. These partnerships provide an opportunity to co-design solutions and embed Te Ao Māori across Council's work.
 - **Working differently through the Anchor Institutions Framework:** Council is an anchor institution – a large, place-based organisation anchored in the community, with long term and enduring commitment to a place that plays a vital role in communities and economies.
 - Council adopted an Anchor Institution Framework in April 2024 and is guided by the Anchor Institution Plan 2025/26, which aligns to Council's current vision to build connected communities and the community outcomes which are prefaced on community wellbeing.
 - A core element of the Anchor Institution Framework is working in partnership to deliver differently – which Council is doing in a number of ways already and will continue to progress in future years.

ATTACHMENT 5: STRATEGIC WORKSHOP PACK

*Anchor Institution Framework*

4. What we've heard is important to Elected Members

- During the offsite induction session, key priority themes for Elected Members started to emerge.
- Following the discussion on the operating context, Elected Members were asked to move from context to action, with **early strategic pillars** forming – outlined in the table below.
- The induction session was structured around getting Elected Members to answer “What do we want this Council to be remembered for in three years?” Elected Members started articulating **early legacy aspirations** – also identified below:

Early strategic pillars	Early legacy aspirations
▪ Affordability and trust ▪ Growth and infrastructure sequencing ▪ Tangata whenua partnerships ▪ Community engagement ▪ Organisational capability and efficiency ▪ Economic development and early wins	▪ Building trust and transparency ▪ Strengthening iwi and community partnerships ▪ Delivering visible progress through early wins ▪ Improving internal capability ▪ Managing growth responsibly ▪ Improving public engagement quality and reach

- These key areas of focus for Elected Members lay the foundation for what they want to achieve as Council and will be considered in shaping their new strategic goals and priorities.

ATTACHMENT 5: STRATEGIC WORKSHOP PACK**Strategic goals for consideration**

- The below draft strategic goals are provided for Elected Members to discuss, input, and provide feedback on during the workshop. These goals have been informed by induction themes, our operating context, and key Council strategies.

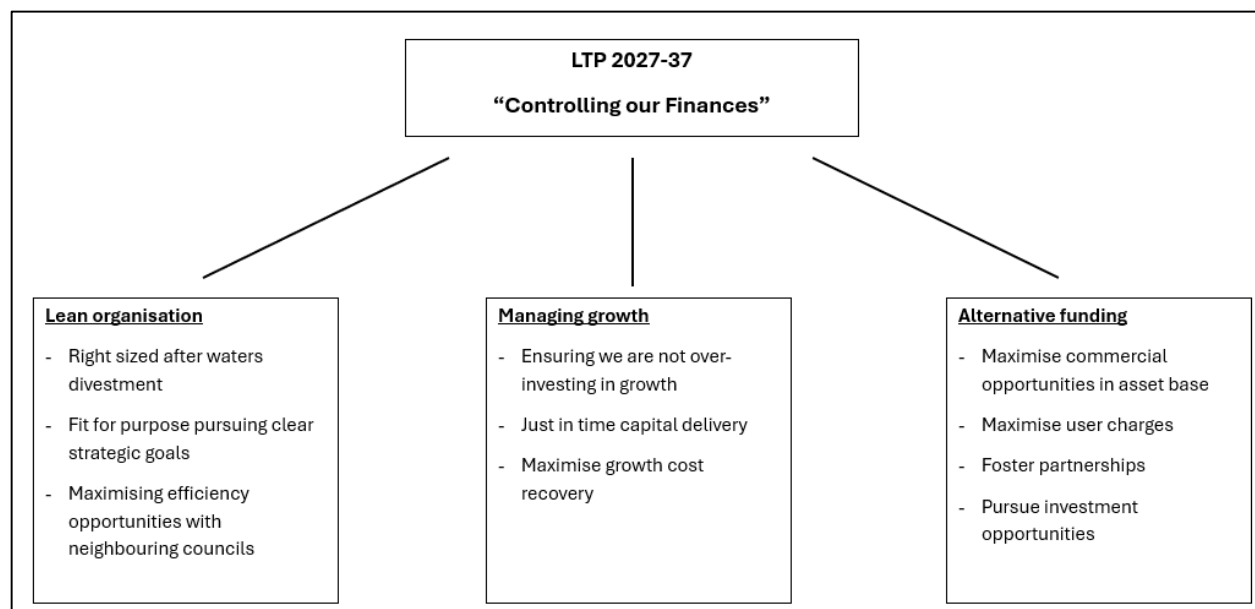
Theme	Goal statement
1. Responsible financial management	Ensure prudent and sustainable financial management to deliver value for the community now and into the future
2. Well-planned growth and great places	Enable well-planned growth that creates vibrant, connected, and liveable places for people and communities
3. Community resilience	Ensure communities are well positioned to adapt to the impacts of disruptions, emergencies, and climate change
4. Readiness for government reform	Ensure the community is well served by positioning the organisation to respond effectively to central government reform
5. Shared outcomes through partnership	Advance shared environmental, economic, and community outcomes by leveraging our role as an anchor institution through strong, local partnerships
6. Economic development and growth	Support regional economic development and growth to build long-term economic resilience and prosperity for our communities
7. Trust and confidence in Council	Strengthen trust and confidence between Council and the community through transparent decision-making and meaningful engagement

Draft priorities

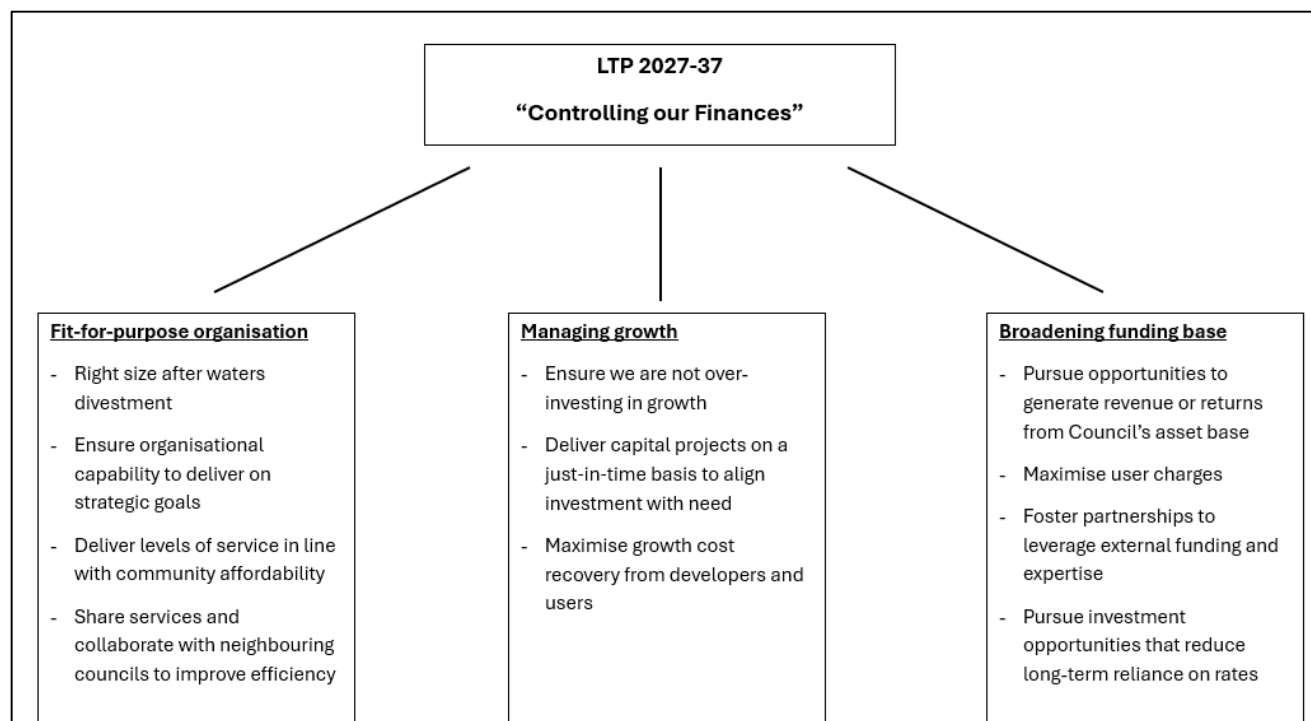
- Councillor Montgomerie drafted the below priorities which have been socialised with the Mayor and Councillors.
- A subsequent version with possible wording amendments for consideration is also provided below. The changes reflect feedback from the LTP Project Governance Group and aim to provide further direction to the priority statements, while retaining the tone, sentiment and plain language.
- The draft priorities will be discussed and refined in the strategic direction workshop.

ATTACHMENT 5: STRATEGIC WORKSHOP PACK

Original



Possible amendments for discussion



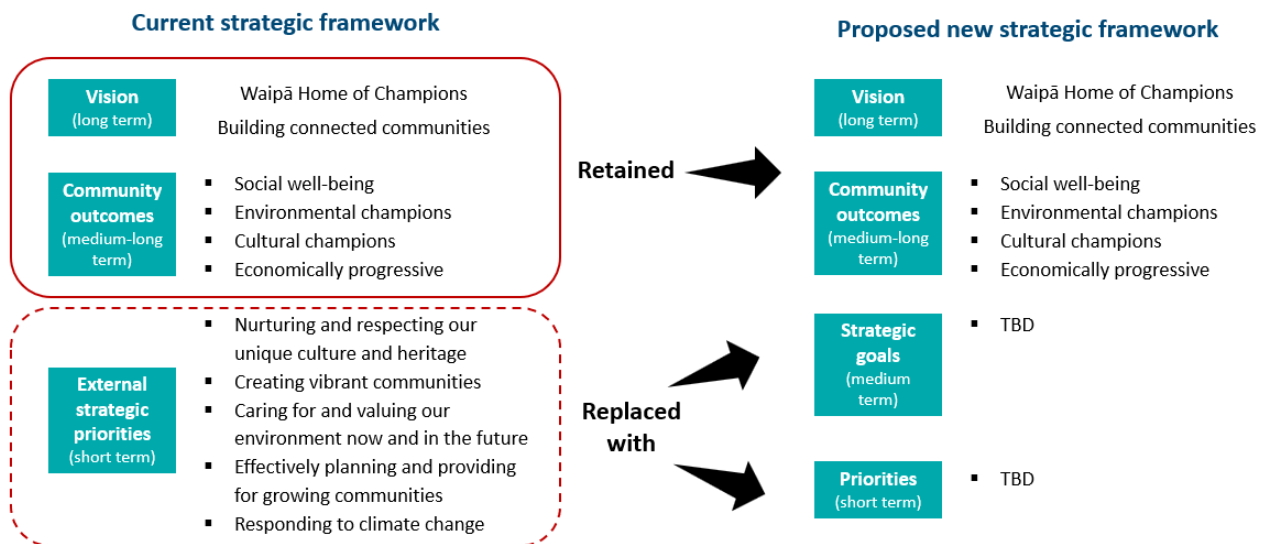
Bringing it all together

- As outlined in the covering memo, Elected Members will consider the themes that came through the two-day off-site induction session, overlaid with the operating environment and Cr Montgomerie's priorities to land on:
 1. Medium-term **strategic goals** for the duration of the LTP (10 years)
 2. Short-term **priorities** for the triennium (three years)

ATTACHMENT 5: STRATEGIC WORKSHOP PACK



- The resulting strategic framework for Council will be:



5. What we've heard from the community

- Council engages with the community in various ways on various topics, projects and activities.
- It is important we harness the feedback we've had to date from the community – demonstrating that we genuinely listen and consider what they have told us across ongoing engagement with Council.
- Elected Members also have a good understanding of what their communities want Council to focus on, particularly through the 2025 election campaign.
- During the two-day off-site induction session, key themes came through from Elected Members about what is important to their communities:

ATTACHMENT 5: STRATEGIC WORKSHOP PACK

- Concerns around **fairness** across the district
- Deepening **affordability** stress
- Expectations for clearer **communication**
- Desire for stronger **relationship-based governance**, particularly with mana whenua
- To ensure what the community has told Council over the last two years is taken into consideration in shaping new strategic goals and priorities, an overview of community engagement activity across 2024/25 has been prepared and can be found at **Appendix B**.
- Relevant key themes have been pulled together from across these engagements to support Elected Members' discussions as they consider their new strategic goals and priorities.
- Over the past two years, the community has told us:
 - 🗣️ **To keep it affordable:** rising costs and affordability are a major concern; services and fees must be fair and provide value.
 - 🗣️ **Trust and transparency matter:** evidence-based decisions, open engagement and responsible financial management are expected.
 - 🗣️ **Safe and inclusiveness public spaces are valued:** strong support for accessible, safe, inclusive and well-maintained parks, reserves and recreational facilities.
 - 🗣️ **Respect the environment and culture:** care for waterways, biodiversity, rural character and Māori cultural values is a priority.
 - 🗣️ **Plan carefully for growth and infrastructure:** growth, housing and transport must be well-planned, timely and maintain character.

Ahu Ake – Waipā Community Spatial Plan

- Extensive engagement was undertaken with partners, stakeholders and the community through the development of Ahu Ake – Waipā Community Spatial Plan, which is included in the community engagement summary.
- Ahu Ake aligns with Council's current community outcomes and continues to be a guiding document for Council's work and decision making. Through the LTP process, business cases will need to demonstrate alignment to Council's new strategic priorities and to Ahu Ake.

6. Appendix

- A) Environmental Scan (ECM 11531522)
- B) Community Engagement Summary (ECM 11590045)

ENVIRONMENTAL SCAN

2027-37 LONG TERM PLAN

October 2025

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APPENDIX A: ENVIRONMENTAL SCAN

PART 1 - PURPOSE

1.1 Purpose of the Environmental Scan

Waipā District Council (Council) is preparing its 2027-37 Long Term Plan (LTP). This Environmental Scan has been developed to inform that process by highlighting the key issues, trends, and changes likely to shape our district over the next decade.

By looking ahead, it helps ensure the decisions we make through this LTP remain relevant and sustainable into the future.

As one of the first steps in the planning cycle, the Environmental Scan provides a shared starting point. It supports well-informed, future-focused decisions about services, infrastructure, and investment, and underpins the development of Council's assumptions and wider strategic framework.

1.2 Introduction

This document highlights key trends at a global, national, regional, and district level, and considers the implications for Council. Analysis is guided by the PESTLE framework (Political, Economic, Social, Technological, Legal, Environmental) to focus on the most relevant factors that are likely to influence the LTP.

This scan was prepared by Council staff, drawing on data, subject matter expertise, and feedback received from our community through the 2024/25 residents' survey and Ahu Ake – Waipā Community Spatial Plan.

EXECUTIVE SUMMARY

APPENDIX A: ENVIRONMENTAL SCAN

PART 2 - EXECUTIVE SUMMARY

The environmental scan shows that Waipā District is changing quickly, creating both opportunities and challenges as Council prepares the 2027-37 LTP. The district is growing, communities are shifting, and external pressures are shaping what Council can deliver and how. This summary highlights the key themes and findings from the scan.

Rapid and uncertain growth

Waipā District is experiencing growth beyond previous projections, particularly in Cambridge and Te Awamutu. Migration is now the primary driver of growth, but it is volatile and largely outside Council's control. This creates planning uncertainty and increases the risk of over or under investment in infrastructure and services.

Demographic shifts

The district's population is ageing, especially within the New Zealand European ethnic group while Māori communities remain younger and are growing faster. This dual trend means Council must plan for smaller, more accessible housing and services for older residents, while also meeting the needs and aspirations of tamariki (children) and rangatahi (young people).

Financial pressures and affordability

Affordability is a major concern for households and a key driver of trust in Council. Record-high rates increases, rising interest costs, and inflation have constrained Council's ability to deliver on all community expectations. Careful prioritisation, clear communication, and exploring alternative funding models will be critical to maintaining financial sustainability.

Central government direction

As a Tier 1 local authority, Waipā is required to enable housing intensification under the National Policy Statement on Urban Development. Ongoing government reforms and potential new funding tools present both opportunities and challenges for Council and will need to be closely monitored.

Resilience and risk

Waipā is exposed to significant natural hazards, with a high probability of a major disruptive event occurring within the next 50 years. Climate change, global instability, and supply chain risks add further uncertainty. Building resilience into infrastructure, finances, and community preparedness is essential.

EXECUTIVE SUMMARY

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Community expectations

Community sentiment reflects a desire for greater transparency, accountability, and clarity in decision-making. Expectations around Council delivery remain high, with communities often seeking improved services and outcomes within constrained budgets (wanting more for less). Strengthening engagement and clearly demonstrating how feedback shapes outcomes will be key to maintaining trust and legitimacy over time.

Strengthening partnerships with mana whenua

Council is embedding a more genuine and enduring partnership approach with mana whenua and iwi, supported by the Māori ward until the 2028 triennium and the appointment of a Kaihautū. These partnerships provide an opportunity to co-design solutions and embed Te Ao Māori across Council's work.

PART 3 - SETTING THE SCENE: THE GLOBAL CONTEXT

3.1 Global economic uncertainty

Latest OECD Economic Outlook, June 2025¹ summary points

- Global GDP growth is projected to slow, dropping from 3.3% in 2024 to 2.9% in both 2025 and 2026 amid escalating trade tensions and policy uncertainty.
- The United States (US) is under pressure with the Federal Reserve Bank struggling to balance inflation, a cooling labour market and increasing trade tensions with China. Growth is tapering to ~1.5–1.6%, weighed down by tariffs and weakened investment outlook.
- US Headline inflation is expected to peak near 3.9% in late 2025 before easing.
- Russia's war against Ukraine has weakened global investment and growth, driving higher energy prices, undermining business confidence, and prompting large-scale increases in defence spending, particularly across Europe.

What's happening

After several years of major shocks, including the COVID-19 pandemic, conflicts like the wars in Ukraine and the Middle East, and ongoing trade disputes, the global economy remains fragile. While economic growth is expected to pick up somewhat by 2027, it will likely stay below its historical average throughout the late 2020s¹. Trade barriers and geopolitical tensions are making supply chains less reliable and increasing costs for imported goods and services. At the same time, countries are facing challenges in creating jobs, reducing poverty, and attracting investment.

Political unrest in China, combined with escalating strategic competition in the Pacific, is adding to instability in the Asia-Pacific region. New Zealand's business leaders are increasingly aware of these dynamics. The 2025 Mood of the Boardroom survey found that 78% of chief executives now integrate geopolitics into their board-level risk frameworks, with specific concern about reliance on China and merging vulnerabilities in the Pacific². For New Zealand, this creates heightened vulnerability given our deep trade links with China and our geographic reliance on stable Pacific networks.

Alongside these pressures, there is a rising global debate about the sustainability of the current economic model, with public surveys showing declining confidence in its ability to deliver on

¹ OECD. (2025). [OECD Economic Outlook, Volume 2025 Issue 1: Tackling Uncertainty, Reviving Growth](#) (No. 117). OECD Publishing.

