

Long Term Plan Update:

Infrastructure Strategy
&
Draft Development Contributions Policy

10 December 2020

Infrastructure Strategy (Draft)

- The Infrastructure Strategy (IS) sets out at a high level, Councils strategy for managing its infrastructure assets 2021- 2051, including the need for: renewals, response to growth and maintaining levels of service
- The purpose of the Infrastructure Strategy is to identify the significant infrastructure projects and issues for Council over a 30-year management period, along with the most likely management scenario.
- The IS aims to communicate the key issues, direction and concepts in a way that can be easily understood, and along with the Financial Strategy is a key supporting document for the Long Term Plan
- This is a rough draft, refinement will be undertaken

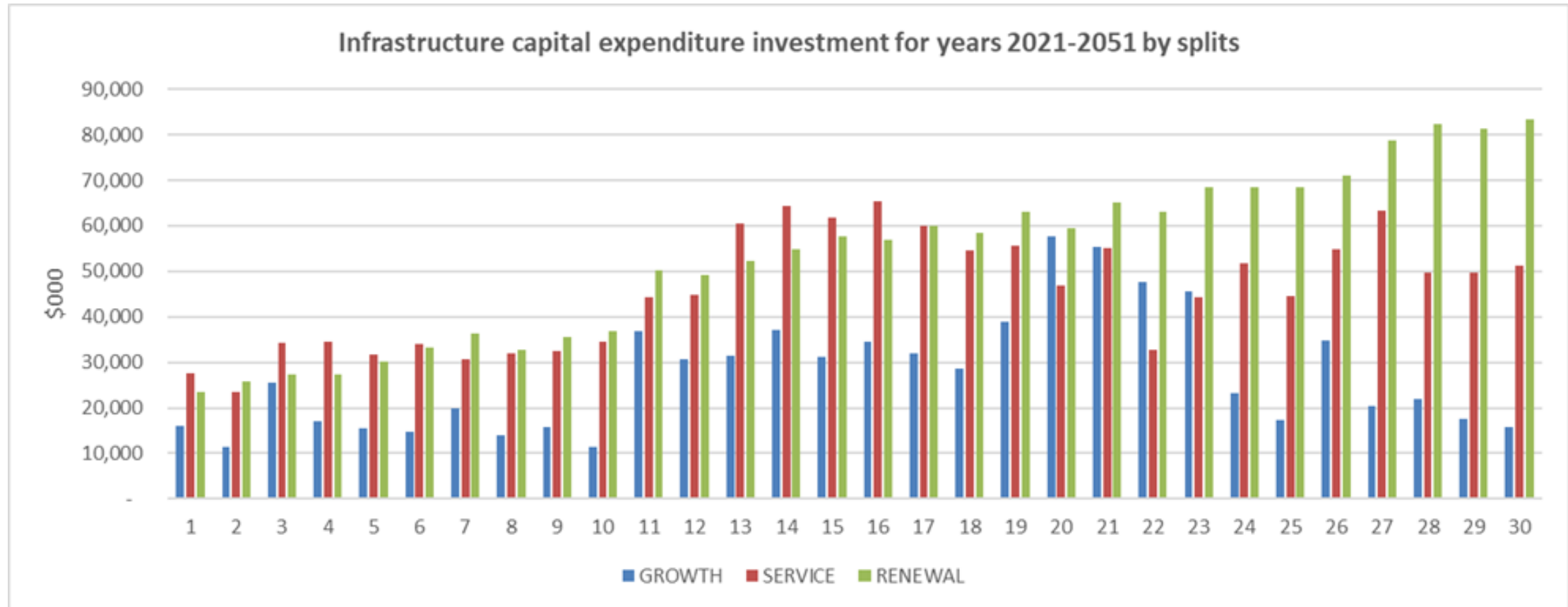
Where we are

- The Strategy incorporates financial analysis from the capital projects included in the LTP and the projects from Activity Management Plans for the mid and longer term of the Strategy
- The Strategy is in a draft form and requires minor formatting and graphical changes and inclusions, detailed checking of financial alignment, structure and corrections

