

WAITOMO DISTRICT COUNCIL  
**ANNUAL PLAN**  
**2008-2009**

INCORPORATING AMENDMENTS TO THE WAITOMO  
DISTRICT COUNCIL COMMUNITY PLAN 2006-2016



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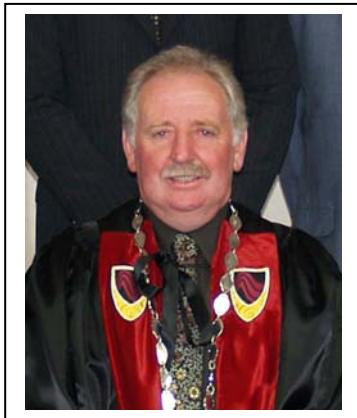
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# SECTION ONE: INTRODUCTION





## Message from the Mayor and Chief Executive



Mark Ammon  
Mayor



Chris Ryan  
Chief Executive

This Annual Plan (AP) represents the third and final annual installment of the Council's 2006-2016 Long Term Council Community Plan (LTP). By its very nature, the AP focuses on variations to the 2006-2016 LTP – the exceptions to what is already planned. The 2006-2016 LTP still remains the Council's parent planning document until it is reviewed next year (2009), consistent with the three yearly cycle specified in the Local Government Act 2002.

The basic elements of this AP relate to the Forecast Financial Statements for the 2008/09 year, the forecast contribution for the Council-controlled Trading Organisation (Inframax Construction Ltd) and the Financial Impact Statement. In setting out this information, the AP identifies areas where changes from the 2006-2016 LTP are proposed.

In most cases, the variations are minor, and simply reflect changed circumstances or new information since the LTP was prepared two years ago. In other cases the variations are more material.

During the past year, considerable effort has been placed on improving our knowledge of our core infrastructural assets. This has helped us to better understand the size of the challenge ahead of us and will ultimately improve our asset management planning. Many of these assets are now at an age, or in a condition, which warrant their replacement or upgrading. This is particularly the case with some of our water and wastewater assets. We experienced a number of major failures during the year at some of our water and wastewater installations, which left the communities affected without these key services for periods of time, or the Council in breach of its resource consent obligations. Neither situation is acceptable.

Some of the necessary replacement/upgrading projects anticipated in the 2006-2016 LTP, but in later years, have had to be brought forward to 2008/09. We have no option but to advance these works and/or introduce new projects to ensure that the community's social, environmental and economic wellbeing is maintained. These steps have impacted on the Council's rating requirements in the coming year.

At the beginning of the last financial year we signaled that there needed to be some hard decisions taken to address the Council's position as it moved to a sustainable financial plan. In particular, the past practice of financing the operating costs associated with maintaining the District's roading network from debt finance was partially corrected last year and replaced with rates funding. There are no other revenue sources available to the Council for an ongoing, core activity, of this scale.

We also clearly signaled that the transition from loan funds to rates would be a long run policy, with this just the second year of that transition. Whilst we are seeing an increase in operating revenue (rates) as a result of this transition we are also starting to see the benefits in terms of Council's Balance Sheet. This Annual Plan forecasts a Public Debt position at 30 June 2009 of \$34.5m. This compares to a forecast position for the same period of nearly \$46M in the Waitomo District Council Community Plan 2006-16 (Community Plan). This is a result of Council implementing its agreed strategy of substituting the loan funding for roading with rates revenue and deferring non essential capital expenditure until well

informed Asset Management Plans are in place to support any investment decisions as part of the next generation Community Plan (2009-19). In the meantime Council is looking to invest in only essential infrastructural upgrades.

Partly as a result of the above issues, the Council has used this opportunity to undertake a raft of policy amendments arising from the repositioning process the Council has been heavily involved with over the past 12 months. Many of these policies underpin the way Council manages its finances. It is our view that the amendments are necessary to allow Council to operate at a level more appropriate to some of the major challenges ahead.

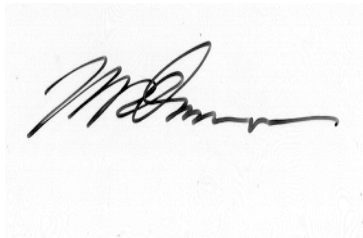
The amendments to the 2006-2016 LTP contained in this Annual Plan are as follows:

- Revenue and Financing Policy
- Policy on Remission of Rates Including Remissions and Postponements of Rates on Maori Land
- Policy on Partnerships with the Private Sector
- Policy on Significance
- Policy on Investments

Full details of these policies can be found in the amendments section of this document.

As always, the policies and projects we are planning for next year will come at a cost. The total rate component required to fund these proposals represents an 14.02% increase over the 2007/08 budget. A large portion of this increase occurs in the areas referred to above, particularly the transition from loan funding to rates funding of the net roading costs.

Thank you to Councillors and staff for their collective and considerable input to the preparation of this document which was adopted by Council on 24 June 2008.



**MARK AMMON**  
**MAYOR**



**CHRIS RYAN**  
**CHIEF EXECUTIVE**

## Major Focus for 2008/09

The major focus in 2008/09 involves a mixture of new capital projects to address some of the failures experienced with our essential infrastructure over the past 12 months, and a suite of policy reviews necessary to establish a robust and relevant platform for the Council to work from, moving forward.

As noted in the Introduction, the performance and capacity of the Council's water and wastewater services, particularly at Te Kuiti, Benneydale and Mokau, has been inadequate during peak demand periods. In addition, there have been delays in the implementation of a new wastewater scheme at Piopio. A major focus for 2008/09 will therefore be resolution of most of these issues, including:

- Additional storage capacity for the Te Kuiti and Mokau Water Supplies, including a new intake for the latter.
- Obtaining the necessary resource consents for the Piopio Sewerage Scheme followed by installation of the associated reticulation and treatment plant.
- Reconfiguration and upgrade of the Te Kuiti Sewage Treatment Plant and renewal of the discharge consents.
- Implementation of the first phase of a remote monitoring scheme for all water and wastewater schemes to improve monitoring and control of the various installations (SCADA).
- Completion of an assessment of the condition and performance of the privately owned and operated water and wastewater installations at Waitomo Village to inform Council's future decision-making on a request from the owners to take these schemes over.
- Transition towards a full trade waste charging regime.

Areas of focus across the other groups of activities include:

- Reviewing the current strategy in support of the next generation Solid Waste Management Plan, from collection to disposal.
- Introduction of sustainable levels of service for the Te Kuiti Swimming Pool within the approved Council budget.
- Completion of the building accreditation process so that the Council can continue to process and monitor building consent applications.
- A review of all Council bylaws.
- Integration of i-SITE services into tourism goals.
- Preparation of the 2009-2019 LTP to be adopted before 1 July 2009.
- A continuation of Council's agreed strategy to restore financial sustainability by correcting the practice of financing the operating costs associated with maintaining the District's Land Transport network from loans, and substituting that loan funding with rate revenue.

At an administrative level, the Council is still in the process of building capacity and capability to better service each of its significant activities. As a relatively small local authority, daily operational demands quickly consume much of the organisation's available capacity. Planning, policy and monitoring work will eventually suffer as a result of the current resourcing imbalance, and this will invariably lead to poorly informed and costly decision-making in the near future if the gap in capacity is not addressed. The budgets for the 2008/09 year build on the start made in the 2007/08 year of making provision for this need.



## Amendments to the 2006 – 2016 LTP

**NOTE:** A full copy of each of the amended policies is included in Appendix One of this document.

### Revenue and Financing Policy

All local authorities are required to adopt a Revenue and Financing Policy. Council adopted its previous Revenue and Financing Policy in 2003 and completed a comprehensive review of the policy as part of this Annual Plan.

The purpose of the Policy review was to define the split between public and private benefits attached to each of Council's activities and functions, and to decide the tools to be used to collect the revenue needed to fund each activity.

The Revenue and Financing Policy resulting from this review provides details of Council's policies in respect of funding operating and capital expenditure, including how the Policy was developed and the sources to be used to fund the different activities. Total funding comprises a funding mix of rates, fees and charges, debt and other income.

A copy of the full Revenue and Financing Policy is contained in Appendix One of this document.

The impact on a sample of properties as a result of the changes to the Revenue and Financing Policy combined with the budgets in the 2008/09 Annual Plan are as follows:

Te Kuiti Residential	6%	increase
Te Kuiti Commercial	43%	increase
Benneydale Residential	-2%	increase
Piopio Residential	14%	increase
Mokau Residential	16%	increase
Drystock Rural	0%	increase
Dairy Farm Rural *	21%	increase

\* Note: This property is an example of a rating unit having more than one separately used or inhabited parts (i.e. it contains three houses)

The following tables summarise by activity the funding sources selected, both in terms of the new Revenue and Financing Policy and as contained in the previous Policy.

## Summary of Funding Sources (New Revenue and Financing Policy)

The table below summarises by activity the assessment of benefits and the funding sources selected.

Activity	Assessed Benefit (%)				Funding Sources							
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
<b>COMMUNITY AND CULTURAL SUSTAINABILITY</b>												
<b>Leadership</b>												
Mayors Office		100%				50%	50%					
Council and Committees		100%				50%	50%					
Long Term and Annual Planning	20%	80%				50%	50%					
Community Consultation / Communication		100%				50%	50%					
District and Urban Development Planning	20%	80%				50%	50%					
Policy Development/ Advocacy		100%				50%	50%					
Monitoring of Community Outcomes	20%	80%				50%	50%					
Annual Report		100%				50%	50%					
<b>Community Development</b>												
Community Support Strategy Development		100%				50%	50%					
Community Grants	10%	80%		10%		45%	45%				10%	
Economic Development Strategy Development	10%	90%				45%	45%				10%	
Sister City		100%					100%					
Visitor Information Centres	10%	30%		60%		50%	50%					

Activity	Assessed Benefit (%)				Funding Sources							
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
Strategy Development - Regional Tourism	10%	90%				45%	45%				10%	
Event Co-ordination		100%				50%	50%					
Automobile Association	5%	15%		80%		10%	10%			80%		
<b>Regulation and Safety</b>												
Environmental Health		60%		30%	10%	30%	30%			40%		
Animal Control		90%			10%		95%			5%		
Dog Control		30%		50%	20%	15%	15%			70%		
Building Control Services		35%		60%	5%	35%				65%		
Liquor Licensing		35%		35%	30%		65%			35%		
Emergency Management	10%	90%					90%				10%	
Rural Fires		40%		50%	10%	100%						
<b>Community Facilities</b>												
Active Reserves		90%		10%		45%	45%			10%		
Passive Reserves		100%				50%	50%					
Esplanade Reserves		100%				50%	50%					
Leased Reserves		20%		80%		10%	10%			80%		
Playgrounds		40%		60%		50%	50%					
Elder Persons Housing		5%		95%		2.5%	2.5%			95%		
Community Halls		100%				50%	50%					
Other Land and Buildings		30%		70%		15%	15%			70%		
District Libraries		20%		80%		45%	45%			10%		

Activity	Assessed Benefit (%)				Funding Sources							
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
Swimming Pool		20%	60%	20%		5%	5%	58.6% (Urban) 25.1% (Rural)		6.3%		
Arts, Culture and Heritage	20%	60%		20%		45%	45%			10%		
Aerodrome		20%		80%		20%				80%		
Public Toilets		60%		40%		50%	50%					
Cemeteries		10%	30%	60%		60%				40%		
Street Furniture		95%			5%	50%	50%					
Public Carparks		100%				50%	50%					
<b>ENVIRONMENTAL SUSTAINABILITY</b>												
<b>Solid Waste Management</b>												
Kerbside Collection		10%	90%				10%	90%				
Kerbside Recycling		10%	90%				10%	90%				
Landfill and Transfer Stations Management		10%	70%	20%					95%	5%		
Waste Minimisation	10%	90%				50%	50%					
<b>Stormwater</b>												
Stormwater Reticulation and Disposal			90%	10%				72% Urban 18% (Rural)		10%		
<b>Resource Management</b>												
District Plan Administration		100%				50%	50%					
Consent Monitoring		15%		75%	10%	7.5%	7.5%			85%		

Activity	Assessed Benefit (%)					Funding Sources						
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
<b>Sewerage</b>												
Sewerage Reticulation, Treatment and Disposal			85%	15%				85%		15%		
<b>ECONOMIC SUSTAINABILITY</b>												
<b>Water Supply</b>												
Water Extraction, Treatment and Reticulation			100%					100%				
<b>Land Transport</b>												
Subsidised Roading	58%	42%					2.1%		39.9%		58%	
Unsubsidised Roading		100%						90% (urban) 10% (Rural)				
<b>Investments</b>												
Local Authority Shared Services		100%				100%						
Inframax Construction Limited		100%										100%
Council Owned Quarries		100%										100%
Forestry located at Rangitoto Landfill		100%				100%						

## Summary of Funding Sources (Previous Revenue and Financing Policy)

Activity	Funding Sources						
	General Rate	UAGC	Targeted Rates	Fees and Charges	Grants and Subsidies	Interest/Dividend	
<b>Administration</b>							
Emergency Management	46%	46%			8%		
Community Development	50%	50%					
Marokopa Hall			100% (per identified property)				
Governance	50%	50%					
Information Centre	50%	50%					
Rural Fire Authority	100%						
<b>Park and Reserves</b>							
Parks and Reserves	49%	49%		2%			
<b>Property and Facilities</b>							
Airport	50%			50%			
Housing for the Elderly				100%			
General Property				100%			
Camping Grounds				100%			
Cemeteries	80%			20%			
Community Halls	100%						
Toilets	50%	50%					
District Development	100%						
Cultural and Arts Centre	43%	43%		14%			
Library	45%	45%		10%			
Swimming Pool			60% (Te Kuiti) 25% (Rural)	15%			

Activity	Funding Sources					
	General Rate	UAGC	Targeted Rates	Fees and Charges	Grants and Subsidies	Interest/Dividend
<b>Regulatory</b>						
Dog Control	10%			90%		
Animal Control	75%			25%		
Building Control	50%			50%		
Environmental Health	33%	33%		34%		
<b>Resource Management</b>						
District Plan	100%					
Consent Application	50%			50%		
<b>Roads</b>						
Subsidised Roading (including land drainage)	Net operating costs (after subsidy)					
Unsubsidised Roading			Not defined			
<b>Waste</b>						
Kerbside collection			100% (per community)			
General waste			100% (district wide)			
<b>Wastewater and Sewage</b>						
Wastewater and Sewage			100%			
<b>Water</b>						
Water			100%			

## Policy on Remission of Rates Including Remissions and Postponements of Rates on Maori Land

The Local Government Act 2002 (LGA) requires councils to have a policy on the remission and postponement of rates on Maori Freehold Land. The LGA also enables Council to have a rates remission and postponement policy.

The Rates Remission Policy contained in this Annual Plan document outlines the objectives sought to be achieved by the remission/postponement of rates and the conditions and criteria to be met in order for rates to be remitted or postponed. A copy of the full Policy is included in Appendix One of this document.

## Policy on Partnerships with the Private Sector

The Local Government Act 2002 requires councils to have a policy on partnerships with the private sector. The contents of the policy are to include details of:

- Council's policies in respect of the commitment of local authority resources to partnerships between the local authority and the private sector.
- The circumstances (if any) in which the Council will provide funding or other resources to any partnership with the private sector.
- The method of consultation to be used by Council before it provides funding or other resources to any form of partnership with the private sector.
- The conditions the Council would impose before providing funding or other resources.
- How the risks will be assessed and managed.
- How the resources will be monitored and reported.
- How the Council will assess, monitor and report on the extent to which community outcomes are furthered through the partnership.

The Policy on Partnerships with the Private Sector contained in this document, replaces the whole of Council's previous Policy on Partnerships with the Private Sector as contained in Appendix 2 of the 2006-2016 LTP. The Policy also expands on the content of the previous policy to improve the transparency and interpretation of the policy in line with good practice. A copy of the full Policy is included in Appendix One.

## Policy on Significance

Councils are required to have a Policy on Significance to guide their decision making processes. In summary, the higher the level of significance of a proposal, the greater the level of consultation required with those who may be interested in or affected by the proposal before a decision is made.

The Policy on Significance has been reviewed to bring it in line with best practice within the local government sector and to redefine the thresholds for significant decisions. The definition of strategic assets has also been reviewed in line with the Council's current business focus. A copy of the full Policy is included in Appendix One.

## Policy on Investments

This mandatory policy requires a description of the Council's policies in respect of its investment objectives, investment mix, the acquisition of new assets, the procedures by which investments are managed and reported, and risk management.

The new Policy on Investments replaces the previous policy as contained in the 2006-2016 LTP. It provides a transparent and structured approach to the requirements of Sections 102(4) (c) and 105 of the Local Government Act 2002. The amended policy succinctly outlines the Council's principles of prudent financial management and risk mitigation strategies as they relate to investments, in compliance with the Act. A copy of the full Policy is included in Appendix One.



## Audit Opinion



### REPORT TO THE READERS OF WAITOMO DISTRICT COUNCIL'S STATEMENT OF PROPOSAL for PUBLIC CONSULTATION on a PROPOSED AMENDMENT TO THE LONG-TERM COUNCIL COMMUNITY PLAN FOR THE TEN YEARS COMMENCING 1 JULY 2006

The Auditor-General is the auditor of Waitomo District Council (the District Council). The Auditor-General has appointed me, Bruce Taylor, using the staff and resources of Deloitte, to report on the Statement of Proposal for adoption of the proposed amendment to the Long-Term Council Community Plan (the Statement of Proposal) on his behalf.

On 27 June 2006 the District Council adopted its Long Term Council Community Plan (LTCCP) for the ten years commencing 1 July 2006.

We expressed a qualified opinion on the District Council's LTCCP for the ten years commencing 1 July 2006 in our audit report dated 28 June 2006. We considered that the LTCCP adopted on 27 June 2006 is not sustainable and therefore not financially prudent, as required by section 101 of the Local Government Act 2002 (the Act). Consequently it does not provide a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our opinion, we considered the adequacy of the financial forecasts and the disclosures made by the District Council in the LTCCP in respect of the financial prudence requirements of section 101 of the Act. Section 101(1) of the Act requires the District Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Further, section 101(2) requires adequate and effective provision in the District Council's LTCCP to meet its expenditure needs.

As set out by the District Council on pages 8 to 19 of the *Introduction* to the LTCCP, and on page 114 under *Fiscal Strategy 2006 - 2016*, the community faces a fundamental issue regarding the District Council's ability to deliver services to the desired level over the long term. As a consequence of this, the District Council has identified a number of options, and has proposed a strategy which involves a mix of increases in the levels of rating, as well as undertaking significant borrowing to meet its expenditure needs. This proposed strategy has the effect of increasing debt to a forecast level of \$69.131 million by 2016 and debt servicing costs to a forecast level of \$5.147 million by 2016. This gives rise to a ratio of debt to equity of 19% and a ratio of interest costs to rates income of 33%.

The proposed strategy assumes that the District Council will be able to borrow to this level and will be able to meet its ongoing obligations. In our view, the estimated debt and debt servicing costs reach a level that raises serious questions about the District Council's ability to continue to deliver services to the desired levels over the long term, and therefore questions the sustainability of the LTCCP. The LTCCP reflects the need to continue to borrow over the next 10 years to meet the District Council's expenditure needs, and there is no evidence that the deteriorating debt position will be corrected in the period following the LTCCP.

Consequently, in our opinion, the proposed strategy outlined in the LTCCP adopted on 27 June 2006 is not financially prudent. Further, in our opinion, the District Council has not made adequate and effective provision, as required by section 101(2), to meet its expenditure needs as identified in the LTCCP.

The District Council is now proposing to amend its LTCCP for the ten years commencing 1 July 2006 to amend the following policies:

- Revenue and Financing Policy;
- Policy on Remission of Rates including Remission and Postponements of Rates on Maori Land;
- Policy on Partnerships with the Private Sector;
- Policy on Significance; and
- Policy on Investments

The Statement of Proposal provides information about the proposed amendment to the District Council's LTCCP and any consequential amendments to the LTCCP that will be required if it is amended in the manner proposed.