² McCready, T. (2025). [Mood of the Boardroom: Leaders warn global instability hitting business](#). NZ Herald.

SETTING THE SCENE: THE GLOBAL CONTEXT

APPENDIX A: ENVIRONMENTAL SCAN

people's needs³. This global uncertainty has implications for New Zealand's economy and local planning.

What this means

- There is widespread uncertainty in the global economic outlook, particularly over the short and medium term, which may affect the reliability of revenue forecasts and demand projections.
- Trade tensions and supply chain disruptions could continue to drive higher import costs and inflationary pressures, affecting local infrastructure and service delivery costs.
- Weaker global investment trends may limit the flow of foreign capital, technology, and skills, which could slow domestic productivity growth.
- Geopolitical risks (Ukraine, Middle East, Taiwan Strait) are creating volatility in energy markets.¹ Ongoing high energy prices may influence household spending, business viability, and local emissions reductions strategies.
- Rising risks around political stability in China could disrupt New Zealand's largest export market, adding another layer of uncertainty for business and government planning.
- Local leaders acknowledge that ripple effects from geopolitical instability are raising costs for businesses and consumers. Heavy exposure to China is recognised as a strategic vulnerability, prompting diversification strategies.
- Declining public confidence in traditional economic approaches and rising interest in alternative models may shape public expectations of government and councils. Communities may look for policies and investment decisions that prioritise longer-term resilience over short-term growth.

How we could respond

While global economic conditions are beyond Council's control, we can consider how best to respond locally. This environmental scan highlights areas where Council may be able to influence outcomes and areas where we may need to adapt. Possible options include:

- Managing financial risk by reviewing assumptions and building contingencies into budgets to account for uncertainty in growth and inflation forecasts.
- Factoring higher construction and operating costs into infrastructure planning and project prioritisation.
- Supporting local resilience by encouraging stronger local supply chains and partnerships.
- Recognising that global pressures (energy prices, inflation) flow through to households, resulting in an increase in demand for support services or for Council to consider a budget based on austerity.

³ Rubin, A. (2025). [Americans given capitalism its lowest ever rating in new Gallup survey](#). Axios.

SETTING THE SCENE: THE GLOBAL CONTEXT

APPENDIX A: ENVIRONMENTAL SCAN

- Engage with emerging economic frameworks such as the well-being economy and circular economy. Position Council initiatives (e.g. infrastructure, supply chains, emissions reduction strategies) in ways that respond to these shifts.
- Embedding geopolitical risk monitoring into Council's financial and infrastructure planning assumptions and broader risk frameworks.

3.2 Climate challenges

Summary points

- Warming is accelerating. 2024 was the hottest year on record, with global average surface temperatures estimated at 1.6 °C above pre-industrial levels, surpassing the 1.5 °C Paris Agreement limit. The pace of warming has also increased, from approximately 0.06 °C per decade since 1850, to more than 0.20 °C per decade since the 1980s.
- Ecosystems are under strain from climate change as biodiversity loss accelerates and many habitats struggle to adapt to rising temperatures, for example more than half of the world's coral reefs have already experienced severe bleaching events.
- In New Zealand, the Auckland Anniversary floods, and Cyclone Gabrielle (2023) caused insured losses of over \$3.5 billion, highlighting the vulnerability of infrastructure, communities, and supply chains.
- Insurance retreat is emerging as a major global issue, with some coastal or flood-prone properties becoming difficult or impossible to insure.

What's happening

Climate change continues to be one of the most significant global challenges of our time. International commitments under the Paris Agreement aim to limit warming, but the pace of real emissions reduction remains out of step with pledges. Some countries are reducing ambitions due to political pressure or to prioritise short-term economic outcomes.

Meanwhile, the physical impacts of climate change are accelerating. Severe weather events are damaging infrastructure, disrupting supply chains, and displacing communities at an increasing scale. Ecosystems are also being placed under extreme stress. This creates growing pressure on governments, insurers, and local authorities tasked with managing recovery and resilience, with costs ultimately borne by individuals and communities.

Global migration patterns are also shifting as climate impacts make some regions less stable/habitable. This may create increased movement of people within and across borders, with potential flow-on effects for New Zealand's economy, demographics, and social cohesion.

At the same time, technological, financial, and policy shifts associated with the low-carbon transition are reshaping economies. Organisations are increasingly expected to measure and

SETTING THE SCENE: THE GLOBAL CONTEXT

APPENDIX A: ENVIRONMENTAL SCAN

disclose emissions, develop credible reduction plans, and adapt to evolving regulations and investor expectations.

What this means

- Physical climate risks (e.g., flooding, drought, extreme weather/storms) could increase the cost of maintaining and protecting our local infrastructure and services.
- Rising insurance costs and reduced insurability of some assets could affect households, businesses, and Council budgets.
- If New Zealand's national climate policies weaken, there is a risk of misalignment with international markets, potentially reducing trade competitiveness and economic activity within the district.
- The transition to a low-emissions economy presents both risks (higher compliance costs, stranded assets) and opportunities (new industries, innovation, and green investment).
- Generally, local communities may face increasing social and economic pressures as climate impacts affect stability, livelihoods, wellbeing, and affordability.

How we could respond

- Ensure the Council's Climate Change Strategy and Risk Assessments are regularly updated to reflect changing global and national policy settings, as well as observed impacts.
- Increase investment in resilient infrastructure and adaptation planning for communities, focusing on reducing exposure to extreme weather impacts.
- Integrate and more rigorously test assumptions about energy costs, insurance pressures, and climate risks within Council planning and infrastructure decisions, to help reduce downstream impacts on households and businesses.
- Build stronger partnerships with mana whenua and iwi, community groups, and central government to coordinate climate responses and share resources.
- Enhance preparedness to respond to and recover from more frequent and severe weather and emergency events, through our Civil Defence Emergency management (CDEM) activity and participation in Western Waikato preparedness and recovery planning.

3.3 Rapid technological transformation

Summary points

- In 2024, 75% of workers reported using generative AI⁴ – a number that's likely grown since.

⁴ Microsoft & LinkedIn. (2024). [2024 Work Trend Index Annual Report.](#)

SETTING THE SCENE: THE GLOBAL CONTEXT

APPENDIX A: ENVIRONMENTAL SCAN

- Artificial Intelligence (AI) could add around \$13 trillion to the global economy by 2030, raising GDP by about 1.2% per year⁵.
- 72% of cybersecurity leaders report an increase in organisational cyber risks, with ransomware remaining a top concern⁶.
- The COVID-19 pandemic prompted many businesses to adopt or enhance their digital tools, making remote working and digital service delivery far more normalised⁷.

What's happening

Rapid technological transformation is fundamentally changing how businesses, governments, and communities operate. AI, automation, and connected devices are improving efficiency but also creating new risks, including cyber-attacks, digital inequality, and job displacement in certain sectors. Emerging technologies are also driving demand for new skills, reshaping the workforce, and creating opportunities for smarter infrastructure and service delivery.

What this means

- Council services, systems, and data are increasingly exposed to cyber security threats, requiring stronger protection and resilience measures.
- Technology adoption may widen the gap for those without digital access or skills, impacting equity and inclusion in service delivery.
- Automation and AI could improve efficiency in Council operations but may also require upskilling staff and updating processes.
- Rapid tech changes may increase demand for digital infrastructure, connectivity, and smart solutions across the district.

How we could respond

- Ensure Council strategies and digital plans are aligned and support current and future technology changes.
- Invest in cyber security, data protection and staff training to safeguard Council systems and community data.
- Assess Council's role in digital inclusion initiatives to support equitable access to services and information.
- Explore and implement opportunities to enhance Council systems and processes using data-driven decision making and automation (including AI), with the goal of improving operational efficiency and service delivery for both staff and the community.

⁵ Bughin, J., Seong, J., Manyika, J., Chui M., & Joshi, R. (2018). [Notes from the AI frontier: Modeling the impact of AI on the world economy](#). McKinsey Global Institute.

⁶ World Economic Forum. (2025). [Global Security Outlook 2025](#).

⁷ Calvino, F., Criscuolo, C., & Ughi, A. (2024). [Digital adoption during COVID-19: Cross-country evidence from microdata](#) (OECD Science, Technology, and Industry Working Papers, No.2024/03). OECD Publishing.

PART 4 - THE NATIONAL CONTEXT

4.1 Economic outlook

Latest Infometrics Quarterly Monitor⁸ summary points:

- Continued slow economic turnaround with different parts of the country moving at different paces. Strongest growth in Southland and Central Otago.
- Underlying economic activity has picked up in the June quarter over the previous period but average annual growth is slow to change – down 0.8% over the 12 months to June 2025 which is an improvement from the 1.1% decline over the 12 months to March 2025.
- Low construction, manufacturing and professional services activity having the biggest impact.
- Primary sector returns remain strong.
- Unemployment rate worsening impacting household spending.

Westpac Economic Overview summary points⁹:

- Growth in 2025 projected at 2.5% and is expected to rise to 3.1% in 2026 with low interest rates and strong export returns fuelling growth.
- Uncertainties with trade war, ongoing cost of living pressures and slow passing through of OCR cuts into household budgets, impacting activity. October cut to 2.5% is likely to be followed by a further 0.5% cut by mid-July 2026.
- Government's tight control on spending means spending from this sector is unlikely to be a driver for growth.
- Inflation is likely to remain for the remainder of 2025 but ease into 2026.

What's happening

Economic recovery remains slow and has been labelled as occurring at a 'bitsy' pace. The Reserve Bank of New Zealand's reduction of the OCR to 2.5% in October is expected to provide a sizeable boost to household disposable income over the next 6 to 12 months. The Government's new Investment Boost scheme, which allows accelerated depreciation on new business assets, should lift GDP over time.

Fonterra's announcement of the sale of their consumer business to French dairy giant Lactalis (pending shareholder approval) is expected to return a massive \$3.2b into the national economy, providing a huge spending boost.

⁸ Infometrics Ltd. (2025). [Waipā District: Quarterly Economic Monitor](#).

⁹ Westpac New Zealand Economics. (2025). [Economic Overview – Are we there yet?](#)

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Meanwhile, the risk of a full-scale trade war eased for a time in September, but the US has escalated tension again with the announcement that it is considering a further 100% trade tariff against China. Some industry sectors, for example, primary industries, food and beverage exporters, tourism, renewables and aquaculture have benefitted from the higher tariffs imposed on other countries by the US and are seeing export growth into new markets as a result.

Forecasts for oil prices through to mid-2026 indicate a decline to around \$50-\$60 USD/barrel driven by oversupply risks, weak demand recovery (especially in Asia) and geopolitical uncertainty.

What this means

- Strength in commodity export prices (including dairy) is boosting incomes especially in rural regions.
- Investment following the introduction of the new Investment Boost scheme is likely to be led by sectors with links to agriculture especially running on the back of strong export prices.
- Inflation will remain high for 2025 but then recede into 2026 but still remain higher than historical averages.
- The 'lag effect' from the lowering of the OCR rate means that residential construction figures will remain flat for some time before picking up.

How we could respond

- Manage financial risk by reviewing assumptions and key risks regularly.
- Factor higher capital and operational costs into project planning especially fuel, energy and construction costs.
- Strengthen relationships with mana whenua and iwi; and key stakeholders with a view towards opportunities to maximise shared service delivery.
- Support sustainability and growth of the local economy through social procurement.

4.2 Central Government policy and reform*Summary points***Planning system**

- The Government will replace the existing Resource Management Act (RMA) with two new acts, the Planning Act and the Natural Environment Act. The proposals will require regional spatial plans and streamline land use regulation.
- Fast track consenting will remain an available avenue for delivering housing and infrastructure seen as required to support population growth.

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Finance and governance

- Changes to the Local Government Act 2002 will see a new fiscal responsibility framework requiring Council to align expenditure with inflation and population growth.
- Benchmarks are to be set for income, expenditure and debt. Government will have the power to intervene. Council is required to focus on infrastructure and core services, with strengthened accountability and expanded performance reporting.

Infrastructure and service delivery

- The Infrastructure Funding and Financing Act 2020 will be amended to facilitate private and joint funding and financing of infrastructure.
- The current development contributions model used by Council for funding infrastructure will be replaced with a development levy system.

Three waters

Under the Government's 'Local Water Done Well' reforms, a Council Controlled Organisation (CCO) called Waikato Water Ltd has been established. Council's water service assets are scheduled to transfer to the CCO on 1 July 2026. It will be responsible for water supply and reticulation as well as wastewater reticulation and treatment and disposal. Stormwater will remain a Council responsibility; however, we are currently looking to contract to Waikato Waters Ltd (WWL) to deliver stormwater services on Council's behalf.

Emergency management

A new Emergency Management Bill is in development. Its purpose is to clarify local and regional roles and responsibilities, expand lifeline utilities to include digital services and waste management, and introduce a greater level of professionalism in the sector, including requirements for training and capability development. The bill is expected to be introduced in 2026.

Climate change

- A climate adaptation framework is being developed by Government to define roles and responsibilities for managing climate change effects at a Council level. It will also propose cost sharing frameworks and improved climate risk information sharing.
- Emissions reduction commitments are focused on technology led solutions and sector-based policies. Reduction targets remain on track.

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What's happening

The rate of Central Government legislative and policy change that impacts local government, continues at pace. Under the National Policy Statement on Urban Development the Council is required to ensure sufficient housing and business development capacity (land) to meet 30 years of projected demand. As a high growth council, we are also required to provide for a medium density level of infill and greenfield residential development across all our residential zoned land in the district under a 2021 amendment to the RMA.

The development of a regional spatial plan to guide strategic infrastructure planning and development will likely be an evolution of the current Future Proof model of coordinating and collaborating with neighbouring councils for sub-regional and regional level planning and infrastructure development.

The proposed changes to the role and responsibilities of the Council are still to be fully finalised but are likely to be significant in the removal of the provision of water services from Council and the establishment of a CCO.

There will be changes in the way infrastructure that is required to support urban development is funded and provided as well as how the Council's finances and debt are managed and accounted for.

What this means

- While there is always a good measure of uncertainty about the future, there is also a good measure of probability that much of the Council work and planning being done currently will continue to happen in the future regardless of changes in Central Government policy.
- A key challenge for Council is responding to population growth, changing community expectations, and evolving technology.
- The ongoing growth and slowdown cycles in the national economy also play a significant role in driving the pace of response required of Council to changes happening at a community level and in the rate of urban development.

How we could respond

Ongoing strategic planning for the long-term future provides the Council with the best preparedness for managing changes imposed by Central Government legislation and policy in the future. Strategic planning equips and enables the Council to front-foot the challenges of change rather than simply be caught in the backwash of response. Strategic planning will also enable the Council to improve its readiness and resilience.

PART 5 - REGIONAL AND LOCAL CONTEXT

5.1 Waikato regional overview

5.1.1 Economic context

Summary points

- Waikato is a large, diverse, and still-growing regional economy, anchored in agriculture and food processing, with significant manufacturing, construction, and visitor sectors¹⁰.
- Population and visitor growth have driven demand for services and construction, though recent GDP data show softness in some quarters, highlighting workforce, infrastructure, and Māori partnership as priority areas¹⁰.
- Unemployment rates have been slightly higher compared with national averages (4.7% in the Waikato compared to 4.0% nationally¹⁰) and the labour market is tight in many local sectors.
- Tourism spend is up with domestic visitors driving the majority of spend¹⁰.
- Waikato holds a substantial share of Māori assets, second only to Tāmaki Makaurau (Auckland)¹¹, with around 40% concentrated in primary sectors (dairy, sheep/beef, and forestry).
- The Māori asset base grew from NZ \$69 billion in 2018 to NZ \$126 billion in 2023, with contributions to GDP rising to around \$30-32 billion (8.4-8.9%)¹¹.

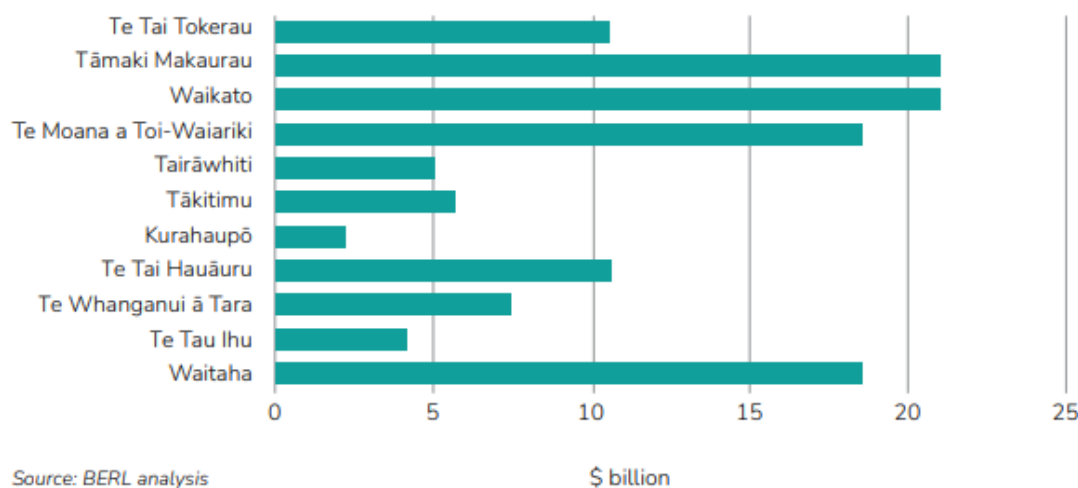


Figure 1: Māori asset base by rohe, 2023¹¹

¹⁰ Infometrics. (2024). [Regional Economic Profile – Waikato Region](#).

¹¹ Ministry of Business, Innovation and Employment. (2025). [Te Ōhanga Māori 2023: The Māori economy 2023 report](#). Business and Economic Research Limited.

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Treaty settlements in the Waikato region

Iwi in the Waikato region have received Treaty settlements which provide redress in the form of financial, commercial, and cultural assets, contributing to the regional Māori economy. Settlements in the Waikato region are detailed in the table below.

Iwi / Hapū	Settlement Date	Legislation
Waikato-Tainui Raupatu	22 May 1995	<i>Waikato Raupatu Claims Settlement Act 1995</i>
Raukawa	2 June 2012	<i>Raukawa Claims Settlement Act 2014</i>
Ngāti Hauā	18 July 2013; 29 March 2025	<i>Ngāti Hauā Claims Settlement Act 2014</i>
Maniapoto	11 Nov 2021	<i>Maniapoto Claims Settlement Act 2022</i>
Ngāti Koroki Kahukura	20 December 2012	<i>Ngāti Koroki Kahukura Claims Settlement Act 2014</i>
Waikato and Waipā rivers co-management (Maniapoto, Raukawa, Te Arawa River iwi, Waikato-Tainui, Ngāti Tūwharetoa)	Various dates	<i>Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010; Ngāti Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010; Nga Wai o Maniapoto (Waipa River) Act 2012</i>

What's happening

Waikato benefits from high-profile experiences, including Hamilton Gardens and Hobbiton, and attracts significant day-trip tourism from Auckland and Hamilton. With the return of trans-Tasman flights through Hamilton Airport, international tourism is recovering momentum. Visitor behaviour trends toward higher spend but shorter stays, suggesting a focus on premium experiences such as day trips, short breaks, and food- and nature-based tourism¹².