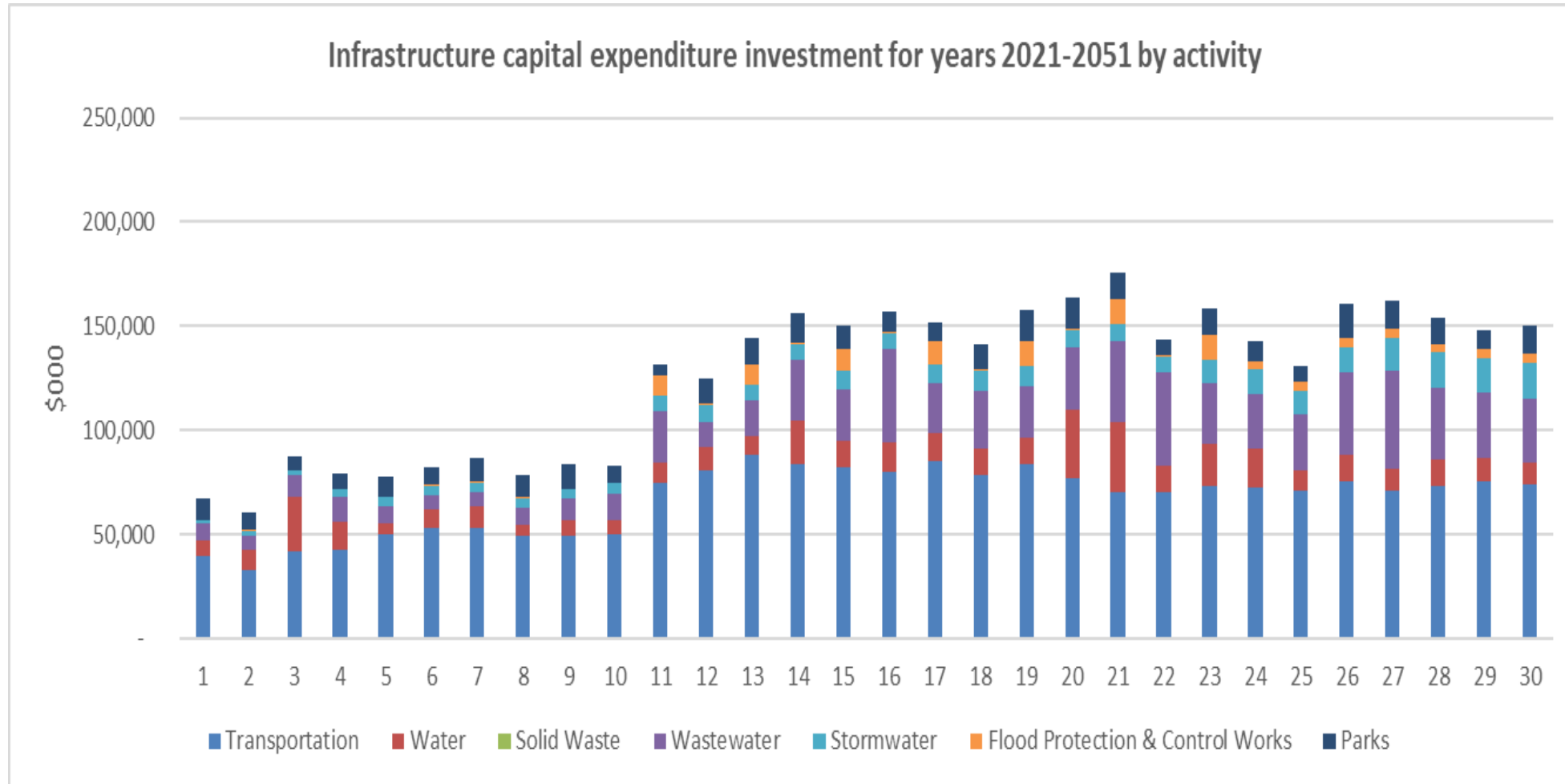
Infrastructure Strategy – Key Drivers

- Elected members priorities and
 - Growth
 - Climate Change
 - Covid-19
 - New Legislation and regulatory reform
 - Community wellbeing and public health
 - New Technologies
 - Community Expectations
 - Capacity to deliver capital works