**The proposed amendment, and any consequential amendments to the LTCCP that will be required if it is amended in the manner proposed, does not affect the matters explained above that gave rise to our qualified opinion dated 28 June 2006. As a result we expect the matters which were of concern to us when we issued our qualified opinion dated 28 June 2006, will continue to be of concern in the District Council's amended LTCCP.**

## Opinion

### *Overall Opinion*

In our opinion, the information within the Statement of Proposal as set out on pages 6 to 13 and 87 to 162 about the proposed amendment to the LTCCP and any consequential amendments to the LTCCP that will be required if it is amended in the manner proposed, is fairly presented and the District Council has complied with the applicable requirements of the Act in preparing the Statement of Proposal.

It is not our responsibility to express an opinion on the merits of any policy content within the Statement of Proposal.

In forming our overall opinion, we considered our opinion on specific matters required by the Act, which is set out below.

### *Opinion on Specific Matters Required by the Act*

The Auditor-General is required by section 84(4) of the Act to report on:

- the extent to which the Statement of Proposal complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the Statement of Proposal; and
- the extent to which the forecast information and proposed performance measures within the Statement of Proposal will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

In terms of our obligation to report on the matters outlined in section 84(4) of the Act, as it applies to the proposed amendment to the LTCCP, in our opinion:

- the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;
- the underlying information used to prepare the Statement of Proposal provides a reasonable basis for the preparation of the forecast information;
- the assumptions set out within the Statement of Proposal are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;

- the forecast information within the Statement of Proposal has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information is presented in accordance with generally accepted accounting practice in New Zealand;
- the extent to which the forecast information and proposed performance measures within the Statement of Proposal provide an appropriate framework for the meaningful assessment of the actual levels of service provision reflects good practice for a Council of its size and scale within the context of its environment.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 23 April 2008 and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the District Council and the Auditor, and explain our independence.

## **Basis of Opinion**

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the information within the Statement of Proposal, about the proposed amendment to the LTCCP and any consequential amendments to the LTCCP that will be required if it is amended in the manner proposed, does not contain material misstatements.

Our procedures included examining on a test basis, evidence supporting the disclosures in the Statement of Proposal, determining compliance with the requirements of the Act, and evaluating the overall adequacy of the presentation of information.

We obtained all the information and explanations we required to support the opinion above.

## **Responsibilities of the Council and the Auditor**

The District Council is responsible for preparing a LTCCP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council's responsibilities arise from Section 93 of the Act.

Section 84 of the Act requires the District Council, when considering amendments to the LTCCP, to prepare a Statement of Proposal. The District Council must include a draft of the parts of the LTCCP that are proposed to be amended, and an accompanying draft of any consequential amendments to the LTCCP that will be required if it is amended in the manner proposed.

We are responsible for expressing an independent opinion on the Statement of Proposal and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 84(4) of the Act.

## Independence

When reporting on the Statement of Proposal we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report, and in conducting the audit of the LTCCP and the annual audit, we have no relationship with or interests in the District Council.



Bruce Taylor  
Deloitte  
On behalf of the Auditor-General  
Hamilton, New Zealand

This report relates to the proposed amendment to the LTCCP Statement of Proposal of Waitomo District Council for public consultation for the ten years commencing 1 July 2006 which was approved by the District Council on 17 April 2008 included on Waitomo District Council's web-site. The Waitomo District Council, Council is responsible for the maintenance and integrity of the Waitomo District Council's web site. We have not been engaged to report on the integrity of the Waitomo District Council's web site. We accept no responsibility for any changes that may have occurred to the amendment to the LTCCP Statement of Proposal since it was initially presented on the web site.

The report refers only to the amendment to the LTCCP Statement of Proposal named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the amendment to the LTCCP Statement of Proposal. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the amendment to the LTCCP Statement of Proposal approved on 17 April 2008 and the related audit report dated 23 April 2008 to confirm the information included in the amendment to the LTCCP Statement of Proposal presented on this web site. The preparation and dissemination of the amendment to the LTCCP Statement of Proposal is governed by New Zealand legislation.

## Changes Resulting from the Consultation Process

### Consultation Process

The public consultation period for the Draft Annual Plan 2008/09 (DAP) was open from Thursday 24 April to Monday 26 May 2008. You, the community, were encouraged in a number of ways to have your say to the proposals made in the DAP. A three page summary of the proposals was published in the community newspaper - Waitomo News along with twice a week information bites in the paper for the duration of the consultation period. Consultation forums were held in Piopio, Mokau, Te Kuiti, Te Waitere and Benneydale where people could come in and talk to the Councillors or Council Staff.

The full plan and the Summary of Information was made available at the Council office, library and Council website along with the submission forms.

### Submissions

Council received 30 submissions to the 2008/09 Draft Annual Plan. At the hearings held on June 10 Council heard the 14 submitters who wanted to speak to in support of their submissions. Council met on June 11 for deliberations and met again on 24 June to adopt this Annual Plan for the 2008/09 financial year.

### Changes from the Draft Annual Plan

As a result of the consultation process Council resolved to increase the budget for the Swimming Pool activity by \$45,000 (excl. GST) to fund a 12 month operation of the pool. Council also added remission for organisations involved in care for the elderly in its Policy on Remission of Rates.



## SECTION TWO: GROUPS OF ACTIVITIES





## Introduction

In September 2007, Council adopted a new output activity structure to better reflect the alignment between the activities undertaken by Council with the four elements of community wellbeing – social, cultural, environmental and economic. The new structure now comprises eleven significant activities, shown as follows:

COMMUNITY WELLBEING		
Community (Social) and Cultural Sustainability	Environmental Sustainability	Economic Sustainability
Leadership	Solid Waste Management	Water Supply
Community Facilities	Stormwater	Land Transport
Community Development	Resource Management	Investments
Regulation and Safety	Sewerage	

As a consequence of this review it has been necessary to reappportion existing budgets from the previous output activity structure, to the new. While the “bottom line” of the current 2007/08 budget has not changed, in some cases the incidence of it has.

More importantly, the Cost of Service Statements for each group of activities has been presented to reflect the new structure. The corresponding budgets for the current 2007/08 year have been reappportioned for comparative purposes.

Note: The Cost of Service Statements provided in this section utilise brackets (...) to portray a credit and no brackets ... to portray a debit.





## Community and Cultural Sustainability

The Community and Cultural Sustainability group of activities 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 significant activities contained within this group are:

- Leadership
- Community Facilities
- Community Development
- Regulation and Safety

### Leadership

#### Description

The Leadership significant activity provides for:

- Council's governance at a District level.
- Conduct of elections.
- Council's advocacy on issues that impact on the Waitomo District's Community Outcomes.
- Planning and Policy development.
- Monitoring and Reporting.

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

#### Activities

There are three activities under this significant activity:

- Representation
- Strategic Planning and Policy Development
- Monitoring and Reporting

##### Representation

This activity involves the provision of leadership and governance for the District through the Mayor's Office and the Council/Committee structure. The Mayor is elected "at large" by the District as a whole, irrespective of the existence of wards, and chairs the meetings of full Council.

In the interests of efficiency, and to provide separation between the Council's regulatory and non-regulatory roles, the Council may choose to establish committees. Representation on, and delegations to, committees is decided by the Council, usually after each triennial election. A committee chairperson is responsible for presiding over meetings of a committee and ensuring that the committee acts within the powers delegated by Council.

The Waitomo District Council has established two committees for the current triennium, being the Hearings Committee and the Inframax Construction Ltd Relationship Committee.

A fundamental role of the Council is to represent the views of its electors. Representation encompasses being accessible to the community to receive and understand their views, and if appropriate explain Council reasoning behind a particular decision or policy, to those who might be interested. Representation also includes representation of Council through membership on various Council and community organisations.

##### Strategic Planning and Policy Development

This involves carrying out long term and annual planning for the District and producing plans which reflect the Council's role and level of involvement in helping to achieve the Community Outcomes. The LTP is produced on a three yearly cycle.

Communicating and consulting with the community is fundamental to the Council's strategic planning role. Apart from the formal consultation required before certain decisions can be made, the trigger for the extent of consultation is determined by Council based on the extent to which the Council is already aware of the issues and interests of those affected by a particular proposal, having regard to the circumstances in which a decision is being made.

The activity also involves planning and strategy development around urban and district growth to ensure growth is sustainable and infrastructural planning for the future can be carried out with certainty within clearly defined boundaries. Reviews of the Council's District Plan are included in this activity. Policy development arising from this activity provides the framework for the community's strategic direction.

### **Monitoring and Reporting**

Monitoring of Community Outcomes takes place on a three yearly cycle. The objective is to measure the impact of Council's role and programmes on achieving the outcomes, and to report on the progress made.

After each financial year the Council is also required to prepare an Annual Report setting out information on the level of achievement against the key financial and performance targets for the year ended 30 June. The Annual Plan identifies what the Council plans to do over the next 12 months. The Annual Report explains what actually took place and the financial position at year end.

### **Key Projects for 2008/09**

The key Leadership projects for 2008/09 include completion of the Annual Report for 2007/08, and the planning, consultation and adoption of the 2009–2019 LTP.

### **Statements of Service Performance**

<b>Service Performance Objective</b>	<b>Service Deliverable</b>	<b>Key Performance Indicator and Target</b>
The provision of democratic decision-making by duly elected representatives, in accordance with the Local Government Act 2002.	Decision making in compliance with provisions of the Local Government Act 2002.	Number of challenges to the process for decision-making. Target = 0
Consult with the community to confirm community views on the governance and direction of WDC into the future.	Conduct customer focus groups, ratepayer associations and other mechanisms to ensure ratepayers' views are heard.	Number of consultations with interested parties and public groups. Target = 10 parties per consultation
	Provision of public information and consultation on key issues affecting the District.	Customer satisfaction survey rating on 'Inform You'. Target = >35% good or above
Council is cost effective and efficient.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance

## Cost of Service Statement

AP 2007/08 \$000		LTP 2008/09 \$000	AP 2008/09 \$000	Variance \$000
	<b>Operating Revenue</b>			
(155)	Representation	(161)	(155)	6
<b>(155)</b>	<b>Total Operating Revenue</b>	<b>(161)</b>	<b>(155)</b>	<b>6</b>
	<b>Operating Expenditure</b>			
630	Representation	527	640	113
459	Strategic Planning and Policy Development	372	514	142
528	Monitoring and Reporting	540	591	51
<b>1,617</b>	<b>Total Operating Expenditure</b>	<b>1,439</b>	<b>1,745</b>	<b>306</b>
<b>1,462</b>	<b>Net Operating Cost/(Surplus)</b>	<b>1,278</b>	<b>1,590</b>	<b>312</b>
	<b>Net Operating Cost Funded by:</b>			
(731)	General Rate	(639)	(866)	(227)
(731)	Uniform Annual General Charge	(639)	(724)	(85)
<b>(1,462)</b>	<b>Total Operational Funding</b>	<b>(1,278)</b>	<b>(1,590)</b>	<b>(312)</b>

## Variations Between LTP and Annual Plan

- An additional budget has been allowed to begin work towards the next review of the Council's District Plan including commencement of urban structure planning for the settlements of Te Kuiti, Waitomo Village and Mokau and developing an understanding of the effectiveness and relevance of the District Plan as a mechanism for ensuring sustainable land use development within the District.
- Development of 2009-19 Long Term Plan.



# Community Facilities

## Description

Council provides recreation and community facilities with the aim of ensuring that 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.

Public amenities are necessary to ensure that public health and safety is maintained.

## Activities

There are four activities comprising this significant activity as follows:

- Parks and Reserves
- Recreation and Culture
- Housing and Other Property
- Public Amenities

### Parks and Reserves

#### Active Reserves

The provision of areas for organised sporting activity and other recreational activity for residents and visitors to the District.

#### Passive Reserves

The provision of open space, including public gardens, to enhance the visual amenity of the locality and to provide informal and impromptu recreational activities.

#### Esplanade Reserves

Esplanade reserves control/reduce the risk from natural hazards, protect conservation values and promote/improve recreational opportunities along the District's principal waterways.

#### Leased Reserves

Land held by Council but not currently used by Council as reserves, but is land-banked for future recreational purposes should the need arise.

#### Playgrounds

Provision of playground equipment to provide opportunities for recreation and physical development of children.

### Housing and Other Property

#### Elderly Persons Housing

Provision of affordable housing for the elderly. There are currently 20 pensioner units owned by Council, all located in Te Kuiti and on one site.

#### Community Halls

Provision and maintenance of rural halls through the support of Hall Committees throughout the District. It includes 11 rural halls owned by the Council, plus the hall in Piopio township.

#### Other Land and Buildings

Maintenance and management of other miscellaneous Council owned properties, including:

- Three formal camping grounds at Te Kuiti, Marokopa and Piopio (Note: The informal camping areas at Mangaokewa Reserve and Brook Park are included in the Parks and Reserves activity).
- 20 buildings and structures.
- 8 residential houses, located in Te Kuiti and Piopio.

- 4 commercial buildings, all located in Te Kuiti and Piopio.
- The dog pound.

## **Recreation and Culture**

### **District Libraries**

Provision of library services to support culture, education, economic and personal development in the District. The main library is located at Te Kuiti with assisted voluntary community libraries at Awakino, Mokau and Benneydale.

### **District Swimming Pool**

Provision and maintenance of aquatic facilities for leisure and competitive recreation opportunities for the community. Current swimming pool assets are limited to the public swimming pool in Te Kuiti.

### **Arts, Culture and Heritage**

Maintenance and management of Culture and Heritage Buildings in the District including the Cultural and Arts Centre in Te Kuiti.

### **Aerodrome**

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.

## **Public Amenities**

### **Public Toilets**

Provision of public toilet facilities in the District to ensure visitors and residents have access to safe, clean and sanitary facilities. The Council presently owns and maintains 18 public toilets located throughout the District.

### **Cemeteries**

Provision and maintenance of cemeteries in the District as required under the provisions of the Burials and Cremations Act 1964. The Council is responsible for 7 cemeteries, located at Te Kuiti, Piopio, Aria, Mokau and Te Waitere as well as the closed cemeteries at Mapiu and Kiritehere.

### **Street Furniture**

Provision and maintenance of street furniture, bins and other structures to visually enhance the town environments and provide facilities for people to relax and enjoy the environment.

### **Public Carparks**

Provision and maintenance of carpark areas to ensure residents and visitors to the District can access conveniently located off street parking in our towns.

## **Key Projects for 2008/09**

### **Parks and Reserves:**

- Complete an annual, independent audit of playground equipment.
- Allowance for implementation of playground safety improvements.
- Assessment and maintenance of accessways and hard surfacings.

### **Housing and Other Property**

- Additional \$50,000 budget for deferred maintenance of public buildings and \$20,000 for Elderly Persons Housing Renewals. These amounts provide for 'catch up' on renewal programmes that have been deferred in the past. An example is the replacement of 50 year old hot water cylinders in Elderly Persons Housing.
- Seek funding from the Housing NZ Corporation Social Housing Initiatives Fund to modernise existing pensioner housing stock.
- Complete investigation of wharf and jetty condition (commenced in 2007/08).

- Upgrade Piopio Hall toilets (\$60,000).
- Complete strategic review of Council owned property and resolve ownership issues for land beneath key infrastructure.

### Recreation and Culture

- Introduce a sustainable level of service for the Te Kuiti Swimming Pool within the approved Council pool budget. The scale of operation (opening hours) will be reviewed to ensure that the cost of the Pool Complex is matched to the proposed budget set out in this Annual Plan. This Annual Plan provides for operation of the Pool Complex over a twelve month season.
- Increase new book budget at Te Kuiti library.
- Upgrade library data management system (cataloguing, issues etc) – second installment \$45,000 out of a total budget funded over two years of \$75,000.
- Refurbishment of Cultural and Arts Centre (being the first of a 3 year programme).

### Public Amenities

- Implementation of improvements and deferred maintenance programmes resulting from recommendations contained in an assessment of sanitary services completed in 2007/08.

## Statements of Service Performance

PARKS AND RESERVES		
Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
Continue to meet present and future needs of the community by development and implementation of activity management plans.	All playground equipment and structures are provided and maintained in accordance with New Zealand Playground Equipment Safety Standard NZS 5828.	Percentage compliance with existing contract standards. Target = 100%
Provide quality sports grounds and parks for the community.	Provision of sports grounds/parks facilities for the community.	Customer satisfaction survey rating on "Sports Grounds" question. Target = >35% good or above
	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = <5% variance
Maintain District parks, reserves and gardens to aesthetically pleasing standards.	Mowing and gardening contracts to achieve compliance with existing contract standards.	No more than 5 non-performance notices per contract per year.

HOUSING AND OTHER PROPERTY		
Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
To ensure council property meet standards of fitness for use.	Maintain buildings at a safe and healthy environment for building users.	Public buildings requiring a warrant of fitness are compliant.  Target = 100%
Manage cemeteries in accordance with Council's legal obligations.	All operations with accordance with Councils Bylaw and the Burials and Crematoria Act 1964.	Compliance complaints/ investigations Target = 0
Provide and maintain pensioner housing that meets the needs of the tenants.	Provision of effective housing service for the community.	Customer satisfaction survey rating on 'Pensioner Housing'. Target = >45% good or above.

<b>RECREATION AND CULTURE</b>		
<b>Service Performance Objective</b>	<b>Service Deliverable</b>	<b>Key Performance Indicator and Target</b>
1. Cultural and Arts Centre		
To provide a facility that can be a focal point for use by cultural, art, recreational, commercial and social groups.	Promote the use of the centre for events, private functions and community benefit activities.	Sustain the level of bookings. Target = 105
	Provision of effective facilities for the community.	Upgrade and modernise facility within budget.
		Customer satisfaction survey rating on "Civic Centre Services". Target = >45% good or above
To provide a sustainable facility for the community.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance
2. District Swimming Pool		
To provide a safe pool facility.	Water quality meets safety standards.	Microbiological testing of pool water quality that does not comply with NZS 5826:2000 Standards. Target = < 5
	Pool staff to be suitably qualified and trained to ensure the safety of pool patrons at all times.	Percentage of staff holding National Pool Life Guard certification. Target = 100%
	Pool facility to meet safety requirements.	Complex achieves ACC Pool Safe accreditation. Target = Achieved
To provide and maintain a swimming pool in Te Kuiti, which meets the recreational and social needs of residents.	To have a pool strategy that guides the improvement of the swimming pool services for input to the 2009 LTP.	Pool strategy reviewed and implemented. Target = Strategy completed
	Provision of effective pool facilities for the community.	Customer satisfaction survey rating on 'Swimming Pool' questions. Target = >35% good or above
	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance
3. District Libraries		
To provide library information centres to the District.	To have a library strategy that guides the improvement of the information services.	Complete review of library strategy.  Target = Review completed

<b>RECREATION AND CULTURE</b>		
<b>Service Performance Objective</b>	<b>Service Deliverable</b>	<b>Key Performance Indicator and Target</b>
	Provision of comprehensive library facilities for the community.	Customer satisfaction survey rating on "Libraries" question. Target = >35% good or above
Cost effective library service.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = <5% variance

<b>PUBLIC AMENITIES</b>		
<b>Service Performance Objective</b>	<b>Service Deliverable</b>	<b>Key Performance Indicator and Target</b>
To ensure council property meets standards of fitness for use and is managed within approved budgets.	Maintain buildings at a safe and healthy environment for building users.	Number of non-performance notices issued for toilet cleaning contracts. Target = < 5 per year
	Services will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget. Target = < 5% variance
Manage cemeteries within Councils legal obligations.	All operations in accordance with Councils Bylaw and the Burials and Crematoria Act 1964.	Compliance with legal obligations. Target = 100%
Provide and maintain public toilet facilities that meet the needs of the community and visitors.	Provision of effective sanitary facilities for the community.	Customer satisfaction survey rating on 'Public toilets'. Target = >45% good or above



## Cost of Service Statement

AP 2007/08 \$000		LTP 2008/09 \$000	AP 2008/09 \$000	Variance \$000
	<b>Operating Revenue</b>			
(7)	Parks and Reserves	(7)	(8)	(1)
(111)	Housing and Other Property	(109)	(118)	(9)
(70)	Recreation and Culture	(72)	(78)	(6)
(15)	Public Amenities	(16)	(17)	(1)
<b>(203)</b>	<b>Total Operating Revenue</b>	<b>(204)</b>	<b>(221)</b>	<b>(17)</b>
	<b>Operating Expenditure</b>			
634	Parks and Reserves	573	679	106
750	Housing and Other Property	798	716	(82)
1,229	Recreation and Culture	1,176	1,366	190
592	Public Amenities	472	668	196
<b>3,205</b>	<b>Total Operating Expenditure</b>	<b>3,019</b>	<b>3,429</b>	<b>410</b>
<b>3,002</b>	<b>Net Operating Cost/(Surplus)</b>	<b>2,815</b>	<b>3,208</b>	<b>393</b>
	<b>Development and Renewal Expenditure</b>			
357	Development	298	337	39
60	Renewal	149	205	56
<b>(417)</b>	<b>Total Development and Renewal Expenditure</b>	<b>447</b>	<b>542</b>	<b>95</b>
	<b>Net Operating Expenditure Funded by:</b>			
(1,423)	General Rate	(1,373)	(1,493)	(120)
(1,295)	Uniform Annual General Charge	(1,175)	(1,350)	(175)
(284)	Target Rates	(267)	(398)	(131)
-	Transfer to Reserves	-	33	33
<b>(3,002)</b>	<b>Total Operational Funding</b>	<b>(2,815)</b>	<b>(3,208)</b>	<b>(393)</b>
	<b>Development &amp; Renewal Expenditure Funded by:</b>			
(77)	Loans	(166)	(92)	74
(340)	Transfer from Reserve	(281)	(450)	(169)
<b>(417)</b>	<b>Total Capital Funding</b>	<b>(447)</b>	<b>(542)</b>	<b>(95)</b>

## Variations Between LTP and Annual Plan

- The increased cost of the new Garden Maintenance and Mowing Contract.
- A reduction in the costs of scheduled maintenance for miscellaneous land and buildings.
- Increases in the renewals budget for Elderly Persons Housing, the Cultural and Arts Centre, and maintenance of public toilets.
- A provisional budget for a contribution to the upgrade of the the Piopio Hall toilet. This project is subject to consultation with the Piopio community and investigation as to the future of the existing public toilets in Piopio.
- Deferment of the pool resurfacing (\$85,000) pending completion of an asset condition assessment and prioritisation across all community facilities, leading into the 2009-2019 LTP.

