



Centennial Park Te Kuiti

Section E: Policies and Strategies

This section contains:

- Policy Statement on Council Controlled Organisations
- Policy on Appointment of Directors to Council Controlled Organisations
- Revenue and Financing Policy
- Summary of Significance and Engagement Policy
- Infrastructure Strategy

Creating a better future with vibrant communities and thriving business.

Policy Statement on Council Controlled Organisations

Inframax Construction Ltd

Inframax Construction Ltd (ICL) is a Roading Construction and Maintenance Company wholly owned by the Waitomo District Council as a Council Controlled Organisation subject to the Local Government Act 2002.

As in the past, the Council will continue to evaluate its investment in ICL having regard to the impact of its decisions on the community, in accordance with the Local Government Act 2002.

ICL's corporate purpose is to operate as a provider of roading construction, roading maintenance, aggregate quarrying and crushing and other infrastructural services.

The Company will compete for infrastructure contracts in the central and western North Island Districts and other areas where it is identified that such contracts will yield an appropriate rate of return or where the Company believes that there are sound commercial reasons for doing so.

1.1 Performance Targets for 2015 - 2017

	INFRAMAX		
	2015/16	2016/17	2017/18
Equity Ratio - Shareholders funds expressed as percentage of Total Assets.	20%	25%	35%
Current Ratio - Current assets expressed as a % of current liabilities	Positive	Positive	Positive
EBITDA - Earnings Before Interest, Tax, Depreciation and Amortisation	\$2.2m	\$2.3m	\$2.5m
Revenue - Revenue Targets	\$28.0m	\$30.0m	\$32.0m
Closing Bank and Shareholder's Loan - Projected end of year closing balances.	\$7.5m	\$7.0m	\$6.3m
Bank Covenants - Quasi Equity and Earning Covenant	Unconditionally met	Unconditionally met	Unconditionally met
Health and Safety - To achieve a zero Lost Time Injury Accident (LTI) rate	Zero LTI's	Zero LTI's	Zero LTI's

Independent Roadmarkers Taranaki Ltd

Independent Roadmarkers Taranaki Limited (IRT) is a wholly owned subsidiary of Inframax Construction Limited.

Inframax Construction Ltd (ICL) is a Council Controlled Organisation subject to the Local Government Act 2002.

As in the past, the Council will continue to evaluate its investment in IRT having regard to the impact of its decisions on the community, in accordance with the Local Government Act 2002.

IRT's corporate purpose is to operate as a provider of road and highway paint marking, car-park and sports court paint marking, associated traffic management and all other services associated with traffic marking systems.

2.1 Performance Targets for 2015 - 2017

	INDEPENDENT ROADMARKERS TARANAKI LTD		
	2015/16	2016/17	2017/18
Return on Equity - Net Profit before Tax as percentage of average Shareholders Funds.	To be greater than 8%	To be greater than 8%	To be greater than 8%
Equity Ratio -Shareholders funds expressed as percentage of Total Assets	60%	60%	60%
Dividend - Dividend during the year	0	0	0
Health and Safety - To achieve a Lost Time Injury Accident (LTI) rate of:	Zero Injuries	Zero Injuries	Zero Injuries

Local Authority Shared Services (LASS)

Background

The local authorities within the boundaries of the Waikato Region have worked closely together over a number of years on mutually beneficial joint projects. These projects have demonstrated the benefits that can be gained both in terms of outcomes achieved and the reduction in costs to the community.

Taking this initiative a step further, the local authorities have begun developing new shared service initiatives, including a valuation database to provide on-line updated information for all Council's. Taking this initiative and putting it to a formal context has resulted in the formation of Local Authority Shared Services (LASS) Limited.

The Council has an equal share, with each of the 12 local authorities situated within the boundaries of the Waikato region, in LASS Ltd. The principal objective is for the Company to provide the most effective access to regional information of mutual value to the regional community using modern technology and processes. This Company will also be used as an umbrella for future development of shared services through the Region.

Shareholders

Local Authority Shared Services Limited is jointly owned by 12 local authorities:

- Waikato Regional Council
- Hamilton City Council
- Hauraki District Council
- Matamata-Piako District Council
- Otorohanga District Council
- Rotorua District Council
- South Waikato District Council
- Taupo District Council
- Thames-Coromandel District Council
- Waikato District Council
- Waipa District Council
- Waitomo District Council

Council Policies and Objectives relating to Council Controlled Organisations

The Constitution of LASS Ltd sets out the principles and expectations around how the company will be governed and operated. While Council has no formal policies and objectives, it has become a Shareholder on the basis that the Company will develop products and services of significant benefit to Waitomo residents and ratepayers.

Nature and Scope of Current Activities

There are currently four major initiatives operating under the LASS umbrella.

- 1 **Shared Valuation Data Service (SVDS).** This operational system is providing both timely and accurate valuation data to member councils and shareholders. The SVDS has become the accepted valuation service in the region.
- 2 **Waikato Regional Transportation Model (WRTM).** This model became fully operational in February 2010. This model provides accurate information to Councils and external users (for a charge) for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region, and is jointly funded by the NZ Transport Agency.
- 3 **Joint Procurement Initiatives.** LASS is a party to a number of joint procurement contracts between the company, shareholding Councils and suppliers. Some contracts (e.g. insurance brokerage services; various collective insurance policies; courier and postal services; historic aerial photography) involve all of the shareholding councils. Other joint procurement contracts have been negotiated, involving only some of the shareholding councils (e.g. the Professional Services Panel; computer-generated print, mail house and e-services). Further procurement opportunities are continually being identified, and a number are currently under active investigation (e.g. asset valuation services; pipe procurement).
4. **The Waikato Regional Aerial Photography Service (WRAPS).** WRAPS was set up in the 1990's for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. So far, there have been three WRAPS contracts – 2002, 2007 and 2012. In 2012, the WRAPS members were the councils of the Waikato Region, plus the Department of Conservation and Waikato University. The next contract is due in 2016/17. Discussions are currently being held with other parties to assess their willingness to join the syndicate.

Performance Targets

TARGET	MEASURE
<p>Procurement Joint procurement initiatives for goods and services for LASS councils will be investigated and implemented.</p>	<p>A minimum of three new procurement initiatives investigated per annum and business cases developed if considered appropriate. Initiatives which are implemented shall provide financial savings and/or improved service levels to the participating councils. New suppliers are awarded contracts according to the LASS Financial Delegations Policy.</p>
<p>Collaborative Projects Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.</p>	<p>A minimum of three priority projects for collaboration are identified per annum. If considered of value, business cases are developed for approval by the Board, and the projects are implemented.</p>
<p>Existing LASS Contracts Existing contracts are managed and renegotiated as required.</p>	<p>The LASS Contracts Register is maintained and managed. Contracts which are due for renewal are tested for competitiveness and either renegotiated or tendered through a competitive process.</p>
<p>Cashflow The company shall maintain a positive cashflow position.</p>	<p>Monthly financial statements show a positive cashflow position.</p>
<p>Cost Control Administration expenditure shall be managed and monitored.</p>	<p>Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.</p>
<p>Reporting Six monthly reports provided to Shareholders.</p>	<p>The Board shall provide a written report on the business operations and financial position of the LASS to the Shareholders every six months.</p> <p>Note that every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the LASS are being adhered to.</p>
<p>Waikato Mayoral Forum The company shall provide administrative support and updates on Mayoral Forum workstreams to the Mayoral Forum.</p>	<p>The Mayoral Forum is regularly updated on the progress of each approved workstream.</p> <p>Approved invoices for Mayoral Forum projects are paid by the 20th of the month following their receipt.</p>
<p>Shared Valuation Data Services (SVDS) The SVDS is reliable, well maintained and available to all users.</p>	<p>The SVDS is available to users at least 99% of normal working hours.</p> <p>All capital enhancement work is supported by a business case and approved by the SVDS Advisory Group.</p> <p>The SVDS Advisory Group meets at least 6-monthly.</p>
<p>Waikato Regional Transport Model (WRTM) The WRTM is reliable, well maintained and available to all users.</p>	<p>All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget.</p> <p>A report by the Contract Manager on any new developments and on the status of the model is provided to the LASS Board at least every six months.</p> <p>The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual), and is independently peer reviewed each time the model is updated.</p>
<p>Shareholder Survey Shareholders are satisfied with the performance of LASS.</p>	<p>A survey of shareholders is undertaken each year, and the results are reported to all shareholders.</p>
<p>Review of Benefits Shareholders are informed of the benefits being provided to shareholding councils by LASS.</p>	<p>Information on the financial and non-financial benefits being achieved by LASS are included in the 6-monthly and Annual Report to shareholders.</p>

Policy on Appointment of Directors to Council Controlled Organisations

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1.0 PURPOSE

1.1 The purpose of this policy is to set out, in accordance with Section 57 of the Local Government Act 2002 (the "Act") an objective and transparent process for:

- (a) Identifying and considering the skills, knowledge and experience required of directors of a Council organisation.
- (b) Appointing directors to a Council organisation.
- (c) Determining the remuneration of directors of a Council organisation.

2.0 OBJECTIVES OF THE POLICY

2.1 The objectives of this policy are:

- To comply with section 57 of the Local Government Act 2002.
- To disclose the process and criteria Council will apply to the appointment, removal and setting of remuneration for directors of Council organisations.
- To outline the consultation process (if any) to be undertaken with the community on appointment and remuneration.

3.0 DEFINITIONS

3.1 The term "Council organisation" ("CO") is used as defined in Section 6 of the Act.

3.2 The Act also creates two sub-categories of COs – "Council-controlled organisations" ("CCOs") and "Council-controlled trading organisations" ("CCTOs").

3.3 The Council currently has interests that fall into the latter category only - (i.e. CCTO).

3.4 Meaning of "Council organisation"

In broad terms, a CO is an organisation in which the Council has a voting interest or the right to appoint a director, trustee or manager (however described). This is a wide-ranging definition, covering a large number of bodies.

3.5 Meaning of "Council-controlled organisation"

A CCO is a CO in which one or more local authorities control, directly or indirectly, 50% or more of the votes or have the right, directly or indirectly, to appoint 50% or more of the directors, trustees or managers (however described).

3.6 Meaning of "Council-controlled trading organisation"

A CCTO is a CCO that operates a trading undertaking for the purpose of making a profit.

3.7 Meaning of "Investment Representative Committee"

Investment Representative Committee means a committee appointed by Council consisting of Council staff and elected members.

4.0 SCOPE OF POLICY

4.1 When Council is involved with CCOs and CCTOs under the definitions of Section 6(1) of the LGA, Council will disclose its interests in these organisations in the LTP.

5.0 CRITERIA FOR SELECTING DIRECTORS (GENERAL)

5.1 General Criteria

Council will appoint persons as directors of CCO's and CCTO's under the criteria outlined in Section 57(2) of the LGA, specifically, persons that Council considers have the skills, knowledge and experience to:

- Guide the organisation given the nature and scope of its activities
- Contribute to the achievement of the objectives of the organisation.

5.2 Skill Criteria

Council considers that any person that it appoints to be a director of a CCO or CCTO should clearly demonstrate the following skills/attributes:

- Intellectual ability
- Business experience or other experience, skills or qualifications that are relevant to the activities of the organisation
- Sound judgement
- High standard of personal integrity
- Ability to work as a team member
- Understanding of governance issues.

5.3 Specific Exclusions from Directorship of a Council Controlled Organisation

No person shall be appointed as a director of a CCO or CCTO who:

- Has served a jail sentence of three months or longer or has been convicted of a crime that carries such sentence.
- Has been convicted of fraud, theft, robbery or larceny.
- Has been declared bankrupt at any point in time or been the director of a company at the time it was placed in receivership or liquidation.

6.0 PROCEDURES FOR APPOINTMENT OF DIRECTORS (GENERAL)

6.1 Appointment Process

When vacancies arise in the directorship of any CCO or CCTO, Council will follow the following appointment process:

- a) Council will decide whether to advertise a particular vacancy or make an appointment without advertisement, and outline the process for appointment and setting of remuneration including:
 - Recruiting of candidates,
 - Contract development and negotiation,
 - Ongoing performance monitoring.
- b) When taking a decision on this matter, Council will consider:
 - The costs and benefits of any advertisement,
 - The availability of qualified candidates,
 - The urgency of the appointment,
 - The degree of public interest in the issue.
- c) Council will consider applications and resolve an appointment in committee (this protecting the privacy of natural persons). Public notice of the appointment will be made as soon as practicable after Council has made its decision.
- d) An elected member who is under consideration to fill a particular vacancy may not be present in the discussion or vote on that appointment.

6.2 Length of Tenure

Council will decide length of tenure prior to appointment.

6.3 Remuneration

Remuneration will be determined on a case by case basis taking in to account the size, form and purpose of the organisation, any previous level of fees paid by the shareholder and any other relevant requirements contained in the organisation's constitution.

6.4 Removal of Directors

Directors appointed to CCO's or CCTO's by Council are in the role at the pleasure of Council. Council may terminate a director's appointment at any time by way of written notice.

6.5 General

Council expects that directors appointed to CCO's and CCTO's will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations, Council requires directors to follow the provisions of the New Zealand Institute of Director's Code of Ethics for Partnerships, Joint Venture and Other Arrangements that are not companies, and the provisions of the Companies Act 1993. All directors are appointed at the pleasure of the Council and may be dismissed for breaches of these stated documents.

7.0 PROCEDURES FOR APPOINTMENT OF DIRECTORS TO INFRAMAX CONSTRUCTION LIMITED

NOTE: This section is to be read in conjunction with the Constitution of Inframax Construction Limited.

7.1 Appointment Process

Directors on the board of Inframax Construction Limited (ICL) will be appointed by way of Council resolution on receipt of advice/recommendation by the Investment Representative Committee. The Investment Representative Committee will provide advice to Council on the following matters:

- a) Whether to advertise a particular vacancy or make an appointment without advertisement, and outline the process for appointment and setting of remuneration including:
 - Recruiting of candidates,
 - Contract development and negotiation,
 - Ongoing performance monitoring.

- b) In preparation of this advice the Investment Representative Committee will consider:
- The costs and benefits of any advertisement,
 - The availability of qualified candidates,
 - The urgency of the appointment,
 - The degree of public interest in the issue.
- c) The Investment Representative Committee will select and interview a shortlist of candidates, undertake a structured evaluation and make recommendation to Council for final approval. Council may consider applications and resolve an appointment in committee (this protecting the privacy of natural persons). Public notice of the appointment will be made as soon as practicable after Council has made its decision.
- d) An elected member who is under consideration to fill a particular vacancy may not be present in the discussion or vote on that appointment and may not continue to be an elected member if appointed as a director of ICL.

8.2 Council Controlled Trading Organisations in which Waitomo District Council holds shares

- Local Authority Shared Services Ltd (LASS).

8.3 Other Entities

- NZ Local Government Insurance Corporation.

9.0 CCOS AND CCTOS IN WHICH COUNCIL HAS A MINORITY INTEREST

- 9.1 Where Council has a minority interest in a CCO or CCTO (i.e. where a CCO or CTO is controlled by a number of councils and this Council does not have a majority stake) then the process for the appointment and remuneration of directors will be agreed with other stakeholders (by whatever name) in the CCO or CCTO. As far as practicable, Council's involvement in the process will be consistent with this policy.

7.2 Appointment of Temporary Directors

Temporary directors for ICL will be appointed by the Investment Representative Committee.

7.3 Remuneration

The Council will set ICL directors' remuneration either by resolution at the Annual General Meeting or by way of resolution of Council. The resolution will state whether the remuneration is set as a fixed cap for Board Remuneration, to be allocated by the Board, or specifying the salaries to be paid to the directors and chairperson.

Remuneration for directors will be determined by an analysis of market rates for comparable positions at the time appointment(s) are being made and thereafter assessed every three years.

7.4 Removal of Directors

The Investment Representative Committee may terminate the appointment of an ICL director at any time by way of written notice.

8.0 WAITOMO DISTRICT COUNCIL CONTROLLED ORGANISATIONS

8.1 Companies in which Waitomo District Council directly owns the shares

- Inframax Construction Limited
- Independent Roadmarkers Taranaki Limited (Subsidiary of Inframax).

Revenue and Financing Policy

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1.0 INTRODUCTION

1.1 BACKGROUND

- 1.1.1 Under Section 102 of the Local Government Act 2002 (LGA 2002), all local authorities are required to adopt a Revenue and Financing Policy (RFP).
- 1.1.2 The RFP provides details of Council's policies in respect of funding operating and capital expenditure, including how the policy was developed and what sources are used to fund the different activities. Total funding comprises a funding mix of rates, fees and charges, debt and other income.
- 1.1.3 The application of the Revenue and Financing Policy is reflected in the Funding Impact Statement for a particular financial year. To understand the rating impact of the policy it needs to be read in conjunction with the Funding Impact Statement.

1.2 Policy Intent

- 1.2.1 The purpose of this Policy is to clearly and transparently demonstrate how and why each significant activity of Council is funded.

2.0 LEGAL REQUIREMENTS

2.1 Local Government Act 2002

- 2.1.1 Section 102(1) of the LGA 2002 requires Council to adopt a Revenue and Financing Policy. Section 103 states the requirements of the policy.

2.2 Section 103 LGA 2002:

- (1) A policy adopted under section 102(1) must state –
- (a) the local authority's policies in respect of the funding of operating expenses from the sources listed in subsection (2)
 - (b) the local authority's policies in respect of the funding of capital expenditure from the sources listed in subsection (2).
- (2) The sources referred to in subsection (1) are as follows:
- (a) general rates, including –
 - (i) choice of valuation system
 - (ii) differential rating
 - (iii) uniform annual general charges;
 - (b) targeted rates;
 - (ba) lump sum contributions;
 - (c) fees and charges;
 - (d) interest and dividends from investments;
 - (e) borrowing;
 - (f) proceeds from asset sales;
 - (g) development contributions;
 - (h) financial contributions under the Resource Management Act 1991;
 - (i) grants and subsidies;
 - (j) any other source.
- (3) A policy adopted under section 102(1) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with section 101(3).

2.3 Section 101(3) states:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

- (a) *in relation to each activity to be funded –*
- (i) *the community outcomes to which the activity primarily contributes; and*
 - (ii) *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
 - (iii) *the period in or over which those benefits are expected to occur; and*
 - (iv) *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
 - (v) *the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*
- (b) *the overall impact of any allocation of liability for revenue needs on the community.*

2.4 Section 14 Principles relating to Local Authorities

2.4.1 This section lists some general principles that a local authority must act in accordance with, when performing its role and conducting its business. In summary, local authorities are required to be:

- Open, transparent and accountable.
- Efficient and effective.
- Aware of and pay regard to the views of its communities.
- Focused on meeting Community Outcomes.
- Responsive to diverse community interests including future generations.
- Collaborate actively with other local authorities.
- Inclusive of Maori.
- Based on sound business practices in the case of commercial transactions.
- Assess the expected returns of investments and assess if they are likely to outweigh the risks inherent in the investment.
- Demonstrative of prudent stewardship of resources, including planning effectively for the future management of its assets.
- Based on a sustainable approach reflecting the social, economic, environmental and cultural interests of future generations.

2.5 Other Legal Requirements

2.5.1 While the Revenue and Financing Policy is governed by the LGA 2002, there are other legislative requirements that are relevant for determining appropriate funding mechanisms such as:

2.6 Local Government (Rating) Act 2002

2.6.1 The Local Government Rating Act 2002 sets out all the legal requirements for rating. It covers who is liable to pay rates, what land

is rateable, what kind of rates may be set and how those rates are set, the valuation systems which may be used and the various rating mechanisms available (such as targeted rates). It also sets a number of limits on local government. For example, total uniform charges (excluding any targeted fixed rate charges for water or wastewater) may not exceed 30% of total rates revenue.

2.7 Building Act, Sale of Alcohol, etc

2.7.1 A number of Acts, such as the above, set out statutory fees for various types of regulatory services. These fees may not be exceeded. Where fee setting is up to the local authority, there is often a general legal requirement for this to be "fair and reasonable". The Dog Control Act 1996 determines that revenue collected under authority of that Act may only be used to defray expenses incurred in the provision of this activity.

2.8 Resource Management Act 1991

2.8.1 The Resource Management Act 1991 (RMA 1991) sets out Council's responsibilities in terms of the environment. It also specifies the circumstances in which local authorities may require financial contributions from developers to meet the costs of their impact on the environment, including their impact on the demand for infrastructure. Alternatively, under the LGA 2002, local authorities are allowed to seek development contributions or a combination of development and financial contributions under the respective Acts.

3.0 POLICY STATEMENT

3.1 Funding Of Operating Expenditure

3.1.1 Where expenditure does not create a new asset for future use, or extend the lifetime or usefulness of an existing asset, it is classed as operating expenditure.

3.1.2 Council funds operating expenditure from the following sources:

- General Rates
- Uniform Annual General Charge
- Targeted Rates
- Fees and Charges
- Interest and Dividends from investments
- Grants and Subsidies towards operating expenses
- Other Sources.

3.1.3 Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years.