Capital Expenditure by primary driver 2021-2051



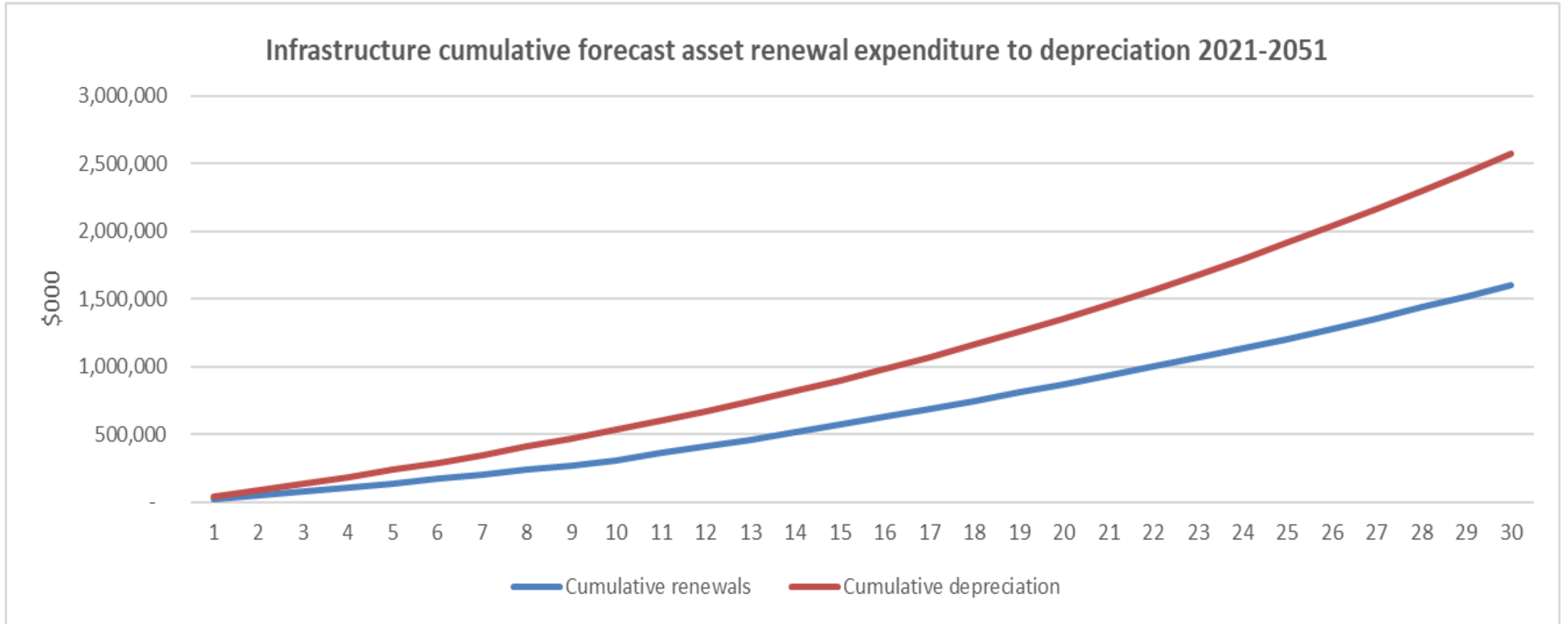
Capital Expenditure by Activity



Infrastructure Strategy – Our Story

- Existing assets in reasonable shape
- Have sufficient capacity in most areas to cater for population growth
- Lots of unknowns into the future such as
 - Impact of Climate Change
 - Wide range of legislative and regulatory changes
 - 3 Waters uncertainty
- Resources constraints – internal and external to deliver an ever increasing programme (programme reflects our resources)
- Improvement plan for capex delivery
- Depreciation vs. renewals

Depreciation vs. renewals



Significant projects

The projects below have largely been identified as significant projects because of the cost and public interest (triggered either by their construction or potential environmental and cultural importance)

Please note that these are either funded in the Long Term Plan or are within the individual Activity Management plans and outside the funding period