# Community Development

## Description

The Community Development Activity works to ensure that individuals living in the Waitomo District have access to a range of services and facilities to increase their quality of life, and promote community well-being.

## Activities

There are 4 activities under Community Development, namely:

### Community Support

Community Support includes strategy development and grant funding to assist community groups and organisations that provide services benefitting local residents. Access to community information via Council's website, providing local events (e.g. the annual Christmas Parade), monitoring, advocacy and facilitation of the community's health related issues, funding of "Get Active" recreation programmes for youth and other residents and liaison with NZ Police on community safety issues and projects, are all part of Council's involvement in this activity.

### Economic Development

Economic Development includes economic growth opportunities including Sister City relationships, urban infrastructure, business programmes, employment initiatives, and new business development are well documented catalysts for economic growth. Of these, continuation of Council's current Sister City relationship with Tatsuno in the Nagano province of Japan and consultation with the business sector during the development of urban structure plans are the main areas of the Council's current strategic focus.

### Regional Tourism

Regional Tourism is facilitated through the Council's visitor information centre in Te Kuiti, major event coordination (e.g. the Great NZ Muster), and strategy development. At a regional level, the strategy is to promote regional tourism growth at both domestic and international levels, using Waikato regional branding rather than individual district brands. Local tourism products and experiences are coordinated through the regional approach in partnership with Tourism NZ and other tourist organisations.

### 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.

## Key Projects for 2008/09

- Establishment of a new Community Development Fund policy.
- Council website developed to include a web page to support community groups and organisations and provide ready access to key community information.
- Development of a database of community groups, resources and events.
- Establishment of funding options for District and/or regional promotion.
- Development of an inventory of tourism products, providers and attractions.
- Integration of i-SITE services into tourism goals.
- Continue long standing Sister City relationship with Tatsuno.

## Statement of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
To promote the District.	Four District events held by 30 June 2009 within budget.	Number of events held. Target = 4
	Identify and action marketing opportunities that will promote the District and community based activities.	Number of marketing opportunities identified and put into action. Target = 4
To provide appropriate incentives to encourage development and facilitate economic growth.	Policy in place for allocation of new Community Development Fund.	All approved grants to be paid to recipients.  Target = 100% paid by 31 January 2009
To facilitate information sharing between Council, community groups, and the wider community.	Establish a database of community groups, resources and events.	Database of community groups and events established  Target = 31 March 2009
	Council web site developed to include page for community information.	Community web page available on Council site.  Target = web page available by 31 March 2009.
Council is cost effective and efficient.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget.  Target = < 5% variance



## Cost of Service Statement

AP 2007/08 \$000		LTP 2008/09 \$000	AP 2008/09 \$000	Variance \$000
	<b>Operating Revenue</b>			
-	Regional Tourism	-	(11)	(11)
(15)	Agencies	(16)	(19)	(3)
<b>(15)</b>	<b>Total Operating Revenue</b>	<b>(16)</b>	<b>(30)</b>	<b>(14)</b>
	<b>Operating Expenditure</b>			
341	Community Support	424	369	(55)
111	Economic Development	20	27	7
466	Regional Tourism	456	478	22
20	Agencies	20	24	4
<b>938</b>	<b>Total Operating Expenditure</b>	<b>920</b>	<b>898</b>	<b>(22)</b>
<b>923</b>	<b>Net Operating Cost/(Surplus)</b>	<b>904</b>	<b>868</b>	<b>(36)</b>
	<b>Development and Renewal Expenditure</b>			
500	Development	583	-	(583)
<b>500</b>	<b>Total Development and Renewal Expenditure</b>	<b>583</b>	<b>-</b>	<b>(583)</b>
	<b>Net Operating Expenditure Funded by:</b>			
(458)	General Rate	(448)	(428)	20
(465)	Uniform Annual General Charge	(456)	(440)	16
<b>(923)</b>	<b>Total Operational Funding</b>	<b>(904)</b>	<b>(868)</b>	<b>36</b>
	<b>Development &amp; Renewal Expenditure Funded by:</b>			
(500)	Loans	(583)	-	583
<b>(500)</b>	<b>Total Capital Funding</b>	<b>(583)</b>	<b>-</b>	<b>583</b>

## Variations Between LTP and Annual Plan

- Redirection of current capacity within existing budgets.
- Withdrawal of urban development implementation budget (\$500,000) pending completion of urban structure planning in future years.

# Regulation and Safety

## Description

The Regulation and Safety 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.

## Activities

The activities include:

- Regulation
- Safety

### Regulation

There are three functions making up the regulation activity, namely:

#### **Environmental Health**

Provision of environmental health services, including food premises licensing, liquor licensing and noise control. The Council has specific statutory responsibilities under each of these functions.

#### **Animal Control**

Provision of an animal control service for the District, including wandering livestock, dog registration and control.

#### **Building Control Services**

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

### Safety

The Safety activity comprises:

#### **Emergency Management**

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

#### **Rural Fires**

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

## Key Projects for 2008/09

- Investigation of resourcing options for environmental health and noise control functions.
- Complete review of all Council bylaws as required by the Local Government Act 2002.
- Completion of the building accreditation process as required by the Building Act 2004. (Accreditation is necessary to allow the Council to continue to process and issue building consents as a Building Consent Authority.)

## Statement of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
<b>Environmental Health</b>		
To effectively and efficiently administer the statutes, regulations and bylaws, including: <ul style="list-style-type: none"> <li>• Environmental Health.</li> <li>• Liquor Control.</li> <li>• Noise Control.</li> </ul>	All food and liquor retail premises that are required are appropriately registered and licensed.	Percentage of registration or licensing of food and liquor retail premises completed. Target = 100%
	To provide a noise control service using experienced and competent contractor personnel in line with Council's noise control policy provisions.	Response time to noise complaints by contractor.  Target = 1 hour
To ensure health and safety is protected.	Provision of effective environmental health service for the community.	Customer satisfaction survey rating on 'Environmental Health Service'.  Target = >35% good or above
To provide a cost effective environmental health service.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget.  Target = < 5% variance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
<b>Animal Control</b>		
To meet the statutory requirements of the Dog Control Act 1996, Council Bylaws and the Stock Impounding Act 1955.	Level of inspection of dog owners' properties in urban and rural areas.	Percentage of dog owners' properties inspected per year. Target = Urban 100% Rural 100%
To provide an animal and stock control service using experienced and competent contractor personnel in line with Council's policy provisions.	Contractor to provide immediate response to public safety complaints.	Time of contractors' response to the incident. Target = < 1 hr for greater than 30% of events
	Provision of effective animal control service for the community.	Customer satisfaction survey rating on 'Animal Control'. Target = > 35% good or above
Council is cost effective and efficient.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget Target = < 5% variance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
<b>Building Control</b>		
Effectively and efficiently administering the provisions of the Building Act 2004.	Building consents and project information memoranda issued within fifteen working days.	Percentage of building consents and project information memoranda issued within fifteen working days of receipt of application. Target = 90%
	To have Waitomo District Council Accredited as a Building Consent Authority in the Building Act 2004.	Appropriate accreditation confirmed.
To provide a customer focused service which will facilitate development within the District.	Provision of effective building control service to the community.	Customer satisfaction survey rating on 'Building Control'. Target = >35% good or above
Protecting the health and safety of building users by ensuring compliance with building consent conditions.	Monitoring compliance with building consent conditions.	Percentage of building consent conditions where compliance can be demonstrated through monitoring. Target = 80%
Council is cost effective and efficient.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance
	Level of total administration cost recovered from applicants.	Percentage of total administration cost recovered from applicants. Target = >50%

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
<b>Rural Fire Control and Emergency Management (Civil Defence)</b>		
To ensure that Council has a rural fire fighting capability as required by the Forest and Rural Fires Act 1977, the Fire Service Act 1975 and Rural Fire Management Code of Practice.	Tainui Rural Fire Party (Mokau) is resourced in accordance with the Rural Fire Management Code of Practice.	Training provided and fire equipment assessed once per year to ensure compliance with Rural Fire Management Code of Practice. Target = 100% compliance with code
To provide a cost effective regulatory service.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance
To administer the provisions of the Civil Defence Emergency Management Act 2002.	Council equipped to manage emergency event through one (1) major training exercise involving Civil Defence Headquarters staff, emergency services and other key personnel.	Percentage of Council staff receiving training per year. Target = 100%

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
<b>Rural Fire Control and Emergency Management (Civil Defence)</b>		
To represent Council's interests on any Civil Defence Emergency Management Group established to cover the Waikato Region.	Attendance of Council Staff member(s) on Emergency Management Group meetings.	Percentage of Emergency Management Group meetings with Council representation. Target = 100%
To ensure community education takes place to prepare the community in the case of an emergency event.	Educational visits to schools or community groups.	Number of educational visits per year. Target = 6

## Cost of Service Statement

AP 2007/08 \$000		LTP 2008/09 \$000	AP 2008/09 \$000	Variance \$000
	<b>Operating Revenue</b>			
(257)	Regulation	(246)	(254)	(8)
(1)	Safety	(1)	(1)	0
<b>(258)</b>	<b>Total Operating Revenue</b>	<b>(247)</b>	<b>(255)</b>	<b>(8)</b>
	<b>Operating Expenditure</b>			
744	Regulation	608	824	216
60	Safety	52	59	7
<b>804</b>	<b>Total Operating Expenditure</b>	<b>660</b>	<b>883</b>	<b>223</b>
<b>546</b>	<b>Net Operating Cost/(Surplus)</b>	<b>413</b>	<b>628</b>	<b>215</b>
	<b>Net Operating Expenditure Funded by:</b>			
(417)	General Rate	(301)	(472)	(171)
(129)	Uniform Annual General Charge	(112)	(156)	(44)
<b>(546)</b>	<b>Total Operational Funding</b>	<b>(413)</b>	<b>(628)</b>	<b>(215)</b>

## Variations Between LTP and Annual Plan

- Review of Council Bylaws.
- A more accurate reflection of overhead resource utilised by this activity.



# Environmental Sustainability

## Solid Waste Management

### Description

The Solid Waste Activity manages the refuse collection of residual wastes, 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 Rangitoto Landfill in Te Kuiti.

The community generates non-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 and environmental health concerns.

### Activities

The Solid Waste Activity comprises the following:

#### Collection

Collection includes a kerbside collection of residual waste for the residents of Te Kuiti, Piopio, Mokau and Waitomo Village (part only) and the provision of a kerbside recycling service for the residents of Te Kuiti, Piopio, Mokau, Mahoenui and Waitomo Village.

Recycling stations are located at Marokopa, Waitomo Village, Benneydale and at the Rangitoto Landfill in Te Kuiti.

#### Management

Management includes maintenance and management of the Rangitoto Landfill at Te Kuiti by a contractor, and transfer stations at urban settlements in the District by local contractors.

Management also includes waste minimisation activities to help preserve the environment and minimise potentially negative effects of solid waste disposal. It includes education programmes aimed at drawing attention to the benefits of waste minimisation and recovery.

### Key Projects for 2008/09

Continuation of existing services while the current Waste Management Strategy is reviewed, leading to preparation of a new Waste Management Plan for inclusion in the 2009-2019 LTP.

### Statement of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
Comply with the Resource Management Act 1991 (RMA) for closed and operating landfills.	Monitoring of landfill at Te Kuiti to ensure it is operated in manner in compliance with resource consent.	Percentage compliance with resource consent conditions. Target = 85%
	Aftercare of closed landfills is in compliance with resource consents.	Percentage compliance with resource consent conditions. Target = 100%
Encourage waste minimisation.	Waste minimisation education reduces household waste.	Establish a waste stream monitoring project to quantify refuse collected from residents serviced by weekly kerbside collection and from transfer and recycling stations.

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
To provide a cost sustainable waste service	Waste operating costs are self funding.	Financial revenue and expenditure budget for waste disposal is neutral. Target = Expenditure does not exceed revenue
	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget. Target = < 5% variance
To provide an efficient and effective waste service.	Kerbside collection available to all premises in urban zones.	Percentage of urban premises that have access to kerbside collection. Target = >90%
	Waste management strategy is reviewed and consulted.	Review is conducted and completed every two years. Target = Strategy reviewed and consulted on
	Provision of effective waste service for the community.	Customer satisfaction survey rating on 'Refuse'. Target = >35% good or above



## Cost of Service Statement

AP 2007/08 \$000		LTP 2008/09 \$000	AP 2008/09 \$000	Variance \$000
	<b>Operating Revenue</b>			
(15)	Collection	(16)	(15)	1
(133)	Management	(47)	(101)	(54)
<b>(148)</b>	<b>Total Operating Revenue</b>	<b>(63)</b>	<b>(116)</b>	<b>(53)</b>
	<b>Operating Expenditure</b>			
303	Collection	306	319	13
526	Management	575	621	46
<b>829</b>	<b>Total Operating Expenditure</b>	<b>881</b>	<b>940</b>	<b>59</b>
<b>681</b>	<b>Net Operating Cost/(Surplus)</b>	<b>818</b>	<b>824</b>	<b>6</b>
	<b>Development and Renewal Expenditure</b>			
-	Development	-	82	82
-	<b>Total Development and Renewal Expenditure</b>	-	<b>82</b>	<b>82</b>
	<b>Net Operating Expenditure Funded by:</b>			
(29)	General Rate	(33)	(36)	(3)
(58)	Uniform Annual General Charge	(62)	(66)	(4)
(594)	Target Rates	(723)	(722)	1
<b>(681)</b>	<b>Total Operational Funding</b>	<b>(818)</b>	<b>(824)</b>	<b>(6)</b>
	<b>Development &amp; Renewal Expenditure Funded by:</b>			
-	Loans	-	(72)	(72)
-	Transfer from Reserve	-	(10)	(10)
-	<b>Total Capital Funding</b>	-	<b>(82)</b>	<b>(82)</b>

## Variations Between LTP and Annual Plan

- Development of the next generation Solid Waste Management Plan now programmed for 2008/09.

# Stormwater

## Description

Stormwater runoff occurs after rainfall. Rain that does not soak into the ground flows downhill until it reaches a water course or is collected by a pipe system. Where there is development, runoff from properties and roads flows into stormwater systems. The greater the level of development in a catchment, the greater the conversion of rainfall into runoff. If this runoff is not managed well, it can cause flooding. Generally stormwater is channeled onto roads or into open watercourses, then down streams and rivers to lakes and the sea.

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

## Activities

### Stormwater Reticulation and Disposal

This entails providing, maintaining and expanding Council's urban stormwater disposal systems.

### Key Projects for 2008/09

- Completion of asset inventory and condition assessment.
- Prepare a programme for the replacement and extension of stormwater pipe networks, having regard to urban areas where high inflow/infiltration of the existing sewerage reticulation network is an ongoing concern.
- Upgrading drain capacity in identified areas.

## Statement of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
Comply with legislative requirements relating to the storm-water network, including resource consents.	Compliance with resource consent conditions.	Level of compliance with resource consent conditions. Target = 70%
To have strategy for the storm-water network included in a Storm-water Management Plan (SMP).	Implement a functional Storm-water Asset Management Plan	Percentage of Stormwater Asset Management Plan developed. Target = Basic Plan completed
Review storm-water system current networks to urban areas to assess ability to cope with 1 in 2 year flood.	Storm-water system assessment undertaken.	Percentage of network assessed. Target = 100%
Maintain drainage system in a cost effective manner.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget. Target = < 5% variance
	Contractor meets service levels for repairing blockages and restoring network operation.	Number of shutdown hours compared to total network availability hours. Target = < 80 hours

## Cost of Service Statement

AP 2007/08 \$000		LTP 2008/09 \$000	AP 2008/09 \$000	Variance \$000
	<b>Operating Expenditure</b>			
229	Reticulation and Disposal - Urban	173	222	49
38	Reticulation and Disposal - Rural	28	59	31
<b>267</b>	<b>Total Operating Expenditure</b>	<b>201</b>	<b>281</b>	<b>80</b>
<b>267</b>	<b>Net Operating Cost/(Surplus)</b>	<b>201</b>	<b>281</b>	<b>80</b>
	<b>Development and Renewal Expenditure</b>			
-	Development	-	212	212
-	Renewal	-	65	65
-	<b>Total Development and Renewal Expenditure</b>	-	<b>277</b>	<b>277</b>
	<b>Total Operating Expenditure Funded by:</b>			
(267)	Target Rates	(201)	(281)	(80)
<b>(267)</b>	<b>Total Operational Funding</b>	<b>(201)</b>	<b>(281)</b>	<b>(80)</b>
	<b>Development &amp; Renewal Expenditure Funded by:</b>			
-	Loans	-	(212)	(212)
-	Transfer from Reserve	-	(65)	(65)
-	<b>Total Capital Funding</b>	-	<b>(277)</b>	<b>(277)</b>

## Variations Between LTP and Annual Plan

- Additional budget for stormwater asset data collection including drain inventory, condition and performance.
- Budget added to increase capacity of stormwater system in known priority areas.
- Additional budget for stormwater drain renewals (\$65,000).

# Resource Management

## 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 and District Plan.

## Activities

### Resource Management

Administration and application of the District Plan, including the issue of resource consents for land use and subdivisional consents and monitoring consents for compliance with conditions.

## Key Projects for 2008/09

- Resolution of two outstanding references on the Appeals Version of Council's District Plan.
- Completion of the "Shore Futures Project" – a collaborative planning approach between Environment Waikato, Otorohanga District Council, Waikato District Council and this Council for the integrated management of Kawhia Harbour.