3.1.4 Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The process used is as specified by the LGA 2002.

3.1.5 The Funding Impact Statement produced each year (as required by Schedule 10(20) LGA 2002) shows the impact of the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

3.2 Funding Of Capital Expenditure

3.2.1 Capital expenditure is the spending on creation of a new asset, or extending the lifetime of an existing asset. Capital expenditure can also be incurred to improve the level of service provided by the asset.

3.2.2 The following sources are available for Council under the LGA 2002 to fund capital expenditure:

- Grants and Subsidies
- Loans
- Rates
- Proceeds from Asset Sales
- Depreciation Reserves
- Financial Contributions under the Resource Management Act
- Development Contributions under the Local Government Act
- Other.

3.2.3 Council makes use of all of the above sources of funding of capital expenditure, with the exception of Development Contributions. Population trends show that there is no demand for growth related infrastructure at the present time. There is currently enough capacity in the infrastructure network to allow for nominal growth should it occur in an area. The RFP does not include a provision for growth related capital expenditure as it has been assumed that capital outlay to cater for growth will not occur until there is evidence that the assumed growth is taking place.

3.2.4 Council makes provision for capital expenditure for renewals and capital developments which relate to improvements to levels of service. Funding sources used by Council for capital expenditure for renewals in order of priority are, subsidies and grants (when available), depreciation funding, then loan funding, and lastly rate funding. Expenditure for capital developments for improvements to levels of service are funded in the following order of priority, subsidies and grants (when available), loan funding and lastly rate funding.

3.2.5 Loan funding is an appropriate funding mechanism to enable the effect of peaks in capital expenditure to be smoothed and also to enable the costs of major developments to be borne by those who ultimately benefit from the expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community at the time or over the period the benefits of that expenditure accrue.

4.0 POLICY DEVELOPMENT PROCESS

In developing the Revenue and Financing Policy and determining the appropriate funding sources for each activity, Council considered each activity against the principles laid out in LGA 2002. These are:

4.1 Community Outcomes (COs)

4.1.1 These are the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions. Section 101(3)(a)(i) of the LGA 2002 requires that in determining the funding sources, Council identify the community outcomes to which each activity primarily contributes.

4.1.2 This Revenue and Financing Policy lists for each group of activities, the outcomes to which it primarily contributes, and states why each activity is undertaken.

4.2 Distribution of Benefits

4.2.1 Section 101(3)(a)(ii) of LGA 2002 requires costs to be allocated where the benefits lie. Council assessed the Distribution of Benefits for each activity, whether the benefits flowed to the District as a whole, or to individuals or identifiable parts of the community.

4.2.2 In order to assess the Distribution of Benefits, it is necessary to first describe and define the different types of benefits that flow from Council activities.

Definition of Terms

National Benefit	Benefits the nation and is public in nature.
District Benefit	Benefits the whole District and is public in nature.
Regional Benefit	Benefits the Region and is public in nature.
Commercial Benefit	Benefits the commercial sector and has elements of both public and private benefit.
Community Benefit	Benefits a particular Community of Interest and is public in nature.
User Benefit	Benefits an identifiable individual, group, or community segment.
Applicant	Benefits an Identifiable individual, group or community segment.
Offender / Exacerbator	The cost is the result of offenders, or ones who exacerbate a problem.

4.3 Period of Benefits (Intergenerational Equity)

4.3.1 Section 101(3)(a)(iii) requires the consideration of intergenerational equity – the principle that costs of any expenditure should be recovered over the time that the benefits of the expenditure accrue. This principle applies particularly to the allocation of capital expenditure and results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it.

4.3.2 These principles of funding operating and capital expenditure are as stated in the Policy Statement section of this policy. They are assumed to apply to each activity, unless otherwise stated in the individual Activity Analysis section.

4.3.3 Operational expenditure is funded annually and therefore there are no intergenerational equality issues to be considered. Intergenerational equality issues arise in relation to capital expenditure and investments and are discussed in the Policy Statement section of this policy and identified in the individual activity analysis sections where relevant.

4.4 Exacerbator Pays

4.4.1 Section 101(3)(a)(iv) requires Council to assess the extent to which each activity is undertaken to remedy the negative effects of the actions or inaction of an individual or group. It is important to note that the actions themselves may not be negative or "bad" but they may have negative effects on the whole community.

This principle (exacerbator or polluter pays principle) is particularly relevant to Council's regulatory functions and other activities undertaken to mitigate the adverse effects on the environment.

4.4.2 The Exacerbator Pays principle suggests that Council should, where it is practical; recover any costs directly from the individual or group that contributes to the deterioration of a situation or to a cost that is a direct result of their actions.

4.4.3 Most activities do not exhibit exacerbator pays characteristics. This heading is only included in the analysis of those activities which do demonstrate such characteristics.

4.5 Costs and Benefits

4.5.1 This consideration includes transparency, accountability and some assessment of the cost efficiency and practicality of funding a particular activity separately.

4.5.2 Transparency and accountability are most evident when an activity is totally distinctly funded. This allows rate-payers, or payers of user charges as the case may be, to see exactly how much money is being raised for and spent on the activity. However, funding every activity on such a distinct basis would be extremely administratively complex. The administrative costs and lack of materiality has led Council to fund a number of activities collectively. The individual Activity Analysis section of this policy does not repeat this argument for each activity.

4.6 Overall Impact of the Funding Mechanisms Selected

4.6.1 Following the consideration of the matters referred to in Section 101(3)(a) a picture emerges of where the benefits of engaging in activities accrue. Once this is done and indicative costs allocation compiled, the final step in Council's process of developing this policy has been to consolidate the results of the individual activity analysis and consider these results in terms of Section 101(3)(b). Section 103(b) requires Council to consider the overall impact of any allocation of liability for revenue needs on the community. The impact is assessed on the current and future interests of the community.

Council agreed that for most activities where a District benefit has been identified, funding that benefit allocation equally through General Rate and UAGC would be the most efficient, equitable and transparent funding method. Both the General Rate and the UAGC are appropriate funding sources when a District wide benefit is assessed.

Council's reasoning behind this decision was that for some activities UAGC would be the most appropriate method for funding the District allocation because of the 'equal benefit' nature of the activity, but Council needs to take into account the 'rates affordability' and 'ability to pay' considerations within the community and also the legislative 'cap' on the amount that can be funded through the UAGC.

This reasoning by Council has not been repeated in the rest of the policy except where Council has made exceptions to it.

4.7 Benefits Allocation and Funding Mechanism

4.7.1 Council's Revenue and Financing Policy has been developed at the functions level. The benefit allocation and funding mechanism for each function is included under the relevant activity in sections 6 to 8 of this policy.

4.8 Use of Funding Mechanisms

4.8.1 The funding sources available to a local authority are set out under the LGA 2002 and the LGRA 2002. Presented below are descriptions of the available funding sources.

(a) General Rate

The General Rate is set under Section 13(2) (a) of the LGRA 2002 and has been used to part fund the activities of Leadership, Community Development, Community Services, Regulation, Resource Management, Investment and Solid Waste Management. It is set according to the Revenue and Financing Policy for these activities.

The General Rate is a rate per \$100 of capital value applied to all rateable properties in the District. A General Rate is used according to the Revenue and Financing Policy, when:

- Council considers that a capital value rate is fairer than the use of other existing rating tools for the service funded; and
- Council considers that the community as a whole should meet costs of the function; and
- Council is unable to achieve its user charge targets and must fund expenditure; or
- UAGC use would be a fair method but Council is constricted by the 30% cap (Section 21 LGRA 2002).

(b) Uniform Annual General Charge (UAGC)

The UAGC, assessed on each separately used or inhabited part of a rating unit (SUIP), is set under Section 15 of the LGRA 2002 and has been used to part-fund some activities where overall District-wide benefit has been assessed (details are contained within the relevant activity funding sections).

UAGC is assessed on each separately used or inhabited part (SUIP) of a rating unit to:

- Ensure equity in bearing the cost liability of a service (or part of service) which is deemed equally beneficial to all
- Ensure that those with multiple uses pay a fair share
- Provide a consistent treatment between all uniform charges.

In setting the UAGC, based on the Revenue and Financing Policy, Council will consider the following aspects:

- Adherence to the legislative cap (UAGC to be maximum of 30% of total rates excluding any fixed rate charges for water or wastewater) and;
- Set the amount of UAGC such that it is as fair as possible to all ratepayers and in consideration of the principles of affordability and sustainability.

Council may consider 'capping' the amount of the UAGC at a certain value or that any increase in UAGC will be limited to a maximum of the Local Government Cost Indicator (LGCI) for that year (to be determined by Council through the annual rates setting process).

This consideration is primarily to maintain rates affordability and is in keeping with section 101(3) of LGA 2002 which explicitly requires that the funding needs be met by sources considered appropriate by Councils', giving consideration to, among other things, the impact of the funding allocations on the interests of the community.

(c) Targeted Rates

A Targeted Rate is set under Sections 16 or 19 of the LGRA 2002 and has been used to part fund the groups of activities of Community Development, Community Services, Sewerage and Treatment and Disposal of Sewage, Water Supply, Stormwater Drainage, Solid Waste Management and Provision of Roads and Footpaths. Targeted Rates are set according to the Revenue and Financing Policy for these services.

A Targeted Rate is used according to the Revenue and Financing Policy, when:

- Council considers that a Targeted Rate would enable a higher level of transparency in funding allocation; or
- Council considers that a Targeted Rate is fairer than the use of other existing rating tools for the service funded, in consideration of the benefit derived from the service. The percentage of benefit is determined by Council's Revenue and Financing Policy.

The LGRA 2002 allows for Targeted Rates to be assessed on land defined on the basis of use to which land is put, area of land, location of land, the value of land and the provision or availability of Council services. Targeted Rates may be imposed as a fixed rate or differentially based on property uses.

Council will use location (Schedule 2(6) of LGRA) to define the land liable for a number of targeted rates based on location. The following location definitions for the respective rating areas will apply:

Te Kuiti Urban Rating Area	All rating units situated within the Te Kuiti Urban Ward as defined by the Basis of Election for the 2010 Triennial Elections shown as shaded grey on the map attached in Appendix One.
Te Kuiti Urban and Periphery Rating Area	All rating units situated within a 5km radius, all around, from the Information Centre (deemed to be the centre of town) in Te Kuiti. <i>(A map depicting the Te Kuiti Urban and Periphery Rating Area in pink and grey is attached, as Appendix One).</i> Council considers this boundary of Te Kuiti Urban and Periphery Rating Area (for the purpose of assessing the Targeted Services Fixed Rate to be fair in consideration that the benefit derived from the services funded by this Targeted Fixed Rate are accrued equally by those living within the 5km radius.)
Rural Rating Area	All rating units situated within the Rural Ward as defined by the Basis of Election for the 2010 Triennial Elections, which is all rating units in the district excluding those rating units shaded grey on the map attached in Appendix One.
Piopio Township	All rating units connected to the Piopio Sewerage System.
Piopio Wider Benefit Rating Area/PWBRA	The area shown as yellow on the map attached as Appendix Two, but excludes all SUIPs / rating units connected to the Piopio Sewerage system.
Marokopa Community Centre Rating Area	Any SUIP or part of a SUIP which falls within the red lines marked on the map attached in Appendix 3.

(d) Targeted Services Fixed Rate

A Targeted Services Fixed Rate is set under Sections 16 and 18 of the LGRA 2002 and has been used to part fund the activities of Aquatic Centre and Unsubsidised Rooding. This Targeted Services Fixed Rate is set according to the Revenue and Financing Policy for these services. This rate will be assessed as a Targeted Fixed Rate differentiated by rating areas being the Te Kuiti Urban and Periphery Rating Area and Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area.

(e) Fees and Charges

Fees and Charges will be set according to Council’s Revenue and Financing Policy where:

- It is assessed that the level of benefit to identified beneficiary/exacerbator groups justifies the seeking of user charges; and
- There are identifiable and distinct user groups/exacerbators identified by Council’s Revenue and Financing Policy; and
- User fees represent the fairest method to seek a contribution from identified beneficiaries or exacerbators.

The Revenue and Financing Policy includes the percentage of fees and charges Council aspires to collect for the relevant activity. The actual fees and charges collected by Council will vary dependent on a number of external factors.

(f) Interest, Subventions and Dividends

Council receives limited interest from cash investments. Any interest received is used to offset the rate required in the year received.

Council has an investment in Inframax Construction Ltd. Any dividends and/or subventions received are used to accelerate repayment of debt.

(g) Borrowing

Borrowing is managed by the provisions of Council’s Treasury Policy. Council’s use of funding mechanisms to fund capital development is set out in the Funding of Capital Expenditure section of this policy.

(h) Proceeds from Asset Sales

Funds from any asset sales are applied first to offset borrowing in the relevant activity from which the asset was sold and secondly for repayment of existing term debt (Treasury Policy).

(i) Development Contributions

Population trends show that there is no demand on infrastructure created by growth at the present time. Council has resolved to reconsider the applicability of a Development Contributions Policy as part the review of the District Plan.

(j) Grants and Subsidies

Council receives a subsidy from New Zealand Transport Agency to part-fund operations, renewal, and capital development in provision of roads and footpaths.

Council pursues other Grant and Subsidy funding available from Central Government wherever it is considered appropriate.

4.9 Definition of SUIP

4.9.1 For the purposes of the Revenue and Financing Policy, the definition of SUIP / separately used or inhabited part of a rating unit shall be as set out in the Council’s Funding Impact Statement.

5.0 ANALYSIS OF ACTIVITIES AND FUNDING CONCLUSIONS

Council’s functions are arranged under ten Groups of Activities. These ten Groups of Activities are further organised under three main “Sustainability Groups”.

SUSTAINABILITY GROUPS		
Community and Cultural Sustainability	Environmental Sustainability	Economic Sustainability
Governance: Leadership and Investments	Solid Waste Management	Water Supply
Community Service	Stormwater Drainage	Provision of Roads and Footpaths
Community Development	Resource Management	
Regulation	Sewerage and Treatment and Disposal of Sewage	

5.1 Summary of Funding Sources

The table below summarises the funding sources to be used for different activities.

Activity	Fees and Charges	Grants and Subsidies	General Rate (GR)	UAGC	Targeted Fixed Rate (TFR)	Targeted Rate (TR)	Rate Type	Assessment basis: Capital Value (CV)/ Rating Unit/SUIP
Governance: Leadership and Investments								
Leadership								
Representation			50%	50%			GR UAGC	CV SUIP
Planning & Policy & Monitoring			50%	50%			GR UAGC	CV SUIP
District and Urban Development			50%	50%			GR UAGC	CV SUIP
Investments								
Local Authority Shared Services			50%	50%			GR UAGC	CV SUIP
Inframax Construction Limited			50%	50%			GR UAGC	CV SUIP
Council Owned Quarries	100%							
Forestry (located at Waitomo District Landfill)			100%				GR	CV
Parkside Subdivision	20%		40%	40%			GR UAGC	CV SUIP
Community Development								
Community Support			48%	48%	4%		GR UAGC	CV SUIP
							TFR (Piopio Retirement Village)	Rating Unit – within Piopio Township and the Piopio Wider Benefit Rating Area

Activity	Fees and Charges	Grants and Subsidies	General Rate (GR)	UAGC	Targeted Fixed Rate (TFR)	Targeted Rate (TR)	Rate Type	Assessment basis: Capital Value (CV)/ Rating Unit/SUIP
District Development			60%			20% Commercial and Industrial Businesses 20% Rural Businesses	TR	CV
Agencies / Automobile Association	70%			30%			UAGC	SUIP
Regulation								
Environmental Health	60%		20%	20%			GR UAGC	CV SUIP
Animal and Dog Control	80%		10%	10%			GR UAGC	CV SUIP
Building Control Services	60%		40%				GR	CV
Alcohol Licensing	40%		30%	30%			GR UAGC	CV SUIP
Community Services								
Parks and Reserves			50%	50%			GR UAGC	CV SUIP
Leased Reserves	60%		20%	20%			GR UAGC	CV SUIP
Elderly Persons Housing	60%		20%	20%			GR UAGC	CV SUIP
Community Halls	3%		47.5%	47.5%	2%		TFR GR UAGC	SUIP – Marokopa Community Centre Rating Area CV SUIP
Other Land and Buildings	25%		37.5%	37.5%			GR UAGC	CV SUIP
District Libraries	8%		22%	70%			GR UAGC	CV SUIP

Activity	Fees and Charges	Grants and Subsidies	General Rate (GR)	UAGC	Targeted Fixed Rate (TFR)	Targeted Rate (TR)	Rate Type	Assessment basis: Capital Value (CV)/ Rating Unit/SUIP
Aquatic Centre					58% (Te Kuiti Urban and Periphery Rating Area)		TFR	SUIP
	10%		3.5%	3.5%	25% (Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area)		GR	CV
Arts Culture and Heritage	10%		45%	45%			GR	CV
	40%		30%	30%			UAGC	SUIP
Aerodrome	40%		30%	30%			GR	CV
Cemeteries							GR	CV
							UAGC	SUIP
Public Amenities			50%	50%			GR	CV
							UAGC	SUIP
Emergency Management			50%	50%			GR	CV
							UAGC	SUIP
Rural Fire			100%				GR	CV
Environmental Sustainability								
Solid Waste Management								
Kerbside Collection	45%				55%		TFR	SUIP
Kerbside Recycling					100%		TFR	SUIP
Landfill and Transfer Station Management	60%				40%		TFR	SUIP
Waste Minimisation		55%	22.5%	22.5%			GR	CV
							UAGC	SUIP
Stormwater Drainage								
Urban Stormwater Reticulation and Disposal					67% (urban areas)	33%	TFR	Rating Unit
							TR	CV
Rural Stormwater Reticulation and Disposal					100% (rural areas)		TFR	SUIP

Activity	Fees and Charges	Grants and Subsidies	General Rate (GR)	UAGC	Targeted Fixed Rate (TFR)	Targeted Rate (TR)	Rate Type	Assessment basis: Capital Value (CV)/ Rating Unit/SUIP
Resource Management								
Resource Management	35%		32.5%	32.5%			GR UAGC	CV SUIP
Sewerage and Treatment and Disposal of Sewage								
Te Kuiti Sewage Extraction, Treatment and Disposal	25%						TFR	Residential properties per SUIP –connected/ serviceable – Te Kuiti only
							TFR - Base charge	Non-residential Per SUIP
							TFR – Pan Charge	Non –Residential Per Pan
							TFR - Trade Waste Contribution	Rating Unit – District Wide
Te Waitere Sewage Extraction, Treatment and Disposal					100%		TFR – collection and disposal	SUIP – connected/ serviceable – Te Waitere only
							TFR - Te Waitere subsidy	Rating Unit – District Wide
							TFR – collection and disposal	SUIP – connected/ serviceable – Benneydale only
Benneydale Sewage Reticulation, Treatment & Disposal					100%		TFR - Benneydale subsidy	Rating Unit – District Wide
							TFR – collection and disposal	SUIP – connected/ serviceable – Piopio only
Piopio Sewage Extraction, Treatment and Disposal					100%		TFR	Rating unit within Piopio Wider Benefit Rating Area

Activity	Fees and Charges	Grants and Subsidies	General Rate (GR)	UAGC	Targeted Fixed Rate (TFR)	Targeted Rate (TR)	Rate Type	Assessment basis: Capital Value (CV)/ Rating Unit/SUIP
Economic Sustainability								
Water Supply								
Te Kuiti Water Extraction, Treatment and Reticulation					75%	25%	TFR	SUIP – connected/ serviceable – Te Kuiti only
							TR	Water meter / consumption
Mokau Water Extraction, Treatment and Reticulation					70%	30%	TFR	SUIP – connected/ serviceable – Mokau only
							TR	Water meter / consumption
Piopio Water Extraction, Treatment and Reticulation					85%	15%	TFR – Mokau subsidy	Rating Unit – District Wide
							TFR	SUIP – connected/ serviceable – Piopio only
Benneydale Water Extraction, Treatment and Reticulation					55%	45%	TR	Water meter / consumption
							TFR	SUIP – connected/ serviceable – Benneydale only
Provision of Roads and Footpaths								
Subsidised Roading	2%	30%		1%	67% (Te Kuiti Urban and Periphery Rating Area)	67%	TR	CV - Rating Unit
Unsubsidised Roading	25%				8% (Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area)		TFR	SUIP

6.0 COMMUNITY AND CULTURAL SUSTAINABILITY

The Community and Cultural Sustainability area focuses on building and developing cohesive and functional communities in the Waitomo District. Council provides a range of services and facilities to the various communities in the Waitomo District.

The groups of Significant Activities contained within this area are:

- 6.1 Governance: Leadership and Investments
- 6.2 Community Development
- 6.3 Regulation
- 6.4 Community Service

6.1 Governance: Leadership and Investments

6.1.1 Leadership

6.1.2 Description

The Leadership Activity provides for:

- Council's governance at District level.
- Conduct of elections.
- Council's advocacy on issues that impact on the Waitomo District's community outcomes.
- Planning and policy development that provides a framework for the Community's strategic direction.
- Monitoring and Reporting.