The Māori economy is a substantive and rapidly growing part of Aotearoa's economy, bringing capital, business ventures, employment, and investment to the Waikato region. Dairy, sheep/beef, horticulture, and on-farm processing remain the backbone of the regional economy. High dairy payouts, favourable export conditions, and domestic demand support the sector, while tourism is rebounding, with visitors spending more per visit but staying shorter periods¹⁰.

Construction and infrastructure are experiencing lag effects from recent Central Government funding announcements (e.g., Cambridge–Piarere, Southern Links), meaning the benefits for supporting industries will take time to materialise. Skills gaps are evident in growth sectors such

¹² Hamilton & Waikato Tourism. (2023). [New figures show Waikato remains a top performer for visitor spend.](#)

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as agritech, trades, transport, healthcare, and education, with some employers needing to import labour to meet demand¹⁰.

What this means

- The Māori economy brings capital, business ventures, employment and investment to the region. Forging constructive relationships with Māori businesses, collectives, trusts, and landowners will leverage that for local growth.
- Filled-jobs figures in Waipa are high with vacancies existing in trades, construction, hospitality, agritech and healthcare. Employers (including Council) face recruitment and retention challenges. Apprenticeship and training pipelines are essential.
- Growth sector industries (as above) are experiencing labour shortages as well as skills gaps within the available labour pool. Some industry sectors are importing labour to meet demand.

How we could respond

- Support the rapidly growing Māori economy recognising its importance to the local community and economy. Leverage the opportunities available with our JMA partners to actively explore diversified opportunities for co-investment in infrastructure projects that benefit the wider community through infrastructure provision, improved employment opportunities and developing a more highly skilled workforce.
- Work with central and local government, industry (especially growth sectors), iwi and tertiary providers to design apprenticeships, cadetships and return-to-work packages targeted at shortage occupations.
- Work with other Waikato councils and Central Government agencies and continue to lobby Central Government for both funding support, and opening alternative methods of funding, for large scale infrastructure in the region necessary to meet growth demands.
- Continue supporting a quality events programme that focuses on delivery of high-quality opportunities designed to meet visitor demand for premium one day or weekend experiences.

5.1.2 Emerging technological trends*Summary points from Company-X's presentation to Council¹³*

- Multimodal AI is emerging, enabling machines to see, hear, interpret, act in context, and predict future events.
- Extended reality simulations are developing as safe, sustainable, and cost-efficient training and design tools.

¹³ Hallett, D. (2025, 27 August). [Company-X](#) [Presentation]. Waipā District Council, Te Awamutu, New Zealand.

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- Waikato's tech sector generates \$1.3 billion annually, with 11.2% annual growth and a 7.6% national market share.
- AI, particularly multimodal AI, is expected to disrupt low-skilled jobs.

What's happening

Technological innovation is accelerating, with multimodal AI and extended reality simulations moving quickly from research into real-world use. Multimodal AI can combine multiple data source, such as video, sound, text, and sensor data, to provide powerful insights and predictive capabilities¹³. This is already being trialled in sectors like agriculture, logistics, and manufacturing, which are central to the Waikato economy. At the same time, extended reality tools are creating new opportunities for safe, sustainable, and cost-effective training and simulations across industries. Locally, the Waikato technology sector is growing strongly, contributing significantly to the regional economy. However, this rapid change is also expected to disrupt lower-skilled jobs.

What this means

- Automation and AI are likely to reshape Waipā's workforce, with potential job displacement for lower-skilled roles¹³.
- Local industries such as farming, logistics, and manufacturing could be early adopters of multimodal AI, increasing productivity but also requiring reskilling of the workforce.
- The growth of the Waikato tech sector presents an opportunity for Waipā to position itself as a hub for innovation, collaboration, and digital upskilling.
- Extended reality and AI technologies could provide Council itself with tools for asset management, training, community engagement, and scenario planning.

How we could respond

- Assess Council's role in technology adoption and partner with local education providers, iwi, and industry to support reskilling and digital literacy programmes to prepare the workforce for disruption.
- Explore the value of AI technologies within Council operations (e.g. infrastructure inspections, VR/AR community engagement) and align investment to maximise operational benefit.
- Continue to support networks and events like Waipā Tech Meetup to encourage collaboration and showcase education and business opportunities in the Waipā District tech sector.
- Work with regional partners to attract investment and align infrastructure planning to support the growth of the tech sector.
- Monitor the social impacts of automation, particularly on vulnerable groups.

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5.1.3 Retirement living

Summary points from Future Proof's retirement living market analysis¹⁴

- Within the Future Proof region (Waikato District, Hamilton City, Matamata-Piako, and Waipā), there are currently 37 retirement villages, comprising of approximately 1,400 apartments and 3,290 villas.
- According to Eldernet, there are 48 retirement villages across the wider Waikato Region¹⁵, indicating that the majority are located within the Future Proof sub region.
- Nationally, Eldernet data suggests there are around 485 retirement villages across New Zealand¹⁶, with the greatest concentration in major urban centres – particularly Auckland, which has 109 villages¹⁷.
- The population aged 65+ in the region is projected to grow from 60,530 in 2025 to 101,210 by 2048, a 67% increase.
- Under medium-growth scenarios, the region will need about 0.8-1.6 new retirement villages per year over the next 25 years.

What's happening

The demand for retirement living options in the Future Proof sub-region is growing rapidly as the population ages. While Hamilton and Waipā currently have the majority of retirement villages, other areas such as Waikato District and Matamata-Piako are already experiencing a notable undersupply. This uneven distribution means that many older residents have limited local options and may be forced to move away from their communities. To keep pace with demand, the region will need the equivalent of at least one new retirement village every year for the next 25 years, highlighting the urgency for coordinated planning and land use decisions.

What this means

Waipā is currently projected to have sufficient capacity to meet retirement living demand, but people seeking retirement village options are not bound by district boundaries. This means that Waipā could attract residents from neighbouring areas where supply is tighter, creating additional pressure on our local housing market and services.

- Council and developers face mounting pressure to accurately plan for and respond to future land and infrastructure needs to meet growing retirement living demand.
- Under-planned or delayed provision risks limited housing choice for older adults, potentially pushing developments to less suitable, more rural locations.

¹⁴ Foy, R., & Foy, D. (2025). [Retirement living market analysis \(Final report\)](#). Waikato Regional Council and Future Proof Partnership. Formative Limited.

¹⁵ Eldernet. (2025). [Retirement Villages Waikato](#).

¹⁶ Eldernet. (2025). [Retirement Villages](#).

¹⁷ Eldernet. (2025). [Retirement Villages Auckland](#).

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- Ensuring equitable access, particularly outside major urban centres, should be a priority in regional planning to avoid geographic and social disparities.

How we could respond

- Monitoring regional demand trends and migration patterns into Waipā.
- Engaging with retirement village developers early to ensure proposals align with infrastructure capacity and growth strategies.
- Ensure that the Council's strategic growth planning considers and adequately provides a sufficient land supply in appropriate locations for this form of housing demand.
- Positioning Waipā as an attractive retirement destination while balancing housing needs across all age groups.
- Partnering with iwi, neighbouring councils, and community providers to coordinate retirement living supply at a regional level.
- Ensuring retirement village developments contribute positively to community wellbeing, not just housing provision.

5.1.4 Future Proof and spatial planning*Summary points*

- Future Proof is a collaborative sub-regional partnership between Waipā District Council, together with Waikato District Council, Hamilton City Council, Matamata-Piako District Council, Waikato Regional Council, Iwi and Central Government agencies.
- The purpose of Future Proof is to set out how the sub-region successfully plans and develops an agreed settlement pattern in a cross-boundary manner.
- The work of Future Proof transcends territorial boundaries to plan for shared infrastructure.
- Future Proof also commissions several useful 'evidence' studies for the partner councils such as the recent study of retirement living.

What's happening

With Central Government's proposal to introduce mandatory regional spatial plans through the new planning system, it is likely that the work of Future Proof will either remain as a subset of regional spatial planning or that it may be subsumed into a more regional spatial planning system.

This change is likely to take some time to bed in and in the short term the current operation of Future Proof is set to continue.

From a Waipā perspective, the work on the North Waipā - South Hamilton Spatial Study, the development of the Southern Wastewater Treatment Plant, the development of the Hamilton Southern Links Road arterial and the possible transfer of land in the North Waipā area to

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Hamilton City Council, are probably the mostly significant projects and areas of work currently underway.

What this means

Future Proof as it is currently organised and the work that it does is likely to change significantly in the future. This change is likely to take some years to come to pass, so for the short-term the current organisation and work of Future Proof is likely to continue unchanged.

How we could respond

No change is likely to be required by the Council in the short term. Once there is greater certainty about the timing of changes being implemented by Central Government, the Council along with the other Future Proof partners will need to strategise about how to best restructure, repurpose or replace the partnership.

5.1.5 Waikato progress indicators

The Waikato Progress Indicators | Tupuranga Waikato is an online dashboard of over 32 critical indicators of the region's economic, environmental, and social wellbeing, showing trends over more than a decade. The most recent report was published in June 2025. Together, these indicators provide an overview of the region's overall 'health' and the quality of life of its people and communities.

Summary points

- Mixed picture overall: 8 improving trends, 13 worsening, and 9 with no significant change (2007–2024)¹⁸.

Strongest positive trends:

- Safer roads with fewer serious crashes.
- Higher household incomes and growth in regional GDP.
- Reduction in greenhouse gas emissions.
- Improved perceptions of safety.

Strongest negative trends:

- Declining rates of physical activity.
- Lower perceptions of community engagement.
- Rising volumes of waste to landfill.

¹⁸ Waikato Regional Council. (2025). [Waikato progress indicators – Tupuranga Waikato](#).

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- Increased water use.
- Reduced perceptions of cultural respect.

What's happening

While some key measures show progress, like safer roads, stronger incomes, and lower emissions, there are growing pressures in social and environmental areas. Residents are less physically active, feel less engaged with their communities, and water use and landfill volumes are increasing. Cultural respect is perceived to be declining, highlighting challenges for social cohesion. Together, these trends suggest that while the region is performing well economically and environmentally, attention is needed on health, social connectedness, and sustainable resource use.

What this means

- The region's strong economy and improving environment are good news, but these gains could be weakened if people's wellbeing and community connections continue to fall.
- Fewer people being active and less community involvement could affect health, resilience, and community trust.
- More waste going to landfill and higher water use could put pressure on infrastructure, natural resources, and the environment.
- Lower levels of cultural respect could make it harder to build inclusive, connected communities.

How we could respond

- Support initiatives that promote active lifestyles and accessible recreation opportunities.
- Invest in projects and partnerships that help people connect with each other and their communities.
- Find ways to reduce waste and use water more efficiently at home and in the community.
- Continue to reduce emissions and promote sustainable transport, energy use, and climate-friendly initiatives.
- Partner with iwi, hapū, and cultural groups to strengthen cultural respect and promote inclusivity across the region.
- Be open and transparent in Council decision-making and communication to improve trust and show our communities how challenges are being addressed.

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5.1.6 Housing affordabilityWaikato Wellbeing Project summary points¹⁹

- Housing affordability in the Waikato region has declined sharply, with costs outpacing income growth.
- The median house price (\$740k) and median income (116,700) give a price-to-income ratio of 6.4:1, signalling significant stress.
- Housing is considered affordable when the rent is less than 30% of the household's income. Median rent consumes 22–25%, but low-income households spend 32–43%, placing many in housing stress.
- Over 34,000 Aucklanders moved to the Waikato region between 2018-2023, intensifying demand.
- Around 20,000 new homes were built, but there's still a shortfall of 8,000+ homes and 62,000 more needed by 2043.
- Without change, deposit saving times could stretch to over 20 years by 2035, locking many out of home ownership.

Infometrics housing affordability report summary points²⁰

- Estimated mortgage repayments for renting households would consume 67% of income, far above sustainable levels.
- Renting households earn 21-24% less than owner-occupiers, making rental and purchase affordability more challenging than overall averages suggest.
- Rental pressures vary regionally with the highest rents in Waipā and Pokeno-Mercer.
- Waipā renters would need 12.6 years to save a 20% deposit, compared with 9.7 years if using average household incomes.
- Waipā has some of the least affordable housing, with ratios up to 9.5x renter income in Cambridge and 7.3x in Te Awamutu.
- Around 33% of renting households in Waipā spend more than 25% of their income on rent.

What's happening

Waipā's housing market is placing increasing pressure on residents, particularly renters and first-home buyers. While incomes have grown, housing costs have risen much faster, creating longer deposit saving times and higher mortgage burdens. Rental affordability is uneven across the district, with significant proportions of households spending more than a quarter of their income on rent. Larger houses and higher-end properties dominate some areas, pushing average rents

¹⁹ Waikato Wellbeing Project. (2025). [Hiding in plain sight: The real cost of housing in Waikato.](#)

²⁰ Infometrics (2024). *Housing affordability – detailed affordability for Future Proof partner councils, the Waikato Housing Initiative, and Kāinga Ora.*

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higher and making it harder for lower-income households to find suitable, affordable options. Population growth and continued demand from incoming residents intensify these pressures, and without intervention, these trends are likely to worsen over the next decade.

What this means

- Many households, particularly renters and first home buyers, are likely to experience housing stress and struggle to enter the property market.
- High housing costs can reduce disposable income, limiting spending on essentials, services, and local businesses.
- Regional economic resilience may be affected if housing pressures constrain workforce mobility and retention.
- Inequities in housing access may increase, with lower-income groups, younger households, and renting families disproportionately affected.

How we could respond

- Facilitate the development of affordable housing through Council-led projects, incentives, or partnering with developers.
- Prioritise planning and zoning changes that allow for smaller, lower-cost dwellings in high-demand areas such as Cambridge and Te Awamutu.
- Monitor rental pressures locally, working with Kāinga Ora and community housing providers to identify and respond to high-stress areas.

5.2 Waipā District snapshot**5.2.1 Staff breakdown***Summary points (as of 5 September 2025)*

- 252 females (39 in leadership roles) and 157 males (37 in leadership roles).
- 21% of our workforce now call Waipā home having relocated to our district from overseas *Canada, China, UK, South Africa, Fiji, Tonga, France, Germany, India, Ireland, Korea, Netherlands, Latin America, Philippines, Pakistan, Russia, Slovakia and America.*
- The average length of service at Waipā is six years.
- 70% of our workforce live and work within the district.
- This also means 30% are travelling far and wide to choose Waipā as their place to work and make an impact... *Auckland, Hamilton, Kawhia, Mangakino, Morrinsville, Matamata, Ngāruawāhia, Ōtorohanga, Paeroa, Papakura, Putāruru, Raglan, Rotorua, Taupō, Te Kuiti, Thames, Tirau, Tokoroa, Waihi, Ohinewai.*

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What's happening

Recruitment challenges at Waipā are consistent with trends seen across other councils, with the most persistent difficulties in filling asset management, regulatory, and specialist administration roles. Over the past year, recruitment conditions have shifted in our favour, making it easier to source candidates and develop talent internally.

Staff engagement remains strong, with 85% indicating in our annual survey that they expect to stay at Waipā in their current role or next career move over the coming year.

National unemployment has risen slightly, from 3.6% in 2023 to 5.2% in 2025, and Waipā's turnover rate is decreasing (2023 – 18.9%, 2024 – 16.2%, 2025 – 10.5%).

Improvements such as the creation of an Employee Value Proposition, accreditation with Immigration NZ, and competency frameworks for junior staff have strengthened our ability to attract and retain talent. At the same time, internal change processes, including the transition of water supply and wastewater services to WWL on 1 July 2026 introduce uncertainty, creating the potential for staff to seek more secure opportunities and even compete with ourselves i.e. WWL. Workload, capacity, and staff wellbeing remain a top priority as Waipā navigates both internal pressures and external reforms and legislative changes.

What this means

- Recruitment challenges are easing, but specialist roles remain difficult to fill.
- Staff engagement and retention are improving, supported by a strong organisational culture and leadership.
- Staff value relationships, flexibility, and meaningful work, which strengthens loyalty but also raises expectations.
- Internal change (e.g. the transition to WWL) and sector reforms create uncertainty and potential competition for talent.
- Workload and wellbeing pressures continue, with the risk of burnout if not managed carefully.
- Rising unemployment nationally may give Council a stronger labour market position but also requires maintaining our competitive edge to retain high performers.

How we could respond

- Annually refresh and enhance our Employee Value Proposition to attract and retain key talent, ensuring alignment with employee feedback and insights from the annual survey.
- Build resilience during change by embedding effective change management, strategic communication, and upskilling initiatives that support staff through transitions.
- Conduct a whole-of-organisation Health and Safety audit to identify improvement areas and reinforce our commitment to wellbeing, work practices, workload and leadership.

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- Leadership reset with shared vision and expectations aligned to the Executive Leadership Team.
- Use Immigration NZ accreditation and global reach to attract diverse talent.
- Strengthen partnerships under the JMA, including with Waikato-Tainui, to introduce youth placements and programmes that highlight diverse career pathways in local government.

5.2.2 Strategic partnerships*Context and summary*

Mana whenua and iwi are fundamental partners in shaping the future for Waipā. As a Council, our name comes from whakapapa Māori (Māori origin) and as such, our degree of obligation to our name is significant. Iwi, hapū and marae have ancestral connections to the land, waterways, and communities that predate the Council's existence. They remain essential to sustainable decision-making. In particular, Te Ture Whaimana o Te Awa o Waikato — the Vision and Strategy for the Waikato and Waipā Rivers — provides a binding, higher-order planning document that all councils must give effect to under legislation. It establishes a shared responsibility to restore and protect the health and wellbeing of the river for future generations. Other legislative obligations also require Council to work with Post-Settlement Governance Entities (PSGEs) and mana whenua groupings within our district (e.g. under the RMA).

Waipā District Council maintains Joint Management Agreements (JMAs) with:

- Te Nehenehenui
- Maniapoto
- Raukawa
- Waikato-Tainui (Tainui)

Council also engages regularly with a wider network of mana whenua groups, including:

- Ngāti Apakura
- Ngāti Hauā
- Ngāti Hikairo
- Ngāti Koroki Kahukura
- Ngāti Māhanga
- Ngāti Paretekawa
- Ngāti Unu and Ngāti Kahu

These relationships are guided by mutual aspirations for the protection of cultural heritage, the exercise of kaitiakitanga, and shared participation in environmental, planning, and development decisions. Engagement through Ahu Ake – Waipā Community Spatial Plan has reinforced this authentic partnership approach.