## Statement of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
To efficiently and effectively administer the provisions of the Resource Management Act 1991.	Notified resource consent applications processed within eighty (80) working days of receipt.	Percentage of notified resource consent applications processed within timeframe. Target = 90%
	Non-notified resource consent applications processed within twenty (20) working days of receipt.	Percentage of non-notified resource consent applications processed within timeframe. Target = 90%
	Ensure that potential adverse effects are avoided by monitoring and enforcement of resource consent conditions.	A system is established for monitoring compliance with resource consents.  Target = System in place by 30 June 2009
To implement a fully operational District Plan that promotes the sustainable management of natural and physical resources within the District.	Resolution of all outstanding references to the District Plan lodged with the Environment Court.	Number of outstanding references to the District Plan resolved. Target = 2
Council is cost effective and efficient.	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance
	To recover a portion of the total cost of administering the provisions of the Resource Management Act 1991 directly from applicants.	Percentage of total administration cost recovered from applicants. Target = > 60%

## Cost of Service Statement

AP 2007/08 \$000		LTP 2008/09 \$000	AP 2008/09 \$000	Variance \$000
	<b>Operating Revenue</b>			
(80)	District Plan Administration	(37)	(80)	(43)
<b>(80)</b>	<b>Total Operating Revenue</b>	<b>(37)</b>	<b>(80)</b>	<b>(43)</b>
	<b>Operating Expenditure</b>			
158	District Plan Administration	99	176	77
<b>158</b>	<b>Total Operating Expenditure</b>	<b>99</b>	<b>176</b>	<b>77</b>
<b>78</b>	<b>Net Operating Cost/(Surplus)</b>	<b>62</b>	<b>96</b>	<b>34</b>
	<b>Total Operating Expenditure Funded by:</b>			
(39)	General Rates	(31)	(48)	(17)
(39)	Uniform Annual General Charges	(31)	(48)	(17)
<b>(78)</b>	<b>Total Operational Funding</b>	<b>(62)</b>	<b>(96)</b>	<b>(34)</b>

## Variations Between LTP and Annual Plan

- Additional operating costs due to increase in the level of land use activity. Offset by increased revenue from fees and charges.



# Sewerage

## Description

The purpose of the Wastewater Activity is to collect and dispose of wastewater in an effective and environmentally acceptable manner. Effective and efficient wastewater collection and disposal is essential to protect the environment, maintain public health and to facilitate economic development.

## Activities

In order to ensure the effective disposal of sewage in an environmentally sustainable manner and to promote and protect public health, the Council provides sewerage schemes at Te Kuiti, Te Waitere and Benneydale. A new scheme is also planned for Piopio.

## Key Projects for 2008/09

- Obtain the necessary resource consents and implement a new sewerage scheme at Piopio.
- Reconfiguration of and upgrade of the Te Kuiti wastewater treatment plant.
- Seek a new resource consent for discharge of treated effluent from the Te Kuiti wastewater treatment plant.
- Full implementation of a new fees and charges regime under Council's Trade Wastes Bylaw.
- Renewal of wastewater discharge consents for the Benneydale and Te Waitere communities.
- An ongoing replacement programme for sewer reticulation at the end of its useful life.
- Completion of an assessment of the condition and performance of the Waitomo Village sewerage scheme to determine the work required to bring the scheme up to an acceptable standard prior to consideration by the Council for possible take-over.

## Statement of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
To provide a wastewater and sewerage collection, treatment and disposal system at Te Kuiti, Benneydale, Te Waitere and Waitomo.	Treated effluent discharge test results are in accordance with resource consent conditions.	Percentage of test results in accordance with resource consent conditions. Target = 100%
To ensure trade waste disposed of according to Council trade waste bylaw.	To implement and monitor compliance with bylaw.	Level of compliance with bylaw by trade waste consent holders. Target = 80%
Provide wastewater systems to communities where community has been consulted and agreed to the implementation.	A wastewater system to be installed and operational in Piopio.	Percentage wastewater system completed and fully operational by June 2009. Target = 100% progress to completion
Cost effectively operate and maintain wastewater networks.	Minimise wastewater and sewer overflows and blockages.	Number of overflows and/or blockages across all wastewater schemes.  Target = <25 reported events per year
	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget. Target = < 5% variance



## Cost of Service Statement

AP 2007/08 \$000		LTP 2008/09 \$000	AP 2008/09 \$000	Variance \$000
	<b>Operating Revenue</b>			
-	Waitomo Village	(61)	-	61
(272)	Te Kuiti	(289)	(403)	(114)
(1,300)	Piopio	-	(398)	(398)
<b>(1,572)</b>	<b>Total Operating Revenue</b>	<b>(350)</b>	<b>(801)</b>	<b>(451)</b>
	<b>Operating Expenditure</b>			
-	Mokau	14	1	(13)
-	Waitomo Village	61	-	(61)
1,415	Te Kuiti	1,442	1,493	51
66	Benneydale	71	59	(12)
15	Te Waitere	12	18	6
90	Piopio	195	190	(5)
<b>1,586</b>	<b>Total Operating Expenditure</b>	<b>1,795</b>	<b>1,761</b>	<b>(34)</b>
<b>14</b>	<b>Net Operating Cost/(Surplus)</b>	<b>1,445</b>	<b>960</b>	<b>(485)</b>
	<b>Development and Renewal Expenditure</b>			
4,950	Development	530	2,092	1,562
130	Renewal	212	118	(94)
<b>5,080</b>	<b>Total Development and Renewal Expenditure</b>	<b>742</b>	<b>2,210</b>	<b>1,468</b>
	<b>Total Operating Expenditure Funded by:</b>			
(1,314)	Targeted Rates	(1,445)	(1,257)	188
<b>(1,314)</b>	<b>Total Operational Funding</b>	<b>(1,445)</b>	<b>(1,257)</b>	<b>188</b>
<b>(1,300)</b>	<b>Total Operating Costs/Funding</b>	<b>-</b>	<b>(297)</b>	<b>(297)</b>
	<b>Development &amp; Renewal Expenditure Funded by:</b>			
(1,300)	Subsidies	-	(297)	(297)
(3,393)	Loans	(542)	(1,694)	(1,152)
(387)	Transfer from Reserve	(200)	(219)	(19)
<b>(5,080)</b>	<b>Total Capital Funding</b>	<b>(742)</b>	<b>(2,210)</b>	<b>(1,468)</b>

## Variations Between LTP and Annual Plan

- Investigation of the Waitomo Village sewerage scheme delayed to 2008/09 for preparation ahead of the 2009 LTP. Anticipated budget for funding these services delayed accordingly.
- Allowance for additional revenue from Te Kuiti trade waste charges, to be increased in a transition towards a new charging regime in accordance with Council's Trade Waste Bylaw.
- Allowance made for subsidy income on Piopio sewerage scheme construction.
- Mokau/Awakino sewerage proposal budget postponed.
- Additional budget provided for stage 1 introduction of SCADA telemetry across all treatment plant/pump stations in District (first of 3 stages).
- New budget provided for resource consent applications at Benneydale and Te Waitere treatment plants.
- Budget advanced and revised for the upgrade of the Te Kuiti sewage treatment plant upgrade.
- New budget for upgrading sewer mains in Te Kuiti (off set over time by savings in pumping station energy costs).



## Economic Sustainability

### Water Supply

#### Description

The purpose of the Water Supply Activity is to supply safe water to the communities in the Waitomo District. Water supply is essential for maintaining public health, provides fire fighting capacity in urban areas and facilitates economic growth. The Council is committed to providing a water supply service that meets the diverse needs of the Waitomo Community.

#### Activities

The activities involve extraction, treatment and supply of public water supplies at Te Kuiti, Benneydale, Mokau and Piopio.

#### Key Projects for 2008/09

##### Te Kuiti Water Supply

- Increase in security of supply by providing a reticulation linkage between the Hetet and Hospital Hill Reservoirs to enable load sharing between storage facilities.
- Continue with ongoing mains renewal programme.
- Implement Year 1 of three year SCADA (Supervisory Control and Data Acquisition) programme across the District. This technology will allow the automatic gathering of data in real time from all treatment facilities including remote locations in order to improve control of treatment plant equipment and operating conditions. Data will be stored at a central base station at the Council offices.
- Commence planning for upgrade of treatment plant in accordance with new drinking water standards.

##### Benneydale Water Supply

- Continue with on - going operation of water supply following recent upgrades to the treatment plant.

##### Piopio Water Supply

- Stage 1 replacement of old 50mm diameter asbestos cement water main.
- Investigate options for increased storage capacity.
- Investigate and remedy backwash capacity of supply filter.

##### Mokau Water Supply

- Investigate options for supplementary raw water storage to improve supply security.
- Increase storage capacity of treated water (subject to Ministry of Health subsidy).
- Complete planning for inclusion of mains replacement programme in LTP (subject to Ministry of Health subsidy).

## Statement of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
To maintain and improve quality of water supply treatment plant and network system.	To monitor drinking water supplies to comply with New Zealand Drinking Water Standards (NZDWS: 2000).	Percentage of Microbiological waters tests meet standard of NZDWS: 2000. Across all schemes. Target = 95%
	Level of compliance of water supply plants and networks with resource consent conditions.	Percentage of compliance with resource consent conditions. Target = 85%
	Water treatment plant and network maintained at an acceptable Ministry of Health Grade.	Plant and network meeting Ministry of Health grade specified. Across all schemes. Target = Cd Grading
To have a long term water supply infrastructure plan in place.	Review Asset management plan for water supply infrastructure be approved by Council.	Asset management plan review completed and operational. Target = Plan review completed
Provide sufficient, reliable reticulated water supply to communities.	Provision of effective water service for the community.	Customer satisfaction survey rating on "Water" question. Target = >35% good or above
	Water supply network is fully operational and available to community.	Number of shutdown hours at each scheme compared to total network availability hours. Target = < 80 hours per year
	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance



## Cost of Service Statement

AP 2007/08 \$000		LTP 2008/09 \$000	AP 2008/09 \$000	Variance \$000
	<b>Operating Revenue</b>			
(450)	Te Kuiti	(313)	(460)	(147)
(5)	Mokau	(5)	(904)	(899)
(405)	Benneydale	-	(6)	(6)
(5)	Piopio	-	(294)	(294)
-	Waitomo Village	(54)	-	54
<b>(865)</b>	<b>Total Operating Revenue</b>	<b>(372)</b>	<b>(1,664)</b>	<b>(1,292)</b>
	<b>Operating Expenditure</b>			
1,028	Te Kuiti	1,047	1,105	58
223	Mokau	250	256	6
147	Benneydale	173	176	3
177	Piopio	213	170	(43)
-	Waitomo Village	54	-	(54)
<b>1,575</b>	<b>Total Operating Expenditure</b>	<b>1,737</b>	<b>1,707</b>	<b>(30)</b>
<b>710</b>	<b>Net Operating Cost/(Surplus)</b>	<b>1,365</b>	<b>43</b>	<b>(1,322)</b>
	<b>Development and Renewal Expenditure</b>			
390	Development	2,472	1,514	(958)
660	Renewal	435	912	477
<b>1,050</b>	<b>Total Development and Renewal Expenditure</b>	<b>2,907</b>	<b>2,426</b>	<b>(481)</b>
	<b>Total Operating Expenditure Funded by:</b>			
(1,115)	Targeted Rates	(1,365)	(1,188)	177
<b>(1,115)</b>	<b>Total Operational Funding</b>	<b>(1,365)</b>	<b>(1,188)</b>	<b>177</b>
<b>(405)</b>	<b>Total Operating Cost/(Surplus)</b>	<b>-</b>	<b>(1,145)</b>	<b>(1,145)</b>
	<b>Development &amp; Renewal Expenditure Funded by:</b>			
(405)	Subsidies	-	(1,145)	(1,145)
(588)	Loans	(2,774)	(1,281)	1,493
(57)	Transfer from Reserve	(133)	-	133
<b>(1,050)</b>	<b>Total Capital Funding</b>	<b>(2,907)</b>	<b>(2,426)</b>	<b>481</b>

## Variations Between LTP and Annual Plan

- Provision of additional budget for new intake, raw water storage, plant renewal and mains upgrades and replacements at Mokau (subject to Ministry of Health subsidy).
- Deferment of Waitomo Village supply pending further investigations ahead of the 2009 LTP.
- Te Kuiti – additional budget for linkage between storage reservoirs, mains replacement, and Stage 1 of SCADA implementation.

# Land Transport

## Description

The Land Transport 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. The latter are managed by Transit New Zealand. The Council maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

## Activities

### Subsidised Roding

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

- Sealed Pavement Maintenance
- Unsealed Pavement Maintenance
- Routine Drainage Maintenance
- Structures Maintenance
- Environmental Maintenance
- Traffic Services Maintenance
- Level Crossing Warning Devices
- Emergency Reinstatement
- Network & Asset Management
- Professional Services

### Unsubsidised Roding

These are activities carried out to ensure safe and efficient travel within and through the district as necessary for road or pedestrian safety and convenience but are not subsidised by Land transport NZ. The Council has sole financial responsibility for this activity. The functions include:

- Footpath Maintenance
- Footpath Renewals
- Amenity Lights
- Unsubsidised Miscellaneous Work
- Street Cleaning
- Carpark Maintenance (other than kerbside parking)

## Key Projects for 2008/09

- Implement Traffic Counting Programme.
- Replace Papakauri Road Armco culvert (\$200,000).
- Replace Ngakakore Road Bridge (\$75,000).
- Replace structural components at Soundy Road Bridge (\$10,000).
- Complete renewal of structural components at Owens Road Bridge (\$70,000).
- Structural component replacement at Kopaki Road Bridge (\$35,000).
- Continue footpath replacement programme including Waitete Road Footpath.
- Install new streetlights in new developments and replace existing lights as required with energy efficient fittings.
- Reseal 47 km of road throughout the District.
- Complete shape correction on Mangarino Road, Waimiha Road, Taharoa Road, Totoro Road and Rangitoto Road.
- Complete minor safety improvements at Oparure Road, Rangitoto Road, Papakauri Road and Totoro Road.
- Deliver road safety programme targeting driver licensing, use of child restraints, driver fatigue and intersection controls.

## Statement of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
Provide safe roads.	Improvement in road safety to continue the reducing trend in the number of injury accidents.	Percentage of injury accidents due to road factors. Target = < 38%
	Work with the NZ Police and the Land Transport Safety Authority promoting and enforcing the safer use of roads.	Number of road safety promotions.  Target = 3 per year
Maintain roads in an effective manner.	Kilometres of road network sealed, resealed within annual budget.	Percentage of total sealed road network resealed within annual budget Target = > 8%
	Kilometres of sealed road network reconstructed within annual budget.	Percentage of total sealed road network reconstructed within annual budget. Target = < 3%
	Kilometres of unsealed road network reconstructed within annual budget.	Percentage of total unsealed road network reconstructed within annual budget. Target = < 3%
	Contractors' performance meets agreed standard of work within budget.	Percentage of Contractor work that meets standard within budget. Target = 100%
	Service will be delivered within budget.	Variance of actual Cost of Service Statement Operating Surplus/ (Deficit) for the activity from the annual budget. Target = < 5% variance
	Unsealed roads are maintained in cost effective manner.	Cost of maintenance of unsealed roads per km of road length. Target = < \$2,500 per km
	Road network is fully operational and available to community.	Number of emergency road closure hours. Target = < 400 hours
	Quality of road network meets Land Transport NZ standards for pavement integrity, smooth travel exposure.	Average across the total sealed network of the measured road roughness. Target = rating of 94 in NAASRA

## Cost of Service Statement

AP 2007/08 \$000		LTP 2008/09 \$000	AP 2008/09 \$000	Variance \$000
	<b>Operating Revenue</b>			
(5,311)	Subsidised Roothing	(7,374)	(5,807)	1,567
(40)	Unsubsidised Roothing	(42)	(40)	2
<b>(5,351)</b>	<b>Total Operating Revenue</b>	<b>(7,416)</b>	<b>(5,847)</b>	<b>1,569</b>
	<b>Operating Expenditure</b>			
9,464	Subsidised Roothing	8,740	8,539	(201)
346	Unsubsidised Roothing	315	392	77
<b>9,810</b>	<b>Total Operating Expenditure</b>	<b>9,055</b>	<b>8,931</b>	<b>(124)</b>
<b>4,459</b>	<b>Net Operating Cost/(Surplus)</b>	<b>1,639</b>	<b>3,084</b>	<b>1,445</b>
	<b>Capital and Renewal Expenditure</b>			
1,510	Development	2,620	899	(1,721)
3,438	Renewal	5,835	5,073	(762)
<b>4,948</b>	<b>Total Capital and Renewal Expenditure</b>	<b>8,455</b>	<b>5,972</b>	<b>(2,483)</b>
	<b>Total Operating Expenditure Funded by:</b>			
(100)	Uniform Annual General Charges	(147)	(150)	(3)
(2,214)	Target Rate	(3,066)	(3,210)	(144)
0	Loans	(845)	(2,500)	(1,655)
(4,655)	Transfer from Reserves	(2,377)	(315)	2,062
<b>(6,969)</b>	<b>Total Operational Funding</b>	<b>(6,435)</b>	<b>(6,175)</b>	<b>(260)</b>
<b>(2,510)</b>	<b>Total Operating Costs/(Surplus)</b>	<b>(4,796)</b>	<b>(3,091)</b>	<b>(1,705)</b>
	<b>Capital &amp; Renewal Expenditure Funded by:</b>			
(2,510)	Subsidies	(4,796)	(3,091)	1,705
(252)	Loans	(3,497)	(780)	2,716
(2,186)	Transfer from Reserve	(162)	(2,101)	(1,938)
<b>(4,948)</b>	<b>Total Capital Funding</b>	<b>(8,455)</b>	<b>(5,972)</b>	<b>2,483</b>

See Appendix 1 for details of the 2008/09 Land Transport Programme.

## Variations Between LTP and Annual Plan

- An increase in the network management professional services to ensure full recovery.
- A correction in the budget for unsealed road maintenance (metal) and minor improvements.
- A reduction in the reseals budget (\$500,000). This additional provision was for second coat seals for historic seal extensions and is no longer required.
- An increase in rates in substitution of the policy of loan funding of road operating costs provided in the 2006-2016 LTP.
- Removal of the seal extensions budget (\$742,000) as per Council's decision in 2007/08 to refrain from seal extensions.
- An increase in unsubsidised street cleaning (\$51,000).



# Investments

## Description

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

## Activities

### Council Controlled Organisations

#### Investment in Local Authority Shared Services (LASS)

The Council has an equal share with each of the 13 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.

#### Investment in Inframax Construction Ltd (ICL)

Inframax Construction Ltd is a roading construction and maintenance company wholly owned by the Waitomo District Council as a Council Controlled Trading Organisation.

As in previous years, the Council will continue to evaluate its investment in ICL having regard to the impact of its decisions on the social and economic wellbeing of the District community, in accordance with the Local Government Act 2002.

### Investment Properties

#### Council Owned Quarries

Maintenance and management of Council owned quarries. The Council owns 24 quarries throughout the District of which 7 are currently operational. The quarries are a major source of aggregate in support of the Council's substantial road maintenance/construction activities.

#### Forestry located at Rangitoto Landfill

Maintenance and management of forestry located at Rangitoto Landfill. The forestry was predominantly planted in 1994 and comprises some 15.7 hectares of pine trees.

## Statement of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
Forest tending programme at Rangitoto Landfill completed.	Forest stand assessment completed.	Stand assessment and valuation completed. Target = complete valuation by 31 December 2008
Timely monitoring and reporting on performance of investments.	Investments are closely monitored for performance.	Monitor and report on Investments as per Council's Investment Policy.

## Cost of Service Statement

AP 2007/08 \$000		LTP 2008/09 \$000	AP 2008/09 \$000	Variance \$000
	<b>Operating Revenue</b>			
(1,250)	Council Controlled Organisations	(1,010)	(1,250)	(240)
(50)	Investment Properties	(53)	(55)	(2)
<b>(1,300)</b>	<b>Total Operating Revenue</b>	<b>(1,063)</b>	<b>(1,305)</b>	<b>(242)</b>
	<b>Operating Expenditure</b>			
314	Council Controlled Organisations	277	340	63
10	Investment Properties	9	17	8
<b>324</b>	<b>Total Operating Expenditure</b>	<b>286</b>	<b>357</b>	<b>71</b>
<b>(976)</b>	<b>Net Operating Cost/(Surplus)</b>	<b>(777)</b>	<b>(948)</b>	<b>171</b>
	<b>Total Operating Expenditure Funded by:</b>			
976	General Rates	777	948	171
<b>976</b>	<b>Total Operational Funding</b>	<b>777</b>	<b>948</b>	<b>171</b>

## Variations Between LTP and Annual Plan

- An increase in the projected return on investment in Inframax Construction Ltd.