This Activity includes the preparation of policies guiding strategic direction and strategic financial decisions for presentation to the Community for feedback.

6.1.3 Functions

- There are three functions under this activity –
1. Representation
 2. Planning & Policy & Monitoring
 3. District and Urban Development

6.1.4 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

Vibrant Communities	
	CO1 A place where the multicultural values of all its people and, in particular, Maori heritage and culture is recognised and valued.
Thriving Business	
	CO6 A place that attracts more people who want to live, work and play, and raise a family.

	CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
Effective Leadership	
	CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
	CO9 A place where the governance actively seeks to participate and take a leadership role in regional and national initiatives aimed at the development of the District.

6.1.5 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo District.
- (b) Greater opportunity for the Waitomo District to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

6.1.6 Activity analysis and funding mechanisms

6.1.7 Representation

This function involves the provision of leadership and governance of the District and includes the Mayor's Office and Council's governance, including committees.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

6.1.7a Distribution of Benefits

District Benefit: The benefit of the Representation activity is considered to be District wide in nature as the benefits of good governance and representation benefit the District as a whole.

6.1.7b Funding Mechanism

District Allocation: It is proposed that the most appropriate method of funding this activity is 50:50 between the UAGC and General Rate (GR). While the fairest method would be to fund this activity by UAGC, a combination of UAGC and General Rate is considered most appropriate, given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

6.1.8 Planning and Policy and Monitoring

This function includes:

- Carrying out long-term and annual planning for the District and producing plans which reflect the outcomes desired by the community.
- Communicating and consulting with the community on projects, issues and various planning documents, as well as surveys to gauge community satisfaction with services provided.
- Development of policy to promote community outcomes at a local level, and to influence policy at a regional or national level.
- Monitoring the achievement of the levels of service.
- Preparation of Council's Annual Report comprising public information on achievement against the financial and key performance targets of the previous year.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit Benefit	100%	50%	General Rate
		50%	UAGC

6.1.8a Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of effective planning and policy development and the monitoring of Council activities and performance is of benefit to the entire District.

6.1.8b Funding Mechanism

District Allocation: It is proposed that the most appropriate method of funding this activity is 50:50 between the UAGC and General Rate (GR). While the fairest method would be to fund this activity by UAGC, a combination of UAGC and General Rate is considered most appropriate, given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

6.1.9 District and Urban Development Planning

Involves the planning and strategy development around urban and District development with a view to promoting the principles of sustainable development.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit Benefit	80%	50%	General Rate
		50%	UAGC
Regional Benefit	20%	0%	No funding mechanism

6.1.9a Distribution of Benefits

District Benefit: District and Urban Development Planning benefits the wider District as a whole. Sustainable land use and growth planning seeks to uphold and protect outcomes that are important to the entire District. Every resident and ratepayer within the Waitomo District has the opportunity to be involved in Council's District and Urban Development Planning processes.

Regional Benefit: There is an element of Regional Benefit to Council's District and Urban Development Planning function in that Regional outcomes and priorities can be advanced at a local level. Further, there is a requirement in law that Council's District Plan is aligned with the regional policy statement.

6.1.9b Funding Mechanism

District Allocation: Given the District wide benefit associated with District and Urban Development Planning, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

Regional Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries, Council resolved that the Regional Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

6.1.10 Investments

6.1.11 Description

Council has investments in land and other organisations that it manages for the benefit of the community and to generate income.


6.1.12 Functions

The functions comprising this activity are:

1. Local Authority Shared Services (LASS)
2. Council Owned Quarries
3. Inframax Construction Limited
4. Forestry (located at Waitomo District Landfill)
5. Parkside Subdivision.

6.1.13 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

Thriving Business	
	CO6 A place that attracts more people who want to live, work and play, and raise a family.
	CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.

6.1.14 Period Of Benefit (Intergenerational Equity)

The total expenditure and income of Investment Activities needs to be specified over the proposed investment period as part of intergenerational funding decisions.

6.1.15 Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

6.1.16 Activity Analysis and Funding Mechanisms

6.1.17 Investment in Local Authority Shared Services (LASS)

This function represents Council's shareholding/investment in Local Authority Shared Services (LASS). The principle objective for the company is to provide the most effective access to regional information of mutual value to the regional community using modern technology and processes and to be an umbrella for future development of shared services within the region.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit Benefit	80%	50%	General Rate
		50%	UAGC
Regional Benefit	20%	0%	No funding mechanism

6.1.17a Distribution of Benefits

District Benefit: LASS are assessed to have a District wide benefit as they are either made to generate income or to explore opportunities for cost reduction/efficiencies, which are used for the benefit of the entire District, or Council is involved in them for a strategic reason which again is for the benefit of the District as a whole.

National Benefit: Gaining the most effective access to regional information and services of mutual value to the regional community is seen as having national benefit.

6.1.17b Funding

District Allocation: The fairest method of funding this investment would be by way of UAGC. However, due to the 30% UAGC 'cap' and rates affordability issues, Council resolved a combination of General Rate and UAGC to be the most efficient, effective and transparently lawful funding mechanism for this allocation.

National Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries Council resolved that the National Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

6.1.18 Investment in Inframax Construction Ltd (ICL)

This function represents Council's investment in Inframax Construction Ltd (ICL). ICL is a provider of roading construction and maintenance and other civil engineering infrastructural services.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit Benefit	100%	50%	General Rate
		50%	UAGC
		0%	Dividend or Subvention

6.1.18a Distribution of Benefits

District Benefit: ICL is assessed to have District wide benefit as it exists to give effect to social and economic outcomes that benefit the entire District. Council's investment in ICL is considered to be strategic in nature and for the benefit of the wider District as a whole.

6.1.18b Funding

Investment Income: Council resolved that as this investment has been entered into for social and economic purposes it would be equitable to fund the cost of this activity through Investment Income (i.e. dividend and/or subventions), when available.

Any surplus generated through this investment will be used to accelerate the repayment of term

debt which benefits the wider community by enhancing the financial sustainability of the Waitomo District Council.

District Allocation: Any deficit resulting from Council's investment in ICL will be funded by way of a combination of General Rate and UAGC which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

6.1.19 Council Owned Quarries

This function involves the maintenance and management of Council owned quarries.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	Investment Income

6.1.19a Distribution of Benefits

District Benefit: Council owned quarries are assessed to have District wide benefit as they exist to give effect to social and economic outcomes for the benefit of the entire District. Council's investment in quarries is considered to be strategic in nature and for the benefit of the wider District as a whole.

6.1.19b Funding

Investment Income: Council resolved that as this investment has been entered into for social and economic purposes it would be most equitable to fund this activity through investment income (e.g. metal royalties/leases). Any net surplus income generated through this investment will be used to offset rates income collected from the entire District.

District Allocation: Any deficit resulting from Council's investment in Quarries will be funded from the General Rate which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

6.1.20 Forestry located at Waitomo District Landfill

This function involves the maintenance and management of forestry located at Waitomo District Landfill.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	General Rate

6.1.20a Distribution of Benefits

District Benefit: The forestry plantation at Waitomo District Landfill is assessed to have District wide benefit as it exists to generate income which is used for the benefit of the entire District. Council's investment in forestry is considered to be strategic in nature and for the benefit of the wider District as a whole.

6.1.20b Funding

Investment Income: Council resolved that the income generated from this investment depends upon harvest plans and maturity and hence will be inter-generational and therefore it would be most appropriate and transparently lawful to fund this allocation through General Rate.

6.1.21 Parkside Subdivision

This function represents Council's investment in Parkside Subdivision. If people are to live and work in Waitomo they must have choice of housing value, style and location. Parkside subdivision is an investment by WDC to provide quality sections within the township of Te Kuiti. The subdivision at time of purchase involved 32 sections for resale.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	40%	General Rate
		40%	UAGC
		20%	Sale of Sections

6.1.21a Distribution of Benefits

District Benefit: The Parkside Subdivision is assessed to have District wide benefit as it exists to generate income which is used for the benefit of the entire District. Council's investment in Parkside is considered to be strategic in nature and for the benefit of the wider District as a whole.

6.1.21b Funding

Investment Income: Council resolved that the income generated from this investment depends upon sales of residential sections and therefore it would be most appropriate and transparently lawful to fund this allocation through Investment income as and when sections are sold.

District Allocation: Council resolved that any shortfall and interim holding costs will be funded by way of a combination of General Rate and UAGC which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

6.2 COMMUNITY DEVELOPMENT

6.2.1 Description

The Community Development Activity is a group of activities where the Council, in a number of diverse roles, is actively involved in 'helping the community to help itself'. Community Development activities represent a group of collaborative and partnership approaches and initiatives involving many agencies and organisations. These activities involve a common theme of promoting a better quality of life and a better living environment within the District.

6.2.2 Functions

There are three functions under this significant activity:

1. Community Support
2. District Development
3. Agencies (Automobile Association)

6.2.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

Vibrant Communities	
	CO1 A place where the multicultural values of all its people and, in particular, Maori heritage and culture is recognised and valued.
	CO2 A place where all age groups have the opportunity to enjoy social, cultural and sporting activities within our District
	CO3 A place where young people have access to education, training and work opportunities.
	CO 4 A place where young people feel valued and have opportunities for input into the decisions for the District.
	CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Thriving Business	
	CO 6 A place that attracts more people who want to live, work and play, and raise a family.
	CO 7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
Effective Leadership	
	CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.

6.2.4 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes

to the achievement of COs and service delivery goals through detailed understanding and planning.

- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

6.2.5 Activity Analysis and Funding Mechanisms

6.2.6 Community Support

As part of this function Council seeks to improve social outcomes within Waitomo District by working closely with the District community. It includes making grants to the community, provision of service contracts, Council's Sister City relationship and Youth Initiatives.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	96%	48%	UAGC
		48%	General Rate
Community Benefit	4%	4% (approx.)	Targeted Fixed Rate

6.2.6a Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of the activity of supporting the community by working to create a better quality of life is beneficial to the entire District.

Community Benefit: A small element of this activity benefits the Piopio Community specifically via support to the Piopio retirement village. The wider Piopio community consider the Piopio retirement village is an asset that should be retained.

6.2.6b Funding

District Allocation: It is considered that the most appropriate method of funding this activity is 50:50 between the UAGC and General Rate (GR). The Community Support activity aims to develop a more liveable and vibrant district which can have an effect on the prosperity of the entire District.

Community Allocation: In recognition of the unique situation that exists with Piopio Retirement Village and of the invaluable role it plays within the Piopio Community, both now and in the future, the Piopio Retirement Village will receive an annual rates remission as determined by Council's Rates Remission Policy, to support the Trust in the continued delivery of elderly housing accommodation services.

The amount determined as the annual rates remission for the Piopio Retirement Village will be separately funded by way of a Targeted Fixed Rate assessed on all rateable units situated within the Piopio Township and the Piopio Wider Benefit Rating Area.

6.2.7 District Development

This function encompasses four activities that serve to attract visitors to the District and contribute over time to the overall development of the District.

- 1) **Economic Development** - This function involves the development, support and promotion of business-related programmes and activities and new employment initiatives within the District. It also involves the maintenance of a high quality environment, input into the urban infrastructure, the need to recognise the importance of international relationships and the tourism industry and utilisation of the landscape and culture of the Waitomo District.
- 2) **Visitor Information Centres** - The Information Centre in Te Kuiti acts as a central repository of tourism related information of the District. Tourism is facilitated through the provision of this service.
- 3) **District and Regional Promotion** - This activity involves regional tourism growth at both domestic and international levels, using Waikato regional branding rather than individual District brands. It also involves coordinating local tourism products and experiences using the regional approach in partnership with Tourism NZ and other tourist organisations.
- 4) **Event Coordination** - Co-ordination of major events in the District, including the Great NZ Muster and the Christmas Parade.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	No funding mechanism
District Benefit	80%	60%	General Rate
Community Benefit	10%	20%	Commercial and Industrial Businesses (Targeted Capital Value Rate)
		20%	Rural Businesses (Targeted Capital Value Rate)

6.2.7a Distribution of Benefits

National Benefit: There is an element of national and regional benefit that results from attracting visitors to the District. New Zealand as a whole and particularly the region will benefit from services and events which attract overseas and local visitors. Increased visitor numbers to Waitomo District will have flow on effects for our neighbours and help in promoting other neighbouring Districts as well.

District Benefit: The Visitor Industry is considered to have a District wide benefit as the activity gives effect to the economic development and employment within the District as a whole. There are numerous

examples that demonstrate tourism can contribute immensely to the whole economy in terms of increased employment, revenue generation and the like and that benefit will accrue to the overall District.

Community Benefit: The Visitor Industry provides a high degree of benefit to communities that provide meals, entertainment and accommodation.

6.2.7b Funding

National/Regional Allocation: Council resolved that this allocation should be funded through Grants when available.

District/Community Allocation: Council considered that the overall District benefits to an extent from District Development Activities but also that specific beneficiaries can be identified (businesses) and therefore resolved a targeted District Development rate is the most efficient, effective and transparent method for funding this allocation. Council resolved that funding should be a rate per \$100 of capital value apportioned on the basis of 60% General rate, 20% Commercial and industrial businesses (categorised as Commercial, Industrial and Utilities in the Rating Information Database) and 20% Rural Businesses (categorised as Dairy, Pastoral, Specialist, Forestry, Minerals and Horticulture in the Rating Information Database).

6.2.8 Agencies

This activity aims to facilitate community access to government services through a combination of monitoring, advocating and providing. With regard to the latter, the Council currently acts as an agency for the Automobile Association (AA), including provision of driver licensing services.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Regional Benefit	5%	0%	No funding mechanism
District Benefit	15%	0%	General Rate
		30%	UAGC
User Benefit	80%	70%	Fees and Charges

6.2.8a Distribution of Benefits

Regional Benefit: Having an AA agency in Te Kuiti is considered to have a degree of regional benefit as the services of the agency are availed by residents of neighbouring Districts as well.

District Benefit: Though it is primarily the users of this service that benefit from it, there is also an element of District wide benefit in that anyone within and around the District requiring the service has easy access to it.

User Benefit: Users of the agency are the direct beneficiaries of the service.

6.2.8b Funding

Regional Benefit: No lawful funding mechanism is available for this allocation. Council resolved that it be reallocated to District Allocation.

District Allocation: Council considers this service to be of equal District wide benefit and a UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

Fees and Charges: Council resolved that user fees and charges would be the most efficient, effective and transparently lawful available method for funding this allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges due to the set nature of these fees, therefore Council resolved to partly fund this benefit through UAGC.

6.3 REGULATION

6.3.1 Description

The Regulation activity works towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of Central Government Legislation.

6.3.2 Functions

The functions under this activity are:

1. Environmental Health
2. Animal and Dog Control
3. Alcohol Licensing
4. Building Control.

6.3.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

Thriving Business	
	CO6 A place that attracts more people who want to live, work and play, and raise a family.
	CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
Effective Leadership	
	CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.

6.3.4 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

6.3.5 Activity Analysis and Funding Mechanisms

6.3.6 Environmental Health

The provision of environmental health services, including licencing and inspection of food premises and noise control. The Council has specific statutory responsibilities under each of these functions.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	50%	20%	General Rate
		20%	UAGC
User/Applicant Benefit	40%	60%	Fees and Charges
Exacerbator	10%		

6.3.6a Distribution of Benefits

District Benefit: Environmental Health delivers District benefits by ensuring minimum health standards, such as premises are licenced and safe, healthy and hygienic for the public to use, and providing general advice and education. Noise control services provided also contribute to healthy living. The investigation and notification of incidents of communicable diseases also provides benefit to the entire District.

User/Applicant Benefit: Individuals and organisations applying for a licence to operate under specific regulations nationally and within the District and those requiring advice about the regulations are direct beneficiaries of this service.

Exacerbator/Offender: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, non-compliance with licences and regulations and prosecution of offenders.

6.3.6b Funding

User Allocation: Council resolved user fees and charges to be the most efficient, effective and transparently lawful available method for funding this allocation.

Exacerbator Allocation: User fees and charges are considered to be the most efficient, effective and transparently lawful available method for funding the Exacerbator allocation.

District Allocation: Council is not able to recover all the costs of this activity from fees and charges. The most appropriate method of funding the remainder of this activity is considered to be 20% UAGC and 20% General Rate (GR).

6.3.7 Animal and Dog Control

Provision of an animal and dog control service for the District. This activity involves the registration of dogs as well as the prevention of harm to the community in cases of menacing or dangerous behaviour by dogs and dealing with roving stock.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	10%	General Rate
		10%	UAGC
User/Applicant Benefit	70%	80%	Fees and Charges
Exacerbator	10%		

6.3.7a Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education and public safety. All residents have equal access to the use of the service.

User/Applicant Benefit: Individuals applying for and maintaining dog registration and receiving education are direct beneficiaries of this service. The allocation reflects the benefit to those individuals with animals.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, impounding of stock and prosecution of offenders.

6.3.7b Funding

User Allocation: Council resolved that user fees and charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

Exacerbator Allocation: Council resolved that education and monitoring would be the most effective method to promote good animal management and control. Council also proposes that user fees and charges (in the form of infringements and penalties) would be the most efficient, effective and transparently lawful method available for funding this allocation.

District Allocation: Council considers that given there is some benefit to the entire district in the form of public safety, the most appropriate method of funding this allocation is through an equal split between General rate and UAGC.

6.3.8 Building Control Services

Provision of building control services, including issuing and monitoring of building consents

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	40%	General Rate
User/Applicant Benefit	75%	60%	Fees and Charges
Exacerbator	5%		

6.3.8a Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education, and public safety. This activity is mandatory for Council and has a District benefit by ensuring minimum building standards are met and that buildings are safe for use. This activity is also driven by Central Government policies and there is increased focus at the national level around sustainable building development.

Applicant Benefit: Individuals and groups applying for a building consent, requiring building inspection, compliance certificates and advice, are the direct beneficiaries of this service.

Exacerbator: These are the costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consents and Warrants of Fitness.

6.3.8b Funding

District Allocation: Council resolved that the most efficient, effective and transparent method for funding this allocation would be General Rate since any investment in and development of the District will have more positive economic impact on larger property owners.

User Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation. However, since not all of the recovery of this benefit can be done through Fees and Charges which would make the fees too high and could potentially impact on development, Council resolved to partly fund this benefit through General Rate.

Exacerbator Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation.

6.3.9 Alcohol Licensing

The Alcohol Licensing function oversees the administration of the Sale and Supply of Alcohol Act 2012 at a local level acting as the District Licensing committee on behalf of the Alcohol Regulatory and Licensing Authority which encourages the responsible sale and use of alcohol through licensing, monitoring of premises and enforcement of the Act. It also involves ensuring bylaws are enforced and complied with for public safety and well-being.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	35%	30%	General Rate
		30%	UAGC
User/Applicant Benefit	35%	40%	Fees and Charges
Exacerbator	30%		

6.3.9a Distribution of Benefits

District Benefit: This activity is assessed at having a medium level of District benefit which occurs from ensuring Licenses are complied with, sellers of alcohol have certain qualifications, etc, which contributes towards public safety and well-being. General advice and education is also provided.

Applicant Benefit: The user benefit for this service is high. Individuals and organisations applying for a licence to operate under specific regulations nationally and within the District and those requiring advice about the regulations are direct beneficiaries of this service.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, non-compliance with licenses and regulations and prosecution of offenders.

6.3.9b Funding

Applicant Allocation: Council resolved user fees and charges to be the most equitable method for funding this portion of the benefit allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as the fees are set by legislation and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

Offender Allocation: User fees and charges are considered to be the most efficient, effective and transparently lawful available method for funding the Exacerbator funding allocation for this activity.

District Allocation: Council resolved that the most efficient, effective and transparent method for funding this allocation would be 30% UAGC and 30% General Rate.

6.4 COMMUNITY SERVICES

6.4.1 Description

Council's Community Services activity provides recreation and community facilities with the aim of ensuring that basic ranges of recreational activities are available to meet the present and future needs of the Community, and that Council meets its statutory obligations under such acts as the Reserves Act 1977 and Burials and Cremations Act 1964.

This Activity also ensures that the Community has essential community facilities such as public toilets and cemeteries. These facilities are necessary to ensure that public health and safety is maintained.

Community safety is provided for by the Emergency Management and Rural Fires functions.

6.4.2 Functions

The functions comprising this activity are:

1. Parks and Reserves
2. Leased Reserves
3. Elder Persons Housing
4. Community Halls
5. Other Land and Buildings
6. District Libraries
7. District Aquatic Centre
8. Arts Culture and Heritage
9. Aerodrome
10. Cemeteries
11. Public Amenities
12. Emergency Management
13. Rural Fire.

6.4.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

Vibrant Communities	
	CO 1 A place where the multicultural values of all its people and, in particular, Maori heritage and culture is recognised and valued.
	CO 2 A place where all age groups have the opportunity to enjoy social, cultural and sporting activities within our District
	CO 3 A place where young people have access to education, training and work opportunities.
	CO 4 A place where young people feel valued and have opportunities for input into the decisions for the District.
	CO 5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Thriving Business	
	CO 6 A place that attracts more people who want to live, work and play, and raise a family.
	CO 7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
Effective Leadership	
	CO 8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
Sustainable Infrastructure	
	CO 10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

6.4.4 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.

- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

6.4.5 Activity Analysis and Funding Mechanisms

6.4.6 Parks and Reserves

This function involves the provision of parks and reserves in order to support the health and well-being of the community by supplying and maintaining areas for sport and recreation, as well as green places and landscapes that are restful and enhance the visual amenity. This function includes: active reserves, passive reserves, esplanade reserves and play equipment.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

6.4.6a Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of providing recreational spaces and facilities for the community is of benefit to the entire District.

6.4.6b Funding

District Allocation: The most appropriate method of funding this activity is 50:50 between the UAGC and General Rate given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

6.4.7 Leased Reserves

This function involves the management and maintenance of land held, though not currently used by Council as reserves, but is land-banked for future recreational purposes should the need arise.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	40%	20%	General Rate
		20%	UAGC
User Benefit	60%	60%	Fees and Charges

6.4.7a Distribution of Benefits

District Benefit: There is a small element of District wide benefit in the provision of leased reserves in that they are still available to be used by the general public or a group, if required.

User Benefit: The Lessee of the land is the user and hence the direct beneficiary of the service.

6.4.7b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective and transparent method of funding this allocation.

User Allocation: Council resolved user Fees and Charges to be the most appropriate method for funding this allocation.

6.4.8 Elderly Persons Housing

This function involves the provision of affordable housing for the elderly. There are currently 20 pensioner units owned by Council. This function also involves maintenance of these units.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	5%	20%	General Rate
		20%	UAGC
User Benefit	95%	60%	Fees and Charges

6.4.8a Distribution of Benefits

District Benefit: Provision and maintenance of housing for the elderly provides a level of District wide benefit as it provides for the current and future social well-being of the District.

User Benefit: This service has a high degree of private benefit. The direct beneficiaries of Elder Persons Housing are the occupants, and the family and friends of the occupants.

6.4.8b Funding

District Allocation: Due to the public nature of the benefit derived, Council resolved that a combination of General Rate and UAGC would be the most effective and transparent method of funding this allocation.

User Allocation: Council resolved Fees and Charges to be the most appropriate funding tool for this allocation as the users (tenants) are easily identifiable and excludable and the user charges can be easily administered. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

6.4.9 Community Halls

This function involves the provision and maintenance of halls through the support of Hall Committees throughout the District.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	47.5%	General Rate
		47.5%	UAGC
		2%	TFR
User Benefit	0%	3%	Fees and Charges

6.4.9a Distribution of Benefits

District Benefit: Provision of Community halls is assessed to provide benefit to the wider District as a whole as any member of the District can use the halls directly or as guests for functions, etc. Halls serve as places for meetings or functions, particularly where other options are unavailable.

6.4.9b Funding

District Allocation: Given the element of general public benefit associated with this activity, the Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Council recognised that most community halls are operated and maintained by the different communities themselves and Council's expenditure on the activity was in the form of grants provided to the various hall committees towards operating costs.

In the case of Council assistance given for the development of Marokopa Community Hall, the same will be recovered over time as a Targeted Fixed Rate assessed on every SUIP within the Marokopa Community Centre Rating Area.

A small percentage of funding for this activity comes from fees and charges for hall hire to the community.

6.4.10 Other Land and Buildings

This function involves the maintenance and management of other miscellaneous Council owned properties (including two camping grounds).

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	30%	37.5%	General Rate
		37.5%	UAGC
User Benefit	70%	25%	Fees and Charges

6.4.10a Distribution of Benefits

District Benefit: This activity is assessed to have a degree of District wide benefit as these land and buildings are retained and maintained by Council either with strategic intent or as investments which provide benefit to the District as a whole.

User Benefits: Lessees of these properties are the direct beneficiaries of the service. They are identifiable and excludable.

advantage of the District to promote their usage. It was resolved that 10% of the user benefit allocation be funded through Fees and Charges and the remaining be reallocated to District allocation.

6.4.10b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved Fees and Charges to be the most efficient and transparently lawful method of funding this allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

6.4.11 District Libraries

This function involves the provision of library services to support culture, education, economic and personal development in the District. The main library is located at Te Kuiti with mobile services to Mokau and Piopio.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	22%	General Rate
		70%	UAGC
User Benefit	80%	8%	Fees and Charges

6.4.11a Distribution of Benefits

District Benefit: District libraries provide a degree of benefit to the wider District as a whole which relates to enhancing the knowledge and skills of the population and provides enjoyment. Benefits also include the promotion of knowledge building, social interaction and the provision of services to people with special needs (e.g. the visually impaired and people with disabilities).

User Benefit: Borrowers, information seekers and users of other library services are direct beneficiaries of the service.

6.4.11b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved that although the user benefit for this service is high, funding this allocation totally through Fees and Charges would be detrimental to usage as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC. Since libraries provide intangible benefits of promoting social and cultural development of the general population and also contribute to increasing literacy, it would be to the

6.4.12 District Aquatic Centre

This function involves the provision and maintenance of the Waitomo District Aquatic Centre for leisure and competitive recreation opportunities for the community. Council's current aquatic asset is the public swimming pool in Te Kuiti.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	3.5%	General Rate
		3.5%	UAGC
Community Benefit	70%	58%	TFR (Te Kuiti Urban and Periphery Rating Area)
		25%	TFR (Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area)
User Benefit	20%	10%	Fees and Charges

6.4.12a Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that anyone wanting to use the facility has access to it. It is a facility that can be used by all and provides for the leisure, training or health needs of the entire District.

Community Benefit: Aquatic Centres have a comparatively high degree of community benefit. It is assessed that people who live within the Community will benefit more than those who have to travel a longer distance to use the facility.

User Benefit: Individual users, clubs and schools are direct beneficiaries of the service.

6.4.12b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Community Allocation: Council discussed that a large proportion of the benefit of this service lay in the urban area and resolved that the activity be funded through a Targeted Fixed Rate differentiated by rating area (Te Kuiti Urban and Periphery Rating Area/Rating units in the district not in the Te Kuiti Urban and Periphery Rating Area) assessed per SUIP.

User Allocation: Council discussed that although the user benefit of this service is high, not all of the recovery of this benefit can be done through Fees and Charges as charging higher for the use of the pool would be detrimental to its usage. It would also impact on the purpose of promoting a healthy community and hence it was resolved that part of this allocation be transferred to Community Allocation.

6.4.13 Arts, Culture and Heritage

This function involves the maintenance and management of Culture and Heritage Buildings in the District including the Waitomo Cultural and Arts Centre and Piopio Museum Buildings.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National/Regional Benefit	10%	0%	No funding mechanism
District Benefit	80%	45%	General Rate
		45%	UAGC
User Benefit	10%	10%	Fees and Charges

6.4.13a Distribution of Benefits

National/Regional Benefit: Preserving arts, culture and heritage have a small national benefit as they add benefit to the nation as a whole through stimulating preservation of local knowledge and history. They also help to add tourism value to the District.

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it contributes to the cultural well-being of the District as a whole. The facilities can also be enjoyed by all.

User Benefit: Individual users are direct beneficiaries of the service.

6.4.13b Funding

National Allocation: A lawful funding method for this allocation is not available. Council resolved that this allocation be transferred to District Allocation.

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved user Fees and Charges to be the most appropriate funding tool for this allocation.

6.4.14 Aerodrome

This function involves the provision of an Aerodrome facility in Te Kuiti to provide leisure and recreational opportunities for residents and visitors to the District. Provision of a base for commercial aerial activities.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	30%	General Rate
		30%	UAGC
User Benefit	80%	40%	Fees and Charges

6.4.14a Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it provides a facility that contributes to the District economy through commercial use.

User Benefit: Individual users, clubs and commercial users are direct beneficiaries of the service.

6.4.14b Funding

District Allocation: Council resolved General Rate and UAGC to be the most efficient, effective and transparent method to fund this allocation.

User Allocation: Council resolved that user Fees and Charges would be the most appropriate funding tool for this allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

6.4.15 Public Amenities

This function involves the provision of:

- Public toilet facilities in the District to ensure visitors and residents have access to safe, clean and sanitary facilities.
- Street furniture, bins and other structures to visually enhance the town's environment and provide facilities for people to relax and enjoy the environment.
- Car park areas to ensure residents and visitors to the District can access conveniently located off street parking in our towns.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	75%	50%	General Rate
		50%	UAGC
User Benefit	20%	0%	Fees and Charges
Exacerbator	5%		

6.4.15a Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that all people from within and outside the District have the ability to come and use public toilets, car park facilities and benefit from the provision of street furniture, bins and the like.

User Benefit: Individual users are the direct beneficiaries of the service. These can be visitors, as well as people from within the District.

Exacerbator: These are costs associated with responding to offenders (vandals).

6.4.15b Funding

District Allocation: A combination of UAGC and General Rate is considered the most appropriate method of funding this activity.

Exacerbator: Council resolved that as it is usually hard to identify or inefficient to prosecute offenders this allocation be transferred to District Allocation.

User Benefit: Council agreed that although users are the direct beneficiaries of this service it would not levy fees and charges given the public health benefits of this service and the benefits to visitors of our district this service provides. Therefore, the user benefit allocation is transferred to District Allocation.

6.4.16 Cemeteries

This function involves the provision and maintenance of cemeteries in the District as required under the provisions of the Burials and Cremations Act 1964.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	30%	General Rate
		30%	UAGC
Community Benefit	30%	40%	Fees and Charges
User Benefit	60%		

6.5.16a Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole. District benefit results from the promotion of public health and sanitary disposal of the deceased. It also contributes to the cultural well-being of all people in the District.

Community Benefit: Cemeteries have a small degree of community benefit. The Community benefit results from the promotion of public health and sanitary disposal of the deceased. It is also assessed that those people who live within the Community will utilise the cemetery more than those outside the Community.

User Benefit: Families and friends of the deceased are direct beneficiaries of the service.

6.4.16b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Community Allocation: It was resolved that this allocation be reallocated to District Allocation as it

was difficult to draw boundaries around the area serviced by a cemetery. Also, allocating the exact users of the cemeteries on a per community basis would be fraught with difficulties.

User Allocation: Council resolved user Fees and Charges to be the most efficient, effective and transparently lawful available method to fund this allocation. However, as it is difficult to accurately predict the fees and charges that will be generated from this activity and it can vary quite a bit from year to year, it was resolved that 20% be reallocated to District Allocation.

6.4.17 Emergency Management

Provision of emergency response capability, includes public education and administering the Civil Defence Emergency Management Act 2002.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National and Regional Benefit	10%	0%	Government Subsidy
District Benefit	90%	50%	General Rate
		50%	UAGC

6.4.17a Distribution of Benefits

National Benefit: Emergency Management has been assessed to have a certain element of National and Regional benefit, in that this service provides safety and general well-being to the national public under a national civil defence and emergency management network. By way of example, any significant natural disaster has the potential to disrupt state highways and the rail system which might affect the Country as a whole.

District Benefit: Civil Defence is considered to have a high District benefit. The benefit of this function is for the safety and well-being of all people within the District.

6.4.17b Funding

National Allocation: Council considers that given the element of national benefit provided by the service, Central Government subsidy would be the most efficient and effective method of funding this allocation. However Central Government subsidies are no longer available so it was resolved that this allocation be re-allocated to District Benefit.

District Allocation: A combination of UAGC and General Rate is the most appropriate method of funding this activity given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of this activity.

6.4.18 Rural Fire

Provision of rural fire fighting capability and support of Tainui Rural Fire Party.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	40%	100%	General Rate
User/Applicant Benefit	50%		
Exacerbator	10%		

6.4.18a Distribution of Benefits

District Benefit: The Rural Fire Service has a medium degree of public benefit in that it provides security to the entire population that the District has emergency preparedness plans in place for rural fire. Also, the District benefit accrues from the fact that any escalated rural fire not contained, can cause widespread damage to forestry or farms which will have a negative economic impact on the District as a whole.

User Benefit: With regard to Rural Fire Services, both public and private rural property owners can be identified as the users and hence beneficiaries of this service. This benefit accruing to rural property owners is assessed as high because Rural Fire service is offered to all properties excluding those in urban areas, and they gain benefit through the use of Council's resources and training.

Exacerbator: The offender for Rural Fire is the fire starter.

6.4.18b Funding

District Allocation: Council resolved General Rate to be the most equitable, efficient and transparent method of funding this allocation. This service is provided in the rural area but it does mitigate the negative impacts of a rural fire on the whole District.

User Benefit Allocation: Council resolved that this portion of benefit be reallocated to District Allocation, because although the user benefit level for this service is assessed as high and the users can be identified as a particular group and Targeted Rate would be the most equitable method for funding this portion of the benefit, it would not be efficient or cost effective to set a separate rate for this service.

Exacerbator Allocation: It is usually not practicable or possible to identify or prosecute the offender or starter of a fire (it could be natural causes) and so it would not be effective or efficient to separately fund this part of this function. Council resolved that it be reallocated to District Allocation and be funded through General Rate.

7.0 ENVIRONMENTAL SUSTAINABILITY

The Environmental Sustainability area works towards promoting and ensuring that the environment is sustainably managed.

The groups of activities contained within this area are:

- 7.1 Solid Waste Management
- 7.2 Stormwater Drainage
- 7.3 Resource Management
- 7.4 Sewerage and treatment and disposal of Sewage.

7.1 SOLID WASTE MANAGEMENT

7.1.1 Description

The Solid Waste Activity manages the refuse collection, disposal and recycling services for the Waitomo District. The solid waste network involves a series of recycling and transfer stations throughout the District. Residual waste is deposited at the District Landfill in Te Kuiti.

The Solid Waste Activity is made up of two sub activities:

1. Collection which includes Kerbside Collection and Recycling; and
2. Management which includes Landfill
3. Management and Waste Minimisation.

People generate un-recyclable waste each day and the current trend of increasing amounts of packaging and waste material results in an ongoing challenge for waste management. If waste is not managed in an appropriate manner it may result in serious public health and environmental concerns.

7.1.2 Functions

The functions comprising this activity are:

1. Kerbside Collection
2. Landfill and Transfer Stations Management
3. Kerbside Recycling
4. Waste Minimisation.

7.1.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

Vibrant Communities	
	CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Effective Leadership	
	CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
Sustainable Infrastructure	
	CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

7.1.4 Period Of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

7.1.5 Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

7.1.6 Activity Analysis and Funding Mechanisms

7.1.7 Kerbside Collection

This function involves the provision of kerbside collection service to residents of Te Kuiti, Piopio, Awakino, Mokau and Waitomo ward and Village area.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Community/ User Benefit	100%	45%	Fees and Charges
		55%	TFR Per community where service is provided

7.1.7a Distribution of Benefits

Community Benefit/User: Communities that are provided with kerbside collection service are the beneficiaries of this service.

7.1.7b Funding

Community Allocation/User Allocation: As users can be identified as a particular group (communities that are provided with the service) and also individuals that will benefit from the service, Council resolved that Fees and Charges and a Targeted Fixed Rate per separately used or inhabited part of a rating unit differentiated by Community receiving the service would be the most effective, efficient and transparent method for funding this allocation. Fees and charges are resolved upon in order to meet the Waste Minimisation objectives in the Solid Waste Management and Minimisation Plan.

The utilisation of fees and charges (including the cost of solid waste disposal in the cost of the rubbish bag) will ensure that the true cost of collection and disposal is reflected in the right place and paid for by the beneficiary. Reflecting the true cost of disposal in

the price of a rubbish bag is also expected to encourage waste minimisation.

7.1.8 Kerbside Recycling

This function involves the provision of kerbside recycling service to residents of Te Kuiti, Piopio, Awakino, Mokau and Waitomo ward and Village area.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Community/ User Benefit	100%	100%	TFR Per community where service is provided

7.1.8a Distribution of Benefits

Community/User Benefit: Communities that are provided with kerbside recycling are considered to be the beneficiaries of this service.

7.1.8b Funding

Community Allocation/User Allocation: Since users can be identified as a particular group (communities that are provided with the service) Council resolved that a Targeted Fixed Rate per separately used or inhabited part of a rating unit differentiated by Community receiving the service would be the most effective, efficient and transparent method for funding this allocation.

7.1.9 Landfill and Transfer Stations Management

This function involves the maintenance and management of the Waitomo District Landfill in Te Kuiti and Transfer Stations across the District.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	45%	40%	Solid Waste TFR District wide
Community/ User Benefit	55%	60%	Fees and Charges

7.1.9a Distribution of Benefits

District Benefit: The provision of this service provides benefit to the entire District derived from the accessibility of landfill and transfer stations and in terms of maintaining public health standards within the District.

User Benefit: Users of the landfill and transfer stations are the direct beneficiaries of this service.

7.1.9b Funding

District Allocation: Council resolved that a Targeted Fixed Rate assessed on the basis of separately used or inhabited part of a rating unit across the entire District would be the most efficient and transparent method for funding this allocation.

User Allocation: Council resolved that user Fees and Charges would be the most efficient and transparent method to fund this allocation.

7.1.10 Waste Minimisation

Preserves the environment and minimises potentially negative effects of the solid waste activity. Includes education programmes aimed at drawing attention to the benefits of waste minimisation and recovery.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	No funding mechanism
District Benefit	90%	22.5%	General Rate
		22.5%	UAGC
		55%	Waste Minimisation Rebate

7.1.10a Distribution of Benefits

National Benefit: Effective Waste Minimisation provides not only environmental, but economic benefits as well, that accrue to the nation as a whole. Effective and appropriate disposal of solid waste helps protect public health and the environment for all New Zealanders.

District Benefit: All residents of the District benefit from general advice and education provided as part of this service. This activity is driven by Central Government policies and there is increased focus on waste minimisation at a national level, the benefits and costs of which accrue to the wider District as a whole.

7.1.10b Funding

National Allocation: There is no lawful funding method to fund this allocation and therefore Council resolved that it be transferred to District Allocation.

District Allocation: Since all residents of the District benefit from the provision of this service, Council resolved a combination of General Rate, UAGC and Ministry of the Environment Waste Minimisation Rebates (when available) to be the most efficient, effective and transparent funding mechanism available to fund this allocation.

7.2 STORMWATER DRAINAGE




7.2.1 Description

Stormwater is rain that runs over the ground on its way to a natural watercourse. When rain falls on buildings, carparks, driveways, roads and gardens, if it doesn't soak into the ground it follows its natural flow path downhill until it reaches a water course or is collected by a pipe system. Where there is development, runoff from properties and roads flow into stormwater systems. The greater the level of development in a catchment, the greater the level of impervious surfaces (e.g. roofs, driveways, paths etc), and therefore the greater the conversion of rainfall into runoff. If this runoff is not managed well, it will cause flooding. Generally stormwater is channelled on to roads or into open watercourses, then down streams and rivers to lakes and then the sea.

The stormwater system manages runoff by collecting and removing the runoff, eventually disposing of it into natural streams and rivers. The Stormwater Activity involves maintaining and extending the capacity of the existing system and advocating for the appropriate management of rivers and streams within the Waitomo District.

7.2.2 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

Vibrant Communities	
	CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Effective Leadership	
	CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
Sustainable Infrastructure	
	CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

7.2.3 Period of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

7.2.4 Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

7.2.5 Activity Analysis and Funding Mechanisms

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Urban Areas			
Community Benefit	90%	67%	TFR
		33%	Targeted Rate (rate per \$100 of capital value)
User Benefit	10%	0%	Fees and Charges

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Rural Areas			
Community Benefit	90%	100%	TFR
User Benefit	10%	0%	Fees and Charges

7.2.6 Distribution of Benefits

Community Benefit: Communities that are provided with this service are the direct beneficiaries as it is their land and buildings that are protected from potential flooding. There are general public health benefits in providing a Stormwater system. A further significant community benefit from the Stormwater system is that roads remain passable during times of heavy rain and flooding.

User/Applicant Benefit: Individual land or property owners who can connect or are connected to the Stormwater network are the direct beneficiaries of the service.

7.2.7 Funding

Community Allocation

Council resolved that the most effective, equitable and transparent methods to fund this allocation is:

Te Kuiti Urban Rating Area

A combination of:

(a) a Targeted Fixed Rate assessed on a per rating unit basis (which will fund the standing charges associated with the provision of the service). This charge will be increased no more than annually to a maximum of the Local Government Cost Index for that year.

(b) the residual funding requirement will be met from a targeted rate assessed on a rate per \$100 of capital value per rating unit in the Te Kuiti Urban Rating Area.

Urban properties in the Te Kuiti Urban Rating Area that hold current resource consents to discharge stormwater directly into the Mangaokewa Stream, and which are not utilising any part of the urban reticulated Stormwater or drainage network, will not be assessed for the targeted rate based on property value. However, the TFR is associated with the overall provision of an urban Stormwater service. As such this component is deemed to relate to the public good element of an urban Stormwater service. Therefore, the TFR will be assessed on all properties in the Te Kuiti Urban Rating Area.