- **Ruakaka wastewater - ocean outfall** is scheduled from 2038 (or earlier) with an estimated uninflated cost: **\$60 million** (based on the current known information and technology)
- **Riverside Drive/ Onerahi Road** – is scheduled from 2024 – 28 with an estimated uninflated cost: **\$30 million**
- **Port/Kioreroa Road Intersection upgrade** is scheduled from 2021-2022 with an estimated uninflated cost: **\$16 million**
- **Poroti Water treatment plant upgrade** is scheduled 2021-2023 with an uninflated cost of **\$26 million**

Significant projects... (cont.d)

- **New water dam source** is scheduled for 2039 – 2042 with an estimated uninflated cost: **\$30 million**
- **Ruakaka wastewater treatment plant** – Upgrade design and consent is scheduled for 2021 for extension of the consent, physical works will be reviewed based on known information, technology and zoning decisions. Uninflated cost: **\$21 million**
- **Upgrade of Whangārei Wastewater Treatment Plant** is scheduled for 2021 – 2028 with an estimated uninflated cost: \$7 million for odour control and up to **\$23 million** for nutrient removal
- **Matapouri wastewater** scheme will be reviewed through sanitary assessments, with consultation being taken if it is the preferred option. Estimated uninflated cost: \$63M
- **Major Sportshub** purchase and development is scheduled for 2024 – 28 with an estimated uninflated cost: **\$15 million**

Development Contributions Policy

Note: that the Policy is largely complete but still subject to minor changes, formatting and corrections (Post adoption)

Development Contributions - We have previously:

- Presented the Policy document
- 1st draft of charges
- noted that project schedules will be updated in the final document
- We have discussed our charges and that they will be different to any other Councils
- The affect of growth on charges and that generally higher growth will bring the charges down
- New project costs, especially in small catchments will cause spikes (think about capping)

Updated Draft Charges

Draft Development Contribution Charges

- Key Inputs – Growth Model and Capital projects
- Counter intuitive outcomes
- Indicative Charges