# SECTION THREE: FINANCIAL INFORMATION





## Introduction

This section outlines Council's financial position for the 2008/09 year. The information below shows the impact of the measures Council has taken as it moves to a sustainable financial plan, on the one hand, and the need to advance and/or introduce major capital works to address the performance of its essential infrastructure, on the other. The overall financial position remains positive, despite these challenges.

The funding impact statement reflects the outcome of all that is planned in the 2008/09 Annual Plan, overlaid by the changes proposed in the amended Revenue and Financing Policy. In some cases, the latter has meant that the incidence of rates for some activities will change, regardless of any variations to the Statements of Financial Performance for the significant activities.

The table of rating examples below illustrates the 'bottom-line' impact of all the matters on selected properties.

## Prospective Income Statement for the year ending 30 June 2009

Annual Plan 2007/08 \$000's		2008/09 LTP \$000's	2008/09 AP \$000's
	<b>Revenue</b>		
10,728	Rates Revenue	11,737	12,233
9,943	Other Revenue	9,929	10,473
<b>20,671</b>	<b>Total Revenue</b>	<b>21,665</b>	<b>22,706</b>
	<b>Expenditure</b>		
2,595	Corporate Support Services	2,065	3,009
4,416	Depreciation and Amortisation	4,096	3,924
2,365	Finance Costs	3,208	2,709
11,535	Other Expenditure	10,524	11,315
<b>20,911</b>	<b>Total Expenditure</b>	<b>19,893</b>	<b>20,957</b>
<b>(240)</b>	<b>Net Surplus/(Deficit)</b>	<b>1,772</b>	<b>1,749</b>

**Note:** Local Authorities plan for financial surpluses for a range of reasons. By way of example, surpluses can occur as a result of budgeting for operating revenue (rate and subsidy revenue) which will be utilised for balance sheet transactions such as capital expenditure.

## Prospective Statement of Change in Equity for the year ending 30 June 2009

Annual Plan 2007/08 \$000's		2008/09 LTP \$000's	2008/09 AP \$000's
276,512	<b>Balance at 1 July</b>	261,481	245,857
3,594	Property, plant and equipment revaluation gains taken to equity	2,565	-
<b>3,594</b>	<b>Net Income recognised directly in equity</b>	<b>2,565</b>	<b>-</b>
(240)	Net Surplus/(Deficit) for the year	1,772	1,749
<b>3,354</b>	<b>Total Recognised Income for the year ended 30 June</b>	<b>4,337</b>	<b>1,749</b>
<b>279,866</b>	<b>Balance at 30 June</b>	<b>265,818</b>	<b>247,606</b>



## Prospective Balance Sheet as at 30 June 2009

Annual Plan 2007/08 \$000's		2008/09 LTP \$000's	2008/09 AP \$000's
	<b>Equity</b>		
188,213	Retained Earnings	188,059	200,311
(402)	Other Reserves	5,225	13,191
92,055	Revaluation Reserves	72,534	34,104
<b>279,866</b>	<b>Total Equity</b>	<b>265,818</b>	<b>247,606</b>
	<b>Current Assets</b>		
-	Cash and Cash Equivalents	2,133	991
-	Inventories	64	1
3,396	Trade and Other Receivables	2,919	2,800
<b>3,396</b>	<b>Total Current Assets</b>	<b>5,116</b>	<b>3,792</b>
	<b>Current Liabilities</b>		
1,866	Bank Overdraft (secured)	-	-
4,127	Trade and Other Payables	5,883	3,636
4,700	Current Portion of Borrowings	4,700	4,700
50	Provisions	33	7
150	Employee Entitlements	150	205
<b>10,893</b>	<b>Total Current Liabilities</b>	<b>10,766</b>	<b>8,548</b>
<b>(7,497)</b>	<b>Net Working Capital</b>	<b>(5,650)</b>	<b>(4,756)</b>
	<b>Non Current Assets</b>		
272,344	Property, Plant and Equipment	268,000	259,373
136	Intangible Assets	136	136
48	Forestry Assets	48	85
387	Investment Property	1,061	334
41,187	Other Financial Assets	43,752	22,837
<b>314,102</b>	<b>Total Non Current Assets</b>	<b>312,997</b>	<b>282,765</b>
	<b>Less Non Current Liabilities</b>		
25,818	Borrowings	41,271	29,786
95	Employee Entitlements	95	55
100	Guarantees	-	-
727	Provisions	163	562
<b>26,740</b>	<b>Total Non Current Liabilities</b>	<b>41,529</b>	<b>30,403</b>
<b>279,866</b>	<b>Net Assets</b>	<b>265,818</b>	<b>247,606</b>



## Prospective Cashflow Statement for the year ending 30 June 2009

Annual Plan 2007/08 \$000's		2008/09 LTP \$000's	2008/09 AP \$000's
	<b>Cash flows from Operating Activities</b>		
	<b>Cash provided from:</b>		
10,843	Rates Revenue and Rates Penalties	11,699	12,378
6,912	Subsidies and Grants	8,734	7,186
263	Property Rentals	257	181
105	Petroleum Tax	111	150
1,213	Other Revenue	1,052	1,563
79	GST Received/(Paid) (net)	79	-
1,030	Dividend Received	780	1,030
220	Subvention Received	230	220
<b>20,665</b>	<b>Total</b>	<b>22,942</b>	<b>22,708</b>
	<b>Cash applied to:</b>		
13,853	Payments to Suppliers and Employees	12,836	14,124
261	Elected Members Remuneration	210	202
2,365	Interest Paid on Borrowings	3,161	2,709
<b>16,479</b>	<b>Total</b>	<b>16,207</b>	<b>17,035</b>
<b>4,186</b>	<b>Net Cash Inflow from Operating Activities</b>	<b>6,735</b>	<b>5,673</b>
	<b>Cash flows from Investing Activities</b>		
	<b>Cash provided from:</b>		
11,376	Purchase of Property, Plant and Equipment	13,393	11,506
<b>11,376</b>	<b>Total</b>	<b>13,393</b>	<b>11,506</b>
<b>(11,376)</b>	<b>Net Cash (Outflow) from Investing Activities</b>	<b>(13,393)</b>	<b>(11,506)</b>
	<b>Cash flows from Financing Activities</b>		
	<b>Cash provided from:</b>		
6,182	Loans Raised	11,019	11,375
<b>6,182</b>	<b>Total</b>	<b>11,019</b>	<b>11,375</b>
	<b>Cash applied to:</b>		
1,747	Loans Repaid	4,700	4,700
<b>1,747</b>	<b>Total</b>	<b>4,700</b>	<b>4,700</b>
<b>4,435</b>	<b>Net Cash Inflow from Financing Activities</b>	<b>6,319</b>	<b>6,675</b>
<b>(2,755)</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>(339)</b>	<b>842</b>
891	Cash at Start of Period	2,472	149
<b>(1,866)</b>	<b>Cash at End of Period</b>	<b>2,133</b>	<b>991</b>

## Prospective Statement of Reserve Fund Movements for the year ending 30 June 2009

Annual Plan 2007/08 \$000's		2008/09 LTP \$000's	2008/09 AP \$000's
<b>3,229</b>	<b>Balance at 1 July</b>	<b>4,745</b>	<b>13,173</b>
4,419	Transfer to Reserves	4,096	3,924
(8,190)	Transfer from Reserves	(3,853)	(3,906)
141	Interest	236	-
<b>(402)</b>	<b>Balance at 30 June</b>	<b>5,225</b>	<b>13,191</b>

## Statement of Public Debt for the year ending 30 June 2009

Annual Plan 2007/08 \$000's		2008/09 LTP \$000's	2008/09 AP \$000's
<b>26,083</b>	<b>Balance at 1 July</b>	<b>39,653</b>	<b>27,811</b>
6,182	Loans Raised	11,019	11,375
(1,747)	Loans Repaid	(4,700)	(4,700)
<b>30,518</b>	<b>Balance at 30 June</b>	<b>45,971</b>	<b>34,486</b>

**Note:** When comparing the Statement of Public Debt to the Prospective Balance Sheet as at 30 June 2009, the Prospective Balance at 30 June 2009 is the sum of both 'Current Portion of Borrowings' and 'Borrowings'.

## Prospective Statement of Capital Expenditure for the year ending 30 June 2009

Annual Plan 2007/08 \$000's		2008/09 LTP \$000's	2008/09 AP \$000's
	<b>Community Facilities</b>		
206	Housing and Other Properties	191	186
70	Parks and Reserves	53	100
35	Public Amenities	37	57
106	Recreation and Culture	166	199
<b>417</b>	<b>Total Community Facilities</b>	<b>447</b>	<b>542</b>
	<b>Community Development</b>		
500	Economic Development	583	-
<b>500</b>	<b>Total Community Development</b>	<b>583</b>	<b>-</b>
	<b>Solid Waste</b>		
-	Kerbside Recycling	-	10
-	Landfill Management	-	72
-	<b>Total Solid Waste</b>	<b>-</b>	<b>82</b>
	<b>Stormwater</b>		
-	Te Kuiti Stormwater	-	38
-	Rural Stormwater	-	239
-	<b>Total Stormwater</b>	<b>-</b>	<b>277</b>
	<b>Sewerage</b>		
120	Benneydale Sewerage	11	39
2,800	Piopio Sewerage	-	585
-	Mokau/Awakino Sewerage	531	30
2,080	Te Kuiti Sewerage	180	1,524
50	Te Waitere Sewerage	-	30
30	Waitomo Sewerage	21	-
<b>5,080</b>	<b>Total Sewerage</b>	<b>743</b>	<b>2,208</b>
	<b>Water Supply</b>		
700	Benneydale Water	-	-
200	Mokau Water	212	1,076
120	Piopio Water	329	370
-	Te Kuiti Water	1,772	980
30	Waitomo Water	594	-
<b>1,050</b>	<b>Total Water Supply</b>	<b>2,907</b>	<b>2,426</b>
	<b>Land Transport</b>		
4,538	Subsidised Roothing	8,020	5,549
410	Non Subsidised Roothing	435	422
<b>4,948</b>	<b>Total Land Transport</b>	<b>8,455</b>	<b>5,971</b>
<b>11,995</b>	<b>Total Capital and Renewal Expenditure</b>	<b>13,135</b>	<b>11,506</b>

# Funding Impact Statement

## Introduction

Council is required under Schedule 10(13) of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement as part of its Annual Plan. The Funding Impact Statement provides a summary of Council's funding sources as well as the rate requirement for the 2008/09 financial year. The Funding Impact Statement represents the fiscal outcome from the Revenue and Financing Policy. The Revenue and Financing Policy is included in Appendix 1 of this Annual Plan.

Rates are levied under the Local Government (Rating) Act 2002 (LGRA) on all individual rateable properties based on the capital values as supplied by Quotable Value New Zealand Limited in 2007.

## Rates Remissions and Postponements

### Remissions

Council is required to have a policy on rates remissions and postponements. Council has developed a remissions policy as per LGA (section 102 (5)(a)) and LGRA (Section 85) which was consulted on as part of this Annual Plan. A copy of the policy is included in Appendix 1 of this Annual Plan. It includes the objectives of the remissions targeting each of social, cultural, environmental and economic well-beings. Remissions categories include non-contiguous properties, Clubs and societies, new subdivisions, Council properties and Maori land.

The value of these remissions is \$47,000.

### Postponements

Under the Policy on Remission of Rates, Council will not offer any permanent postponements of rates

## Separately Used or Inhabited Part of a Rating Unit

Rating units, parts or portions of rating units are terms used to define separately used or inhabited rating units and include any part of a rating unit used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of tenancy, lease or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one separately used or inhabited part.

### 1.0 STATEMENT OF FUNDING SOURCES

The table below provides a summary of the funding sources for 2008-2009. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecast. The table is produced on a GST exclusive basis.

Revenue Mechanism	LTP 2008/09 \$000	Annual Plan 2008/09 \$000	Variation
Net General Rate	2,048	2,244	196
Net UAGC	2,621	2,934	313
Targeted Rates			
Land Transport	3,066	3,210	144
Water Supply	1,366	1,188	(178)
Solid Waste Management	723	721	(2)
Sewerage	1,445	1,257	(188)
Stormwater	201	281	80
Community Facilities	267	398	131
<b>Total Rates Revenue</b>	<b>11,737</b>	<b>12,233</b>	<b>496</b>

Revenue Mechanism	LTP 2008/09 \$000	Annual Plan 2008/09 \$000	Variation
Subsidies	7,263	7,186	(77)
Fees and Charges	1,357	1,703	346
Financial Contributions	42	40	(2)
Dividends	780	1,030	250
Subvention Payments	230	220	(10)
Petrol Tax	111	150	39
Rate Penalties	145	145	-
<b>Total Operating Revenue</b>	<b>21,665</b>	<b>22,707</b>	<b>1,042</b>
Loans	6,319	6,675	356
Total Other Funding	3,853	3,906	53
<b>Total Funding</b>	<b>31,837</b>	<b>33,288</b>	<b>1,451</b>

## 2.0 GENERAL RATE

### 2.1 General Rate

#### Description and Use

The General Rate is assessed as a rate in the dollar based on capital value across the District. The General Rate is not set differentially. The rationale for use of the General Rate Capital Value is contained in the Revenue and Financing Policy.

The General rate will contribute to the funding of:

- Leadership
- Parks and Reserves
- District Libraries
- District Swimming Pool
- Arts Culture AND Heritage
- Aerodrome
- Public Facilities
- Community Development
- Regulation
- Waste Minimisation
- District Plan Administration
- Investments

#### Requirement in 2008/09 (incl. GST)

	Rate in Dollar (c)	Total Revenue Requirement (\$000)
General Rate District (CV)	0.08553	2,525

## 3.0 UNIFORM ANNUAL GENERAL CHARGE

#### Description and Use

Council will set a Uniform Annual General Charge (UAGC) on each separately used or inhabited part of a rating unit under Section 15(1)(b) of the LGRA, across the District. The rationale for use of the UAGC is contained in the Revenue and Financing Policy.

The UAGC will contribute to the funding of:

- Leadership
- Parks and Reserves
- District Libraries
- District Swimming Pool
- Arts Culture and Heritage
- Public Facilities
- Community Development
- Regulation and Safety
- Solid Waste
- District Plan Administration
- Subsidised Roding
- Housing and Other Property

#### Requirement in 2008/09 (incl. GST)

Uniform Annual General Charge	Charge	Total Revenue Requirement (\$000)
UAGC	\$626	3,301

## 4.0 TARGETED RATES

### Description and Use

Targeted Rates are set on rateable assessments differentiated by some factor, such as geographic location or provision of service. The titles of 'Targeted Rate' and 'TUAC' (Targeted Uniform Annual Charge) are used by this Council, where TUAC is a Targeted Rate based strictly on a uniform amount set per separately used or inhabited portion of a rating unit.

### 4.1 Targeted Rates Differentiated on Location

Council will use location (Schedule 2(6); LGRA) to assess every rating unit or part of a rating unit for the Targeted Services TUAC and Stormwater TUAC.

The following location definitions for the respective rating areas will apply:

1. Te Kuiti Urban Rating Area	All rating units situated within the Te Kuiti Urban Ward as defined by the Basis of Election for the 2007 Triennial Elections.
2. Te Kuiti Urban and Periphery Rating Area	All rating units situated within a 5 km radius, all around, from the Information Centre (deemed to be the centre of town), in Te Kuiti.
3. Rural Rating Area	All rating units situated within the Rural Ward as defined by the Basis of Election for the 2007 Triennial Elections.

#### (a) Targeted Services TUAC

##### Description and Use

Council will set a Targeted Services TUAC on every separately used or inhabited portion of a rating unit in the District, differentiated by rating areas, to fund the Unsubsidised Rooding Activity and part fund the Swimming Pool Activity. The Rating Areas for the purpose of levying the Targeted Services TUAC will be the Te Kuiti Urban and Periphery Rating Area and the Rural Rating Area (rest of the District).

Requirement in 2008/09 (incl. GST)

Targeted Services TUAC	Charge	Total Revenue Requirement (\$000)
Te Kuiti Urban and Periphery	\$241	532
Rural	\$100	307

#### (b) Stormwater TUAC

##### Description and Use

Council will set a TUAC on every separately used or inhabited portion of a rating unit in the District, differentiated by rating area, to fund the Stormwater Activity. The Rating Areas for the purpose of levying the Stormwater TUAC will be the Te Kuiti Urban Rating Area and the Rural Rating Area (rest of the District).

Requirement in 2008/09 (incl. GST)

Stormwater TUAC	Charge	Total Revenue Requirement (\$000)
Te Kuiti	\$131.00	250
Rural	\$20.00	66

#### (c) Marokopa Community Centre TUAC

Council will set a TUAC levied on every separately used or inhabited portion of a rating unit within the defined Marokopa Community Centre rating area.

Marokopa Community Centre TUAC	Charge	Total Revenue Requirement (\$000)
TUAC	\$24.00	4

#### 4.2 **Targeted Rates Differentiated on Service Provision**

##### **Description and Use**

Council will use provision or availability to the land of a service (Schedule 2(5); LGRA) to assess service charges for Water Supply and Sewerage:

Water	<u>Ability to connect (serviceable)</u> : The rating unit is within 100m of water main and practicably serviceable in the opinion of Council.
Sewerage	<u>Ability to connect (serviceable)</u> : The rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council.

#### 4.3 **Water Rates**

##### **Description and Use**

Council will set a TUAC for Water Supply on every community that has a Council water supply network, differentiated on the basis of supply area.

The annual charges are levied either on the basis of a separately used or inhabited portion of a rating unit within a community that is connected, or on the basis of a rating unit that has the ability to connect (serviceable) to a Council water supply network.

Any rating unit situated in Te Kuiti, Piopio, Benneydale or Mokau that has been fitted with a water meter and is defined as being an extraordinary water user will be charged based on the volume of water consumed over and above the amount paid for through the targeted water rate. The charge is 99 cents per cubic metre of water consumed.

##### **Requirement in 2008/09 (incl. GST)**

Water Supply (TUAC)	Charge		Total Revenue Requirement (\$000)
	Per connected rating unit	Per serviceable rating unit	
Te Kuiti	\$374	\$187	726
Piopio	\$750	\$375	176
Benneydale	\$1,300	\$650	141
Mokau	\$1,281	\$641	243

#### 4.4 **Subsidy Rate for Benneydale Water**

##### **Description and Use**

Council will set a TUAC levied on every rating unit in the District. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Subsidy for Benneydale Water	Charge	Total Revenue Requirement (\$000)
No. of Properties = 4,480	\$11	50

#### 4.5 **Sewerage Rates**

##### **Description and Use**

Council will set TUACs to provide for the collection and disposal of sewage levied either on the basis of a separately used or inhabited portion of a rating unit within a community that is connected or, on the basis of a rating unit that has the ability to connect (serviceable) to a Council sewerage reticulation network differentiated by supply area.

##### **Requirement in 2008/09 (incl. GST)**

Sewerage (TUAC)	Charge		Total Revenue Requirement (\$000)
	Per connected rating unit	Per serviceable rating unit	
Piopio		\$517	99
Benneydale	\$802	\$401	66
Te Waitere	\$900	\$450	13
Te Kuiti	\$619	\$310	1,014

## Te Kuiti

In Te Kuiti, Council will set a TUAC levied on every separately used or inhabited part of a rating unit that is connected or has the ability to connect to the Council sewerage reticulation network.

All non-residential properties will be charged one base charge for up to three pans and per pan for every pan over and above this threshold. The base charge will be equivalent to the charge for a connected residential property (in Te Kuiti).