Rural Rating Area

A Targeted Fixed Rate will be assessed on the basis of every separately used or inhabited part of a rating unit within the Rural Rating Area.

In deciding the funding split between the Urban and Rural rating areas, Council recognised that most of the Stormwater network exists in the urban rating area and urban properties benefited most from the service.

User/Applicant Allocation: Given that minimal new development is forecast, Council resolved that the Targeted Rate and the Targeted Fixed Rate differentiated by urban and rural areas is the most efficient and transparently lawful available method for funding this allocation.

7.3 RESOURCE MANAGEMENT

7.3.1 Description

The Resource Management activity works towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of the Resource Management Act 1991 (RMA 1991).

This activity involves the administration, application and enforcement of the Waitomo District Plan provisions including:

- Issuing of resource consents for land use and subdivisions
- Monitoring consents for compliance with conditions
- Making amendments to the District Plan.

7.3.2 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

Vibrant Communities	
	CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Thriving Business	
	CO6 A place that attracts more people who want to live, work and play, and raise a family.
Effective Leadership	
	CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

7.3.3 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

7.3.4 Activity Analysis and Funding Mechanisms

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	60%	32.5%	General Rate
		32.5%	UAGC
User/Applicant Benefit	35%	35%	Fees and Charges
Exacerbator	5%		

7.3.4a Distribution of Benefits

District Benefit: There is a district wide benefit to this activity as ensuring that the sustainable

management of physical and natural resources in the District are developed in a planned and orderly manner is beneficial to the entire District.

User/Applicant Benefit: Individuals and groups applying for Resource Consents requiring monitoring are direct beneficiaries of this service.

Exacerbators: These are costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consent conditions, and can result in expensive legal action and/or hearings.

7.3.4b Funding

User/Applicant Allocation: Council resolved that user fees and charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

Exacerbator Allocation: It is usually inefficient to prosecute offenders. Council agreed that it was not efficient or effective to separately fund this allocation due to the costs associated with prosecution, collection and administration and that education and monitoring are probably the most effective methods to promote a safe and sustainable environment in the District. It was resolved to reallocate this portion to District Allocation.

District Allocation: The most appropriate method of funding the remainder of this activity is considered to be 32.5% UAGC and 32.5% General Rate given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

7.4 SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE

7.4.1 Description

The purpose of the Sewerage Activity is to collect, treat and dispose of sewage in an effective and environmentally friendly manner. Effective and efficient sewage collection, treatment and disposal is essential to protect the environment, maintain public health and to facilitate further economic development.




7.4.2 Schemes

Council provides sewerage (or wastewater) schemes in the following communities, in order to ensure the effective treatment and disposal of sewage in an environmentally sustainable manner and to promote and protect public health.

- Te Kuiti
- Piopio
- Benneydale
- Te Waitere.

7.4.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

Vibrant Communities	
	CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Effective Leadership	
	CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
Sustainable Infrastructure	
	CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

7.4.4 Period of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational.

7.4.5 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

7.4.6 Activity Analysis and Funding Mechanisms

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Te Kuiti			
Community Benefit	75%	75%	TFR
User/Applicant Benefit	25%	25%	Fees and Charges

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Te Waitere, Benneydale and Piopio			
Community Benefit	75%	100%	TFR
User/Applicant Benefit	25%	0%	Fees and Charges

7.4.7 Distribution of Benefits

Community Benefit: Sewer Collection and Treatment reduces the possibility of health problems like spread of communicable diseases resulting from open sewer or inadequate septic tank facilities the benefits of which can be attributed to the community as a whole. Inadequate sewer disposal facilities can also detract from the aesthetic nature of the community and impact on receiving waterways.

The Community benefit can vary depending upon the amount of demand present. High users include premises with multiple pans.

User Benefit: Individual users in the particular sewer scheme who want to and are able to use the service can be identified as beneficiaries of the service.

7.4.8 Funding

User Allocation: Council resolved user Fees and Charges to be the most efficient method for funding this allocation for Te Kuiti, where revenue is received from connection fees and Trade Waste charges. For Te Waitere, Benneydale and Piopio, given that minimal new development is forecast, Council considered it prudent to fund this allocation through a Targeted Fixed Rate.

Community Allocation: Council resolved that a Targeted Fixed Rate differentiated by scheme and assessed on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation.

Within a scheme area, the charge will be differentiated for properties that are connected or have the ability to connect (serviceable). Any SUIP will be considered to have the ability to connect (serviceable) if in the opinion of Council it is practicably serviceable and its boundary is situated within 30 metres of Council's sewerage drain, to which it is able to be connected but is not so connected.

In Te Kuiti, sewer charges will be assessed as per the following considerations:

Sewer charges will be further differentiated on the basis of residential and non-residential properties.

For all residential properties, Council will assess a Targeted Fixed Rate per SUIP that is connected or has the ability to connect (within 30 meters of a Council main) to the Council sewerage network.

For all non-residential properties, Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the following Categories (differentiated by the use to which land is put):

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold. The base charge and per pan charge is calculated as follows:

Category	Base Charge	Pan Charge (per pan)
Category 1	50% of Te Kuiti residential connected rate (for up to 4 pans)	70% of Te Kuiti residential connected rate (for 5th pan and over)
Category 2	50% of Te Kuiti residential connected rate (for up to 4 pans)	30% of Te Kuiti residential connected rate (for 5 – 10 pans)
		20% of Te Kuiti residential connected rate (for over 10 pans)
Category 3	100% of Te Kuiti residential connected rate (for up to 4 pans)	70% of Te Kuiti residential connected rate (for 5th pan and over)

Piopio

Council has identified peri-urban beneficiaries to determine the catchment area for the Piopio wastewater system for the application of the targeted rates. The area of particular benefit is the Piopio Wider Benefit Rating Area.

Council considers that there are a few communities outside of Piopio for whom Piopio Township is the main 'community of interest' and that they receive an indirect benefit from the development and well-being of Piopio. Therefore Council considers it fair that a separate catchment of these properties be identified called the Piopio Wider Benefit Rating Area (PWBRA) and a targeted rate for Piopio Sewerage be set for these properties.

A Targeted Fixed Rate will be charged to all rating units with the PWBRA.

The amount paid by properties within the Piopio Wider Benefit Rating Area is determined annually on the following basis:

- *Piopio properties connected to the Piopio sewerage system will pay a Targeted Fixed Rate.*

- *Any funding required over and above the amount raised by those properties within Piopio Township is then allocated to the Piopio Wider Benefit Rating Area as a Targeted Fixed Rate on a per rateable property basis.*

7.4.9 Assistance for Smaller Communities

Wastewater services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative. Council recognises that there are smaller, comparatively under populated, communities in the Waitomo District that may require assistance in funding the sustainable operation of such a service.

Council resolved that a contribution be made by all rating units in the District towards the funding of existing Wastewater services in smaller communities that are eligible so that appropriate and affordable services can be provided on a sustainable basis in response to community outcomes.

Council notes that the social, economic and environmental benefits of smaller communities in the District having sustainable wastewater services accrue to the entire District and not just to those communities or the Rural Ward alone.

Council will consider applying this Assistance for Smaller Communities policy to eligible rural communities when the cost per connection to an existing wastewater service exceeds a trigger level of a dollar value to be determined by Council from time to time. Council could increase this trigger level by a maximum of the Local Government Cost Index, through the annual rate setting process.

In future, Council might consider capping the total level of assistance that will be provided to eligible communities, making allowance only for annual Consumer Price Index (CPI) or Local Government Cost Index (LGCI) adjustments.

7.4.10 Trade Waste Charges

The Trade Waste Bylaw regulates the discharge of Trade Waste to a sewage system operated by Council and sets out the mechanism for implementing trade waste charges.

Larger industrial meat processing industries (namely Te Kuiti Meats and Universal Beef Packers), who discharge trade waste into Council's sewerage system, play a major role in the local community. The very nature of their presence means that they contribute to economic and social well-being. They do that by virtue of the fact that they employ a large number of local people. There are a range of positive downstream impacts for the community as a result. There is an economic benefit in that the related employment results in economic activity with people living locally and investing in the local property market, sending their children to local schools and spending their earnings within the local economy. Social benefits also accrue with families becoming integrated within the local community, joining clubs and societies and reduced crime.

Council will continue with the 'exacerbator pays' principle for the large industrial meat processing companies as users of the Sewerage Network in Te Kuiti through the continued implementation of the Trade Waste Bylaw as it relates to Trade Waste Charges. However, Council will recognise the public good attached to the contribution these industries make to the social and economic well-being of the District Wide Community. This public good component is considered to be enjoyed by all in the community. By having such a large combined demand for a labour force means that these industries attract people to our community for work and lifestyle reasons. Having these people living and working in the community provides economies of scale for infrastructure and services that are then enjoyed by all in the District. Further, these industries not only provide employment opportunities but also largely exist to add value to products produced by primary industry within the Waitomo District.

Council has decided that the cost of receiving and treating Trade Waste via the Te Kuiti Sewerage Network will be funded 80% by way of Trade Waste Charges (Exacerbator Pays) and 20% by way of Targeted Fixed Rate (Public Good) on a per rating unit basis across every rateable property in the District.

The continuation of the cap on Trade Waste Charges at 80% of full cost recovery is dependant on Te Kuiti Meats Limited and Universal Beef Packers providing a demonstrable commitment to an agreed level of on-site treatment of their Trade Waste prior to releasing it to the Te Kuiti Sewerage Reticulation Network.

8.0 ECONOMIC SUSTAINABILITY

Environmental Sustainability area works to promote a growing and sustainable economy in the Waitomo District.

The groups of activities contained within this group are:

- 8.1 Water Supply
- 8.2 Provision of Roads and Footpaths.

8.1 WATER SUPPLY

8.1.1 Description

The water supply activity provides for the environmentally safe collection, treatment and reticulation of Council's public water supplies. Water supply is essential to run households, maintain public health and sustain economic development. Council is committed to providing a water supply service that meets the diverse needs of the Waitomo District.

8.1.2 Supply Areas

Council provides water supply in the following communities:

1. Te Kuiti
2. Benneydale
3. Mokau
4. Piopio

8.1.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

Vibrant Communities	
	CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Effective Leadership	
	CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
Sustainable Infrastructure	
	C10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

8.1.4 Period of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

8.1.5 Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

8.16 Activity Analysis and Funding Mechanisms

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Te Kuiti			
Community Benefit	75%	75%	TFR
User/Applicant Benefit	25%	25%	Targeted Rate - Water Consumption

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Mokau			
Community Benefit	75%	70%	TFR
User/Applicant Benefit	25%	30%	Targeted Rate - Water Consumption

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Piopio			
Community Benefit	75%	85%	TFR
User/Applicant Benefit	25%	15%	Targeted Rate - Water Consumption

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Benneydale			
Community Benefit	75%	55%	TFR
User/Applicant Benefit	25%	45%	Targeted Rate - Water Consumption

8.1.7 Distribution of Benefits

Community Benefit: Water treatment and supply contributes to providing a safe and healthy lifestyle and reduces the possibility of health problems resulting from contaminated water and inadequate supply. These benefits are attributable to the community (where the services are provided) as a whole.

Provision of water supply ensures the maintenance of fire fighting capability, the benefits of which accrue to the entire community.

All residents and properties in the area serviced by a particular water supply scheme can be identified as direct beneficiaries of the service.

8.1.8 Funding

Community Allocation: Council resolved that a Targeted Fixed Rate differentiated by supply area and assessed on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation.

Within a water supply area, the charge will be differentiated for properties that are connected or have the ability to connect (serviceable).

Any rating unit will be considered to have the ability to connect (serviceable) if in the opinion of Council it is practicably serviceable and its boundary is situated within 100 metres of a water main, to which it is able to be connected but is not so connected.

Any rating unit situated in Te Kuiti, Piopio, Benneydale or Mokau that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw) will be charged a targeted fixed rate per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP.

8.1.9 Assistance for Smaller Communities

Water Supply services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative.

Council recognises that there are smaller, comparatively under populated, communities in the Waitomo District that may require assistance in funding the sustainable operation of such a service.

Council resolved that a contribution be made by all rating units in the District towards the funding of existing Water Supply services in smaller communities that are eligible, so that appropriate and affordable services can be provided on a sustainable basis in response to community outcomes.

Council notes that the social, economic and environmental benefits of smaller communities in the District having sustainable Water Supply services accrue to the entire District and not just to those communities or the rural ward alone.

Council will consider applying this Assistance for Smaller Communities policy to eligible rural communities when the cost per connection to an existing water supply service exceeds a trigger level of a dollar value to be determined by Council from time to time.

Council could increase this trigger level by a maximum of the Local Government Cost Index, through the annual rate setting process.

In future, Council might consider capping the total level of assistance that will be provided to eligible communities, making allowance only for annual Consumer Price Index (CPI) or Local Government Cost Index (LGCI) adjustments.

8.2 PROVISION OF ROADS AND FOOTPATHS

8.2.1 Description

The Provision of Roads and Footpaths activity involves the maintenance and development of roads, kerbs and channels, bridges, street lighting, footpaths and street cleaning for all of the Waitomo District, with the exception of the State Highways, which are managed by New Zealand Transport Agency (NZTA).

Council maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

8.2.2 Functions

The functions comprising this activity are:

1. Subsidised Roothing
2. Unsubsidised Roothing

8.2.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

Thriving Business	
	CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
Effective Leadership	
	CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
Sustainable Infrastructure	
	CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

8.2.4 Period Of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

8.2.5 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of an Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

8.2.6 Activity Analysis and Funding Mechanisms

8.2.7 Subsidised Roothing

New Zealand Transport Agency (NZTA), the national road funding authority, provides a subsidy for works that meet the criteria for subsidy. The Activities currently subsidised by NZTA are:

1. Sealed Pavement Maintenance
2. Unsealed Pavement Maintenance
3. Routine Drainage Maintenance
4. Structures Maintenance
5. Environmental Maintenance
6. Traffic Services Maintenance
7. Level Crossing Warning Devices
8. Emergency Reinstatement
9. Network and Asset Management
10. Professional Services.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	58%	30%	Subsidy
District Benefit	42%	67%	Targeted Rate (rate per \$100 of capital value)
		1%	UAGC
		2%	Petroleum Tax Rebates and Contributions

8.2.7a Distribution of Benefits

National Benefit: The District's roading network is part of the national and regional transport network. Efficient and sustainable development of the network within the District contributes to the economic and social well-being of the entire nation as it is used by travellers, goods transporters and others who may or may not live in the District.

Transport facilities are maintained and developed to provide safe and comfortable travel within and through the District.

District Benefit: All residents and properties within the District can be identified as direct beneficiaries of the service as provision of roads enables access and transport to people and organisations within the District.

The economic benefits of maintaining efficient transport facilities accrue to all residents of the District in one way or another.

8.2.7b Funding

National Allocation: The National benefit portion is funded through NZTA subsidy.

The amount of subsidy is decided by NZTA and is based on assessing costs and benefits therefore, Council resolved that the remainder of this allocation be transferred to District Allocation.

District Allocation: Council resolved that a combination of a Targeted Rate (rate per \$100 of capital value) assessed on all rating units, a UAGC, Petroleum Tax Rebates and contributions to works would be the most efficient and transparently lawful method of funding this allocation.

Council resolved that funding a small portion of the allocation through UAGC would ensure equity in the funding sources by recognising the fact that the entire community has equal access to the roading network.

8.2.8 Unsubsidised Roading

These are activities carried out to ensure the safe and efficient travel within and through the District and are necessary for road or pedestrian safety and convenience, but are not subsidised by NZTA and for which Council has sole financial responsibility.

These include:

1. Footpath Maintenance
2. Footpath Renewals
3. Amenity Lights
4. Unsubsidised Miscellaneous work
5. Street Cleaning
6. Carpark maintenance (other than kerbside parking).

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	67%	TFR (Te Kuiti Urban and Periphery Rating Area)
		8%	Targeted Fixed Rate (Rating Units in the District not in the Te Kuiti Urban and Periphery Rating Area)
		25%	Fees and Charges

8.2.8a Distribution of Benefits

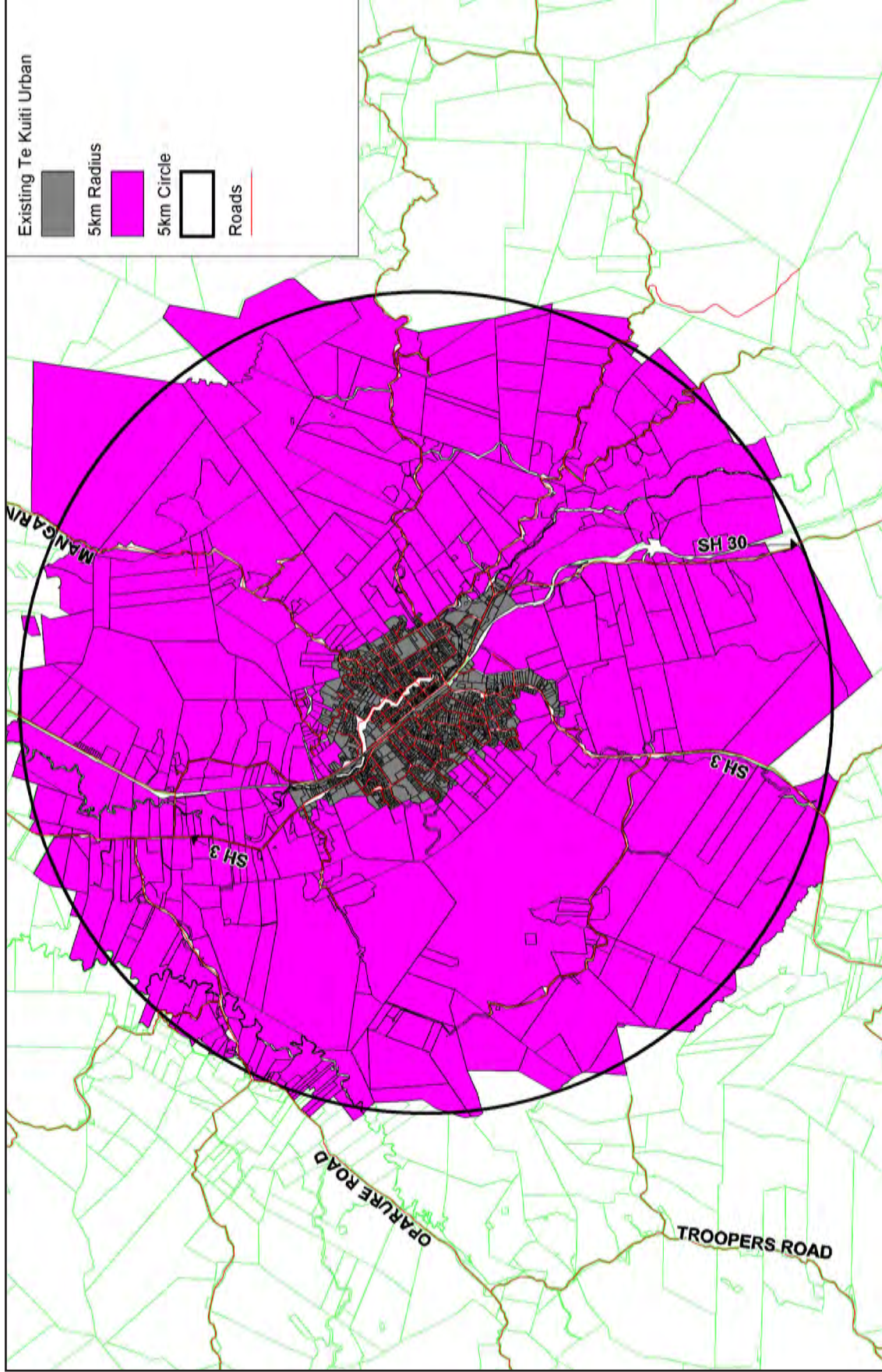
District Benefit: Maintenance of transport services to provide for pedestrian safety and convenience has a District wide benefit in that all residents use or visit the urban centres.