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Council has also progressed Māori representation and leadership initiatives. Community consultation on a Māori Ward was held in April 2021 with 879 submissions over a four-week period; 84% supported a Māori Ward and 16% were against. Council initially established a Māori Ward for the 2022 elections. Following a 2025 binding poll, the community voted to remove Māori Wards, but Council will retain them for the 2025–28 term. The appointment of a Kaihautū – Director Strategic Māori Partnerships provides dedicated leadership to continue advancing strategic Māori partnerships.

Environmental drivers and trends

- **Post-settlement evolution:** Treaty settlements have shifted the Crown–iwi–local government relationship toward partnership and co-governance. Iwi entities now play a strategic role in regional development, housing, and environmental management.
- **Growing iwi economic influence:** Māori land trusts and iwi corporations are major landowners and investors in the Waipā–Waikato region, influencing spatial planning, housing, infrastructure, and natural resource management.
- **Legislative reforms:** Ongoing Resource Management Act (RMA) and resource management reforms, freshwater policy changes, and national direction on climate adaptation all increase the need for collaborative iwi–Council frameworks.
- **Cultural competency and capability:** Expectations are rising for councils to integrate Te Ao Māori perspectives into decision-making and service design. Internal capability and cultural literacy remain critical enabling factors.

Implications for Council

- **Partnership expectations:** Iwi will expect deeper and earlier engagement in Council planning, reflecting partnership rather than consultation.
- **Policy alignment:** Council policies and LTP assumptions must align with Te Ture Whaimana and iwi environmental management plans.
- **Resourcing:** Genuine partnership will require dedicated staff, budgets, and mechanisms for ongoing engagement (e.g. joint forums, cultural monitors, shared data).
- **Strategic opportunity:** Partnership with iwi offers opportunities for co-investment, shared infrastructure projects, and a more integrated approach to wellbeing and sustainability.

How Council could respond

- Strengthen and resource JMAs, related work programmes, and explore new partnership models with mana whenua.
- Embed Māori outcomes and partnership priorities from Ahu Ake – Waipā Community Spatial Plan into the LTP's strategic framework.
- Invest in Council-wide Te Ao Māori capability and Treaty responsiveness.

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- Develop a comprehensive Māori Engagement Strategic Plan and Framework.
- Co-develop key planning assumptions and wellbeing indicators with mana whenua.
- Continue to align planning and environmental management with Te Ture Whaimana and iwi spatial/environmental plans.
- Continue administration of Ngati Koroki Kahukura (Ngaa Pae Whenua) and Ngati Haua joint management bodies for five reserves as outline in individual Settlement Acts

5.2.3 Infrastructure and service challenges*Summary points*

- Growth continues to drive up asset base and operating costs (property, parks, public toilets, transport).
- Significant growth pressures in Cambridge are placing strain on the transport network, with congestion expected to worsen along key corridors connecting the CBD, local schools, employment areas, and routes to Hamilton.
- Cambridge Library facilities are under strain, with the quality of some services and overall satisfaction declining.
- The aspirational goal to increase the museum level of service (LOS), first signalled in the 2009 - 19 LTP, has not yet been achieved. However, \$65,000 in operational funding has been included in the 2025-34 LTP to continue exploring this project in partnership with mana whenua, iwi and key stakeholders.
- Delivering Ahu Ake – Waipā Community Spatial Plan aspirations will require major infrastructure and service investment over time.
- Central government investment is not keeping pace with growth (for example, a new primary school is urgently needed in Cambridge North), with gaps also in roading and health services.

What's happening

Renewals have been underfunded in consecutive LTPs including in the early years of the 2025-34 LTP. This creates a backlog of renewals that increases the risks of asset failure and service disruption. Council has worked hard to address planned and reactive maintenance to allow an asset to reach its full design life, while renewals have been carefully timed to stretch an asset life ("just in time" replacement). This approach has helped maximise value from existing assets but does test Council's risk appetite for critical asset failure. We have now reached a point where timely reinvestment is needed to avoid service disruption and support future growth.

Growth adds further strain due to there being more assets to operate and maintain and increasing service expectations. Aging bridges and large culverts will require significant maintenance to reach their expected lives, and large structures will incur costly one-off works in future years. Historic underfunding of Council properties has left some facilities in poor condition and uneconomic to renew. Heritage funding is also insufficient, leaving monuments, public art

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and interpretation assets below desired levels. Parks and reserves activities are under-resourced, limiting the ability to maintain them. While elected members have directed LOS should not increase, renewal projects and vested assets often introduce higher asset standards and service levels, driving “LOS creep” and raising community expectations. This has widened disparities, with older areas not seeing the same service levels as newer ones.

Higher legislative compliance standards have also led to increasing costs for example, the waste management and minimisation levy and traffic management processes.

Central government investment has not kept pace with growth. The Ministry of Education currently holds land for Cambridge North School but lacks funding to build the school, and the project is on hold indefinitely. This restricts residential growth in the northern growth cells (C2 and C3) of Cambridge, which have capacity for approximately 3,400 dwellings. Council has already spent \$7.2m to accelerate delivery of the school, highlighting the sunk cost borne by ratepayers. Additionally, gaps in local roads funding, health services, and other social infrastructure mean that Council often has to fill the gaps to support growth. Crown-owned land and Department of Conservation land in the district also contribute to foregone rates and development contributions, reducing the ability to fund these services locally.

What this means

- Higher risk of sudden asset failures.
- More service level reductions due to insufficient funding.
- Existing shortfalls in LOS remain unresolved.
- Upward creep in LOS:
 - Raises community expectations around LOS.
 - Increases maintenance and renewal costs.
 - Increases the strain on already limited budgets and resourcing levels.
 - Increases disparity between older and newer provisions.
- Achievement of the aspirational outcomes identified in Ahu Ake could be compromised.
- Rising dissatisfaction with Council services and decision making.
- Growth assets must be carefully timed to match actual demand. We need to ensure assets remain fit for purpose and avoid becoming stranded if growth slows or shifts. For example, building too early, before growth materialises can result in a stranded asset that sits underused, tying up capital investment.
- Council may need to continue funding infrastructure typically delivered by central government to support growth and community wellbeing.

How we could respond

- Prioritise asset renewal as planned through the 2025-34 LTP to clear our backlog, deferring non-renewal projects to maintain affordability.
- Fund asset maintenance and service levels to required levels.

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- Better account for growth impacts on operational needs or accept LOS reductions if funding is unavailable.
- Increase understanding and clarity of impacts on LOS of all projects and business as usual changes so that decisions are made with an understanding of how LOS will be affected thus preventing unintended LOS increases.
- Strengthen engagement with developers to ensure assets are vested at the intended LOS.
- Increase understanding of the LOS currently being provided, identify any unintended inconsistencies in provision, and plan and fund actions to reduce those inequalities.
- Consider targeted rates for higher LOS areas so that high maintenance and renewal costs are not incurred across the district on properties that do not benefit from the higher LOS.
- Consider Council property through a more strategic lens, shifting the focus from solely being an asset owner to include an investment manager perspective with consideration for financial returns and resilience.
- Review the museum LOS increase goal to confirm that the objectives and scope remain appropriate, in partnership with mana whenua, iwi and key stakeholders, including the Te Awamutu Museum Trust.
- Advocate to central government for investment in critical infrastructure such as schools, local roading, and health facilities and explore alternative financing options, including income sharing between local and central government.

5.2.4 Growth areas and development pressures

Council invests in the infrastructure necessary to support key urban residential and industrial growth cells, with the cost of this investment reimbursed through development contributions.

Summary points

- Waipā is experiencing population growth that exceeds previous high-scenario projections provided by Te Ngira - Institute of Population Research.
- Given Waipā's status as a Tier 1 local authority under the National Policy Statement on Urban Development, Central Government mandates requirements for enabling intense growth within the district.
- Key growth areas include Cambridge and Te Awamutu, with significant residential and industrial development plan-enabled through growth cell activation and funded through the LTP.
- Council's current model places disproportionate financial risk on Council due to reliance on future development contributions.

What's happening

Stats NZ population records for the district have consistently surpassed the high scenario projections from the 2018 population report, highlighting a rapid pace of growth. Stats NZ's 2024

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population estimate for Waipā is 61,400²¹, which already surpasses Te Ngira's revised high-growth projection of 60,449²² for the same year. In response to Central Government mandates, there is an increasing move towards higher-density and more diverse housing options within both growth areas and existing urban environments. Council has supported development within plan-defined areas, with the intention of recovering infrastructure costs through development contributions. Infrastructure development is coordinated closely with developers to ensure that the timing of works aligns with known demand and that revenue appropriately offsets expenditure.

What this means

- Council planning, infrastructure, and services are likely to be significantly impacted by rapid population growth, necessitating proactive and adaptive strategies.
- Underestimating growth could lead to infrastructure pressure and service overutilisation, while overestimating it could result in inefficient resource allocation and debt servicing issues.
- There is a need to align with the Central Government's mandates for urban development and housing density while maintaining community well-being.
- Growth is occurring both within defined growth cells and in rural areas, requiring flexible and responsive planning approaches with a firm stance on further investment to accommodate unanticipated growth.
- Timely delivery of infrastructure is critical to support rapid growth. Misalignment between infrastructure provision and actual demand could lead to service shortfalls, development delays, or inefficient capital deployment. Sequencing infrastructure investment with growth patterns will be essential to maintain service levels and financial sustainability.
- Council borrows and invests upfront, relying on developers to deliver on their commitments so that future development contributions can repay the associated debt. However, Council carries the full financial risk as this model depends on a range of assumptions about future growth - including both macroeconomic and microeconomic factors that influence interest rates, inflation, and development activity.

How we could respond

- Proactively monitor population trends and subnational population estimates to refine growth projections and planning strategies such as Ahu Ake – Waipā Community Spatial Plan and Waipā 2050 Growth Strategy to reflect updated assumptions.

²¹ Stats New Zealand. (2024). [Place and ethnic group summaries – Waipā District.](#)

²² Cameron, M. (2025). [Revised population projections for Waipā District.](#) Te Ngira: Institute for Population Research, University of Waikato.

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- Engage with developers to ensure alignment with infrastructure and strategic growth objectives is appropriately timed so that investment aligns with development contribution revenue as much as practicably possible.
- Adopt a balanced approach to planning, accounting for both residential and industrial needs while promoting sustainable development practices.
- Ensure strategic growth planning considers and provides a sufficient land supply and infrastructure in appropriate locations to meet different forms of housing demand.
- Regularly review and update the District Plan and Development Contribution Policy and its rates to reflect current growth patterns and emerging trends, ensuring they remain current and accurate.
- Council could de-risk its balance sheet by rescoping how development contributions are charged in alignment with upcoming legislative changes aligning funding timing with investment exposure.

5.2.5 Key demographics

On 28 May 2025, the Professor of Demography at Te Ngira Institute for Population Research (University of Waikato), Tahu Kukutai, presented to Council²³. This section is a summary of the key points and issues raised, with some focused on our district and others on New Zealand as a whole.

Summary points

- Waipā's population: 77% NZ European, 24% Māori.
- Natural increase (birth minus deaths) is declining, with national fertility well below replacement. Māori fertility is closer to replacement, sustaining a younger profile.
- Migration is the current driver of growth in Waipā, but it is volatile and unpredictable.
- Growth is concentrated in older age groups for the dominant NZ/European population, while Māori populations remain younger.
- By around 2043, two-thirds of territorial authority areas, covering about 24% of the population, are expected to experience natural decrease²⁴.
- New Zealand's population is expected to grow to about 7 million by 2060, assuming continued positive net migration²⁵. However, if no migration occurred, population models show the population would peak in the early 2040s and then begin to decline, once deaths outnumber births²⁶.

²³ Kukutai, T. (2025, 28 May). [Waipā District Council 28 May 2025](#) [Presentation]. Waipā District Council, Te Awamutu, New Zealand.

²⁴ Jackson, N., & Cameron, M. P. (2017). [The unavoidable nature of population ageing and ageing-driven end of growth – An update for New Zealand](#). *Journal of Population Ageing*, 10(2), 177-205.

²⁵ Stats New Zealand. (2025). [New Zealand's population likely to reach 6 million before 2040](#) [News release]. Stats NZ.

²⁶ Business and Economic Research Limited. (2025). [Migration: The engine driving New Zealand's population growth](#) [Economic insights article]. BERL.

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What's happening

The rate of Waipā's population growth is becoming less certain. Natural increase is no longer sustaining growth, and the fertility rate has dropped well below replacement for the New Zealand European population. Migration now drives growth, but this is volatile and largely outside of Council's control. At the same time, younger people are leaving the district for study and work, though improved connections to Hamilton and Auckland mean ties remain strong and are also expected to improve over time. Growth among the New Zealand European population is concentrated in older age groups, while Māori communities are younger and growing faster. These differences mean that the district faces both the challenges of an ageing population and the need to meet the aspirations of a younger, more diverse community. Over the long term, depopulation and the end of growth are inevitable and migration will not be enough to offset the trend.

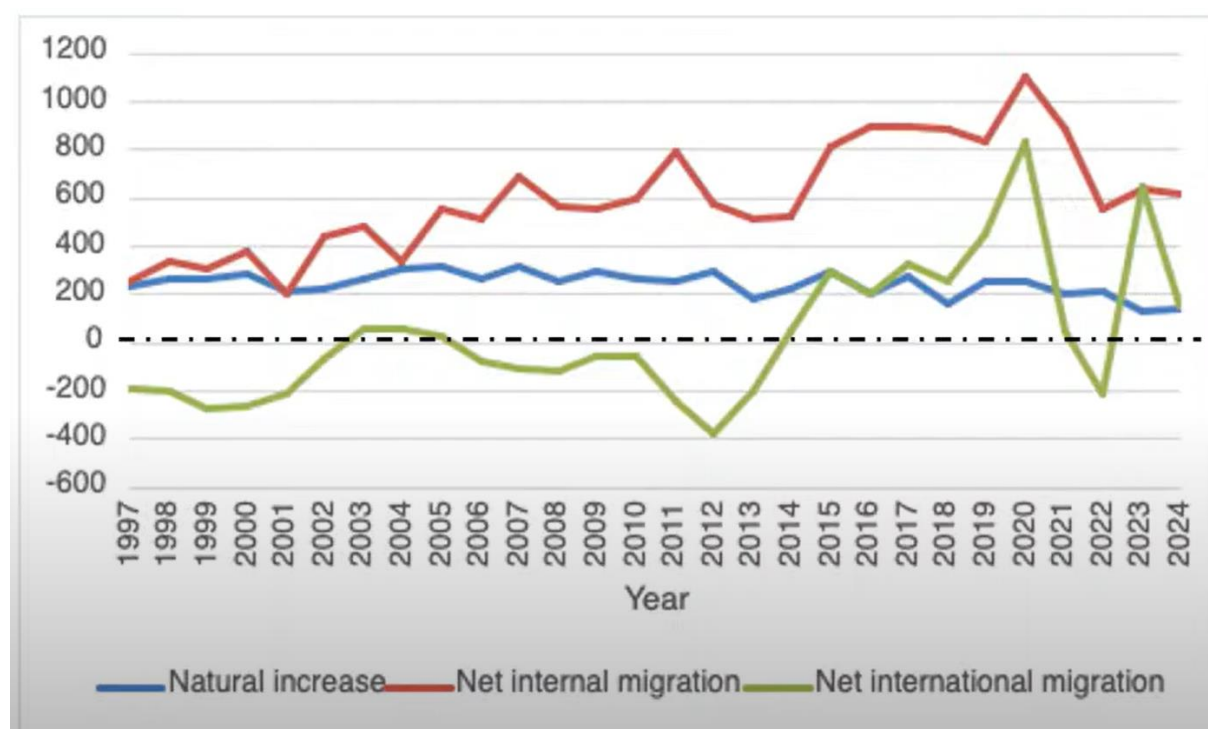


Figure 2: Waipā population estimates, various years²³

What this means

- Council needs to plan for population volatility, recognising the limits of what it can and cannot influence.

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- An ageing population will require smaller, more accessible housing and easy access to services, but planning must not overlook the younger Māori population, whose needs are different.
- Reliance on migration as the main growth driver makes long-term planning uncertain and exposed to sudden shifts.
- Youth outmigration risks reducing the local workforce, though stronger regional and national connectivity could be leveraged to attract people back.
- Population decline in certain areas may impact local economies, reducing ratepayer base and demand for services, which could require rethinking service delivery and prioritisation.
- Many infrastructure and community assets have useful lives of 30 years or more. Decisions made in this LTP period could commit Council to investment that may not match future population realities, particularly if growth slows or declines.
- Growing ethnic diversity requires inclusive services and planning to meet different community needs.
- Social cohesion may be tested if intergenerational and ethnic inequities deepen.

How we could respond

- Focus on what Council can control and plan for, such as liveability, infrastructure, and services.
- Plan housing and services that meet the needs of both older New Zealand European populations and younger Māori communities.
- Invest in tamariki and rangatahi by creating opportunities for the younger generation to study and work locally, helping to reduce 'brain drain'.
- Continue partnering with mana whenua and iwi to ensure services, planning, and investment are equitable and culturally responsive.
- Build resilience into infrastructure and financial planning to prepare for population decline.
- Develop local solutions tailored to Waipā's specific challenges, rather than relying solely on national policy settings.
- Continue monitoring demographics to guide investment decisions, making sure that growth projects are viable given projected population trends.
- Undertake long term planning beyond the 10 year LTP period and incorporate scenario planning for 20-30 years when making major capital decisions to ensure assets remain fit-for-purpose under different demographic futures.

PART 6 - COMMUNITY VOICE AND ENGAGEMENT INSIGHTS

6.1 Community engagement themes and feedback

Summary points from Waipā annual residents' survey²⁷

- Resident satisfaction with Council overall remains low (19%) down slightly from 22% in 2024 but not a significant drop.
- Quality of life perception is strong, with 65% rating it positively.
- Key pain points: value for money, financial management, roading, parking, and public facilities.
- Reputation shift: fewer 'Champions' (32%) and more 'Sceptics' (57%) year on year.
- Top resident concerns: roading/parking/footpaths (45%) and rates/spending wisely (25%).

Summary points: levels of service²⁷

- Roothing infrastructure is a key concern, including road maintenance, footpath safety, and public parking availability.
(Note: Footpath safety has improved over the past year but remains a concern for residents).
- Public facilities such as public toilets and Te Awamutu Museum received negative feedback, though parks and open spaces remain valued.
- Service delivery issues include stormwater systems and litter control.
- Improvements were also seen in query handling, reflecting positive change in some areas.