Non-residential properties are categorised by their hours of operation and the charge per pan is calculated as follows:

Category	Calculation factor per pan	Charge per pan
Business hours more than 40 hours	0.76	\$471
Business hours equal to 40 hours	0.36	\$223
Business hours less than 40 hours	0.20	\$124

### **4.6 Subsidy Rate for Te Waitere Sewerage**

#### **Description and Use**

Council will set a TUAC levied on every rating unit within the District. The rationale for use of this rate is contained in the Revenue and Financing Policy

Subsidy for Te Waitere Sewerage	Charge	Total Revenue Requirement (\$000)
No. of Properties = 4,480	\$2	8

### **4.7 Land Transport Rate**

#### **Description and Use**

Council will set a Land Transport Rate assessed as a rate in the dollar based on capital values across the District for Subsidised Roothing (part of Land Transport Activity). Rationale for use of the rate is contained in the Revenue and Financing Policy.

#### **Requirement in 2008/09 (incl. GST)**

District Roothing Rate	Rate in Dollar (c)	Total Revenue Requirement (\$000)
District Roothing Rate	0.10890	3,215

### **4.8 Solid Waste Collection**

#### **Description and Use**

Council will set a TUAC levied on every separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service to fund the cost of the services. Council operates kerbside collection and kerbside recycling in Te Kuiti, Piopio, Mokau and Waitomo (part of) townships.

#### **Requirement in 2008/09 (incl. GST)**

Solid Waste Collection (TUAC)	Charge	Total Revenue Requirement (\$000)
Te Kuiti	\$90	171
Waitomo	\$106	55
Piopio	\$93	21
Mokau	\$243	61



#### 4.9 **Solid Waste Management**

##### **Description and Use**

Council will set a TUAC to part fund the activity of Solid Waste Management. This TUAC will be levied on every separately used or inhabited portion of a rating unit District wide.

##### **Requirement in 2008/09 (incl. GST)**

<b>Solid Waste Management (TUAC)</b>	<b>Charge</b>	<b>Total Revenue Requirement (\$000)</b>
Solid Waste	\$116	504

#### 5.0 **RATES PAYMENTS**

It is proposed that rates will be paid by four instalments due on:

##### **Due Date**

1st Instalment	20 August 2008
2nd Instalment	20 November 2008
3rd Instalment	20 February 2009
4th Instalment	20 May 2009

##### **Last day for Payments**

1st Instalment	29 August 2008
2nd Instalment	28 November 2008
3rd Instalment	27 February 2009
4th Instalment	29 May 2009

##### **Penalties**

- A first additional charge of 10% will be added to the amount of any instalment unpaid at the close of business, being 5.00 pm on the last day for payment.
- A further additional charge of 10% will be added to all rates remaining unpaid (including all rates levied in any previous financial year) on 1 July 2009 and a continuing charge of 10% will be added thereafter to all rates remaining unpaid at twelve monthly intervals.

# Rating Examples

<b>2007/2008 - Rates Examples</b>											
<b>Capital Value as at September 2006</b>											
Te Kuiti Residential	\$150,000	Te Kuiti Commercial	\$195,000	Bennydale Residential	\$45,000	Mokau Residential	\$240,000	Drystock Rural	3,800,000	Dairy Farm Rural	\$3,140,000
Uniform Annual General Charge (UAGC)	510	510	382	88	239	470	510	510	7,444	6,151	
<b>General Rate/Target Rate based on value</b>											
Target Rate for Te Kuiti Swimming Pool (Urban)	104	136									
Target Rate for Te Kuiti Swimming Pool (Rural)					2	4	8	131		109	
<b>Subsidy Rate (Bennydale and Te Waitere Sewerage)</b>											
Water	401	401	1,309	823	364	1,147					
Sewerage	828	148	908	364							
Solid Waste	229	229	305	224					146	438	
<b>Total Rates</b>	<b>2,366</b>	<b>1,806</b>	<b>3,122</b>	<b>2,164</b>	<b>2,464</b>	<b>8,241</b>	<b>7,217</b>				

The examples provided above show the actual rates levied on sample properties for the 2007/08 financial year.

<b>2008/2009 - Rates Examples</b>											
<b>Capital Value as at September 2006</b>											
Te Kuiti Residential	\$150,000	Te Kuiti Commercial	\$195,000	Bennydale Residential	\$45,000	Mokau Residential	\$240,000	Drystock Rural	3,800,000	Dairy Farm Rural	\$3,140,000
Uniform Annual General Charge (UAGC)	626	626	167	38	104	205	626	626	3,250	2,686	
General Rate/Target Rate based on value	128	167	212	49	133	261	626	626	4,138	3,419	
District Wide Rounding Rate	163	212									
<b>Targeted Services Rate (Urban)</b>											
Swimming Pool	141	141									
Unsubsidised Rounding	100	100									
<b>Targeted Services Rate (Rural)</b>											
Swimming Pool			43	43	43	43	43	43	43	129	
Unsubsidised Rounding			57	57	57	57	57	57	57	171	
<b>Subsidy Rate (Te Waitere Sewerage)</b>											
Subsidy Rate (Bennydale Sewerage)	11	11	11	11	11	11	11	11	11	11	
Stormwater (Urban)	131	131									
Stormwater (Rural)			20	20	20	20	20	20	20	60	
Water	374	374	1,300	750	1,281						
Sewerage	619	619	802	517							
<b>Solid Waste</b>											
Landfill Management - District	116	116	116	116	116	116	116	116	116	348	
Collection & Recycling	90	90	93	93	243						
<b>Total Rates</b>	<b>2,502</b>	<b>2,589</b>	<b>3,064</b>	<b>2,472</b>	<b>2,866</b>	<b>8,263</b>	<b>8,704</b>				
<b>% change</b>	<b>6%</b>	<b>43%</b>	<b>-2%</b>	<b>14%</b>	<b>16%</b>	<b>0%</b>	<b>21%</b>				

The Examples in the table above seek to demonstrate the combined impact of the proposed budget contained in this Draft Annual Plan and the proposed Revenue and Financing Policy contained in Appendix One of this document.

2007/2008 UAGC Breakdown		2008/2009 UAGC Breakdown	
Governance	158	Leadership	154
Civil Defence	5	Parks & Reserves	72
Cultural and Arts Centre	36	District Libraries	56
Library	56	District Swimming Pools	5
Community Development	97	Arts Culture & Heritage	32
Environmental Health	10	Public Facilities	60
Parks and Reserves	102	Community Development	94
Information Centre	10	Regulation	33
Public Toilets	36	Solid Waste	14
		District Plan Administration	10
		Subsidised Rooding	32
		Housing & Other Property	63
<b>Total</b>	<b>510</b>	<b>Total</b>	<b>626</b>

2007/2008 General Rate Breakdown		2008/2009 General Rate Breakdown	
Governance	0.02351	Leadership	0.03302
Community development	0.02939	Parks & Reserves	0.01280
Regulatory	0.00980	Housing & Other Property	0.01485
Rooding	0.12342	District Libraries	0.01001
Parks and reserves	0.01567	District Swimming Pools	0.00090
Property	0.03134	Arts Culture & Heritage	0.00576
Less Inframax income	-0.03722	Aerodrome	0.00190
		Public Facilities	0.01064
		Community Development	0.01632
		Regulation	0.01800
		Waste Minimisation	0.00137
		District Plan Administration	0.00182
		Investments	-0.00513
		<b>Less Inframax income</b>	<b>-0.03495</b>
		<b>Less Quarries</b>	<b>-0.00179</b>
<b>Total</b>	<b>0.19590</b>	<b>Total</b>	<b>0.08553</b>

## Accounting Policies

### Statement of Responsibility

The Annual Plan 2008/09 was adopted by Council on 24 June 2008.

The purpose of the Plan is to provide a roadmap to the Council and community on the planned activities and expenditure of Council over the next year. The use of this information for purposes other than for which it is prepared may not be appropriate.

The Council is responsible for the prospective financial statements presented, including the appropriateness of the underlying assumptions and related disclosures. The forecast financial statements have been prepared in compliance with FRS 42 Prospective Financial Statements.

### Statement of Compliance

The forecast financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice.

The Waitomo District Council is a public benefit entity whose primary objective is to provide goods and services for community or social benefit and where any entity has been provided with a view to supporting that primary objective rather than for a financial return. All available reporting exemptions allowed under the framework for public benefit entities have been applied.

### Statement of Accounting Policies

#### Reporting Entity

Waitomo District Council is a territorial local authority governed by the Local Government Act 2002.

The primary objective of the Council is to provide goods or services for the community for social benefit rather than for making a financial return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

#### Basis of Preparation

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

#### Subsidiary

The Council measures its investment in Inframax Construction Limited at fair value. The valuation was performed by PriceWaterhouseCoopers as at 30 June 2007. Shares in Inframax Construction Limited are classified as available for sale. Revaluation gains are recognised in the fair value through equity reserve included in the equity section of the Balance Sheet. Revaluation losses are recognised in the Income Statement unless it offsets a previous gain in the same asset class in the asset revaluation reserve.

#### Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Revenue is measured at fair value of the consideration received or receivable.

## **RATES**

Rates are recognised as revenue when rates are levied.

## **LEVIES AND CHARGES**

Other levies and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence.

## **OTHER**

Other grants, bequests and assets vested in the Council are recognised as revenue when control over the asset is obtained.

## **GOVERNMENT GRANTS**

Government grants and subsidies are recognised at their fair value when there is reasonable assurance that the conditions associated with the grant approval have been fulfilled. The Council receives government grants from Land Transport New Zealand, which subsidises part of the Council's costs of maintaining local roading.

## **INTEREST**

Revenue is recognised using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument.

## **DIVIDENDS**

Dividends from the subsidiary are recognised in the Income Statement on the date that the dividends are declared.

## **RENTAL INCOME**

Rental income arising on property owned by the Council is accounted for on a straight-line basis over the lease term.

## **Expenditure**

Expenditure is recognised when the Council has been supplied with the service or has control of the goods supplied.

## **Grant Expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

## **Borrowing Costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

## **Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown on the face of the Balance Sheet.

## Inventories

Inventories held for use in the production of goods and services on a commercial basis are measured at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to current replacement cost or net realisable value is recognised in the Income Statement.

## Financial Assets

The Council classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss, in which case the transaction costs are recognised in the Income Statement.

Purchases and sales of investments are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks or rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

### 1. Financial Assets at Fair Value Through Profit or Loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the Income Statement.

The Council does not hold any financial assets in this category.

### 2. Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Income Statement. Loans and receivables are classified as "trade and other receivables" in the Balance Sheet.

Loans made by the Council at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Income Statement.

A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

### **3. Held to Maturity Investments**

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Income Statement. The Council does not hold any financial assets in this category.

### **4. Available for Sale**

Available for sale financial assets are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that the Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that the Council holds for strategic purposes. The Council's investment in Inframax Construction Limited is included in this category.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the Income Statement. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in Income Statement even though the asset has not been derecognised.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Income Statement.

## **Impairment of Financial Assets**

At each balance sheet date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Income Statement.

## **Payables**

Trade payables and other payables are recognised when the Council becomes obligated to make future payments resulting from the purchase of goods or services.

## **Borrowings**

All loans and borrowings are initially recognised at their fair value net of transaction costs.

After initial recognition, all borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

## **Good and Service Tax (GST)**

All items in the Income Statement and Balance Sheet are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The Cash Flow Statement is stated inclusive of GST in accordance with NZ IAS 7.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet. The net GST paid to, or received from

the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

## **Provisions**

The Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

### **LANDFILL POST CLOSURE COSTS**

The Council has a legal obligation under the resource consents for open and closed landfills to provide ongoing maintenance and monitoring services at the sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises.

The provision is a measure based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

Amounts provided for landfill post closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The discount rate of 6% is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to Council.

## **Employee Benefits**

### **SHORT-TERM BENEFITS**

Employee benefits that the Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at the rate expected to apply at the time of settlement.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

### **LONG-TERM BENEFITS**

#### **Long Service Leave and Retirement Gratuities**

Entitlements that are payable beyond twelve months, such as long service leave and retirement gratuities have been calculated on an actuarial basis. The calculations are based on the likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and the present value of estimated future cash flows. A discount rate of 6% and an inflation rate of 2% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

## **Leases**

### **FINANCE LEASES**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the Balance Sheet at the lower of the fair value of the leased item or the present value of the minimum lease payments.



The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### **OPERATING LEASES**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## **Property, Plant & Equipment**

Property, Plant and Equipment have been divided into 3 broad categories.

### **OPERATIONAL ASSETS**

Operational assets are tangible assets, able to be dealt with as part of the operating strategy and include land, buildings, furniture and fittings, computer hardware, plant and equipment, library books and motor vehicles.

### **INFRASTRUCTURAL ASSETS**

Infrastructural assets are the fixed utility systems providing an ongoing service to the community, but are not generally regarded as tradable. They include roads, water reticulation systems, refuse transfer stations, sewerage reticulation systems, stormwater systems, and land under roads.

### **RESTRICTED ASSETS**

Restricted assets cannot be disposed of because of legal and other restrictions but provide a benefit or service to the community. These are mainly assets associated with reserves vested under the Reserves Act, endowments and other property held in Trust for specific purposes.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

### **ADDITIONS**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### **DISPOSALS**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the income statement. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to retained earnings.

### **SUBSEQUENT COSTS**

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

### **DEPRECIATION**

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and land under roads at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

### **OPERATIONAL ASSETS**

Operational assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Buildings	40-100 years
Plant and Equipment	2-15 years
Motor Vehicles	5-15 years
Furniture and Fittings	2-5 years
Computers	2-5 years
Library books	3-7 years
Archive books	Not depreciated

### **INFRASTRUCTURAL ASSETS**

Infrastructural assets are depreciated on a straight line basis. The estimated useful lives are as follows:

#### **Roads**

Top surface	2-16 years
Base course	40-50 years
Sub base	60-100 years
Formation and running course	Not depreciated
Culverts – timber and other	40-80 years
Signs	15 years
Street Lights and poles	15-60 years
Bridges	70-100 years
Footpath surface and base	35-80 years

#### **Water Reticulation**

Pipes, hydrant, valves	60-100 years
Pump station, reservoirs	25-100 years

#### **Sewerage Reticulation**

Pipes and manholes	60-80 years
Pump station	15-100 years
Treatment plant	10-80 years

#### **Stormwater Systems**

Pipes, cesspits	60-100 years
Flood Control Systems	10-80 years

#### **Refuse Systems**

Retaining walls	70-90 years
Drainage	70-75 years
Signs	9 years
Kerb and channelling	60-75 years
Truck wash and weighbridge	28 years

The depreciation rates are applied at a component level and are dependent on the remaining useful life of each component.

#### **Restricted Assets**

Restricted assets are depreciated on a straight line basis as follows:

Buildings	40-100 years
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#### **Capital Work in Progress**

Capital work in progress is not depreciated.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

## **Revaluation**

Those assets that are revalued are valued on a five yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference, then off cycle asset classes are revalued.

### **Revaluation of Operational Assets**

Land and buildings are stated at fair value. Quotable Value New Zealand (independent Registered Valuers) valued the Council's land and buildings on 1 July 2006 and A Doyle and K Wrenn (independent Registered Valuers) valued Inframax Construction Ltd's land and buildings on 30 June 2006. Land has been valued as if vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage. Where the fair value of buildings can be determined by reference to the price in an active market for the same asset or a similar asset, the fair value of the asset is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value. Subsequent additions are at cost less accumulated depreciation. Library books were revalued at 1 July 2004 by North Langley and Associates (Registered Valuers). Subsequent additions are at cost less accumulated depreciation.

### **Revaluation of Infrastructural Assets**

Infrastructural assets are stated at fair value determined based on depreciated replacement cost by Maunsell Limited (independent Registered Valuers) as at 1 July 2006. Additions to the infrastructural buildings are valued at cost less accumulated depreciation. Infrastructural land was valued at fair value on 30 June 2006 by Quotable Value New Zealand (independent Registered Valuers). Land under roads was revalued at fair value by suitably qualified staff at 1 July 2001 with values verified by Doyles Valuation (independent Registered Valuers). Land under roads is not revalued.

### **Revaluation of Restricted Assets**

Restricted assets cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community. They are principally reserves vested under the Reserves Act. Quotable Value New Zealand (independent Registered Valuers) valued restricted assets on 1 July 2006 at fair value based on market based evidence.

### **Accounting for Revaluations**

The council accounts for revaluations of property, plant and equipment on a class of asset basis. Any revaluation surpluses and deficits are recognised in the Statement of Movements in Equity and credited to the Revaluation Reserve for that class of asset. Where a revaluation of a class of assets results in a revaluation deficit, and the amount of the deficit is greater than an existing revaluation reserve, the revaluation deficit is recognised in the Income statement. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Income Statement will be recognised first in the Income Statement up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

## **Intangible Assets**

### **SOFTWARE**

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The costs associated with maintaining computer software are recognised as an expense as incurred. The costs associated with the development and maintenance of the Council's website are recognised as an expense as incurred.

### **AMORTISATION**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Income Statement.

The useful lives and associated amortisation rates for software have been estimated as follows:

Computer software      2 to 5 years      20% to 50%

## Forestry Assets

Forestry Assets are independently valued at fair value less point of sale costs by North Langley and Associates (Registered Valuers) as at 30 June 2006. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

The costs to maintain the forestry assets are included in the Income Statement.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs. The change in fair value is recognised in the Income Statement.

## Non-current Assets Held For Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. This condition is regarded as met only when the sale is highly probable and the assets (or disposal group) is available for immediate sale in its present condition and the sale of the asset (or disposal group) is expected to be completed within one year from the date of classification. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Income Statement.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

## Investment Property

Investment properties consist of miscellaneous housing properties. Investment properties are held primarily for capital growth, rental or similar income. Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the Income Statement.

Investment properties were valued by Quotable Value New Zealand (Registered Valuers) on 30 June 2007.

## Overhead Allocation

All overhead costs have been allocated to output activities. The method of allocation is based on the consumption of overhead costs by output activities. Overhead costs include administration expenses, employee related costs and building and depot costs.

## Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its

recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Income Statement.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Income Statement.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in Income Statement, a reversal of the impairment loss is also recognised in the Income Statement.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the Income Statement.

## Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings
- Other reserves
- Asset revaluation reserves

## Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council. Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. Transfers to and from these reserves are at the discretion of the Council.

## Statement of Cash Flows

The Cash Flow Statement is prepared inclusive of GST. For the purpose of the Cash Flow Statement cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day-to-day cash management net of bank overdrafts.

Operating activities include cash received from all income sources of the Council and record the cash payments made for the supply of goods and services. Agency transactions (e.g. the collection of regional council rates) are recognised as receipts and payments in the Statement of Cash Flows given that they flow through the Council's main bank account.

*Investing activities are those activities relating to the acquisition and disposal of non-current investments.*

*Financing activities comprise activities that change the equity and debt capital structure of the Council.*

## Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

## Critical Accounting Estimates and Judgements

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### Infrastructural Assets

There are a number of assumptions and estimates used when performing discounted replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual depreciation charge recognised as an expense in the Income Statement. To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

### **PROPERTY, PLANT AND EQUIPMENT USEFUL LIVES AND RESIDUAL VALUES**

At each balance date the Council reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Council to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Council, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the Income Statement, and carrying amount of the asset in the Balance Sheet. The Council minimises the risk of this estimation uncertainty by:

- Physical inspection of assets.
- Asset replacement programs.
- Review of second hand market prices for similar assets.
- Analysis of prior asset sales.

The Council has not made significant changes to past assumptions concerning useful lives and residual values.

## Change in Accounting Policy

The method of charging overhead costs to significant activities has changed. The change in policy provides a more equitable and transparent method of allocation as it is based on a careful estimate of consumption of overhead costs by each output activity. Prior year's budget figures have been restated using the new overhead allocation model. The effect of this change impacts individual cost of service statements where some output activities will receive more overhead costs and some output activities will receive less. The change in policy does not impact on the balance sheet, income statement or cash flow statement.