8.2.8b Funding

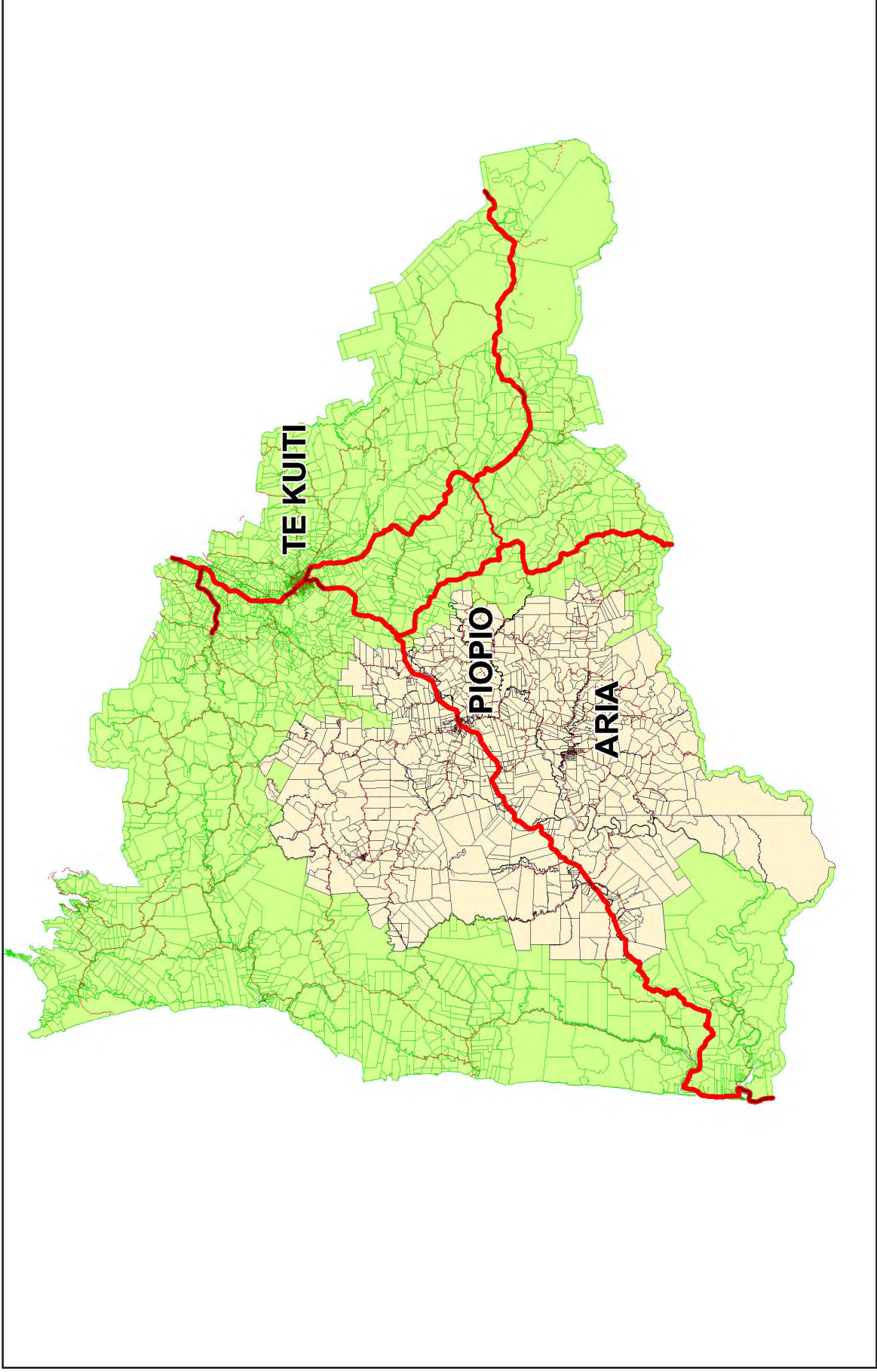
District Allocation: Council resolved that it would be most equitable to ring fence the costs of the activity as they fall in terms of Wards, and therefore a Targeted Fixed Rate differentiated by rating area set per SUIP would be the most efficient method of funding this allocation.

Fees and charges include receipts from road closures, overweight permits, etc. together with a long standing contribution from McDonald's Lime towards maintenance of the District's roads based on annual production.

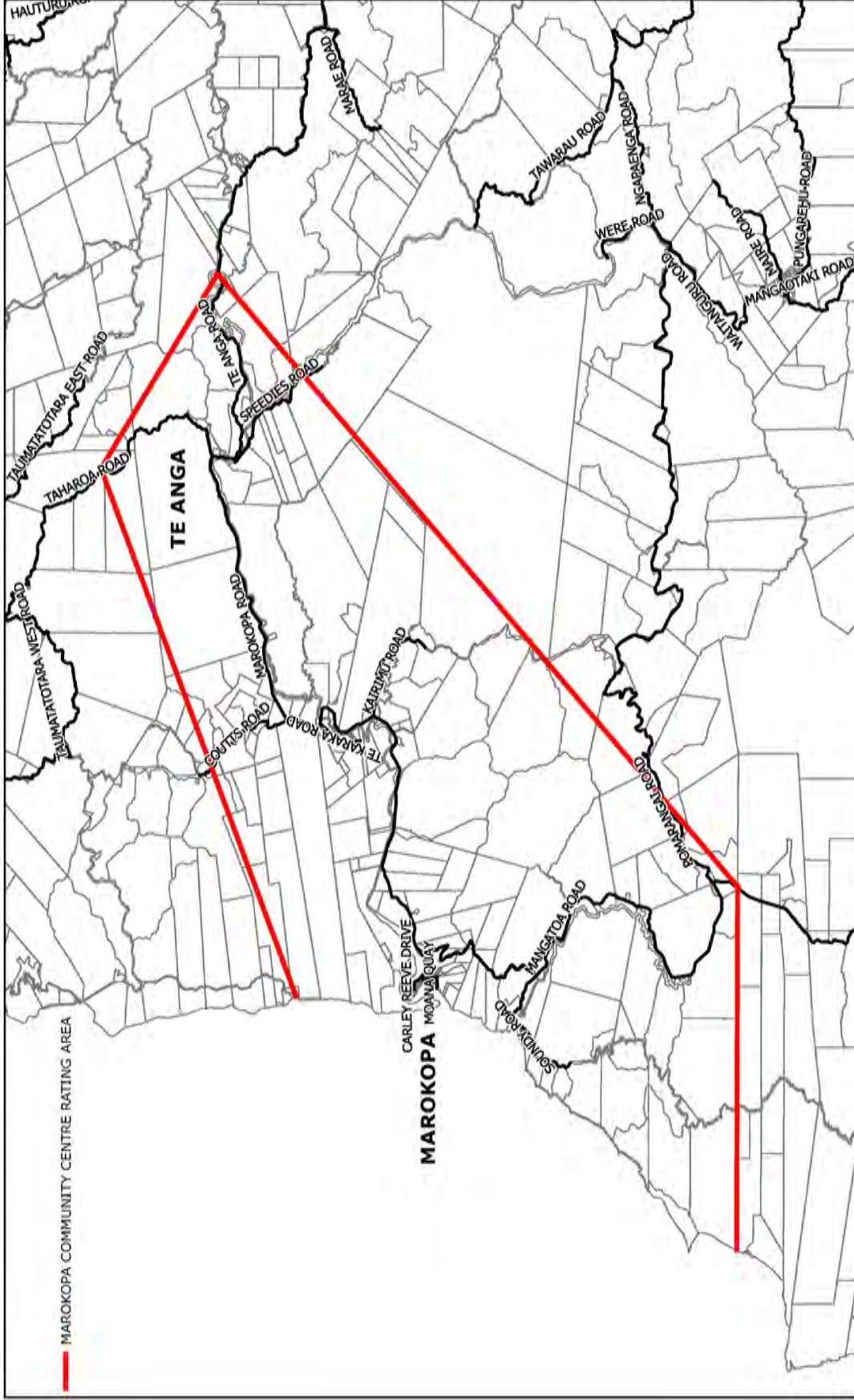
APPENDIX ONE: TE KUITI URBAN AND PERIPHERY RATING AREA



APPENDIX TWO: PIOPIO WIDER BENEFIT AREA



APPENDIX THREE: MAROKOPA COMMUNITY CENTRE RATING AREA



Digital map data sourced from Land Information New Zealand. CROWN COPYRIGHT RESERVED. The information displayed in the GIS has been taken from Waitomo District Council's databases and maps. It is made available in good faith but its accuracy or completeness is not guaranteed. If the information is relied on in support of a resource consent it should be verified independently.

Summary of Significance and Engagement Policy

This is a summary of the Significance and Engagement Policy. The full Significance and Engagement Policy is available to the public on Council's website or from Council offices.

This is a summary for information purposes only.

Purpose and Scope

1. To enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
2. To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
3. To inform Council from the beginning of a decision-making process about the extent, form and type of engagement required.

Policy

4. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.

5. The Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

- The level of financial consequences of the proposal or decision
- Whether the proposal or decision will affect a large portion of the community
- Whether the impact or consequences of the decision or proposal on the affected persons (being a number of persons) will, in Council's view, be substantial
- The likely impact on present and future interests of the community
- The likely impact on Māori cultural values and their relationship to land and water
- Whether the proposal affects the level of service of a significant activity
- Whether community interest is high
- Whether the likely consequences are controversial
- Whether community views are already known, including the community's preferences about the form of engagement
- The form of engagement used in the past for similar proposals and decisions
- There is a legal requirement to engage with the community.

6. If the financial consequences of the proposal or decision exceed the following thresholds the proposal or decision will be considered significant:

A possible increase in funding requirement in excess of:

- (i) 20% of total Council operating budget costs, or
- (ii) Capital expenditure in excess of 2.5% of the total value of Council's assets

Note 1: Emergencies and emergency works of Council are excluded from these thresholds, as by their very nature, they are unplanned and must be responded to immediately.

Note 2: The threshold for capital expenditure relates to new or development expenditure only. Asset renewal is an important and integral aspect of owning and managing assets.

Note 3: The thresholds above are not mutually exclusive. Capital expenditure is likely to result in associated operating costs, which must also be tested for materiality.

7. If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.
8. Engagement with the community is needed to understand the views and preferences of people likely to be affected by or interested in, a proposal or decision that is being considered by Council.
9. In general, the more significant an issue, the greater the need for community engagement.
10. The Council will apply a consistent and transparent approach to engagement.
11. Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002, or to carry out consultation in accordance with or giving effect to Section 82 of the Local Government Act 2002 on certain matters (regardless of whether they are considered significant as part of this policy). There are also other pieces of legislation like the Resource Management Act 1991 and Reserves Act 1977, which have their own requirements with regard to engagement which will be taken into account when determining the extent of community engagement.
12. For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.
13. The Community Engagement Guide (attached to the full Policy) identifies the form of engagement Council may use to seek feedback on some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision making process.
14. Where Joint Management Agreements (JMAs), Memorandum of Understanding (MOU) or any other similar high level agreements exist, these be considered as a starting point when engaging with Māori who are a party to the particular JMAs or MOU on matters relevant to that agreement.
15. When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

Infrastructure Strategy

1.0 Purpose

1.1 The purpose of this Infrastructure Strategy (IS) is:

- (a) To identify significant infrastructure issues for Waitomo District Council (WDC) over the period covered by the strategy, and
- (b) To identify the principal options for managing those issues and the implications of those options.

This IS addresses the above purpose by outlining how WDC intends to manage its assets for the 30 year period 2015-2045, in the following four groups of activities:

- Water Supply
- Sewerage and Treatment and Disposal of Sewage (Wastewater)
- Stormwater and
- Roads and Footpaths

The key issues impacting on future management of WDC's infrastructure assets have been highlighted in this IS taking account of asset renewal or replacement needs, impacts of changes in demand for services reliant on those assets, changes to levels of service (e.g. as a result of new resource consents), consideration of public health and environmental outcomes, and managing risks impacting on the resilience of the assets to natural hazards.

For the first 10 years of the planning period (2015-25), this strategy represents a culmination of the planning underpinning WDC's corresponding activity management plans (AMPs).

2.0 Strategic Context

2.1 Formation of Waitomo District Council

The Borough of Te Kuiti was constituted in 1910. In 1922 the Awakino County was amalgamated with a newly created Waitomo County Council (in an area of the then Otorohanga County) to form a new separate local authority. Part of the Kawhia County was included with Waitomo County in 1956 while the balance of the former Kawhia County was incorporated with the neighbouring Otorohanga County. The Te Kuiti Borough and Waitomo County Councils were amalgamated to form the Waitomo District Council on 1 April 1976, and although minor changes to boundaries occurred with the 1989 re-organisation, the District remains largely unchanged today. The present Waitomo District Council (WDC) was reconstituted on 1st November 1989.

2.2 Geography

Waitomo District encompasses 336,357 hectares of predominantly rural land on the west coast of the Central North Island. The western boundary is the Tasman Sea. It is adjacent to the Otorohanga District to the north, Taupo District to the east

and Ruapehu and New Plymouth Districts to the south.

Te Kuiti is the administrative and main trading centre in the Waitomo District, with approximately 45% of the District population residing in this town. There are several other smaller settlements located throughout the District, including the popular beach settlements of Mokau, Awakino, Marokopa, Te Waitere and Taharoa. The main rural communities are Benneydale, Piopio and Waitomo Village.

While the District is predominantly contained within the Waikato Region, the south-eastern corner of the District is within the Manawatu-Wanganui (Horizons) Regional Council's jurisdiction.

2.3 Population Projections

The population in Waitomo District has declined over the past three decades from around 10,500 in 1986 to 8,910 in 2013, an annual decrease of -0.5%, although there have been some periods of growth in the 30 year period. A comparison between the 2006 and 2013 census show that the annual usually resident population decline has been more significant over 2006-2013 at -0.8%.

Not all of the census areas within the Waitomo district, however, showed a decline in previous years. Between the 2001 and 2006 census 5 out of 8 census units showed an increase or no change. However, this dropped off between 2006 and 2013, when only 2 areas, Taharoa and Waipa Valley, showed an increase in population.

For estimated future population in the Waitomo District the IS uses population projections that have been carried out at territorial authority level for the Waikato region by the National Institute of Demographic and Economic Analysis, University of Waikato (NIDEA). These projections have been used for planning across all aspects of the 2015-25 Long Term Plan (LTP).

The NIDEA projections show a continuing trend of declining population for Waitomo District with a projected population of 8,743 in 2025 (medium projection and median stochastic). These projections follow the recent trend in the District's population reasonably closely, with annualised population decline over the period 2013-2025 of 0.5% per year (base year projection is different to actual). Further decline is projected by NIDEA with the district's population reducing to 7,239 by 2048.

The population trends show that there is no demand for growth related infrastructure at the present time or in the near future. There is currently enough capacity in the infrastructure network to allow for nominal growth should it occur in an area.

2.4 Infrastructure Context

Council's strategy in the last 7-8 years, for core infrastructure assets, particularly in the Water Supply and Wastewater activity areas, has been to focus on improving their condition, where this has been essential, in order to support public health outcomes and to achieve good environmental outcomes (as required by its Resource Consent and other legislative requirements); whilst at the same time taking a prudent approach to financial management.

The demographic trend supports the Council's decision to adopt an approach which continues to involve upgrades and maintenance of its existing infrastructure network as opposed to the development of new capacity driven infrastructure.

In the period since 2007-08, WDC has invested approximately \$57 million on various capital projects in the four groups of activities covered by this IS.

Some of the key projects (within the four infrastructure activities) completed in this period are:

- Construction of raw water storage dam at Mokau
- Disinfection upgrades completed for Mokau and Benneydale water supplies
- Te Kuiti Wastewater Treatment Plant rebuild
- Piopio sewerage system
- Critical renewal work to Stormwater system (Ngati Street, George Street and Duke Street)
- 4000 linear metres of Stormwater reticulation system cleaned and surveyed
- Construction of the Transfer Station located at Waitomo District Landfill
- Commencement of development of an additional cell at landfill site
- Three Rora Street Upgrades
- Structural metal placed on 42 kms of unsealed roads

Whilst a projected shrinkage in population is of concern in terms of affordability, there is little or perhaps no scope to scale back Council's involvement in the provision of core infrastructure as historic and future investment is aligned to complying with minimum environmental and public health standards.

In short, the projected reduction in population and static development is forecast to have minimal or no impact on Council's service delivery over time in terms of core infrastructure. The trend does however highlight the need for a focus on managing core infrastructure in a manner that ensures compliance with minimum standards and early identification of future investment needs so that all options can be carefully considered.

3.0 Strategic Approach to Managing Infrastructure Assets

Council takes a strategic approach to managing its infrastructural assets and has planned that such assets must, at a minimum, be able to deliver existing service levels for the foreseeable future. This approach means that decisions around operation and maintenance, renewal and upgrade, demand and growth, service levels etc are taken in the context of optimising overall asset lifecycle costs and the provision of service in perpetuity.

3.1 Asset Renewal

Asset renewal is a key driver in respect of all Council's Infrastructural Assets within this IS, as the majority of Council's significant infrastructure has been upgraded in recent years. Council's approach in the IS is largely based on the need for informed and consistent asset renewal over time, especially for reticulation assets.

Asset renewal profiles (particularly for the three water assets) are based on theoretical useful lives, material type, length, age etc. A strictly clinical approach to developing asset renewal programmes results in projections for renewal funding fluctuating year to year as assets reach the end of their useful lives and need replacing. This long term IS takes into account sound engineering judgment, actual asset condition, the optimization of lifecycle costs and community affordability to ensure that renewal programs are prioritized according to in-situ asset condition and failure history over theoretical asset lives. This approach results in a financial provision for asset renewal that is not only considered consistent, appropriate and affordable but that can be applied according to sound asset information as it improves over time.

3.2 Managing Growth and Demand

The main drivers of growth and demand for infrastructure assets are:

- Land use activities
- Changes in population and demographics
- Community needs

Changes in demand over the life of the IS are expected to be no more than minor. Possible exceptions include peak summer demand for services where capacity for certain services is marginal and where large seasonal variations in population occur. With the exception of addressing specific capacity (storage) issues it is expected that any additional demand concerns over the life of this strategy will be addressed through the reduction in usage (either voluntarily or through regulation) in the first instance. Options for demand management are however considered to have limited practical relevance for the Waitomo District.

Planning assumptions for growth and demand will be monitored on a regular basis so to ensure that

any changes are reflected in the IS as and when they occur.

3.3 Levels of Service

Levels of service in both a current and a future sense are largely dominated by regulatory and technical considerations. Generally service levels have been improved in recent times in alignment with those considerations and are expected to be maintained over the strategy period. Customer service levels are more discretionary and are considered in the context of the current planning assumptions which project a static or declining population.

3.4 Public Health and Environmental Outcomes

As with service levels Public Health and Environmental Outcomes are largely dominated by National and Regional regulatory considerations. Recent upgrades of Infrastructural Assets have been to address issues regarding public health and environmental protection. Council's long term approach is to maintain and improve its infrastructural assets as required to ensure compliance with National and Regional Standards wherever possible. This also means ensuring that all infrastructural assets operate with current resource consents at all times.

3.5 Risk and Resilience

The main natural hazards potentially impacting on WDC's infrastructure assets include earthquake, flooding and the effects of climate change. Critical assets are those having the highest consequence of failure. The strategy identifies mitigation actions including risk assessments, establishing the required level of resilience, programme implementation of identified risks to increase the resilience of critical assets to the required level.

In general a pragmatic approach is taken to risk management in individual Asset Management Plans.

Part of WDC's asset management practices includes risk management decision making tools used to prioritise long term renewal, upgrade and development expenditure for infrastructure.

Of the overall risk management framework, critical assets are defined as those that must continue to operate to an acceptable level to avoid damage to community well-being that would occur if any one of the key components was to fail.

Identified risk events are grouped into:

- Natural events, where there is no real control over the timing or extent of the event, although probabilities may be understood, e.g. floods, lightning strikes, earthquakes.
- External impacts, where other service providers are not providing services which

impact on the organisation or individuals, e.g. power supply failures, material supply failures.

- Physical failure risks, where condition, performance of the asset or third party damage could lead to failure.
- Operational risks, where maintenance and or management of the asset or asset management activities may impact adversely on the asset.

4.0 Significant Infrastructure Issues for Waitomo District

This strategy relates to WDC's Wastewater, Water supply, Stormwater drainage and Roads and Footpaths infrastructure assets. The tables on the following pages summarise the significant infrastructure issues facing WDC, the proposed response to those issues, and the implications of taking or not taking the action proposed by the response. In many instances, the same principal response option is capable of addressing several infrastructure issues.

Flood protection and control works in Waitomo District are the responsibility of Waikato Regional Council and therefore do not form part of WDC's IS.

4.1 WDC Wastewater Schemes

WDC owns and manages four separate wastewater schemes in the district, at Te Kuiti, Piopio, Benneydale, and Te Waitere. The largest of these is at Te Kuiti. With the exception of Te Waitere, all schemes have been upgraded over the past six years and re-consented. The Piopio Scheme is new, commissioned in 2012. The consent for Te Waitere expires in September 2017.