What's happening

Residents' satisfaction with Waipā District Council has stabilised in 2025, with no statistically significant declines after several years of post-COVID downturn. However, overall satisfaction with Council performance remains low at 19%, while quality of life perceptions are much stronger at 65%. People often don't engage because they don't believe their input makes a difference, or they don't understand the links between growth, town character, and Council finances. Concerns about value for money, financial management, and delivery of core services continue to affect perceptions, though there have been improvements in areas such as query handling (+11%) and footpath safety. From a customer experience framework perspective, tools are being developed and implemented to measure community sentiment, which will help Council better understand and respond to these trends.

²⁷ Waipā District Council. (2025). [Residents Survey Report – September 2025](#). Waipā District Council.

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These local dynamics sit within a wider environment where local government faces significant financial pressures and national reforms. Central Government commentary about “wasteful spending” reinforces scepticism and shapes local narratives. The post-COVID era also saw trust eroded across government agencies, with misinformation spreading rapidly via social media. Local government was not immune — disinformation around issues such as Three Waters and 15-minute cities has particularly influenced younger people, heavy social media users, and more isolated communities. Against this backdrop, Waipā District Council has taken steps to improve communication and engagement, including, reallocating the engagement portfolio to promote more cohesive and targeted outreach at a neighbourhood level, and embedding frameworks such as Ahu Ake and Customer Experience.

What this means

- Trust in Council remains fragile and strongly linked to perceptions of value for money and delivery of core services.
- Engagement is also hindered by low confidence that resident feedback leads to meaningful change.
- Broader narratives around local government and public sector spending continue to influence community sentiment, contributing to scepticism about Council priorities and decisions.
- Certain demographic groups are proving harder to reach through traditional channels and are more likely to engage through informal or issue-based forums.
- This environment makes it increasingly important for Council to communicate clearly, demonstrate accountability, and maintain a consistent local presence.

How we could respond

- Strengthening transparency and consistency in messaging.
- Demonstrating delivery and value for money in core services.
- Closing the feedback loop by showing how community input influences outcomes.
- Proactively addressing misinformation and providing accessible, factual information.
- Expanding reach through tailored approaches and community partnerships.
- Humanising Council through storytelling that reflects the people and work behind decisions and services.
- Rebuilding and maintaining trust will require sustained effort, alignment across teams, and a clear focus on communicating progress, accountability, and genuine community outcomes.

6.2 Mana whenua and iwi aspirations

While Council cannot speak on behalf of mana whenua and iwi, the partnership approach undertaken in the development of Ahu Ake provides a robust foundation for the aspirations mana whenua and iwi want to see realised in the district.

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Summary points from Ahu Ake, Waipa Community Spatial Plan²⁸

- Enablement of Māori housing, including papakāinga development on land owned or leased by mana whenua and iwi.
- Aspirations to see whānau returning to their rohe and retain young Māori through better housing and employment opportunities.
- Better recognition and protection of cultural landscapes, wāhi tapu (sacred sites), and taonga (treasures, possessions).
- Restoring and protecting the taiao (the environment) and giving effect to Te Ture Whaimana o Te Awa o Waikato, including waterways, wetlands, and high-class soils.
- Equitable access to education, healthcare, and social services.

What's happening

Mana whenua and iwi are experiencing limited access to available Māori land, and current policy settings have led to constrained Māori housing development opportunities, including papakāinga development. Young Māori continue to leave the district in search of employment, education, and lifestyle options elsewhere. While aspirations aim to achieve better social and economic outcomes, there is an increased focus on protecting cultural landscapes and enhancing a sense of belonging in urban environments, as many Māori currently feel unwelcome in these spaces, namely towns and villages. Mana whenua and iwi have expressed significant concerns that customary activities have been eroded by environmental pressures on soils, wetlands, and waterways, which continue to challenge the ability to sustain these practices, such as mahinga kai (food gathering and production).

What this means

- Further enabling Māori housing through planning and consenting processes.
- Increased consideration of cultural values and landscapes in growth and infrastructure decisions.
- Supporting equitable access to services, connectivity, and community facilities.
- Providing support in enhancing climate change adaptation and resilience of marae and practice of customary activities across the district.
- Continued partnership commitments through formal agreements and engagement forums.

²⁸ Waipa District Council (2025) [Ahu Ake](#).

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How we could respond

- Fulfil commitment of ongoing authentic and genuine partnership through appropriate channels and work programme, including the strategic partnership workstream (further commented on page 27 of this report).
- Embed cultural values and place-based storytelling in urban design and public spaces.
- Partner in environmental restoration, biodiversity protection, and climate resilience initiatives.
- Support Māori economic opportunities through land-use enablement, innovation, and connectivity.
- Strengthen ongoing, early-stage engagement with iwi and hapū to co-shape policy development.

PART 7 - EXTERNAL FACTORS THAT ARE LIKELY TO IMPACT THE LTP

7.1 Affordability

Summary points

- Waipā's average rates increase for 2025/26, after growth, was 15.5%, the highest rates increase ever.
- The average household income for the Waipā District is set at \$125,795 per annum, compared to the national average of \$135,079 per annum²⁹.
- In the year to March 2025, average weekly rent in Waipā consumed 24.8% of average household income, compared to 22.4% nationally³⁰.
- The average house value in the district is set at \$761,841 compared to the national average of \$881,508³¹.

What's happening

Rates are rising across New Zealand, averaging 8.4% nationally in 2025, driven by inflation, aging infrastructure, compliance costs, and climate resilience requirements. Waipā has faced higher increases due to rapid growth in Cambridge and Te Awamutu, past use of reserves to soften rates increases, and rising interest costs.

Although no formal rates cap currently exist in New Zealand, there is growing public pressure for one. Central Government has signalled changes to Local Government on various fronts.

The rates rebate scheme from the Department of Internal Affairs has been expanded, but uptake remains limited due to strict eligibility. Council is offering payment plans and, in some cases, rates postponements, but many households are still struggling.

What this means

- Affordability is a key community concern and a driver of trust in Council.
- Waipā's Financial Strategy must balance investment in infrastructure with the rising costs associated with it, meaning that less can be done within the budget constraints.
- Growth continues to put pressure on short-to-medium-term finances over the life of the current LTP.
- Ratepayers face future water charges from WWL in the short term this may add to household costs however over the mid to long term WWL will see a reduction in the increase in water bills due to its scale and model.

²⁹ Infometrics Ltd. (2025). [Waipā District: Regional Economic Profile - Household Income](#)

³⁰ Infometrics Ltd. (2025). [Waipā District: Regional Economic Profile - Rent affordability](#)

³¹ Infometrics Ltd. (2025). [Waipā District: Regional Economic Profile – House values](#)

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How we could respond

- Maintain a focus on core services and defer lower-priority projects to reduce cost pressure.
- Review, and where appropriate, reduce levels of service to help manage cost pressures and reduce rates.
- Clearly communicate to the community why rates are rising and how funds are being used.
- Explore alternative funding models (e.g. targeted rates, regional partnerships, commercial opportunities).
- Continue to offer and promote payment support options for households in need.
- Review our Financial Strategy to focus on sustainability, including:
 - Emphasising maintaining cost services efficiently.
 - Creating financial headroom for high-priority projects over the medium term.
 - Keeping debt levels prudent.
 - Investing in growth infrastructure at the right time.

7.2 Inflation and interest costs*Summary points*

- High inflation has driven up costs for materials, labour, services, and insurance, which significantly increases Council's cost base. These items are significantly higher than consumer Price Index inflation.
- Inflationary impacts on asset revaluations mean more funds are needed for depreciation and future renewals.
- Higher interest rates have raised the cost of borrowing for infrastructure, although recent OCR reductions are starting to ease pressure and Council is seeing a reduction in its average borrowing cost.

What's happening

Inflation has increased the price of construction, operations, and insurance, leading to higher depreciation and ongoing costs. Debt servicing costs have increased given Council's larger asset base and higher borrowings year-on-year.

Together, these factors mean it now costs significantly more to deliver the same level of infrastructure investment. While recent OCR cuts will slightly reduce borrowing costs going forward, debt and depreciation (asset renewal) remain a major driver of future rates increases.

Insurance costs have also escalated well above average inflation in recent years, adding to the unavoidable cost base of Council. Natural disasters have caused insurance providers to increase premiums or retract cover in some instances.

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What this means

- Council has less room to fund discretionary or “nice to have” projects.
- Higher interest and depreciation costs flow through to rates.
- Affordability pressures are likely to remain given Council’s large capital delivery programme of work over the life of the LTP.
- Prudent financial management is critical to maintain service levels, keep debt within limits, and reduce future rates pressure.
- Council will need to explore alternative funding models to reduce reliance on rates and external debt.

How we could respond

- Focus on critical infrastructure only, use a multi-criteria decision framework to prioritise projects and align with other key strategic documents.
- Model inflation and interest rate scenarios to stress-test financial plans.
- Lock in longer-term contracts for key services and materials where beneficial.
- Collaborate with neighbouring councils on procurement to achieve better pricing.
- Continue active debt management to lower the average interest rate over time.

7.3 Funding availability*Summary points*

- Councils have limited funding tools beyond rates and debt, which currently cap at 75% of total revenue under our current Financial Strategy.
- Central Government announced \$11.3M over four years for the City and Regional Deals Programme, but no direct funding for specific projects.
- Alternative funding models (e.g. Infrastructure Funding and Financing Act) exist but often increase costs to ratepayers as LGFA, Council’s lenders, are the cheapest source of funding.

What’s happening

Waipā relies heavily on rates and debt to fund capital investment, with limited subsidies or asset sales to offset costs. The current model cannot fund all projects communities want without compromising affordability.

What this means

- There is a growing gap between what the community expects and what the current funding model can deliver.

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- Without new revenue sources, trade-offs will be necessary, with some projects deferred or scaled back.
- The best time to build was yesterday, sustained double-digit inflation in infrastructure costs is eroding Council's purchasing power and increasing pressure on debt headroom and future rates, placing the Tier 1 capital programme at risk of under-delivery.

How we could respond

- Build strong partnerships with neighbouring councils to access City and Regional Deals funding for shared infrastructure.
- Explore LGFA's lower-cost Climate Action Loans for qualifying projects.
- Advocate with Central Government and LGNZ for new funding tools and revenue-sharing mechanisms.
- Reviewing existing assets and funding levers to maximise efficiency and reduce reliance on rates.

7.4 Climate change and emergency events*Summary points*

The geographical, geological and globally connected setting of New Zealand means the country is consistently ranked among countries with elevated disaster risk due to this multi-hazard environment³². The primary hazards in New Zealand are:

- Pandemics
- Earthquakes
- Tsunami
- Volcanic activity
- Severe weather and flooding
- Severe space weather (especially during this solar maximum stage).

³² Department of the Prime Minister and Cabinet and Ministry for the Environment. (2025). [Building New Zealand's Long-term Resilience to Hazards: Draft Long-term Insights Briefing.](#)

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Modelled scenarios		Likelihood in next 50 years	Modelled building/ infrastructure losses	Likely consequences	
	Ruapehu / Tongariro / Ngauruhoe / Whakaari ash producing eruption	Almost certain	~\$1bn	Disruption mostly from ashfall to aviation, electricity transmission, and tourism and primary industry sectors.	
	Alpine fault – M8 earthquake	75%	~\$10bn	High-probability event, extensive co-seismic landslides will compound impacts. Est. Injuries requiring medical facility care: 9,693 Est. deaths: 326	
	Taranaki eruption	Small eruption	30%	~\$1bn	Similar size to 1995-96 Ruapehu eruptions. Impacts dominated by ashfall and lahars; evacuations likely.
		Large eruption	1%	\$10bn-\$15bn	Similar size to 1886 Tarawera eruption. Likely severe impacts to oil/gas production and farming sector; mass evacuation probable.
	Space weather event - extreme	30%	~\$6.2bn (electricity only)	Global event. Disruption or failure of the national electricity grid with cascading disruptions across interdependent infrastructure (banking, water, health, transport). 15,000 medically dependent consumers vulnerable.	
	Hikurangi subduction zone earthquake and tsunami	M8+	25%	~\$10bn-\$20bn	Strong and long ground shaking for east coast of North Island, and large tsunami produced.
		M9.1	1%	\$144bn (buildings only)	Est. Injuries requiring medical facility care: 25,960 Est. deaths: 22,180 (tsunami).
	South American M9+ earthquake & NZ tsunami	25%	~\$5bn (buildings only)	Large exposure for eastern coast of New Zealand, especially Christchurch City/Canterbury	
	Auckland volcanic eruption	10%	\$5bn-\$65bn (buildings only)	Potential full evacuation of Auckland City, with only days to week's warning. Est. Injuries requiring medical facility care: 40,817 (0% evacuation) Est. deaths: 40,820 (0% evacuation)	
	Hutt River flood (over stopbank design event)	5%	\$5bn-\$10bn	Hutt City – greatest exposure for any flood plain in New Zealand.	
	Wellington Fault M7.5 earthquake	5%	~\$16bn (buildings only)	Likely serious and prolonged damage and disruption to Wellington, including government.	

Figure 3: New Zealand's riskscape³³³³ National Emergency Management Agency. (2025). [We've had a busy few years and New Zealand's riskscape.](#)

EXTERNAL FACTORS

APPENDIX A: ENVIRONMENTAL SCAN

What's happening

New Zealand's natural landscape already puts the country at an elevated risk level while climate change, changing populations and technologies, reliance on trade and global tensions is increasing our vulnerability to risks.

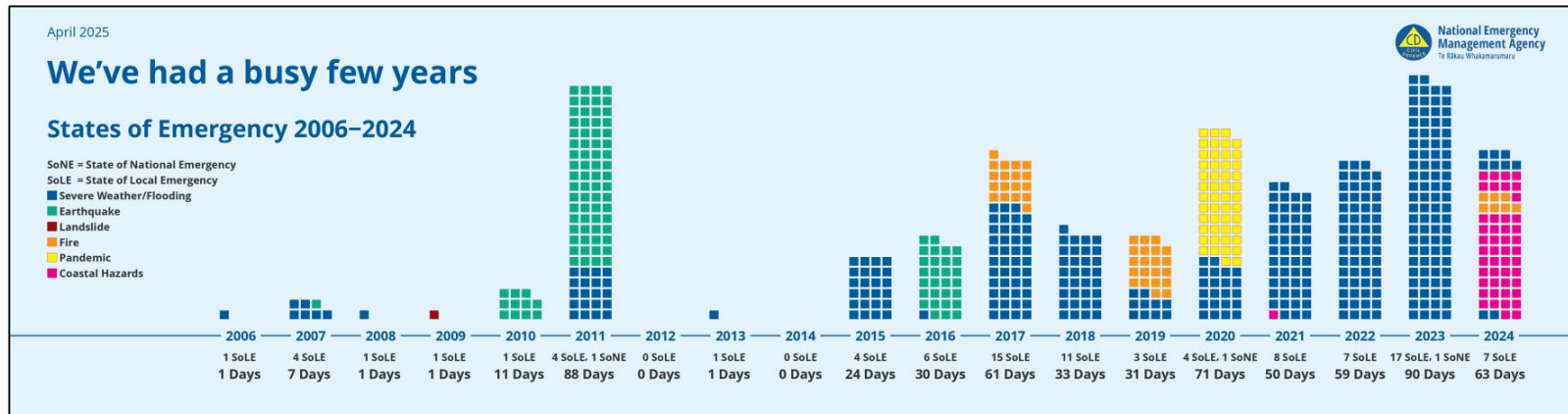


Figure 4: The frequency of States of Emergency 2006-2024³³

EXTERNAL FACTORS

APPENDIX A: ENVIRONMENTAL SCAN

What this means

The likelihood of an event occurring with an estimated expected damage cost of more than \$10 billion is highly likely within the next 50 years³³.

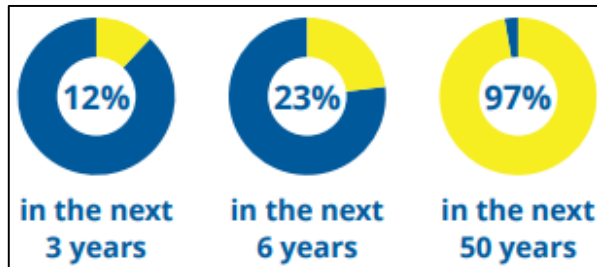


Figure 5: Estimated probability of modelled scenarios with >\$10bn expected damage costs occurring³³

Eliminating all risks is neither possible nor desirable due to differing risk appetites, lack of data and costs. At a national level, the government is responding through:

- The 2024 National Risk and Resilience Framework.
- The National Adaptation Plan and Adaptation Framework.
- New Zealand's Emergency Management System is undergoing significant improvements in response to the findings of the 2023 North Island Severe Weather Events Inquiry.
- Review of the Emergency Management Act 2012.
- Resource Management Act 1991 amendments and new National Policy Statement for Natural Hazards.
- Pandemic preparedness efforts.
- The Natural Hazards Portal³².

How we could respond

- Build natural hazard risks into our assumptions.
- Encourage community-led solutions and readiness.
- Using science, modelling and data.
- Support resilient communities through practical, cost-effective solutions, such as temporary or lower-cost options where appropriate rather than over-engineering infrastructure.
- Keep climate change and hazards in mind when setting LOS.
- Plan for higher recovery costs by factoring resilience into budgets and financial strategies.
- Responding to the risks identified in the Waikato Emergency Management Group's impact assessment of the Hikurangi Subduction Zone for the Waipā District.
- Enhance preparedness to respond to and recover from emergency events, through our Civil Defence Emergency management (CDEM) activity and participation in Western Waikato preparedness and recovery planning.



TE AWAMUTU

101 Bank Street, Te Awamutu Ph 07 872 0030

CAMBRIDGE

23 Wilson Street, Cambridge Ph 07 823 3800

📞 /WaipāDistrictCouncil 📱 /Waipā_NZ

APPENDIX B: COMMUNITY ENGAGEMENT SUMMARY

Community feedback overview (January 2024 – December 2025)**Purpose**

This document provides an overview of feedback received from the Waipā community over various engagement activities between January 2024 and December 2025. The information has been gathered through the Have Your Say platform and wider engagement activities undertaken as part of developing Ahu Ake.

The purpose of this document is to support members' discussions in setting the Council's new strategic direction by providing key community insights and feedback from the past two years - which should be considered when developing the new vision, community outcomes and strategic priorities for the district.

Key themes

Below is a summary of the key themes received through engagement activity with our communities since January 2024. It captures the key messages that were consistently raised across different projects and topics. This is what we heard:

- **Keep it affordable:** rising costs and affordability are a major concern; services and fees must be fair and provide value.
- **Protect public spaces:** strong support for accessible, safe, inclusive and well-maintained parks, reserves and recreational facilities.
- **Respect the environment and culture:** care for waterways, biodiversity, rural character and Māori cultural values is a priority.
- **Plan carefully for growth and infrastructure:** growth, housing and transport must be well-planned, timely and maintain character.
- **Trust and transparency matter:** evidence-based decisions, open engagement and responsible financial management are expected.
- **Safety and inclusiveness:** public spaces should be safe, welcoming and accessible for all ages and abilities.