## Statement of Service Performance

Service Performance Objective	Service Deliverable	Key Performance Indicator and Target
To manage the Council's financial position in sustainable manner	Maintain external loans at level that supports community development	Term debt per rateable property Target = <\$6,700
		Net term debt divided by total equity Target = 15%
	Maintain rates revenue at level that community can afford	Ratio of rates revenue to total revenue Target = < 55%
	Rates debt is managed efficiently	Ratio of rates debt to annual rates revenue Target = 10%
	Maintain financial liquidity of Council	Ratio of current assets to current liabilities Target = 1.5 to 1 ratio
To manage Council's borrowing in accordance with the Liability Management Policy	Maintain level of borrowing	Total interest expense to total revenue (excluding subsidies and CCO revenue) Target = <40%
		Total debt to ratepayers equity Target = <30%
	Minimise liquidity risk	Percentage of total debt refinanced in any financial year Target = <35%
		Access to committed lines Target = >\$3m
Minimise interest rate exposure	Percentage of debt with floating interest rate Target = <60%	

# SECTION FOUR: APPENDICES







## Appendix One: Amendments to LTP

### Revenue and Financing Policy

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## 1.0 **INTRODUCTION**

- 1.1 Under the Local Government Act 2002 (LGA 2002), all local authorities are required to adopt a Revenue and Financing Policy. Council adopted its previous Revenue and Financing Policy in 2003 and reviewed the policy as an amendment to the 2006-2016 Long Term Plan (2006-16 LTP) in conjunction with the 2008/09 Annual Plan.
- 1.2 Under the Local Government Amendment Act (No. 3) 1996, Council was required to follow a three-step process in determining how costs were shared and funding tools were selected. At the first step, costs were allocated on the basis of 'beneficiary pays' or 'exacerbator pays' principle. At the second step, cost allocation made at step 1 could be modified, if desired, to accommodate considerations such as fairness, equity, transitional impacts and Council policies. And in the final step, the appropriate funding tools were selected. While there is no fundamental change to the substance of these funding criteria, the process involved in the development of a Revenue and Financing Policy is different under the Local Government Act 2002. Now, Council is also required to identify community outcomes and consider the current and future economic, social, environmental and cultural wellbeing of the community in addition to economic principles relating to cost sharing.
- 1.3 This document 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.

## 1.4 **POLICY INTENT**

- 1.5 The purpose of this Policy is to clearly and transparently demonstrate how and why each significant activity of Council is funded. The policy takes into account the Community Outcomes that Council is committed to, as outlined in the 2006-16 LTP.

## 2.0 **LEGAL REQUIREMENTS**

### 2.1 **LOCAL GOVERNMENT ACT 2002**

- 2.2 Section 102(4) (a) of the Local Government Act 2002 requires Council to adopt a Revenue and Financing Policy. Section 103 states the requirements of the policy:

### 2.3 **Section 103 Revenue and Financing Policy states:**

- (1) *A policy adopted under section 102(4)(a) 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;*
  - (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(4)(a) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with section 101(3).*

#### **2.4 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.*
  - (ii) *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.*
  - (iii) *the period in or over which those benefits are expected to occur.*
  - (iv) *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.*
  - (v) *the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.*
- (b) *the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.*

#### **2.5 Section 14 Principles relating to local authorities**

2.6 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.
- Collaborative with other local authorities.
- Inclusive of Maori.
- Based on sound business practices in the case of commercial transactions.
- Demonstrative of prudent stewardship of resources.
- Based on a sustainable approach reflecting the social, economic, environmental and cultural well-being of future generations.

#### **2.7 OTHER LEGAL REQUIREMENTS**

2.8 While the Revenue and Financing Policy is governed by the Local Government Act 2002, there are other legislations that are relevant for determining appropriate funding mechanisms such as:

#### **2.9 Local Government (Rating) Act 2002**

2.10 This Act replaced the Rating Powers Act 1988 and provides simplified procedures for changing the rates system and greater flexibility in setting targeted rates. This Act 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 UAC for water or wastewater) may not exceed 30% of total rates revenue.

#### **2.11 Building Act, Sale of Liquor, etc**

2.12 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".

## **2.13 Resource Management Act 1991**

- 2.14 This Act 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 Local Government Act 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**

- 3.2 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.

- 3.3 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

- 3.4 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.

- 3.5 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 Act.

- 3.6 The Funding Impact Statement produced each year (as required by 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.

### **3.7 FUNDING OF CAPITAL EXPENDITURE**

- 3.8 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.

- 3.9 The following sources are available for Council to fund capital expenditure:

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

## **4.0 POLICY DEVELOPMENT PROCESS**

- 4.1 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:

### **4.2 COMMUNITY OUTCOMES**

- 4.3 Community outcomes are the priorities identified by the community by following the consultation process prescribed in the Local Government Act 2002. Section 101(3)(a)(i) requires that in

determining the funding sources, Council identify the Community Outcome to which each activity primarily contributes.

- 4.4 This Revenue and Financing Policy lists for each significant activity, the outcomes to which it primarily contributes, and states why each activity is undertaken.

#### **4.5 DISTRIBUTION OF BENEFITS**

- 4.6 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.

- 4.7 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.

#### **4.8 PERIOD OF BENEFITS (INTERGENERATIONAL EQUITY)**

- 4.9 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.

- 4.10 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.

#### **4.11 EXACERBATOR PAYS**

- 4.12 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.

- 4.13 The principle suggests that Council should recover any costs directly from those causing the problem, or if that is not efficient, then from other appropriate sources.

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

#### **4.15 COSTS AND BENEFITS OF DISTINCT FUNDING**

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

- 4.17 Transparency and accountability are most evident when an activity is totally distinctly funded. This allows ratepayers, 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.

#### **4.18 Overall Impact of the Funding Mechanisms Selected**

4.19 The final step in Council's process of developing the Revenue and Financing policy has been to consolidate the results of the individual activity analysis and consider these results in terms of Section 101(3)(b), whereby the overall impact on the community needs to be assessed. The impact was assessed on the current and future social, economic, environmental and cultural well-being of the community, and any adjustments required to the funding allocations have been made in the Activity Analysis sections.

#### **4.20 Use of Funding Mechanisms**

4.21 The funding sources available to a local authority are set out under the Local Government Act 2002 and the Local Government (Rating) Act 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 and has been used to part fund the activities of Leadership, Community Development, Community Facilities, Regulation and Safety, Resource Management, Investment and Solid Waste Management. It is set according to the Revenue and Financing Policy for these services.

The General Rate is a rate in the dollar on capital value applied to all 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
- Council favours use of the UAGC but is constricted by the 30% cap (Section 21).

##### **(b) Uniform Annual General Charge (UAGC)**

The UAGC, levied on each separately used or inhabited part of a rating unit, is set under Section 15 of the LGRA and has been used to part-fund the activities of Leadership, Community Development, Community Facilities, Regulation and Safety, Resource Management, Land Transport and Solid Waste Management. It is set according to the Revenue and Financing Policy for these services.

UAGC is levied on each separately used or inhabited part 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 use pay a fair share
- Provide a consistent treatment between all uniform charges

##### **Basis of UAGC Set**

UAGC levied on each separately used or inhabited part of a rating unit be applied according to the following principles:

- (a) Where more than one property is owned by the same Ratepayer and are utilised as a single property, then only one UAGC in total will be assessed. Similarly, where an adjoining leased area is utilised as part of the parent property, then only one UAGC in total will be assessed.
- (b) Where a rating unit contains both a commercial operation and residential accommodation, two separately used parts of a rating unit are identified and will attract two sets of UAGC.
- (c) A farming unit with one dwelling will be treated as one rating unit, with each additional dwelling counting as an additional used part of the rating unit. Each additional dwelling will attract a UAGC.
- (d) Where a single rating unit contains a number of shops or offices, each separately used or inhabited office or shop will be counted as one unit. Each office or shop will attract a UAGC.

- (e) Where a single rating unit contains a number of separately used or inhabited residential parts (block of flats), each separate unit will be counted as one rating unit. Each unit or flat will attract a UAGC.
- (f) A motel/hotel complex will not be treated on the basis of the number of rooms, but on the basis of a motel/hotel being a commercial operation. The motel/hotel complex will attract one set of UAGC. However should a residential occupancy be contained within the complex that would constitute an additional use and be charged a UAGC.
- (g) Dwellings that are not fully self-contained will not attract UAGC. For a dwelling to be self contained it must be connected to water and sewerage services, have a means of cooking and have sleeping arrangements.
- (h) Uninhabitable dwellings will not attract UAGC. For a dwelling to be uninhabitable it must have deteriorated to a condition not habitable by people and consume no water, power, sewerage, refuse collection.

UAGC is used according to the Revenue and Financing Policy, when:

- Council considers that all District ratepayers benefit to an equal extent from all or some portion of one of Council's services. The percentage of benefit is determined by Council's Revenue and Financing Policy; and
- Council considers that applying a user charge for that portion of a service would not be practicable; and
- Valuation based rating does not provide a better proxy for equitable rating.

**(c) Targeted Rates**

A Targeted Rate is set under Sections 16 or 19 of the LGRA and has been used to part fund the activities of Sewerage, Water, Stormwater, Solid Waste Management and Land Transport. 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 allows for Targeted Rates to be levied on lands 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 uniform annual charge or differentially for different types of property uses.

**(d) Targeted Services TUAC**

A Targeted Services TUAC is set under Sections 16, 18 or 19 of the LGRA and has been used to part fund the activities of Swimming Pool and Unsubsidised Rooding. This Targeted Services TUAC is set according to the Revenue and Financing Policy for these services.

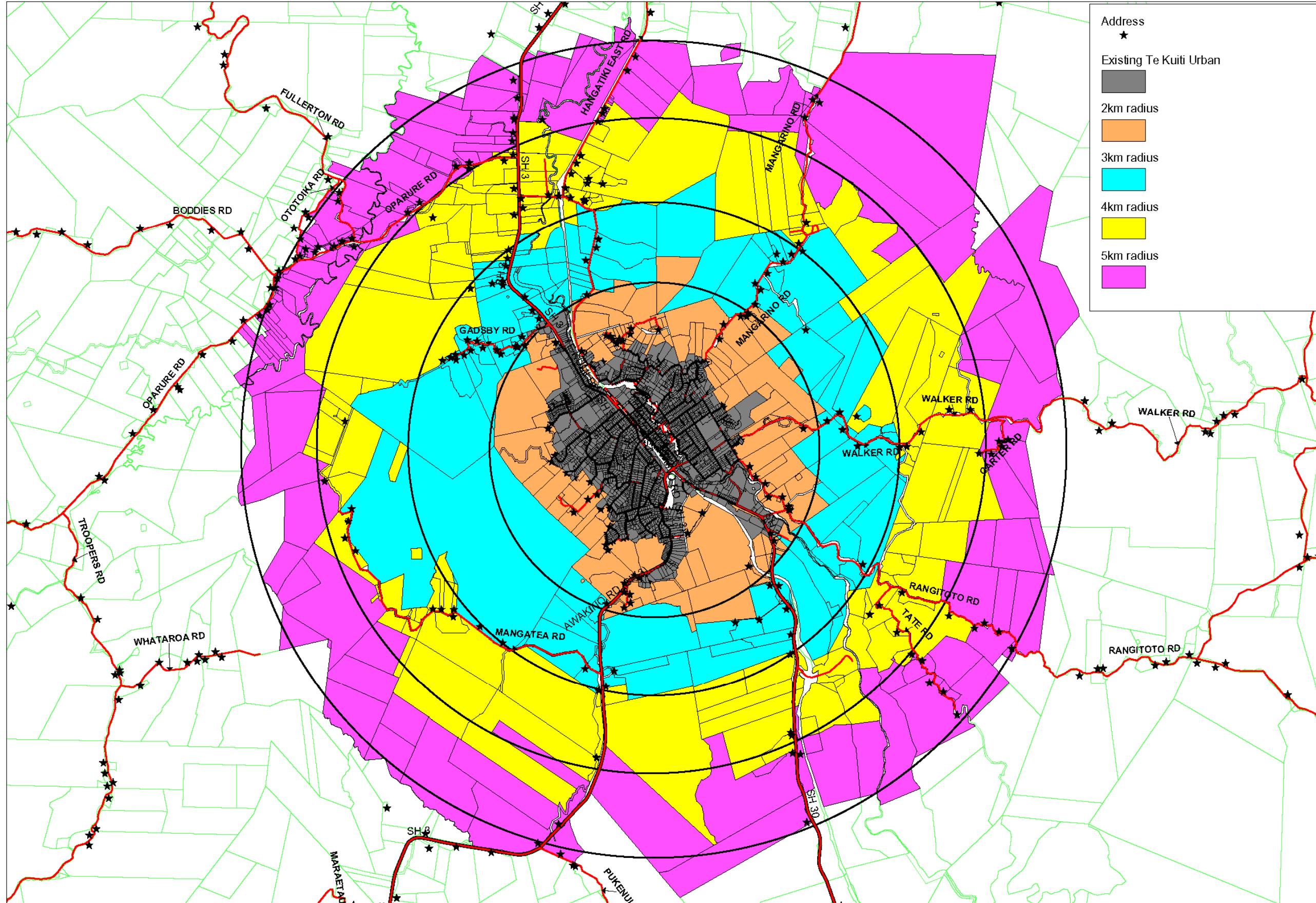
The Targeted Services TUAC will be levied as a Targeted Uniform Annual Charge differentiated by rating areas, being the Te Kuiti Urban and Periphery Rating Area and the Rural Rating Area (rest of the District).

The boundary of Te Kuiti Urban and Periphery Rating Area for the purpose of levying the Targeted Services TUAC, will be a 5km radius, all around, from the Information Centre (deemed to be the centre of town). Council considers this boundary of Te Kuiti Rating Area (for the purpose of levying the Targeted Services TUAC) to be fair in consideration that the benefit derived from the services funded by this TUAC are accrued equally by those living within the 5km radius.

A map depicting the Te Kuiti Urban and Periphery Rating Area is included on page 94.



APPENDIX ONE: 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.

**(f) Interest & Dividends**

Council receives limited interest from cash investments. Any interest received is used to offset the rate required in the year received. Council has investments in Inframax Construction Ltd and NZ Local Government Insurance Company. Any dividends received are used to offset the rate required in the year received.

**(g) Borrowing**

Borrowing is managed by the provisions of Council's Policy on Liability Management. Council's use of funding mechanisms to fund capital development is as follows: Council will first apply depreciation funding available and other revenue, e.g. subsidy, then loan funding, and lastly rate funding.

**(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 (Policy on Liability Management).

**(i) Development Contributions**

Council's Policy on Development Contributions developed as part of the 2006-2016 LTP determines that Council will not charge development contributions.

This Policy is to be reviewed as part of the development of the 2009-19 LTP.

**(j) Grants and Subsidies**

Council receives a subsidy from Land Transport New Zealand to part-fund operations, renewal, and capital development in Land Transport. The percentage of this subsidy differs for different types of works.

Council receives a limited subsidy from Department of Internal Affairs to part-fund the operations in Emergency Management.

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

**5.0 ANALYSIS OF ACTIVITIES AND FUNDING CONCLUSIONS**

Council's Activities are aligned under three groups of activities. Council aligns its activities in a manner that describes how Council is promoting community well being.

<b>COUNCIL - COMMUNITY WELLBEING</b>		
<b>Community (Social) and Cultural Sustainability</b>	<b>Environmental Sustainability</b>	<b>Economic Sustainability</b>
Leadership	Solid Waste Management	Water Supply
Community Facilities	Stormwater	Land Transport
Community Development	Resource Management	Investments
Regulation and Safety	Sewerage	

## Summary of Funding Sources (New Revenue and Financing Policy)

The table below summarises by activity the assessment of benefits and the funding sources selected.

Activity	Assessed Benefit (%)			Funding Sources								
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
<b>COMMUNITY AND CULTURAL SUSTAINABILITY</b>												
<b>Leadership</b>												
Mayors Office		100%				50%	50%					
Council and Committees		100%				50%	50%					
Long Term and Annual Planning	20%	80%				50%	50%					
Community Consultation / Communication		100%				50%	50%					
District and Urban Development Planning	20%	80%				50%	50%					
Policy Development/ Advocacy		100%				50%	50%					
Monitoring of Community Outcomes	20%	80%				50%	50%					
Annual Report		100%				50%	50%					
<b>Community Development</b>												
Community Support Strategy Development		100%				50%	50%					
Community Grants	10%	80%		10%		45%	45%				10%	
Economic Development Strategy Development	10%	90%				45%	45%				10%	
Sister City		100%					100%					
Visitor Information Centres	10%	30%		60%		50%	50%					

Activity	Assessed Benefit (%)					Funding Sources						
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
Strategy Development – Regional Tourism	10%	90%				45%	45%				10%	
Event Co-ordination		100%				50%	50%					
Automobile Association	5%	15%		80%		10%	10%			80%		
<b>Regulation and Safety</b>												
Environmental Health		60%		30%	10%	30%	30%			40%		
Animal Control		90%			10%		95%			5%		
Dog Control		30%		50%	20%	15%	15%			70%		
Building Control Services		35%		60%	5%	35%				65%		
Liquor Licensing		35%		35%	30%		65%			35%		
Emergency Management	10%	90%					90%				10%	
Rural Fires		40%		50%	10%	100%						
<b>Community Facilities</b>												
Active Reserves		90%		10%		45%	45%			10%		
Passive Reserves		100%				50%	50%					
Esplanade Reserves		100%				50%	50%					
Leased Reserves		20%		80%		10%	10%			80%		
Playgrounds		40%		60%		50%	50%					
Elder Persons Housing		5%		95%		2.5%	2.5%			95%		
Community Halls		100%				50%	50%					
Other Land and Buildings		30%		70%		15%	15%			70%		
District Libraries		20%		80%		45%	45%			10%		

Activity	Assessed Benefit (%)					Funding Sources						
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
Swimming Pool		20%	60%	20%		5%	5%	58.6% (Urban) 25.1% (Rural)		6.3%		
Arts, Culture and Heritage	20%	60%		20%		45%	45%			10%		
Aerodrome		20%		80%		20%				80%		
Public Toilets		60%		40%		50%	50%					
Cemeteries		10%	30%	60%		60%				40%		
Street Furniture		95%			5%	50%	50%					
Public Carparks		100%				50%	50%					
<b>ENVIRONMENTAL SUSTAINABILITY</b>												
<b>Solid Waste Management</b>												
Kerbside Collection		10%	90%				10%	90%				
Kerbside Recycling		10%	90%				10%	90%				
Landfill and Transfer Stations Management		10%	70%	20%					95%	5%		
Waste Minimisation	10%	90%				50%	50%					
<b>Stormwater</b>												
Stormwater Reticulation and Disposal			90%	10%				72% Urban 18% (Rural)		10%		
<b>Resource Management</b>												
District Plan Administration		100%				50%	50%					
Consent Monitoring		15%		75%	10%	7.5%	7.5%			85%		

Activity	Assessed Benefit (%)					Funding Sources						
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
<b>Sewerage</b>												
Sewerage Reticulation, Treatment and Disposal			85%	15%				85%		15%		
<b>ECONOMIC SUSTAINABILITY</b>												
<b>Water Supply</b>												
Water Extraction, Treatment and Reticulation			100%					100%				
<b>Land Transport</b>												
Subsidised Roading	58%	42%					2.1%		39.9%		58%	
Unsubsidised Roading		100%						90% (urban) 10% (Rural)				
<b>Investments</b>												
Local Authority Shared Services		100%				100%						
Inframax Construction Limited		100%										100%
Council Owned Quarries		100%										100%
Forestry located at Rangitoto Landfill		100%				100%						

## **COMMUNITY AND CULTURAL SUSTAINABILITY**

The Community and Cultural Sustainability group of activities 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 significant activities contained within this group are:

- 5.1 Leadership
- 5.2 Community Development
- 5.3 Community Facilities and
- 5.4 Regulation and Safety

### **5.1 LEADERSHIP**

#### **5.1a DESCRIPTION**

The Leadership Significant 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.

#### **5.1b FUNCTIONS**

There are eight functions under this significant activity –

Mayor's Office	District and Urban Development Planning
Council and Committees	Policy Development/Advocacy
Long Term and Annual Planning	Monitoring of Community Outcomes
Community Consultation/Communication	Annual Report

#### **5.1c COMMUNITY OUTCOMES**

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

**Table Key:**

(1)	Connecting with the World
(2)	Natural Resources and a Sustainable Environment
(3)	The Economy
(4)	The Needs of Living

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(1)	CO1.1 Image	1.1.1: To create a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem
	CO1.3 Cultural Heritage and Social Harmony	1.3.1: To ensure the District is enriched by the values of all its people and in particular its Maori heritage, culture, beliefs and way of life are an inherent and valued part of community life.
(2)	CO2.1 Preserving the Environment	2.1.1: To ensure the environment is preserved for future generations and to ensure that natural resources are used in a sustainable manner.
(3)	CO3.5. Urban Development	3.5.1: To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(4)	CO4.6 Government Services	4.6.1: To ensure the community has appropriate and timely access to services provided by Central Government.