Scheme	Consent expiry date
Te Kuiti	2040
Piopio	30 June 2028
Benneydale	1 May 2025
Te Waitere	30 September 2017

4.1.1 Te Kuiti Wastewater Scheme

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	High infiltration rates entering pipe network indicate poor asset condition.	Condition assessment of pipe network followed by prioritised repair and renewal programme.	The financial impacts of deferred maintenance and renewals have been balanced against levels of service, consent compliance and ratepayer affordability.
Risk and Resilience	Wastewater service continuity and community health is threatened by sections of the wastewater network. Older pipes are brittle and prone to breakages and leaks with natural ground movement or in the event of ground movement caused by a seismic event.	Rolling replacement of wastewater pipes in poor condition and at the end of their effective life with new flexible pipe materials.	<p>Failure to complete this work will increase the risk of overloading the treatment plant during flood events, and the risk of pipe failure due to end of lifecycle or following an earthquake event.</p> <p>Such failures have the potential to breach the discharge consent and contaminate surrounding groundwater with untreated waste. The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the consequences are high.</p>

4.1.2 Benneydale Wastewater Scheme

Issue	Description	Principal options for response	Implications
Risk and Resilience	Wastewater service continuity and community health is threatened by sections of the wastewater network. Older pipes are brittle and prone to breakages and leaks with natural ground movement or in the event of ground movement caused by a seismic event.	Rolling replacement of wastewater pipes in poor condition and at the end of their effective life with new plastic pipes and flexible joints.	<p>Failure to complete this work will increase the risk of overloading the treatment plant during flood events, and the risk of pipe failure due to end of life cycle or following an earthquake event.</p> <p>Such failures have the potential to breach the discharge consent and contaminate surrounding groundwater with untreated waste.</p> <p>The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the consequences are high.</p>

4.1.3 Te Waitere Wastewater Scheme

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	<p>The scheme involves collection of septic tank effluent through a piped system which is then pumped to a community soakage field.</p> <p>The rising main from terminal pumping station was recently renewed.</p> <p>The community soakage field is showing signs of failure.</p>	Replacement or refurbishment of the soakage field with an expanded facility is required when resource consent is renewed.	An amount of \$16,000 has been allowed in the LTP for rehabilitating or upgrading the soakage field.
Response to Demand	While the population projection for Te Waitere is for static growth, the wastewater discharge from the current population already takes up the full capacity of the existing soakage field.	Replacement or refurbishment of the soakage field with an upgraded and extended facility with capacity for modest additional demand.	While there are no growth related implications for the Te Waitere wastewater scheme, current demand already takes up full existing capacity.
Levels of Service	Levels of service focus on reliability of service, capacity, public health and environmental protection.	Environmental and public health protection will probably need to be enhanced consequent to the imminent resource consent renewal process in 2017.	Current levels of service relating to system capacity and environmental protection will probably need to be enhanced early in the strategy period.
Public Health and Environment	The extended reticulation has addressed previous public health and environmental concerns associated with the scheme.	Replacement or refurbishment of the soakage field with an upgraded facility is required.	Environmental and public health protection will probably need to be enhanced consequent to the imminent resource consent renewal process in 2017.
Risk and Resilience	Wastewater service continuity and protection of the environment is threatened by the condition and capacity of the current soakage field.	Replacement or refurbishment of the soakage field with an upgraded facility is required.	Failure to complete this work will increase the risk of overloading the soakage field during normal operating conditions. Such system failure has the potential to breach the discharge consent and contaminate the surrounding environment with treated waste. The probability of this risk occurring is high and the consequences are significant in the context of the imminent consent renewal process.

4.1.4 Waitomo Village Wastewater Scheme

The wastewater infrastructure at Waitomo Village is privately owned and operated. WDC is currently in discussion with representatives of the Village Trust and private owners of this infrastructure with the potential for WDC to acquire an interest. The potential and a possible pathway forward for transfer of the Village wastewater infrastructure to WDC's future ownership and management is unknown at the present time, due to land tenure issues.

Given the level of uncertainty around the timing of resolution of these issues, this IS does not provide for any financial forecasts for these assets. However, Appendix 1 of this IS contains information with regard to the possible upgrade costs associated with this scheme, based on some investigation work that has been carried in the past.

4.1.5 Mokau

No wastewater scheme currently exists in Mokau, however the development of this IS has identified that sometime in the future, it may be necessary to consider the treatment and reticulation of wastewater in Mokau/Awakino due to increasing public health and environmental pressures.

Council intends to keep a watching brief on this aspect over the next few years to ascertain if it will require intervention over time.

4.2 WDC Water Supply Schemes

WDC owns and manages four water supply schemes, at Te Kuiti, Piopio, Benneydale and Mokau. The largest supply is at Te Kuiti. Higher levels of service driven by the Public Health (Drinking Water) Amendment Act and security of supply are two key issues impacting on all schemes.

Consents to take water are critical to maintaining adequate, all year, supply quantities for domestic and commercial/industrial use.

The following table summarises current consent expiry dates:

Scheme	Key Consent Expiry Dates
Te Kuiti	31 January 2015 (renewal process to be complete by June 2015)
Piopio	1 August 2023
Benneydale	7 April 2031
Mokau	September 2026

4.2.1 Te Kuiti Water Supply Scheme

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	Large parts of reticulation near the end of its useful life. Increasing incidence of mains failure, leaks, etc.	Accelerated mains replacement programme based on actual pipe condition.	Replacement programme of \$90,000 per year over the next 10 years.
		A reduced replacement programme extending over a longer period would result in reduced levels of service and increase in maintenance cost due to increased mains failure, loss of water and supply interruptions.	Not replacing the pipes leaves them vulnerable to breakage or complete severance in the event of earthquakes or other ground movement. The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the severity of the consequences are expected to be high.
Levels of Service	Levels of service for colour, taste and odour are not met due to presence of residual iron and manganese in reticulation and algal growth on rocks during low flow stream conditions. Iron and manganese concentrations are due to precipitated due to the dosing of chlorine. Backflow preventors are also being installed. Protection of public health is a higher priority over taste and odour issues.	Upgrade of treatment plant to include a flow proportional, carbon dosing system to remove "taste" from source water.	The costs of additional treatment to improve the taste and odour characteristics of the supply are included in the proposed, 4-stage, upgrade programme.
Public Health & Environment	The Te Kuiti supply does not fully meet NZ Drinking Water Standards for protection against potentially pathogenic giardia and protozoa. The current take represents near 25% of stream flow during low flow conditions, with associated impacts on in-stream habitats.	Implement 4-stage upgrade of treatment plant sterilisation, raw water intake, clarification, and additional storage.	Stage 1 & 2 – 2015/16: \$5.41m. Stage 3 – 2016/17: \$1.2 m. Stage 4 – 2026-2030: \$1.23 m. Total: \$7.83 m (un-inflated estimates).
Risk and Resilience Issues	Raw water storage is identified as a potential risk should the effects of climate change become more prominent. The four water storage reservoirs are critical assets, each approximately 40-years old. Resilience of these reservoirs to a major seismic event is key to the integrity of the supply.	Investigate options for raw water storage. Assess seismic strength of reservoirs.	<ul style="list-style-type: none"> Estimated cost of investigations has been included in forecasts. Outcome of investigations need to be awaited to show how critical the matter is and what options are available to Council. Strengthening the treated water reservoirs is critical to the resilience of the water supply.

4.2.2 Piopio Water Supply Scheme

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	Large parts of the reticulation is nearing the end of its useful life. The renewal profile suggests a longer residual life than is evidenced by actual operational experience, the latter indicative of poor pipe condition.	Accelerated mains replacement programme based on actual pipe condition, using modern pipe materials with flexible joints.	Regular continued annual replacement programme over the next 30 years.
		A reduced replacement programme extending over a longer period would result in reduced levels of service due to increased mains failure, loss of water and supply interruptions with associated higher maintenance cost.	An extended renewal programme would result in reduced levels of service due to increased mains failure, loss of water pressure and potential loss of supply.
Public Health & Environment	The absence of back-flow preventers is a potential health risk for Piopio water supply consumers.	Provision for back-flow prevention.	The estimated cost of a back-flow prevention programme is \$5,130 per year for the next 10 years.
Risk and Resilience Issues	In Piopio the water treatment plant, reservoir and reticulation are at risk of damage from a major seismic event.	<p>Assess seismic strength of reservoirs.</p> <p>Using flexible pipes and joints for mains replacements will reduce the risk of pipe failure in the event of earthquakes or other ground movement. The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the severity of the consequences would be high.</p>	<p>Provision for increased resilience of the Piopio water supply reticulation has been built into LTP replacement programmes.</p> <p>Further measures will be dependent on investigations into the resilience of current infrastructure.</p>

4.2.3 Benneydale Water Supply Scheme

Issue	Description	Principal options for response	Implications
Risk and Resilience Issues	The Benneydale water treatment plant, reservoir and reticulation are at risk of damage from a major seismic event.	Assess seismic strength of reservoir and treatment plant.	Further measures will be dependent on investigations into resilience of the current infrastructure.

4.2.4 Mokau Water Supply Scheme

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	Most of the Mokau water supply reticulation is nearing the end of its useful life. The majority of the network comprises asbestos pipes. The renewal profile suggests a longer residual life, based on a nominal pipe life of 70 years, than is evident from actual operational experience. This is indicative of poor pipe condition.	Accelerated mains replacement programme based on actual pipe condition, using modern pipe materials with flexible joints.	Replacement programme of \$47,000 per year (on average) over the next 30 years.
		A reduced replacement programme extending over a longer period.	An extended renewal programme would result in reduced levels of service due to increased mains failure, loss of water pressure and potential loss of supply with associated increase in maintenance cost.
Risk and Resilience Issues	Asbestos water mains are vulnerable to breakage or complete severance in the event of earthquakes or other ground movement.	Replace water mains with flexible pipe materials and pipe joints.	The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the severity of the consequences are expected to be high.
	Sufficient water storage is required to secure the water supply during drought conditions.	Increased raw water storage will be completed during 2015/16.	The risk of water shortage during drought conditions will be reduced.

4.2.5 Waitomo Village Water Supply

The Water Supply infrastructure at Waitomo Village is privately owned and operated. WDC is currently in discussion with representatives of the Village Trust and private owners of this infrastructure with the potential for WDC to acquire an interest. The potential and a possible pathway forward for transfer of the Village Water Supply infrastructure to WDC's future ownership and management is unknown at the present time, due to land tenure issues.

Given the level of uncertainty around the timing of resolution of these issues, this IS does not provide for any financial forecasts for these assets. However, Appendix 1 of this IS contains information with regard to the possible upgrade costs associated with this Supply, based on some investigation work that has been carried in the past.

4.3 Stormwater Drainage

WDC's stormwater infrastructure comprises two components. The primary component consists of 31km of stormwater pipes, open drains and discharge structures in urban areas, predominantly Te Kuiti. The secondary component consists of overland flow paths, including the roading network. The multiple Te Kuiti Stormwater discharges are consented through a district wide comprehensive consent. The consent expires in July 2024.

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	Ageing pipe assets some of which are in poor condition. Information on pipe condition is mostly anecdotal. Approximately 4km of pipe has been inspected. Large section of pipe network in Te Kuiti is partially silted up.	Implement stormwater pipe condition assessment programme. Undertake renewals on a prioritised basis.	Continued stormwater renewal programme of \$100k per year.

Issue	Description	Principal options for response	Implications
Risk and Resilience Issues	Current risks include pipe failure, flooding of property due to impaired stormwater capacity and blocked secondary flow paths. A major flood event could overtop the banks of Mangaokewa Stream with consequential flooding of property.	Identification and protection of secondary flow paths through catchment management plans. Repair and replacements of damaged stormwater pipes.	Failure to complete this work will increase the risk of flooding and damage to property.

4.4 Roads and Footpaths

WDC's road and footpath infrastructure assets comprise 1,014km of roads of which approximately 459km are sealed and 555km are unsealed. In addition, there are 159 bridges including large culvert structures, and 50 km of footpaths.

Associated assets include pavements, small culverts, kerb and channel, carparking, road signage, retaining structures, and street lighting.

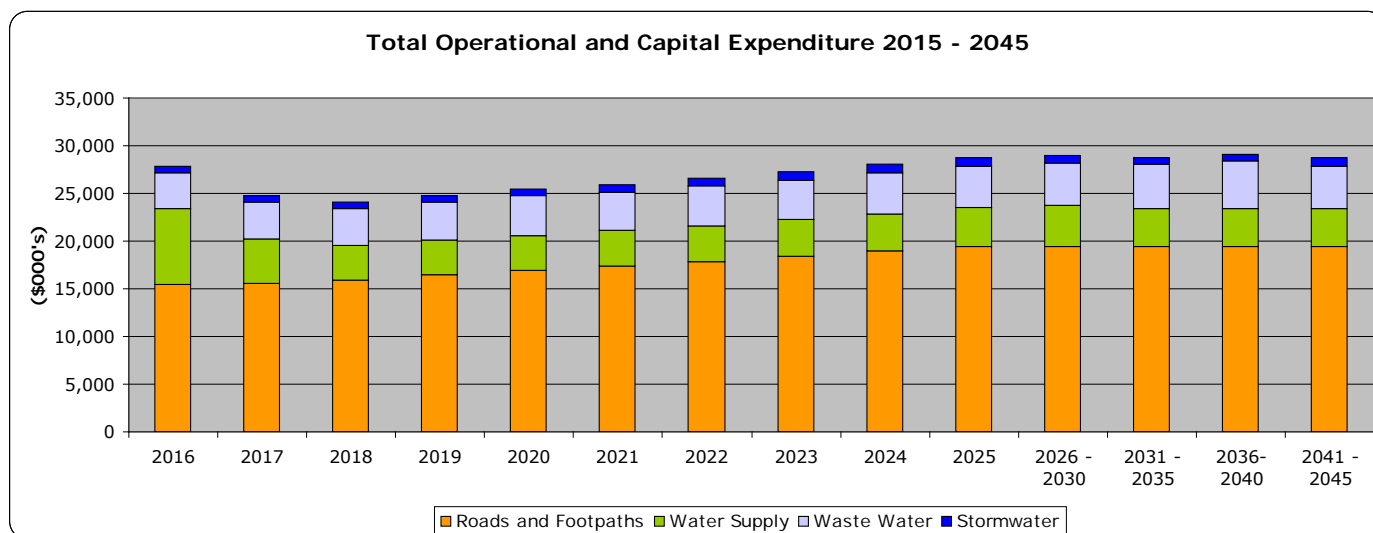
Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	Bridge stock is in generally good condition. There are 31 bridges identified for renewal in the next 30 year period with a present value of \$9 million. 30 of those bridges fall in the 2016 – 2045 period. Roads are scheduled for maintenance in accordance with their significance.	Monitor bridge condition and programme renewal of structural components.	With the present maintenance regime the probability of this risk occurring is considered to be low, with the severity of the consequences being moderate.
Levels of Service	Levels of service include road safety, reliability and accessibility, responsiveness and smoothness of ride.	Widening of narrow, unsealed rural roads to a minimum carriageway width of 5.0m has been identified as an aspirational goal. No other changes to current levels of service are proposed.	Any widening of narrow unsealed roads will be managed within the existing funding. Current levels of service will be maintained through the strategy period.
Risk and Resilience	Critical assets include bridges and large culverts Failure of bluff areas causing slips and dropouts could isolate rural communities.	Bridge inspections are completed every two years and structural assessments completed every 5 years. Alternative routes are maintained for Collector roads.	Current risk mitigation will be maintained through the strategy period.

Note: The risk management processes used by the Waitomo District Council are consistent with Australian/New Zealand Standard AS/NZ 4360 which defines risk assessment and management. A fuller description of the risks identified in the tables can be found in Waitomo District Council asset management plans for each activity area.

5.0 Infrastructure Investment Programme - The Most Likely Scenario

5.1 Total Expenditure

In addressing the issues identified in the previous sections of this strategy, the Waitomo District Council expects to spend \$259 million on new or replacement infrastructure between 2015 and 2045. Over the same period, \$582 million is expected to be spent on operating costs, labour, depreciation, materials and maintenance. These figures are anticipated to be spread across the four infrastructures asset activity areas as shown below.



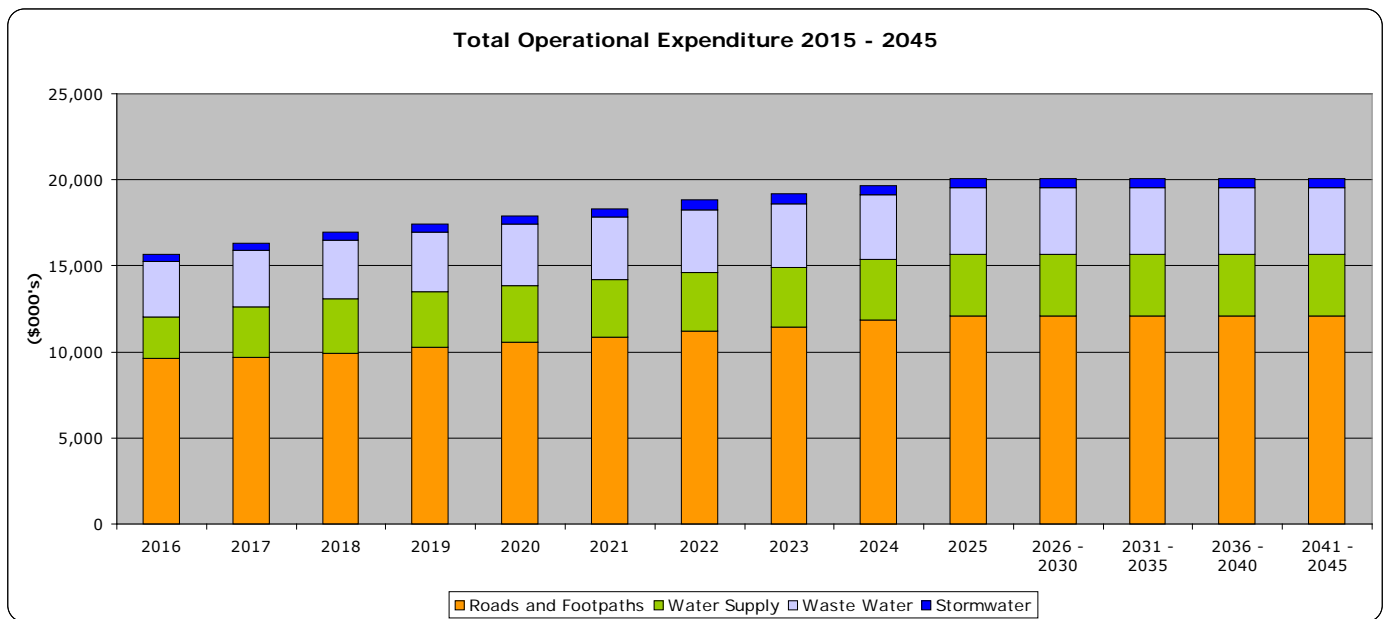
Infrastructure Activity	Capital Expenditure (new and replacements)	Operational Expenditure
Wastewater	\$20,458,000	\$112,680,000
Water	\$19,911,000	\$103,745,000
Stormwater Drainage	\$6,684,000	\$16,095,000
Roading and Footpaths	\$211,840,000	\$349,571,000
Total	\$258,893,000	\$582,091,000

The table above shows that expenditure across the four infrastructure activity areas will continue to be dominated by operational requirements (operating costs, labour, depreciation, materials and maintenance) between 2015 and 2045.

The tables below show the indicative estimates of operational and capital expenditure up to 2045, by infrastructure asset type. The estimates are shown on an annual basis for the first 10 years, followed by annual average expenditure for the next 20 years in 5 year blocks:

5.2 Operating Expenditure Forecasts

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026-30	2031-35	2036-40	2041-45
Wastewater	3,243	3,287	3,401	3,499	3,576	3,617	3,677	3,694	3,752	3,854	19,270	19,270	19,270	19,270
Water Supply	2,424	2,931	3,160	3,216	3,279	3,351	3,400	3,465	3,528	3,571	17,855	17,855	17,855	17,855
Stormwater	421	440	472	471	490	504	554	556	574	553	2,765	2,765	2,765	2,765
Roading & Footpaths	9,602	9,675	9,930	10,260	10,572	10,867	11,190	11,464	11,827	12,104	60,520	60,520	60,520	60,520
Total	15,690	16,333	16,963	17,446	17,917	18,339	18,821	19,179	19,681	20,082	100,410	100,410	100,410	100,410



This graph uses estimates shown on an annual basis for the first 10 years, followed by annual average expenditure for the next 20 years in 5 year blocks.

As can be seen from the graph Operating and Maintenance costs are forecast to be relatively static over the life of the Infrastructure Strategy given the existing planning assumptions. The only significant exception to this trend is forecast expenditure for water supply as a result of the upgrade to the Te kuiti Water Treatment Plant in the first three years of the Strategy.

Capital expenditure on the Te Kuiti Water Treatment plant has a resulting impact on Forecast Operating and Maintenance costs due to increased interest and depreciation.