Overview of engagement feedback**Waipā's Alcohol Policy and Bylaws Review (March 2024)**

- Support for Crime Prevention Through Environmental Design ([CPTED](#))
- Data driven decisions – support making decisions based on evidence – noting that the right type of data is not always available to Council.
- Regulations – support for both having less regulation and being able to manage undesirable outcomes through regulations.

Proposed Fees and Charges 2024/25 (March 2024)

APPENDIX B: COMMUNITY ENGAGEMENT SUMMARY

- Affordability and cost of living – strong community concern about fees adding financial pressure, particularly for essential services like cemetery fees, dog registration, and libraries.
- Support for reasonable cost recovery – some recognition that fees are necessary to cover costs, particularly for services like Traffic Management Plans and licensing.
- Equity and fairness – concerns about cultural sensitivity (cemetery fees), equitable access (library fees), and ensuring vulnerable or low-income residents are not disproportionately affected.
- Value for money / service levels – community expectations that fee increases should reflect improvements in services or operational efficiency, rather than just inflation.

Draft 2024/25 Enhanced Annual Plan (April 2024)

Nothing substantial to provide / already covered by feedback captured through the LTP.

Pirongia Skatepark (July 2024)

- Affordability – existing reserves are seen as suitable, and a new skate park is viewed as unnecessary and too costly. There is concern that the district cannot afford this project.
- Accessibility – desire for more inclusive spaces that cater to all ages, including safer areas for younger children (e.g. gates near roads) and more space for older kids.
- Council trust – belief that the consultation process was biased toward proceeding as questions focused on what people wanted included rather than whether it should happen.

Lake Ngā Roto Recreation Reserve Management Plan review (July 2024)

- Cultural and spiritual values – community recognise areas as culturally, historically and spiritually important and desire protection of heritage and traditional connections.
- Environmental quality – strong concern about water and biodiversity health, with a desire for urgent and collaborative restoration actions.
- Biodiversity and open space – support for habitat protection, ecological corridors and restoration of native flora and fauna.
- Recreation and amenities – value for walking, dog exercise and other recreational opportunities; requests for improved facilities, accessibility and visitor experiences.
- Community use – environmental decline impacts activities, with support for innovative interventions to maintain usability.
- Cycling connectivity – interest in improved cycling links.
- Neighbouring land impacts – concern about flooding and support for measures to reduce its effects.
- Fiscal responsibility – preference for staged or carefully managed interventions to avoid excessive costs and debt.

APPENDIX B: COMMUNITY ENGAGEMENT SUMMARY

Waipā District Council Representation Review (August 2024)

Ward and boundary changes

- Residents want boundaries to reflect real social, geographic and community linkages; communities identify strongly with specific localities.
- Residents expect evidence-based decision making.
- Support for Māori names and correct spelling, with minor variations on macron usage.
- Desire for clearer terms preferred over legislative jargon.

Rural feedback

- Support for dedicated rural boards.
- Clear worry that combining or enlarging rural wards would weaken rural representation due to the huge geographic area and differing needs of communities.
- View that there is a large disparity of voting power between urban and rural communities.

General feedback

- Community expects ongoing and engagement and responsiveness from Council and boards.
 - Māori ward retention supported.
-

Plan change 25 – Shelter Belts and Crop Protection Structures (September 2024)

- Productive land protection – strong desire to keep rural land primarily for farming and horticulture.
 - Economic contribution – farming/horticulture valued for local jobs, exports and community benefit.
 - Environmental protection – worries about microplastics, altered microclimates and impacts on wildlife.
 - Environmental and cultural values – views of significant natural features are highly valued and integral to the district’s rural character.
 - Concern over unregulated growth – rapid expansion of crop protection structures is perceived as threatening Waipā’s rural character, biodiversity and long-term environmental quality.
-

Ahu Ake - Waipā Community Spatial Plan (October 2024)

A full engagement summary report that accompanied the supporting documents for consultation can be found [here](#). The below is a summary of feedback gathered through the various engagement activity undertaken in the development of Ahu Ake:

Mana whenua/iwi feedback

- Want to see Council make it easier for papakāinga (Māori housing developments) to be developed across the district.

APPENDIX B: COMMUNITY ENGAGEMENT SUMMARY

- Want to feel at home in our main towns and villages.
- Te Ao Māori should be experienced in other ways than just visually. This is also about hearing, listening, touching.
- If we get Te Ao Māori principles right and understood, Māori economy and Māori housing will benefit.
- Ahu Ake needs to include action to increase home ownership literacy where private homes or papakāinga are located.
- More work is needed to define the Māori Economy.

Stakeholder feedback

- A stronger focus on reducing carbon emissions.
- Better walking and cycling infrastructure and public transport options to make the district's transport system more sustainable.
- More consideration for the elderly and facilities to cater for the elderly.
- Increase inclusiveness and accessibility of facilities to enable people of all ages and abilities to participate in active recreation.
- A preference for growing up rather than out and using high quality soil for development.

Community feedback (roadshow – February 2023)

- Support for improvements to walking and cycling connectivity, increased protection around the peat lakes, and improvements to bus services.
- Support for the planting of more native vegetation across the district and in general for the environmental outcomes proposed in the interim draft plan.
- A mix of support for, and concern about, the development of more housing choices (duplexes, townhouses and apartments) in our main towns.
- Concern about whether there are enough schools in Waipā to cater for our growing population.
- General support for the potential growth of Ōhaupō beyond its current 2050 town boundaries.
- Many of our smaller communities told us they did not want to lose the small village feel of their homes.

Community feedback (world café – September 2023)

Placemaking and housing

- **Housing** – support diverse, affordable and accessible housing for all ages to keep residents in the community.
- **Infrastructure and growth** – ensure business growth is supported by timely, appropriate infrastructure that preserves town and village character.
- **Environment** – protect trees, views, green spaces and the natural feel that makes Waipā special.

Economic development

- **Jobs and skills** – support career opportunities, internships and work readiness in priority growth industries.

APPENDIX B: COMMUNITY ENGAGEMENT SUMMARY

- **Attraction and retention** – promote the district and maintain quality public facilities to attract and keep residents and workers.
- **Business growth and innovation** – lead economic development that benefits the community, including innovation hubs and business spaces.

Heritage, arts and culture

- **Cultural access** – make heritage sites and cultural stories more accessible and easier to understand.
- **Arts** – promote the arts in ways that reflect the district.
- **Inclusive public spaces** – ensure parks, playgrounds and facilities are accessible, inviting and culturally inclusive.

Parks and public facilities

- **Community hubs** – improve and manage halls, libraries and museums to serve their communities fully.
- **Equitable investment** – ensure fair infrastructure and facility investment across the district based on usage data.
- **Inter-generational connections** – support local programmes that foster connections through shared experiences and activities.

Community consultation feedback (October 2024)*Individual feedback*

- Strong support for improving public transport, accessibility and sustainability.
- Concerns on funding availability, practical implementation and impact of development on local communities and the environment.
- Desire for more detailed planning to ensure growth is well-managed and infrastructure is addressed in a timely manner.

Organisation feedback

- Desire for more tangible outcomes.

Mana whenua, iwi and community boards expressed broad support for the proposed plan and implementation plan.

Karāpiro Lake Domain Reserve Management Plan Review and Masterplan (November 2024)

Below is a summary of feedback received in November-December 2024. This plan is currently out for consultation until January 2026.

- Public access and recreation – strong support for accessible, inclusive and affordable public spaces and recreational opportunities.
- Environmental and cultural values – emphasis on protecting natural landscapes, promoting sustainability and acknowledging cultural heritage.
- Balanced use and events – desire to manage events and activities so community access and amenity are preserved.

APPENDIX B: COMMUNITY ENGAGEMENT SUMMARY

- Infrastructure and safety – need for well-maintained, accessible and safe facilities, paths and traffic management.
- Governance – expectation for transparent, accountable management and strategic financial sustainable planning.

Fort Street Parking Formalisation (March 2025)

Not relevant – targeted engagement specific to Fort Street residents and businesses.

Cambridge CBD Parking Trial (March 2025)

Not relevant – trial only just ended; feedback not yet compiled.

Draft Fees and Charges 2025-27 (April 2025)

- Affordability – strong community concern about financial hardship and the rising cost of living; any fee increases are viewed through this lens.
- Support for fair cost-sharing – some recognition that fees can help reduce the burden on ratepayers and contribute to cost recovery, but only if implemented equitably.
- Equity and access matters – services perceived as essential (like public internet) should remain accessible to all, especially vulnerable groups.

Ngāti Koroki Kahukura Reserve Management Plan (May 2025)

- Public access – strong support for maintaining public access to all reserves; general appreciation for the value and purpose of the reserves.
- Safety – desire for safety improvements; support for responsible management tools such as alcohol control measures through council bylaws.
- Other uses – mixed views on additional uses such as camping – some seeking more opportunities with others aligning with current restrictions.
- Recreational opportunities – interest in strengthening recreational opportunities e.g. non-motorised water sports.
- Inclusion – support for the inclusive and collaborative direction of the Plan, particularly its alignment with mana whenua aspirations and broader community well-being.

Local Water Done Well (May 2025)

- Mana whenua involvement – strong interest in how mana whenua will be engaged and represented in future water service arrangements.
- Water services quality and affordability – clear focus on ensuring clean, reliable and affordable drinking water and wastewater services.
- Transparency and information – appreciation for open communication, clear explanations and behind-the-scenes insights into how water services are managed.

APPENDIX B: COMMUNITY ENGAGEMENT SUMMARY

- Borrowing and financial sustainability – concerns about council’s borrowing and the long-term affordability of required investment.
- Community voice and local control – worry about potential loss of local decision-making or dilution of community influence.
- Cost and affordability – strong concern about rising costs, with many noting water services may become expensive or unaffordable for households.

Draft 2025-34 LTP (May 2025)

Infrastructure Strategy – focusing on renewals

- Support for focusing on maintaining what we’ve got.
- Concern around deferring renewals and the risks associated with this.

General comments on Council spending

- Rates are unaffordable.
- Council needs to live within its means.
- Council should focus on the basics.
- Focus on reducing debt.

Growth

- General concern around the rate of growth in the district and the impact it has on rates.

Transport

- Need for better transport in the district.
- Comments both for and against cycleways.

Climate change

- Support for climate change initiatives.
- Suggestion that climate change work should stop given Council’s financial performance.

Moving Waikato Survey (August 2025)

Results not yet published.

Cambridge Connections – Moving Forward Together (October 2025)

- Third bridge – strong support for a third bridge from the public.
- Manage congestion – ease pressure on main roads, intersections and parking in the CBD.
- Preserve town character – maintain a liveable town that retains its character.
- Growth and planning – a strong long-term vision and planning aligned with infrastructure.
- Ease freight pressure – alternative routes for heavy transport and through traffic.
- Transport options – safe and accessible cycling, walking, public transport and other options.

2027-37 LTP: STRATEGIC DIRECTION WORKSHOP

26 March 2026



Welcome and workshop overview

Workshop format

Workshop chair: Cr Montgomerie

Topic	Detail	Timing	Presenter
Welcome and workshop outcomes	▪ Purpose of today ▪ What we want to achieve	9.17am-9.27am <i>10 mins</i>	Katie
LTP overview and the 2027-37 LTP	▪ LTP overview and its importance ▪ Context for this LTP ▪ Project update	9.27-10.12am <i>45 mins</i>	Kirsty
Recap of operating environment	▪ Recap of macro factors and operating context	10.12-10.27 <i>15 mins</i>	Katie
<i>Morning tea break</i>		10.27-10.45am <i>18 mins</i>	
Strategic goals and priorities	▪ Reviewing our strategic direction ▪ Shaping new strategic goals and priorities ▪ How they'll be used through the LTP	10.45am-12.15pm <i>1.5 hours</i>	Katie
<i>Lunch break</i>		12.15-1.00pm <i>45 mins</i>	
Financial Strategy	▪ Introduction to the Financial Strategy, how it fits in the LTP ▪ Current financial context ▪ Consideration of key financial parameters	1.00-3.00pm <i>2 hours</i>	James
Recap and next steps	▪ What we heard today ▪ How we'll share goals and priorities ▪ Next steps	3.00-3.20pm <i>20 mins</i>	Katie

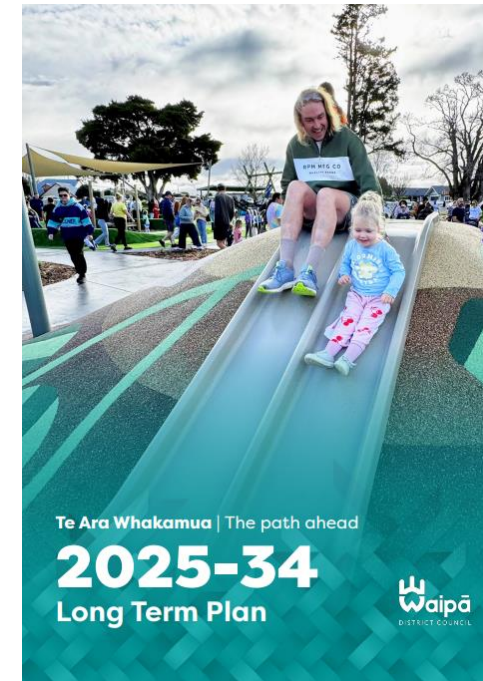
What we want to achieve today

- 1 A sound understanding of a **Long Term Plan** and the context for **this LTP**
- 2 Shaping of **strategic goals and priorities**
- 3 Understanding of the LTP **Financial Strategy**
- 4 Consideration of key **financial parameters**
- 5 Understanding of how strategic goals and priorities and financial parameters **will be used through the LTP process**

Long Term Plans

LTP 101

- One of Council's most **important documents**
- Set outs the **priorities, projects and services** to be delivered over the next 10 years
- **Financial and Infrastructure Strategies** support these decisions
- Provides the community with certainty about **what they get for their rates**
- Enables **transparent decision making** to the community



Waipā's current LTP covers a nine-year period instead of 10 years due to a one-year Enhanced Annual Plan being adopted in 2024

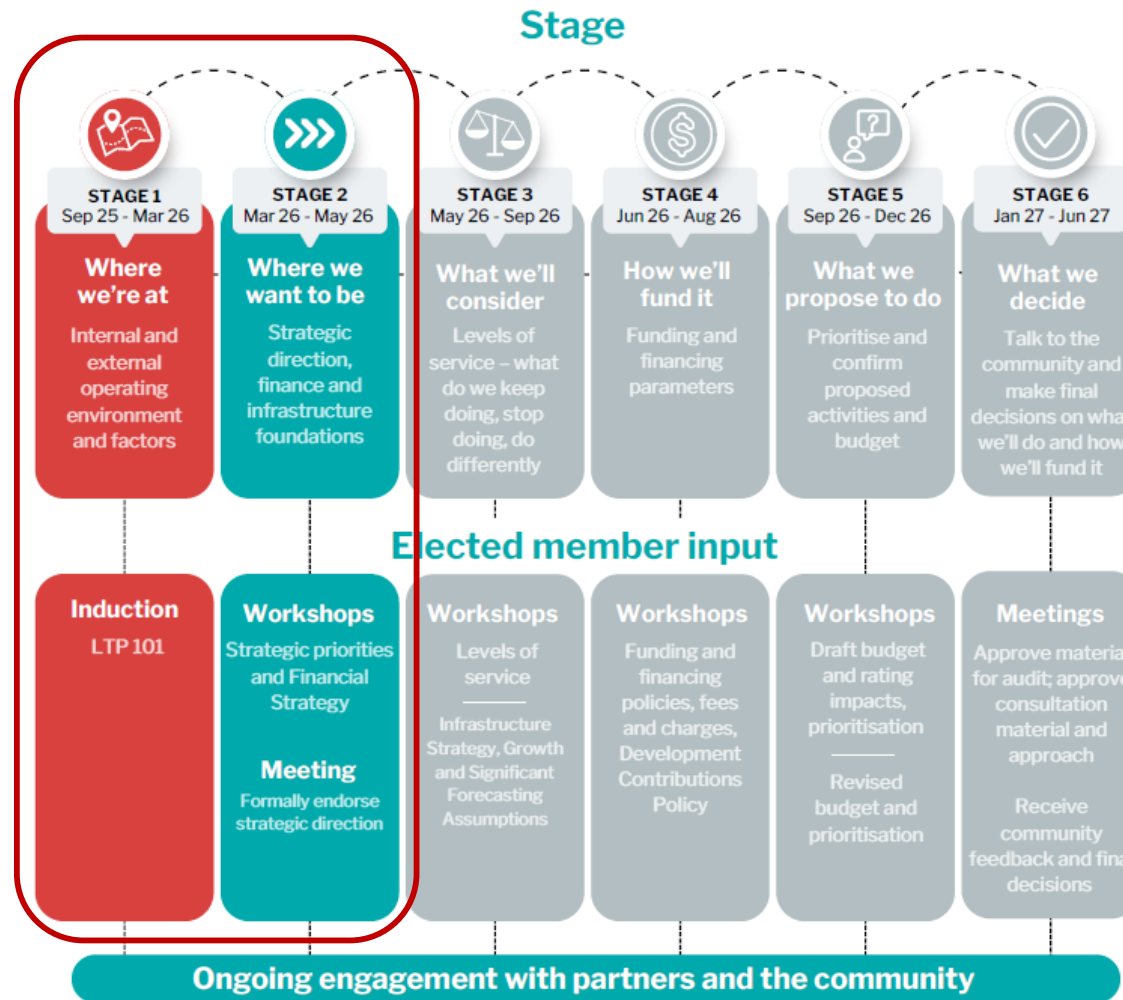
The LTP in our reporting cycle



Where we are in the LTP process

2027 - 37 LTP Roadmap

We are here



Laying the foundations for the LTP

- This is the first in a **series of three workshops** that lay the foundations for the LTP

1

Strategic Direction

26 March



Shapes Council's new **strategic goals and priorities** and considers **key financial parameters** for the Financial Strategy to lay the foundations for the LTP

2

Growth

13 May



Introduces Elected Members to Council's **growth situation** and seeks feedback on **key growth considerations** to inform and support LTP decision making

3

Financial Strategy part 2; introduction to the Infrastructure Strategy

27 May



Seeks Elected Member feedback on progress to date in the development of a **draft Financial Strategy**; introduces the **Infrastructure Strategy**

Project update

- A project reset is underway for the LTP under the guidance of a new **Senior Project Manager**
- Main **reset themes** are:



Greater visibility of the project to governance and other stakeholders



Ensuring the **right people** are in place in all **key roles** across the project structure