Draft Charges 2021

Comparison of Proposed 2021 Charges and 2018 Policy Charges V.Di 9/12/2020

| Activity and Catchment | Catchment Charges | Community Wide | V.Di | Proposed Capping | V2.Di - 2018 % Change | 2018 Policy Charges | Comments |
|-------------------------------|--------------------------|-------------------------------|----------------------|----------------------|-----------------------|---------------------|---|
| Libraries | Catchment | Community Wide | Total Charges | Capped charge | | | |
| Citywide | \$ 139.47 | \$ 100.63 | \$ 240.10 | | -29% | \$ 338 | |
| Rural | \$ - | \$ 100.63 | \$ 100.63 | | -30% | \$ 144 | |
| Parks and Reserves | Catchment | Community Wide | Total Charges | | | | |
| Coastal Villages | \$ 272.62 | \$ 1,603.02 | \$ 1,875.64 | | -2% | \$ 1,915 | |
| Countryside | \$ - | \$ 1,603.02 | \$ 1,603.02 | | -12% | \$ 1,831 | |
| Growth Nodes | \$ - | \$ 1,603.02 | \$ 1,603.02 | | -12% | \$ 1,831 | |
| Rural Villages | \$ - | \$ 1,603.02 | \$ 1,603.02 | | -12% | \$ 1,831 | |
| Satellite Towns | \$ - | \$ 1,603.02 | \$ 1,603.02 | | -12% | \$ 1,831 | |
| Urban Villages | \$ 119.95 | \$ 1,603.02 | \$ 1,722.97 | | -13% | \$ 1,972 | |
| Whangarei City | \$ 116.59 | \$ 1,603.02 | \$ 1,719.61 | | -12% | \$ 1,964 | |
| Transport and Roothing | Catchment | Community Wide | Total Charges | | | | |
| North Coastal | \$ 1,903.19 | \$ 4,603.89 | \$ 6,507.08 | | -30% | \$ 9,297 | |
| North Rural | \$ 2,955.58 | \$ 4,603.89 | \$ 7,559.46 | | -42% | \$ 12,950 | |
| Ruakaka | \$ 459.14 | \$ 4,603.89 | \$ 5,063.03 | | -37% | \$ 8,032 | |
| South | \$ 1,735.78 | \$ 4,603.89 | \$ 6,339.67 | | -47% | \$ 11,864 | |
| Whangarei City | \$ 1,194.50 | \$ 4,603.89 | \$ 5,798.39 | | -25% | \$ 7,768 | |
| Wastewater | Catchment | Community Wide | Total Charges | | | | |
| | | | | | | | |
| | | | | | | | |
| WW Hikurangi | | \$ - | \$ 123.84 | | -57% | \$ 291 | Renewals improved capacity so split changed |
| WW Marsden Point-Ruakaka | | \$ - | \$ 9,596.10 | | -11% | \$ 10,724 | |
| WW Ngunguru | | \$ - | \$ 4,215.98 | | -23% | \$ 5,487 | |
| WW Oakura | | \$ - | \$ 14,665.23 | | -21% | \$ 18,593 | Growth model adjustments |
| WW Portland | | \$ - | \$ 86.60 | | -63% | \$ 232 | |
| WW Tutukaka | | \$ - | \$ 8.71 | | | \$ - | No charges |
| WW Waiotira | | \$ - | \$ 1,942.02 | | -86% | \$ 13,543 | Project is completed and capacity used |
| WW Waipu | | \$ - | \$ 1,769.21 | | -41% | \$ 2,996 | |
| | | | | | | \$ 11,563 | Catchment specific project reduced by \$7m network improvements & pump stations |
| WW Waipu Cove_Langs Beach | | \$ - | \$ 3,228.59 | | -72% | | |
| WW Whangarei | | \$ - | \$ 1,925.71 | | -39% | \$ 3,175 | |
| WW Whangarei Heads | | \$ - | \$ 34,365.62 | | -7% | \$ 36,827 | Capped in 2018 |
| Water | Catchment Charges | Community Wide Charges | Total Charges | | | | |
| Bream Bay North | | \$ - | \$ 2,976.70 | | -47% | \$ 5,591 | |
| Bream Bay South | | \$ - | \$ 3,045.29 | | -50% | \$ 6,120 | |
| Mangapai | | \$ - | \$ 11,858.05 | | -1% | \$ 11,948 | |
| | | | | | | \$ 6,684 | This results from a project specific catchment new resevoir and limited growth |
| Maungakaramaea | | \$ - | \$ 22,493.53 | | 237% | | |
| Whangarei City | | \$ - | \$ 4,347.32 | | -35% | \$ 6,649 | |
| Whangarei Heads | | \$ - | \$ 8,828.87 | | 14% | \$ 7,732 | |
| Whangarei North | | \$ - | \$ 3,070.28 | | -47% | \$ 5,774 | |
| | | | \$ 171,886.32 | | -21% | \$ 217,497 | |

Average HUES – by Catchment

| Activity Area | Average Whangarei City HUE | Average North Rural HUE | Average Whangarei Heads HUE | Average Ruakaka HUE | Average Rural South HUE | Average Waipu | Average North Coastal |
|---------------|----------------------------|-------------------------|-----------------------------|---------------------|-------------------------|---------------------|-----------------------|
| Library | \$ 240.10 | \$ 100.63 | \$ 100.63 | \$ 100.63 | 100.63 | \$ 100.63 | \$ 100.63 |
| Parks | \$ 1,722.97 | \$ 1,603.02 | \$ 1,875.64 | \$ 1,603.02 | 1603.0182 | \$ 1,603.02 | \$ 1,875.64 |
| Transport | \$ 5,798.39 | \$ 7,559.46 | \$ 6,507.08 | \$ 5,063.03 | 6339.6709 | \$ 6,339.67 | \$ 6,507.08 |
| Wastewater | \$ 1,925.71 | | \$21,568 | \$ 9,596.10 | | \$ 1,769.21 | |
| Water | \$ 4,347.32 | | \$ 8,828.87 | \$ 2,976.70 | | \$ 3,045.29 | |
| | \$ 14,034.49 | \$ 9,263.11 | \$ 38,880.22 | \$ 19,339.48 | \$ 8,043.32 | \$ 12,857.82 | \$ 8,483.35 |
| | | | | | | | |

Where to from here, lets discuss?

- Capping Options – Stand back testing