5.3 Capital Expenditure Forecasts

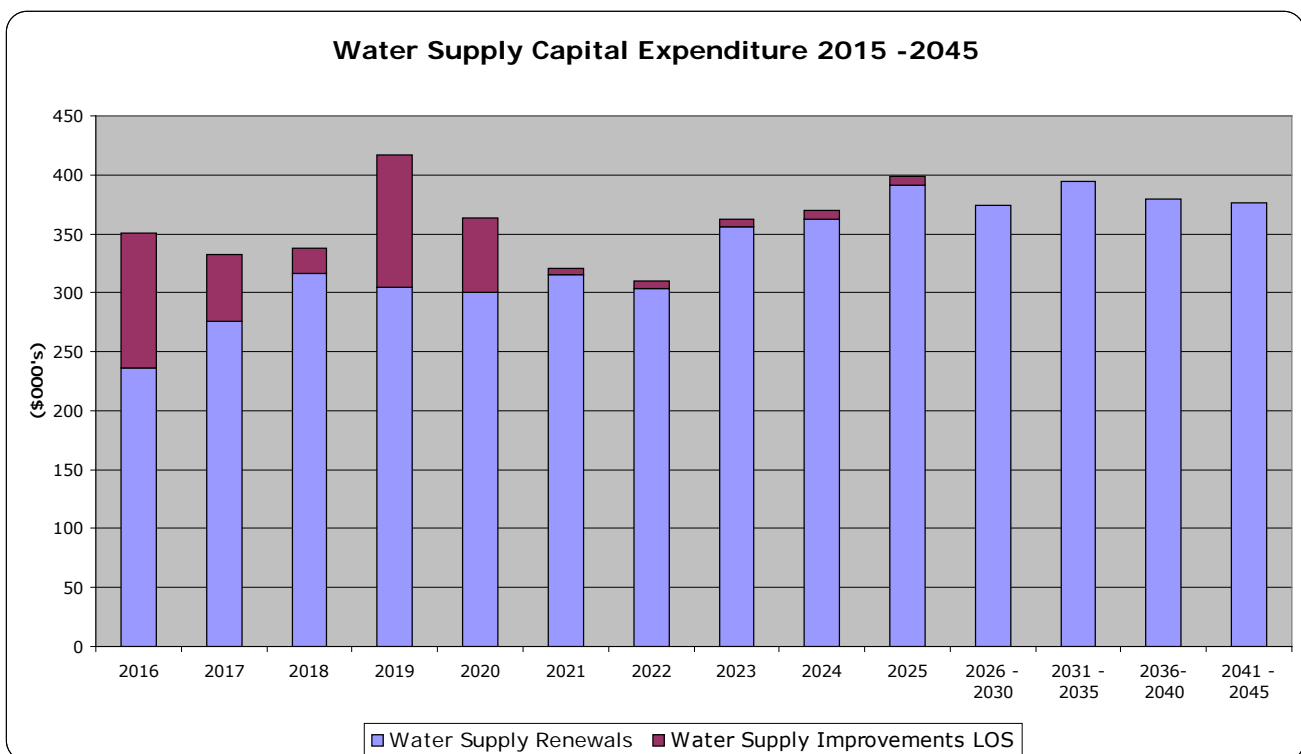
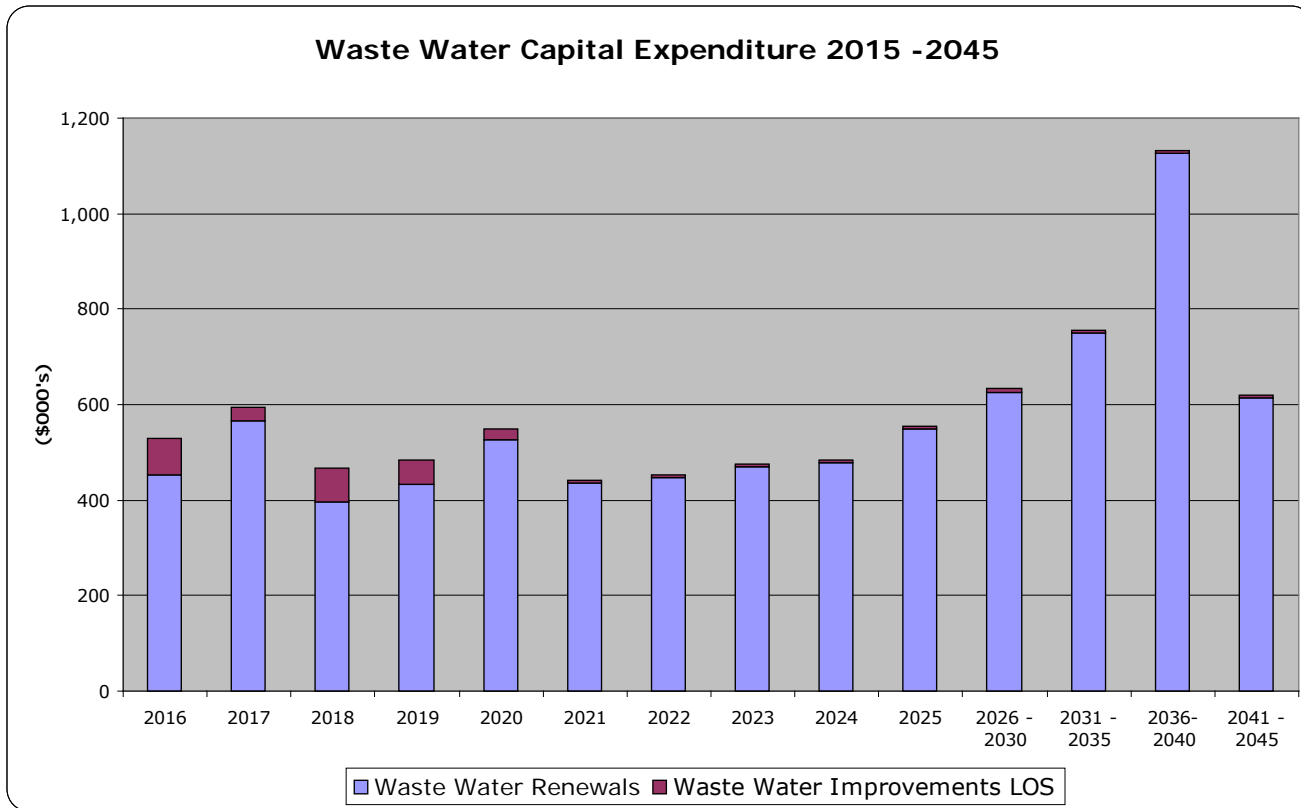
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026-30	2031-35	2036-40	2041-45
Wastewater	529	593	466	483	550	442	453	476	484	556	3,144	3,716	5,566	3,000
Water Supply	5,512	1,690	404	485	434	370	361	416	424	457	3,610	1,970	1,898	1,880
Stormwater	350	250	258	216	209	219	292	332	345	269	761	615	838	1,730
Roading and Footpaths	5,815	5,897	6,031	6,176	6,333	6,508	6,694	6,897	7,118	7,351	36,755	36,755	36,755	36,755
Total Forecast Capital Expenditure	12,206	8,430	7,159	7,360	7,526	7,539	7,800	8,121	8,371	8,633	44,270	43,056	45,057	43,365

The forecast capital expenditure profile, as indicated by the above table, is relatively static over the life of the Infrastructure Strategy with a focus on asset renewal, particularly after the planned upgrade of the Te Kuiti Water Treatment Plant over the 2015 – 2017 period.

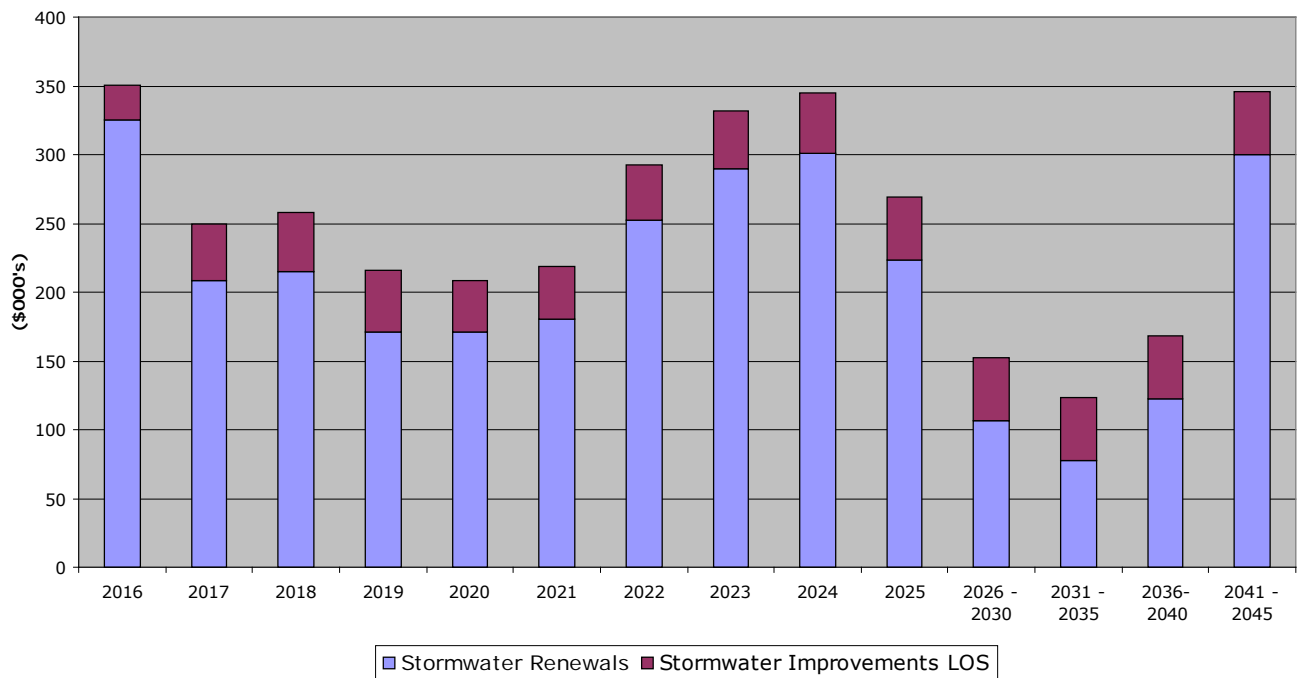
Future investment considerations include the moving of the raw water intake for Te Kuiti and the construction of a raw water storage dam for the same supply area.

Financial provision has been made for further investigation in to the need for a raw water storage dam in this most likely scenario in years 2018 and 2019. This is further demonstrated by the series of following graphs that show that spread of renewal and minor improvement capital works (by activity type) over the life of the strategy.

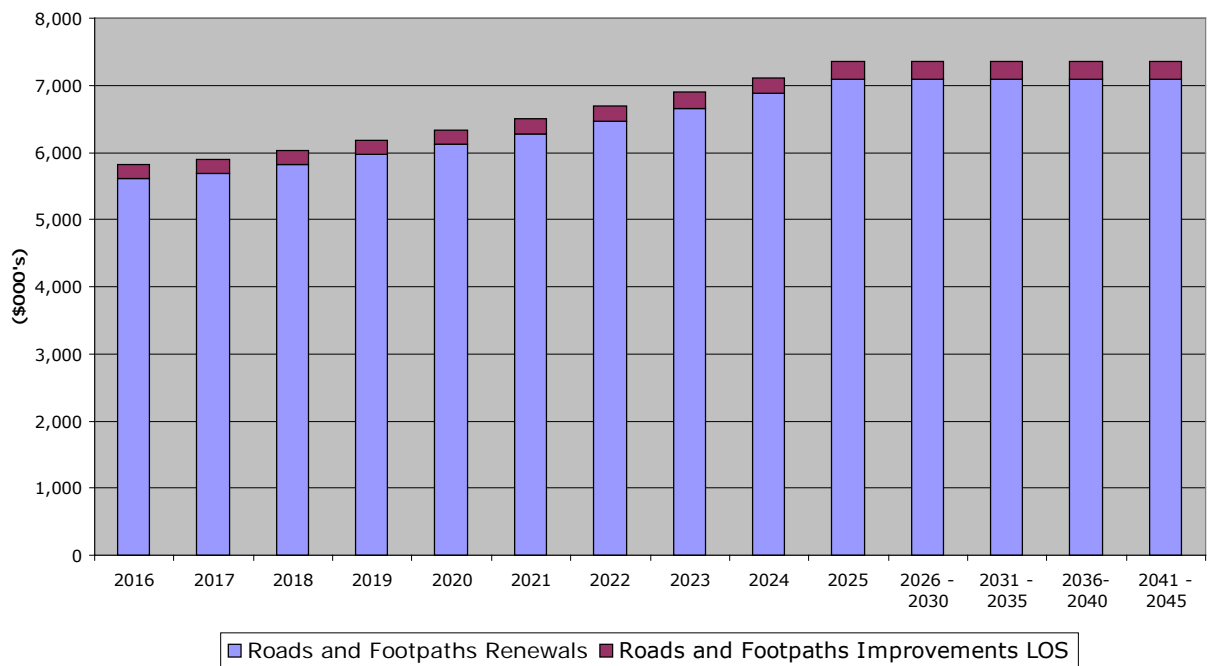
The graphs use estimates shown on an annual basis for the first 10 years, followed by annual average expenditure for the next 20 years in 5 year blocks.



Stormwater Capital Expenditure 2015 -2045



Roads and Footpaths Capital Expenditure 2015 -2045



6.0 Conclusion

Council's approach in the most likely scenario is informed and consistent asset renewal over time as the majority of Council's significant infrastructure has been upgraded in the recent past. The only significant capital improvement planned over the life of the IS is the completion of the upgrade of the Te Kuiti Water Treatment Plant in the 2015-16 and 2016-17 financial years. As a result, there are currently no significant decisions concerning capital expenditure that the Council expects to make over the life of this IS.

7.0 Infrastructure Strategy – Specific Assumptions

Whilst the Long Term Plan provides for global planning assumptions there a number of detailed assumptions specifically relevant to the Infrastructure Strategy which are detailed below.

Assumption	Level of Uncertainty	Potential Effects of Uncertainty
Construction costs No major changes relative to current cost structure.	Low	It is possible that the price of some components will change relative to others. Budgets are reassessed each year for the Annual Plan process to mitigate this risk. BERL inflation factors applied to the LTP also incorporate an element of price changes in different activity sectors.
Maintenance and operational costs These are largely based on historical rates and assume similar contract rates throughout the planning period.	Low	No inflation factors have been applied. BERL inflation factors will be applied to the programmes and budgets in the LTP. Budgets for successive years of the Annual Plan are based on the corresponding year of the LTP.
NZ Transport Agency Subsidies Subsidies will remain at amended levels	Medium	Reduced subsidy will impact on local affordability of WDC's contribution to road asset maintenance and renewals required to maintain current levels of service.
Depreciation Average asset lives at a project level for new works have been used to calculate depreciation.	Medium	Actual rate of asset depreciation is condition based and more accurately described as a decline in service potential. Depreciation funding may be over or understated.
Vested Assets On average the same level of assets are gifted to the council as a result of subdivision as has occurred over the last 5 years.	Low	Rate of sub divisional activity is low and static. Financial provision for increased lifecycle costs has been allowed for.
The potential vesting/transfer of Waitomo Village water and wastewater assets to WDC ownership will not have a substantial associated costs.	High	The additional costs of upgrading the Waitomo Village water and wastewater infrastructure assets to mandatory and sustainable levels of service have been investigated. However, the potential costs associated with any transfer could have a material effect. Council will have to weigh up the cost/benefits once the details become clearer through the process being undertaken currently.
Service Potential Service potential of the asset is maintained by the renewal programme.	Pipe networks – Medium Roading & Footpaths - Low	There is medium risk that the service potential of the pipe network assets will not be maintained by implementation of the renewal programme since the latter is not based on reliable asset condition information.
Asset Lives Asset lives are accurately stated.	Pipe networks – Low to medium. Roads & Footpaths - Low	The risk that pipe network asset lives are inaccurate is medium. Lives are based on generally accepted industry values, modified by local knowledge and condition assessment. The condition of large sections of pipe networks has yet to be confirmed. The potential effect is that, for the unconfirmed pipe sections, the effective lives of pipe assets might be overstated, with a consequential impact on depreciation funding and the respective renewals programme.

Assumption	Level of Uncertainty	Potential Effects of Uncertainty
Natural Disasters That there are no major natural disasters requiring additional funding for reinstatement of assets.	Medium	There is medium risk of a natural disaster occurring during the 30-year period requiring additional funds to repair or reinstate assets. Some further provision for increasing the resilience of the assets has been built into this plan but there is still further work to be undertaken to determine the desired level of resilience and the further asset improvements to achieve this.
Council Policy No significant change to Council policy that impacts on assets and services.	Low	Any significant change will require a full review of the Infrastructure Strategy and implications identified at the time.
Growth or Decline in Demand No significant change in demand.	Low	Potential changes in demand are not expected to change significantly over the period due to the static population growth projection.
Changes to levels of service Except where specifically identified, changes to levels of service are minor.	Wastewater, water and stormwater assets – Low.	Levels of service due to increased regulatory requirements for drinking water and waste water discharges have been accommodated in the strategy. Uncertainty regarding new levels of service in future resource consents is low for WDC's wastewater schemes (excluding Te Waitere) because of the recent consent renewal processes. Uncertainty regarding technical levels of service for Te Waitere wastewater is medium due to current capacity issues and imminent consent renewal process in September 2017. Changes to technical levels of service for the Te Kuiti water supply take are expected due to the consent renewal process in January 2015.
	Roading assets – Medium	NZTA's current nation-wide move towards a common roading classification, and review of the associated customer levels of service, could result in a change to the level of funding received from NZTA over time. Prescribed levels of service and in turn the required level of investment will be monitored over time.
Useful lives of Significant Assets Assumed lives for Council's assets will have minimum impact on financial estimates.	Low	Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is included in a note on depreciation of infrastructural assets in the Statement of Accounting Policies. The useful lives assumed in the Plan are consistent with the NZ Infrastructure Asset Valuation and Depreciation Guidelines prepared by the National Asset Management Steering (NAMS) Group and used by experienced asset valuers. Variations between actual and assumed useful asset lives will impact on the relevant asset replacement programme, with the overall financial effect expected to be self balancing. This will be reviewed on a 3-yearly basis in line with the LTP planning cycle to ensure depreciation funding is in line with asset renewal requirements and priorities adjusted accordingly.

Appendix 1: Waitomo Village Water and Wastewater

While an outcome from these discussions is some way off, and no financial provision has been made for managing these assets within the IS or the 2015-25 LTP financial forecasts, an indication of the likely issues has been made in anticipation that a decision will be reached within the term of this strategy.

Wastewater Scheme

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	<p>Reticulation system is substandard and at end of its economic life.</p> <p>Reticulation and treatment ponds are located on multiple, private properties.</p>	<p>Complete replacement of the reticulation and major upgrade of the treatment ponds is required.</p> <p>Land use agreements will be necessary.</p>	<p>Estimated cost of plant upgrade/renewal is \$578,000. Reticulation renewal is \$450,000.</p> <p>Estimated cost of future development of reticulation is \$210,000.</p>
Response to Demand	The current wastewater infrastructure is a constraint to future development of the village. There is no spare capacity for growth.	As above, sized for realistic growth in tourism activities, noting that most of the demand is from high numbers of visitors to the tourism attractions.	Implications of future demand are included in asset renewal and public health/environment considerations.
Levels of Service	Levels of service focus on reliability of service, capacity, public health and environmental protection.	Minimum levels of service required include environmental and public health protection consequent to the imminent resource consent renewal process in 2015.	Current levels of service relating to system capacity and environmental protection will need to be enhanced.
Public Health and Environment	<p>The discharge from the treatment ponds often does not comply with current consent conditions.</p> <p>Sludge from the ponds is stored in bags on nearby private land. There is no apparent plan for its safe disposal.</p> <p>The current discharge consent expired on 15 April 2015.</p>	Replace existing treatment ponds with an upgraded treatment plant to meet future environmental standards and sized for future growth.	<p>Estimated cost of consent renewal is \$100,000.</p> <p>Estimated cost of replacing and upgrading the treatment ponds with a modern wastewater treatment plant is \$578,000.</p>
Risk and Resilience	<p>Resilience to natural hazards is unknown but unlikely to be adequate.</p> <p>Lateral displacement failure of treatment pond embankments and adjacent stream banks in a major seismic event is a potential issue.</p>	Assess treatment plant for resilience to a major earthquake.	Additional investment would be required to achieve an adequate level of resilience to natural disasters appropriate to the iconic status of the Village tourism attractions.

Water Supply

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	The water reticulation is in relatively poor condition with high levels of deferred maintenance and renewals.	Replacement of water mains.	Indicative cost of \$540,000 Future development of mains \$227,000.
Response to Demand	The current water supply infrastructure is a constraint to future development of the village. There is no spare capacity for growth.	Sizing the capacity of the water supply appropriate to current and realistic growth in tourism activities, noting that most of the demand is from high numbers of visitors to the tourism attractions.	Implications of future demand are included in asset renewal and public health/environment considerations.
Levels of Service	Current levels of service are unknown or very low/ ad hoc.	Levels of service would increase to a minimum of secure supply, continuous supply, responsive service and compliance with NZ Drinking water Standards.	Current levels of service relating to security of supply and public health protection would be enhanced.
Public Health and Environment	The water supply does not comply with NZ Drinking Water Standards.	Major renewal or replacement of the water treatment plant is required.	Estimated cost of \$1.0M.
Risk and Resilience	Resilience to natural hazards unknown but unlikely to be adequate. Resilience to a water borne health outbreak is low.	Assess reservoirs and treatment plant for resilience to a major earthquake.	Additional investment would be required to achieve an adequate level of resilience to natural disasters appropriate to the iconic status of the Village tourism attractions.