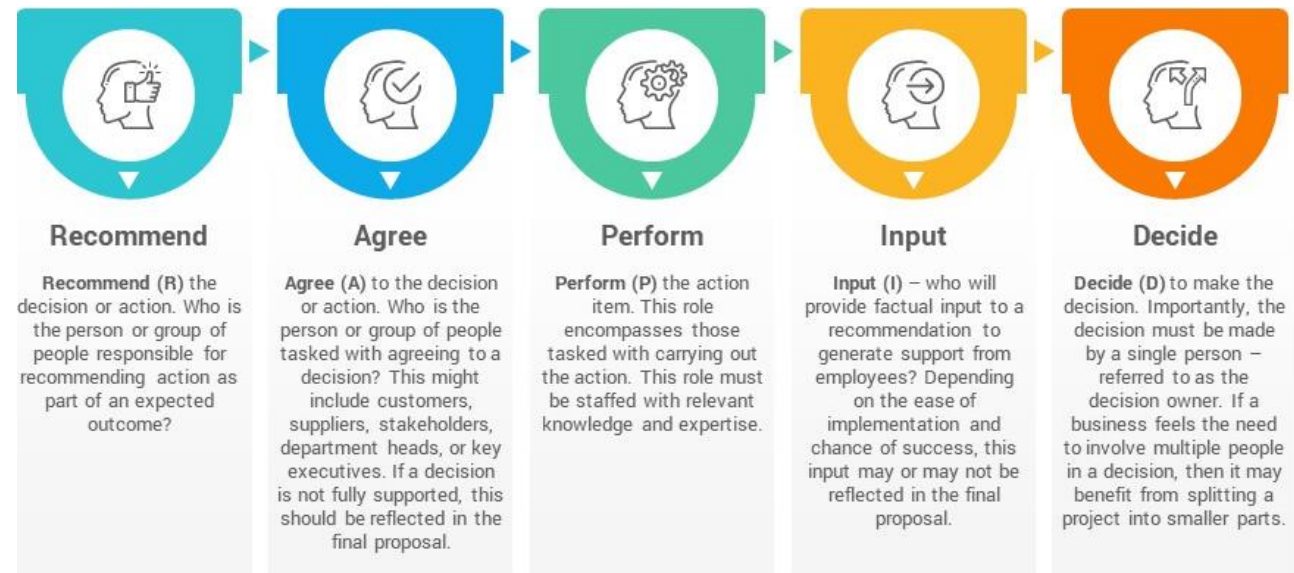
Better **integration of workstreams** and **greater cross-functional** representation



More efficient and effective **reporting and decision-making**

More robust decision making

- To ensure decision making is being made robustly, at the right point with the right people, we will be using the **RAPID decision-making framework**



- For the **LTP**, this looks like



Role	Person or group responsible
Input	Subject matter experts, community, community boards
Agree	Steering Group (PSG), Governance Group (PGG)
Recommend	Business Owner (Kirsty Downey)
Decide	Strategic Planning & Policy Committee, Audit & Risk Committee (re risk & issue management)
Perform	Council staff

How the community and iwi partners will be involved

- Planning is underway on how the community will be **communicated and engaged** with during the LTP
- It is intended that engagement on the LTP will be done in conjunction with other **key Council programmes**, such as the Growth Strategy and Cambridge Connections
- For a more **joined-up approach** to engage with our communities **at place**
- Planning is underway with the Strategic Māori Partnerships Team on engagement with **mana whenua and iwi partners** through the LTP

- The **IAP2 framework** will be used to inform communications and engagement for this project

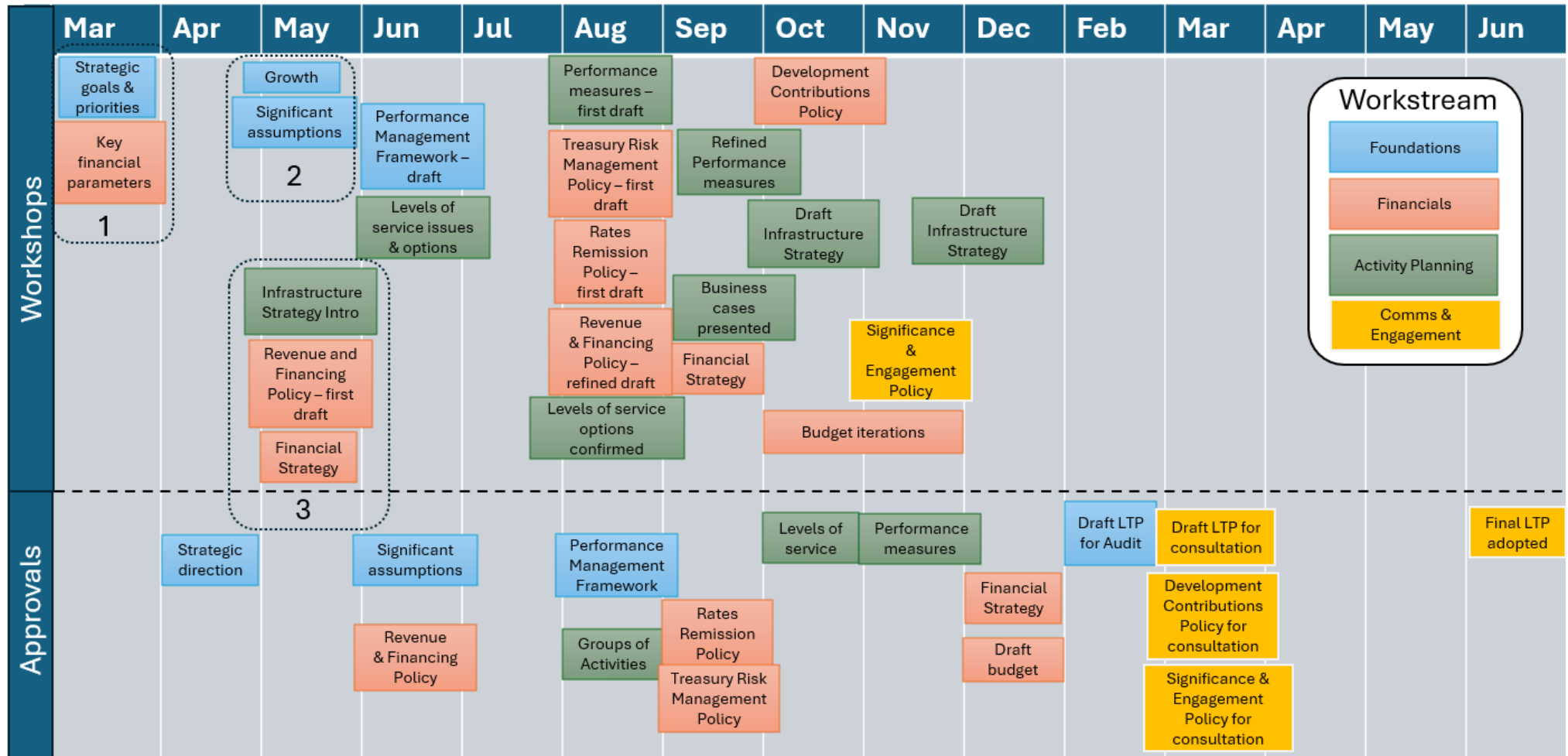
IAP2 SPECTRUM OF PUBLIC PARTICIPATION



'Empower' not available for this project as Council is the statutory decision maker

High level calendar for Council

Proposed timelines as of 18 March 26.
Indicative only.



Workshop #1 – Strategic direction; #2 – Growth; #3 – Financial Strategy & Infrastructure Strategy

Operating environment recap

Operating environment – key factors



Global factors



District factors



**Central
government change**



**Council
context**



Top risks



Opportunities

What does this mean for the 2027-37 LTP?

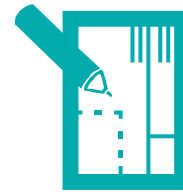
- This LTP will be particularly challenging – **we can't keep doing what we've always done**
- Lessons from the 2025-34 LTP have informed **improvement opportunities**



Enhanced
project
management



Improving
business
cases



Improving the
Infrastructure
Strategy



Enhancing
communication
and engagement
with you



Enhanced **performance**
measures and
performance
management framework



Managing **audit risk**,
including forecasting
assumptions

What we've heard

What's important to the community

- Council engages with the community in **various ways** on various topics, projects and activities
- It is important we **harness the feedback** we've had to date from the community – demonstrating that we genuinely listen and consider what they have told us across ongoing engagement with Council

During the two-day off-site induction session, **key themes** came through about what is important to our communities:



Concerns
around **fairness**
across the
district



Deepening
affordability
stress



Expectations for
clearer
communication



Desire for stronger
relationship-based
governance, particularly
with mana whenua

What's important to the community

A summary of engagement activity over the last two years identified **key themes** from the community:



To keep it affordable

Rising costs and affordability are a major concern; services and fees must be fair and provide value



Trust and transparency matter

Evidence-based decisions, open engagement and responsible financial management are expected



Safe and inclusive public spaces are valued

Strong support for accessible, safe, inclusive and well-maintained parks, reserves and recreational facilities



Respect the environment and culture

Care for waterways, biodiversity, rural character and Māori cultural values is a priority



Plan carefully for growth and infrastructure

Growth, housing and transport must be well-planned, timely and maintain character

What's important to you

- During the offsite induction session, key **priority themes** for Elected Members started to emerge:



Early **strategic pillars** formed:

- Affordability and trust
- Growth and infrastructure sequencing
- Tangata whenua partnerships
- Community engagement
- Organisational capability and efficiency
- Economic development and early wins



Early legacy aspirations **emerged**:

- Building trust and transparency
- Strengthening iwi and community partnerships
- Delivering visible progress through early wins
- Improving internal capability
- Managing growth responsibly
- Improving public engagement quality and reach

Reviewing our strategic direction

Why we're reviewing our strategic direction

- It is important to review Council's **strategic framework** as part of the LTP
- For this LTP, the PGG recommended that:
 - ▶ The focus should be on reviewing the **strategic priorities** and making these meaningful in guiding Council's work
 - ▶ The current **vision and community outcomes** are retained



Why?

- There is a **new Council** who want to set their priorities for the next three years
- We are in a challenging and changing **operating environment** which we need to respond to
- Clear and meaningful priorities will identify our areas of focus which we can share with **staff, partners, and the community**



The new strategic goals and priorities will lay the **foundation for the LTP** and robust prioritisation and decision making

Proposed changes to the strategic framework

Current strategic framework



Retained



Proposed new strategic framework



Replaced with



Approach to shaping goals and priorities



Shaping strategic goals and priorities

Embedding the strategic goals and priorities

- It is important that:



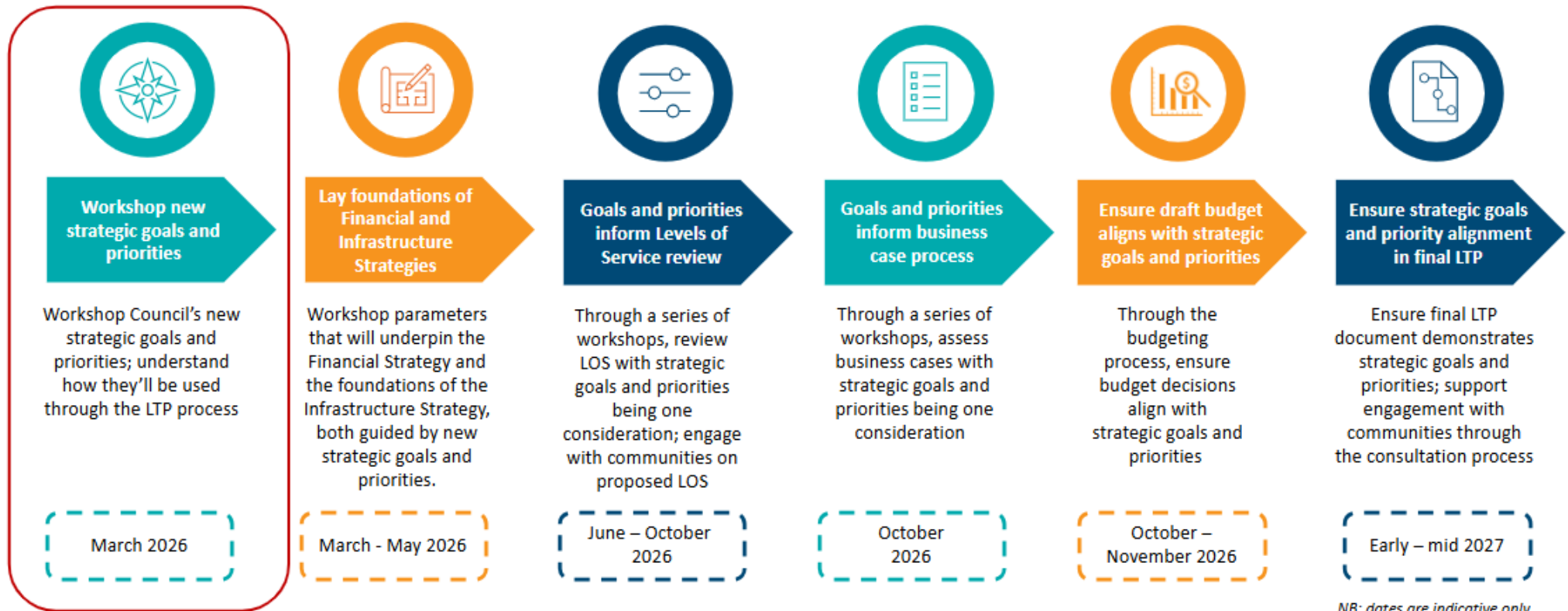
The new strategic goals and priorities **meaningfully guide** what we do and the decisions we make



We **measure progress** made against them

- The strategic goals and priorities will:
 - ✓ Guide the **Financial and Infrastructure Strategies**
 - ✓ Be considered through the **level of service** review and **business case** process
 - ✓ Be demonstrated within the LTP **Consultation Document** and final **LTP**

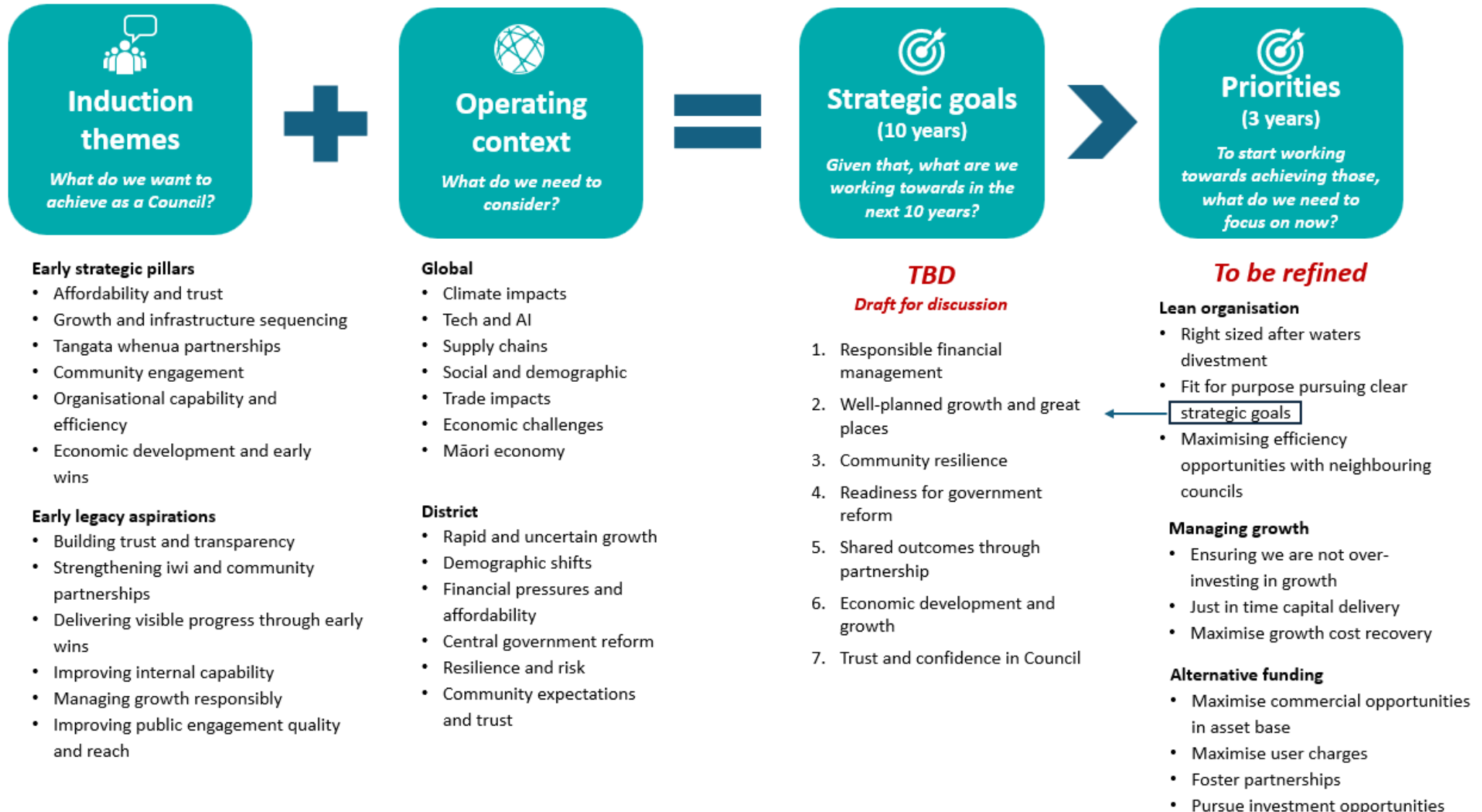
How your priorities will be used through the LTP



Approach to shaping goals and priorities



Shaping your goals and priorities



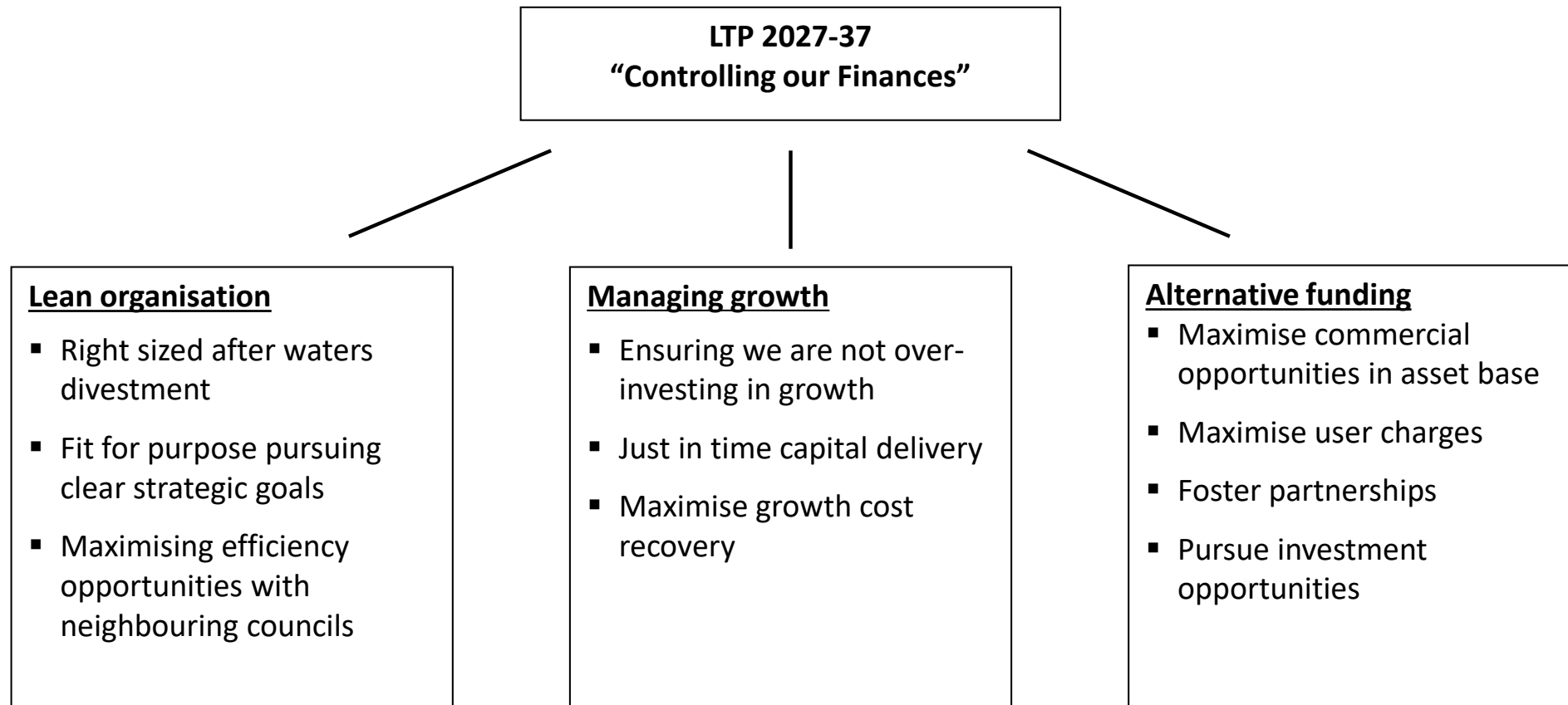
Draft goals

Theme	Goal statement
1) Responsible financial management	Ensure prudent and sustainable financial management to deliver value for the community now and into the future
2) Well-planned growth and great places	Enable well-planned growth that creates vibrant, connected, and liveable places for people and communities
3) Community resilience	Ensure communities are well positioned to adapt to the impacts of disruptions, emergencies, and climate change
4) Readiness for government reform	Ensure the community is well served by positioning the organisation to respond effectively to central government reform
5) Shared outcomes through partnership	Advance shared environmental, economic, and community outcomes by leveraging our role as an anchor institution through strong, local partnerships
6) Economic development and growth	Support regional economic development and growth to build long-term economic resilience and prosperity for our communities
7) Trust and confidence in Council	Strengthen trust and confidence between Council and the community through transparent decision-making and meaningful engagement



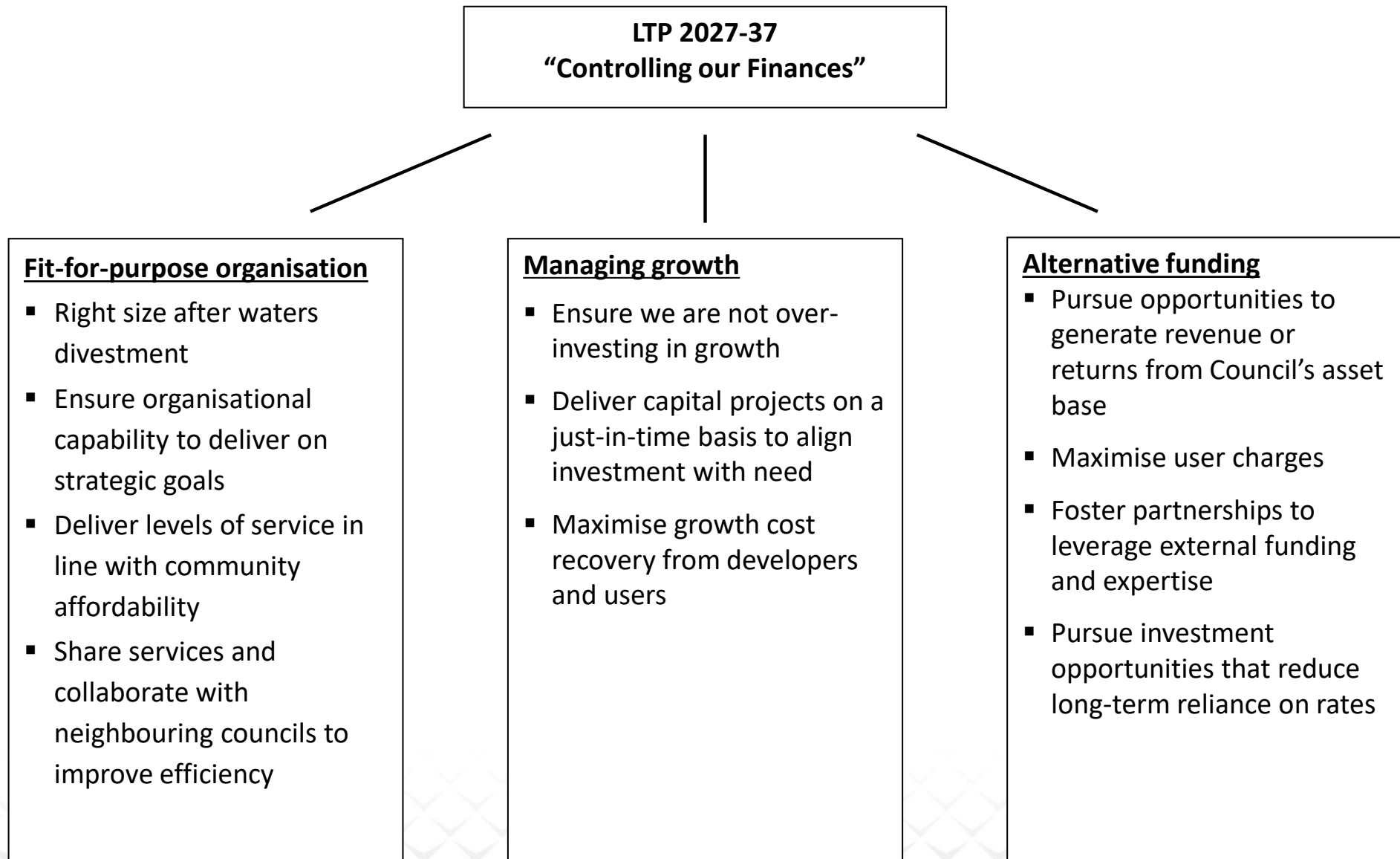
Draft priorities

Cr Montgomerie's original



Draft priorities

Possible amendments for discussion



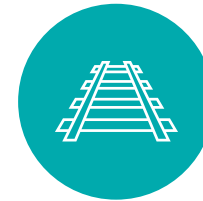


Financial Strategy

Financial Strategy 101



Critical component of the LTP and required under the Local Government Act 2002



Sets long term limits and policies for **rates, debt and investment** to ensure Council is financially sustainable and transparent to the community



Considering **high level parameters** in this workshop



Parameters will ensure staff have **clear guidance** to begin developing LTP work programmes and funding

Key parameters

- 1a  Rates increases
- 1b  Community affordability
- 2  Debt levels – Capital delivery programme
- 3  Levels of service
- 4  Funding depreciation and balanced budget
- 5  Appetite for borrowing for operating expenditure
- 6  Commitment to LGFA benchmarks
- 7  Approach to use of Council owned property assets

Parameter 1a: Rates increases



Direction requested: Elected Members' tolerance for rates increases in the 2027-37 LTP

Needs to be considered in the context of:

- **Rates capping**
- **Community expectations**
- Information still to come around **projects and services** to meet our strategic goals and priorities
- **Growth assumptions** – which will be covered at the Growth workshop in May

Parameter 1a: Rates increases



Rates increases for the 2025-34 LTP

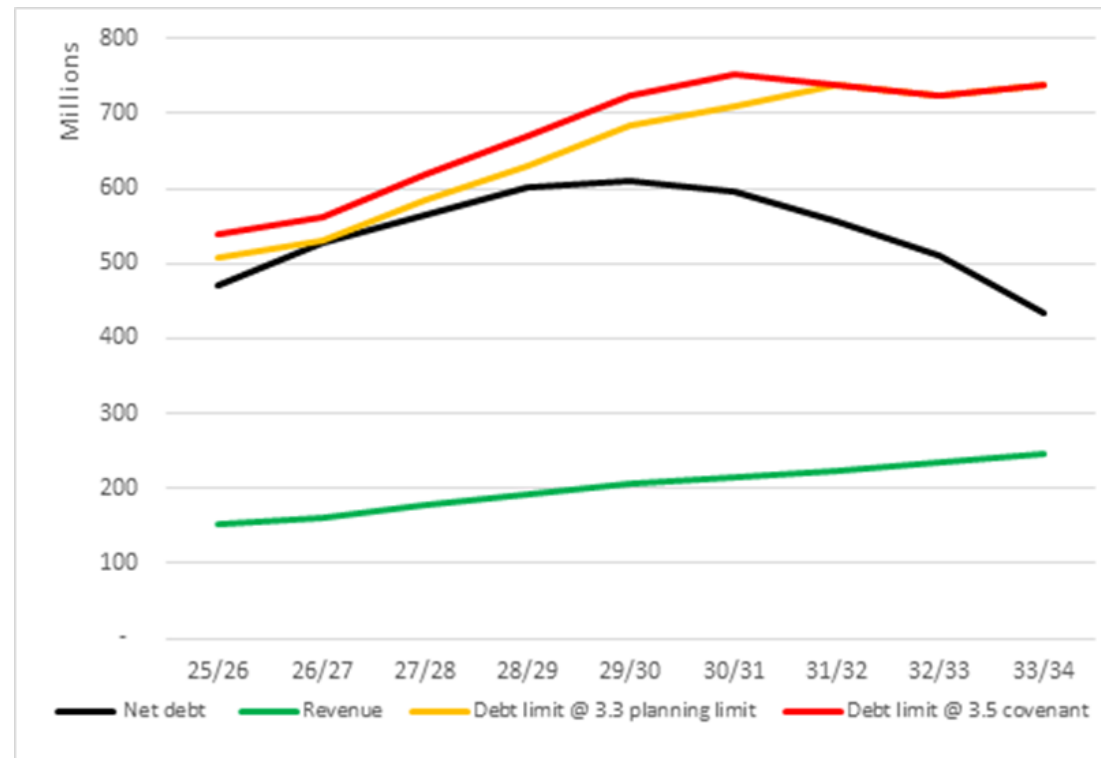
Financial year	Headline rates increase excluding waters	Headline rates increase including waters	Growth – assumption	Rates requirement before growth excluding waters	Rates requirement before growth including waters
2025/26	10.70%	15.50%	1.20%	11.95%	16.70%
2026/27	6.80%	10.70%	0.80%	7.57%	11.50%
2027/28	6.40%	6.90%	0.80%	7.11%	7.70%
2028/29	5.70%	6.80%	3.60%	9.25%	10.35%
2029/30	5.00%	4.60%	3.60%	8.55%	8.14%
2030/31	2.30%	2.30%	3.60%	5.84%	5.86%
2031/32	2.00%	2.30%	3.60%	5.51%	5.84%
2032/33	1.80%	2.30%	3.60%	5.40%	5.83%
2033/34	2.50%	2.30%	3.60%	6.10%	5.89%

NB: The review of the Growth assumptions may require increased rates if the new growth numbers are less than 3.6% from 2028/29

Parameter 1a: Rates increases



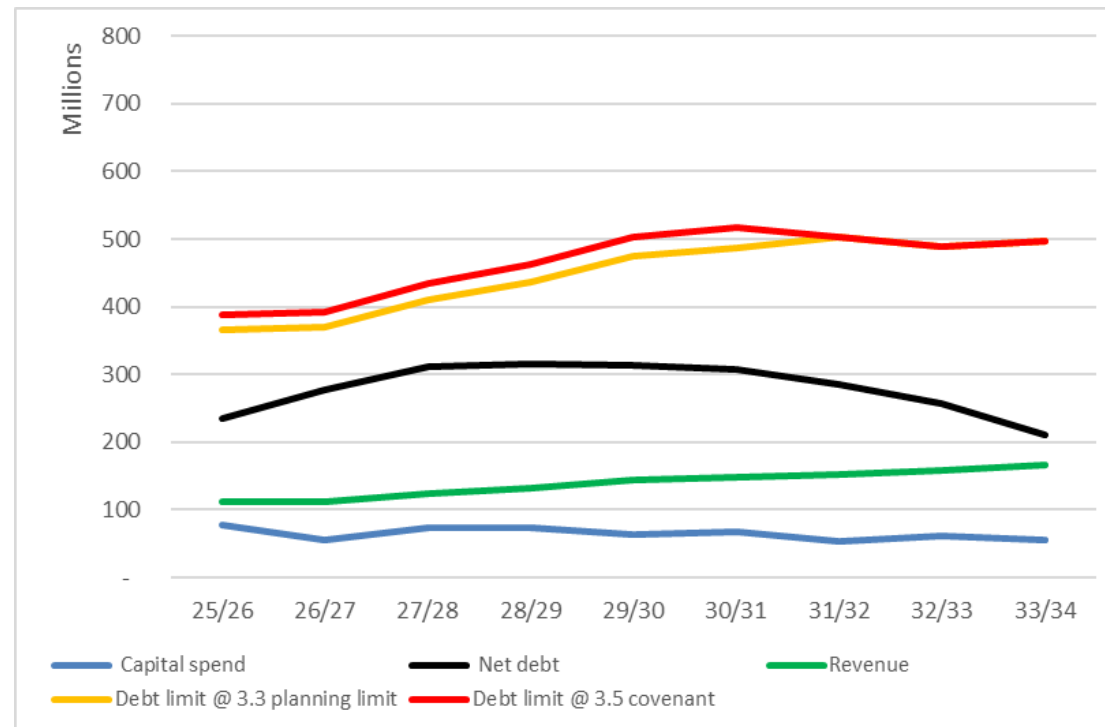
Debt and the headroom position for the 2025-34 LTP including waters



Parameter 1a: Rates increases



Debt and the headroom position for the 2025-34 LTP excluding waters



Parameter 1b: Community affordability



Direction requested: Do Elected Members support continuing to use the “within 5% of median household income” metric for the 2027-37 LTP? Or is there a better measure?

- An **affordability assumption** made through the 2025-34 LTP
- Rates must be within **5% of median household income**
- NB: The 5% **included water** and wastewater rates
- 3% for remaining may be a **fairer measure** reflecting that WWL will be billing to ratepayers for their services

Parameter 2: Debt levels – capital delivery programme



Direction requested: Do Elected Members want to maintain debt headroom in the 2027-37 LTP or utilise it to deliver cornerstone projects or other significant projects?

- Current LTP has **debt projected to peak in 2028/29** then decreasing due to development contribution revenue collection
- The **transfer of waters revenue** will see around 36% of revenue and corresponding 50% of water debt move to WWL; this frees up headroom for remaining Council
- Consideration of **LGFA guarantee** for WWL and WDC's own debt needs to be factored into any decision as it could have external credit rating issues later for Council

Parameter 3: Levels of service



Direction requested: Is there an appetite for Elected Members to consider LOS changes either to reduce the service levels we deliver to our communities or increase service levels in priority areas?

- 2025-34 LTP assumption that we would **maintain current levels of service**
- Since then, Elected Members have requested a **comprehensive review** for the 2027-37 LTP

Parameter 4: Funding depreciation and balanced budget



Direction requested:

Do Elected Members support continuing the underfunded component of the renewals programme in the 2027-37 LTP?

Are Elected Members open to increasing the underfunded component?

- Current LTP **underfunds the renewals programme** in the short term = unbalanced budget in years 1 – 3
- The \$4.4m shortfall will be **addressed by 2032/33** (noting Growth assumptions)
- **NOTE – staff do not recommend this due to breach of LGFA requirements relating to bespoke covenant, being return to balanced budget by 2028/29**

Parameter 5: Appetite for borrowing for operating expenditure



Direction requested: Do Elected Members support the principle of not borrowing to fund operating expenditure?

- To date, Council has not borrowed to fund **operating expenditure**
- A decision to do otherwise would **decrease debt headroom and add to rates charges** over future years to fund borrowing repayment (putting groceries on the credit card)

Parameter 6: Commitment to LGFA benchmarks



Direction requested: Is there an appetite not to meet any of these benchmarks?

Council must satisfy the following benchmarks to satisfy the LGFA covenants:

1. **Bespoke covenant as a growth Council:** Net debt/total revenue (as defined) < 350%
2. **Net interest/total revenue** (as defined) < 20%
3. **Net interest/annual rates income** < 30%
4. **Liquidity requirement:** (external debt plus committed loan facilities plus liquid investments)/external debt > 110%

Parameter 7: Approach to use of Council owned property assets



- With the transfer of debt to WWL, there is no longer an **urgency to sell property to fund debt capacity** as per current Financial Strategy

Direction on this parameter will be sought via the 8 April Property Strategy workshop

Recap and next steps

What we heard



Next steps

- Check in at **SP&P** on 1 April if needed
- Strategic goals and priorities will be presented for **approval** to Council on 29 April
- There will be ongoing work to **embed** the goals and priorities in Council's work and through the LTP process
- We will **communicate** the goals and priorities internally and externally

Communications and engagement

- ➔ It is not intended to undertake **community engagement** on the strategic goals and priorities
- ➔ The goals and priorities are being informed by **what the community has told us** is important to them
- ➔ We will **communicate** the final goals and priorities externally
- ➔ Ensuring we are **transparent** with our community, iwi and mana whenua partners, and key stakeholders
- ➔ They will be **shared internally** with staff, including what this means for their work
- ➔ To ensure **clear alignment** between a person's role, their work, and our strategic direction

Did we achieve what we set out to?

- 1 A sound understanding of a **Long Term Plan** and the context for **this LTP**
- 2 Shaping of **strategic goals and priorities**
- 3 Understanding of the LTP **Financial Strategy**
- 4 Consideration of key **financial parameters**
- 5 Understanding of how strategic goals and priorities and financial parameters **will be used through the LTP process**



HE KARAKIA WHAKAMUTUNGA

Puritia te rangimārie.

Hold fast to peace,

Puritia te aroha.

Hold fast to love

Puritia te ngākau pai.

Hold fast to sincerity,

Puritia ngā wawata.

Hold fast to our hopes,

Kia kore e ngaro.

May these things never be lost.

Haumi e, hui e, **tāiki e!**

Joined in unity – it is done!