**5.1d PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)**

Leadership is considered an annually funded activity.

**5.1e COSTS AND BENEFITS OF DISTINCT FUNDING**

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.

**5.1f BENEFITS ALLOCATION AND FUNDING MECHANISM**

Council's Revenue and Financing Policy has been developed at the functions level. The revenue and financing of separate functions of the Leadership activity follow.

**5.1g OVERALL IMPACT OF FUNDING MECHANISMS**

Following the consideration of the matters referred to in Section 101(3)(a) a picture emerges of where the benefits of engaging in the activity accrue. Once this is done and indicative costs allocation compiled, Council considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community and made any adjustments as assessed by them.

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.

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 'ability to pay' issues of the community. It can also be argued that higher valued properties gain more economic benefit from growth and development of the District as a whole.

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

The results of the individual activity analysis and any adjustments proposed to funding allocations are presented on the following pages.

**ACTIVITY ANALYSIS AND FUNDING MECHANISMS**

**5.1.1 Mayor's Office**

This function involves the provision of leadership and governance of the District

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



### 5.1.1a Distribution of Benefits

District Benefit: The benefit of the Mayor's Office is considered to be District wide in nature. The Mayor is elected for the benefit of the District at large and has a governance and leadership role for the entire District representing the wider community.

### 5.1.1b Funding Mechanism

District Allocation: Given the District wide benefit associated with the Mayor's Office, Council resolved a combination of General Rate and UAGC to be the most efficient and effective funding mechanism for this allocation.

### 5.1.2 Council and Committees

This function is carried out as a subset of the Council's governance and leadership responsibilities. In the interests of business efficiency, and to provide separation between the Council's regulatory and non-regulatory roles, the Council may choose to establish committees. Representation on, and delegations to, committees is decided by the Council, usually after each triennial election. The Waitomo District Council has established two committees for the current triennium, being the Hearings Committee and the Inframax Construction Ltd Relationship Committee.

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

### 5.1.2a Distribution of Benefits

District Benefit: The benefit of the Council and its Committees is considered to be District wide in nature. Whilst individual Councillors are elected for their areas the Council has a governance and leadership role for the entire District representing the wider community. Further, every resident and ratepayer within the Waitomo District has access to and can engage in Council's decision making processes.

### 5.1.2b Funding Mechanism

District Allocation: Given the District wide benefit associated with the Council and Committees, Council resolved a combination of General Rate and UAGC would be the most efficient, effective and transparent method for funding this allocation.

### 5.1.3 Long Term and Annual Planning

This function involves carrying out long term and annual planning for the District and producing plans which reflect the outcomes desired by the community. It also involves outlining of Council's role and level of involvement in achieving the Community Outcomes.

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

### 5.1.3a Distribution of Benefits

District Benefit: Long Term and Annual Planning benefits the wider District as a whole. The Long Term Plan (LTP) and the Annual Plan are developed on a District Wide basis considering the needs of the entire community. Further, every resident and ratepayer within the Waitomo District has access to and can engage in Council's Long Term and Annual Planning processes.

Regional Benefit: There is an element of Regional Benefit to Council's Long Term and Annual Planning function in that Regional outcomes and priorities can be advanced at a local level.

### 5.1.3b Funding Mechanism

District Allocation: Given the District wide benefit associated with Long Term and Annual 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: There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

### 5.1.4 Community Consultation/Communication

Communicating and consulting with the community on projects, issues and various planning documents, as well as surveys to gauge community satisfaction with services provided.

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

### 5.1.4a Distribution of Benefits

District Benefit: Community Consultation and Communication benefits the wider District as a whole. Consultation involves the community in Council's decision making process. Communication assists in keeping the Community informed in regard to what Council is doing. Every resident and ratepayer within the Waitomo District has the opportunity to be involved in Council's decision making process.

### 5.1.4b Funding Mechanism

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

### 5.1.5 District and Urban Development Planning

Planning and strategy development around urban and district development with a view to promoting the principles of sustainable development.

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

### 5.1.5a 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.

### 5.1.5b 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: There is no lawful funding mechanism available to Council to recover from this group of beneficiaries, and therefore Council resolved to reallocate this allocation to District Allocation.

### 5.1.6 Policy Development/Advocacy

This function provides for the development of policy to promote community outcomes at a local level, and to influence policy at a regional or national level.

Attributable Benefit		Proposed Funding	
Benefit Group	% Of Benefit	%	Method
District Benefit	100%	50%	General rate
		50%	UAGC

#### 5.1.6a Distribution of Benefits

District Benefit: Policy Development/Advocacy benefits the wider District as a whole. Policy Development and Advocacy seeks to uphold and protect outcomes that are important to the entire District. Policies such as the Revenue and Financing Policy, Significance Policy, etc are developed on a District wide basis. Council acts as an advocate for the community on issues of interest as they impact on the Waitomo District, e.g. Central Government strategy and policy.

#### 5.1.6b Funding Mechanism

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

### 5.1.7 Monitoring of Community Outcomes

The purpose of this function is to monitor and report on the progress made by the District in achieving its community outcomes. Section 92 of the LGA 2002 requires local authorities to carry out this monitoring activity.

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

#### 5.1.7a Distribution of Benefits

District Benefit: The monitoring of community outcomes benefits the wider District as a whole. Monitoring of community outcomes is a requirement of the Local Government Act 2002 (LGA). Monitoring of community outcomes enables community stakeholders to gauge the effectiveness of their strategic planning. The monitoring provides a feedback loop for organisations (including Council) to adjust the strategies established through Long Term and Annual Plans to reflect the changing needs of the community. This monitoring process is strongly linked to the Long Term and Annual Planning function of Council and has the same beneficiary groups.

Regional Benefit: There is an element of Regional Benefit to monitoring of community outcomes as the information gathered can be shared regionally. Other stakeholders such as the Regional Council will find the data informative for their own planning and monitoring processes.

#### 5.1.7b Funding Mechanism

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

Regional Allocation: There is no lawful funding mechanism available to Council to recover from this group of beneficiaries, and therefore Council resolved to reallocate this allocation to District Allocation.

### 5.1.8 Annual Report

This function involves the preparation of Council's Annual Report comprising public information on achievement against the financial and key performance targets of the previous year. This function is carried out to promote Council's accountability to the community for the decisions that have been made throughout the year.

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

### 5.1.8a Distribution of Benefits

District Benefit: The Annual Report benefits the wider District as a whole. The Annual Report is Council's mechanism for reporting progress to the community. The Annual Report outlines Council's performance in giving effect to the Long Term and Annual Plan. It is the community's key accountability tool. The Annual Report is available for the entire community to enable them to monitor Council's performance and progress against the Long Term and Annual Plan. This accountability tool is strongly linked to the Long Term and Annual Planning function of Council and has similar beneficiary groups.

### 5.1.8b Funding Mechanism

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

## 5.2 COMMUNITY DEVELOPMENT

### 5.2a DESCRIPTION

The Community Development Activity works to ensure that individuals living in the Waitomo District have access to a range of services and facilities to increase their quality of life and promote community wellbeing.

### 5.2b FUNCTIONS

There are 8 functions under this significant activity:

Community Support Strategy Development	Visitor Information Centers
Community Grants	Regional Tourism Strategy Development
Economic Development Strategy Development	Event Co-ordination
Sister City	Automobile Association

### 5.2c COMMUNITY OUTCOMES

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

#### Table Key:

(1)	Connecting with the World
(2)	Natural Resources and a Sustainable Environment
(3)	The Economy
(4)	The Needs of Living

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(1)	CO1.1 Image	1.1.1: To create a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.
	CO1.3 Cultural Heritage and Social Harmony	1.3.1: To ensure the District is enriched by the values of all its people and in particular its Maori heritage, culture, beliefs and way of life are an inherent and valued part of community life.
	CO1.4 Visitors and Tourism	1.4.1: To maximise the image and attraction value of tourism in bringing new business and new residents to Waitomo.
(2)	CO2.1 Preserving the Environment	2.1.1: To ensure the environment is preserved for future generations and to ensure that natural resources are used in a sustainable manner.

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(3)	CO3.3 Retail	3.3.1: To be seen as a destination for shopping offering choice and convenience.
	CO3.4 Employment	3.4.1: To create a wide range and number of employment opportunities in the region.
(4)	CO4.1 Housing and Accommodation	4.1.1: To provide a choice of housing and visitor accommodation to meet the needs of all those people who wish to reside in or visit the District, in a way that contributes to the District's appeal and image.
	CO4.2 Health	4.2.1: To pursue personal, social and cultural well-being supported by locally available health services.
	CO4.3 Education	4.3.1: To be a community where the level of education of all residents is high enough to take advantage of opportunities that improve the quality of life for the community.
	CO4.6 Government Services	4.6.1: To ensure the community has appropriate and timely access to services provided by Central Government.

#### 5.2d PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

The Agency Service and Community Initiatives function is considered to be an annually funded activity, therefore there are not considered to be any intergenerational equality issues.

#### 5.2e COSTS AND BENEFITS OF DISTINCT FUNDING

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.

#### 5.2f BENEFITS ALLOCATION AND FUNDING MECHANISM

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Community Development significant activity follow.

#### 5.2g OVERALL IMPACT OF FUNDING MECHANISMS

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

#### 5.2.1 Community Support Strategy Development

This function involves the development and facilitation of a strategy for community support with the purpose of developing the community and contributing to its four well beings. Monitoring and advocacy of the community's health related issues, funding of "Get Active" recreation programmes for youth and other residents, liaison with NZ Police on community safety issues and projects, are all part of Council's involvement in this activity.

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

### 5.2.1a Distribution of Benefits

District Benefit: Community Support Strategy Development is considered to have a District wide benefit as the goals and objectives in such a strategy are designed to give effect to the development of the District as a whole.

### 5.2.1b Funding

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

### 5.2.2 Community Grants

Grant funding to assist community groups and organisations

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	10%	Grants
District Benefit	80%	45%	General Rate
User Benefit	10%	45%	UAGC

### 5.2.2a Distribution of Benefits

National Benefit: There is an element of national benefit in the development of communities as local communities are a subset of the larger national community and development of a part contributes to the overall development of the whole. Furthermore, many community initiatives at the local level assist in contributing to Central Government policy objectives.

District Benefit: Community initiatives are considered to have a District wide benefit as the provision of grants to organisations assists with the provision of a range of social services that contribute to the social and cultural well being of the whole District.

User Benefit: For the purpose of Community Initiatives (Grants and Schemes) users are those organisations that receive the grant.

### 5.2.2b Funding

National Allocation: Council resolved that this allocation be funded through Central Government Grants.

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

Fees and Charges: Council resolved that this portion of the allocation be reallocated to District Allocation because although the user benefit of this service is high, the users (i.e. the community organisations) exist for the purpose of servicing the community and not for any private good and hence it would not be fair or equitable to levy fees and charges.

### 5.2.3 Economic Development Strategy Development

This function involves administering grants funding to assist community groups and organisations that provide services benefitting local residents.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	10%	Grants
District Benefit	90%	45%	General Rate
		45%	UAGC

### 5.2.3a Distribution of Benefits

National Benefit: Undoubtedly economic development of the District will have the flow on effect of developing the regional and national economy as districts do not exist as islands and economic activities are interlinked between district, region and country, e.g. more jobs in the Waitomo District means more people living, working and playing in the region.

District Benefit: This service is assessed to have a high district benefit. Economic strategy is intended to be developed such that it benefits the wider District as a whole. The goals and objectives set out in the strategy seek to advance the outcomes that are important to the entire District.

### 5.2.3b Funding

National Allocation: Council resolved that funding this allocation through Central Government Grants would be the most effective and transparent funding method. (There are no Grants currently availed of but an effort can be made to identify and obtain).

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

### 5.2.4 Sister City

Promotion and support of Council's Sister City relationship with Tatsuno with the aim of contributing to the cultural and economic well being of the District.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	UAGC

### 5.2.4a Distribution of Benefits

District Benefit: The benefits derived from maintaining and advancing the relationship with our sister city will serve the District as a whole and cannot be isolated to any particular individual or group or part of the District. The Sister City relationship contributes to the social, cultural and economic well being of the entire District community.

### 5.2.4b Funding

District Allocation: Council resolved that funding this allocation through UAGC would be the most efficient, effective and transparent funding method, ensuring that every ratepayer pays an equal amount towards this allocation.

### 5.2.5 Visitor Information Centres

Provision of an Information Centre in Te Kuiti which is intended to act as a central repository of tourism related information of the District. Tourism is facilitated through the provision of this service.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National/Regional Benefit	10%	50%	General Rate
District Benefit	30%		
User Benefit	60%	50%	UAGC

### 5.2.5a Distribution of Benefits

National Benefit: Having well resourced information centres is considered to have a degree of national/regional benefit attributable to visitors from outside the District who benefit from the services.

District Benefit: There is an element of District wide benefit that results from the provision of information to visitors to the District that encourages them to visit attractions, stay longer in the District and as a result spend money which contributes to economic activity.

User Benefit: This service provides a high degree of benefit to the user, who can be local, regional, national or international.

### 5.2.5b Funding

National/Regional Allocation: No lawful funding method is available for this allocation. Council resolved this allocation be reallocated to District Allocation.

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most efficient, effective and transparently lawful available method for funding this allocation.

Fees and Charges: The user benefit is reflected in the Fees and Charges Revenue collected by the service provider.

### 5.2.6 Strategy Development – Regional Tourism

This activity involves the development of a strategy to promote 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.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National/Regional Benefit	10%	10%	Grants
District Benefit	90%	45%	General Rate
		45%	UAGC

#### 5.2.6a Distribution of Benefits

National/Regional Benefit: There is an element of national benefit and obviously a regional benefit in the development of a regional tourism strategy in that national and regional outcomes and priorities can be advanced at a local level. Also, many initiatives at the local level assist in contributing to Central Government policy objectives.

District Benefit: Regional Tourism Strategy Development is considered to have a District wide benefit as the goals and objectives in such a strategy are designed to give effect to the development of the District as a whole. The strategy will seek to advance the outcomes that are important to the entire District and not be isolated to any particular individual or group. Further, it will be in the best interest of the entire District that synergies are developed within the region and maybe some economies of scale are achieved. There are numerous examples to prove that tourism can contribute immensely to the economy in terms of increased employment, revenue generation and the like and that benefit will accrue to the overall District community.

#### 5.2.6b Funding

National/Regional Allocation: Council resolved that this allocation be funded through Grants (there are none currently availed of but an effort can be made to identify and obtain some).

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

### 5.2.7 Event Coordination

Coordination of major events in the District including the Great NZ Muster, Christmas Parade and the Gardening Competition.

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

#### 5.2.7a Distribution of Benefits

District Benefit: It is assessed that events provide District wide benefit and are held for the social, and cultural well being of the entire District and not for any private benefit.



### 5.2.7b Funding

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

### 5.2.8 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		Proposed Funding	
Benefit Group	% of Benefit	%	Method
Regional Benefit	5%		No funding mechanism
District Benefit	15%	10%	General Rate
		10%	UAGC
User Benefit	80%	80%	Fees and Charges

### 5.2.8a 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.

### 5.2.8b Funding

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

District Allocation: A combination of General Rate and 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.

## 5.3 REGULATION AND SAFETY

### 5.3a DESCRIPTION

The Regulation and Safety 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.

### 5.3b FUNCTIONS

The functions under this activity are -

Environmental Health	Animal Control
Dog Control	Building Control
Liquor Licensing	Emergency Management
Rural Fire	

### 5.3c COMMUNITY OUTCOMES

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

**Table Key:**

(1)	Connecting with the World
(2)	Natural Resources and a Sustainable Environment
(3)	The Economy
(4)	The Needs of Living

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(1)	CO1.1 Image	1.1.1: To create a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.
(2)	CO2.1 Preserving the Environment	2.1.1: To ensure the environment is preserved for future generations and to ensure that natural resources are used in a sustainable manner.
	CO2.3 Coastline, Parks and Reserves	2.3.1: To preserve the natural character of the District's coastline and reserves. Ensuring public access to the coastline and reserves.
(3)	CO3.3 Retail	3.3.1: To be seen as a destination for shopping offering choice and convenience.
	CO3.5. Urban Development	3.5.1: To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
(4)	CO4.1 Housing and Accommodation	4.1.1: To provide a choice of housing and visitor accommodation to meet the needs of all those people who wish to reside in or visit the District, in a way that contributes to the District appeal and image.
	CO4.2 Health	4.2.1: To pursue personal, social and cultural well-being supported by locally available health services.
	CO4.6 Government Services	4.6.1: To ensure the community has appropriate and timely access to services provided by Central Government.

**5.3d PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)**

Regulation and Safety is considered an annually funded activity.

**5.3e COSTS AND BENEFITS OF DISTINCT FUNDING**

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.

**5.3f BENEFITS ALLOCATIONS AND FUNDING MECHANISMS**

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Regulation and Safety significant activity follow.

**5.3g OVERALL IMPACT OF FUNDING MECHANISMS**

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

## ACTIVITY ANALYSIS AND FUNDING MECHANISMS

### 5.3.1 Environmental Health

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

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	60%	30%	General Rate
		30%	UAGC
User/Applicant Benefit	30%	40%	Fees and Charges
Exacerbator	10%		

#### 5.3.1a Distribution of Benefits

District Benefit: Environmental Health delivers District benefits by ensuring minimum health standards, such as premises are licensed 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 licenses and regulations and prosecution of offenders.

#### 5.3.1b Funding

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

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: Council resolved that Fees and Charges is the most efficient, effective and transparently lawful available method for funding this allocation.

### 5.3.2 Animal Control

Provision of an animal control service for the District.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	90%	95%	UAGC
Exacerbator	10%	5%	Fees and Charges

#### 5.3.2a 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.

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.

#### 5.3.2b Funding

District Allocation: Council resolved that the most efficient and effective method for funding this allocation would be UAGC.

Exacerbator Allocation: Council resolved that education and monitoring would be the most effective methods to promote good animal management and control. Moreover, it is usually inefficient to prosecute offenders and therefore, 5% of the exacerbator allocation should be reallocated to District Allocation.

### 5.3.3 Dog Control

Provision of a dog control service for the District and the carrying out of specific statutory responsibilities set out by Central Government.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	30%	15%	UAGC
		15%	General Rate
User/Applicant Benefit	50%	70%	Fees and Charges
Exacerbator	20%		

#### 5.3.3a Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education, visits to schools and public safety.

User/Applicant Benefit: Individuals applying for and maintaining dog registration and receiving education 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, impounding of dogs and stock and prosecution of offenders.

#### 5.3.3b Funding

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

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 would be the most efficient, effective and transparently lawful method available for funding this allocation.

### 5.3.4 Building Control Services

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

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	35%	65%	Fees and Charges
User/Applicant Benefit	60%		
Exacerbator	5%		

#### 5.3.4a 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.

### 5.3.4b 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.

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

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

### 5.3.5 Liquor Licensing

The provision of a liquor licensing agency. It also involves ensuring bylaws are enforced and complied with for public safety and wellbeing.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	35%	65%	UAGC
User/Applicant Benefit	35%	35%	Fees and Charges
Exacerbator	30%		

### 5.3.5a Distribution of Benefits

District Benefit: This activity is assessed at having a medium level of District benefit which occurs from ensuring Liquor Licenses are complied with, sellers of liquor 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.

### 5.3.5b Funding

District Allocation: Council considered that this activity ensures the safety and well being of all residents equally and resolved that UAGC would be the fairest funding method, ensuring that every ratepayer pays an equal amount towards this allocation.

Applicant Allocation: Council resolved user Fees and Charges to be the most equitable method for funding this portion of the benefit allocation.

Offender Allocation: 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 health and safety in the District. It was resolved to reallocate this portion to District Allocation.

### 5.3.6 Emergency Management

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

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National and Regional Benefit	10%	10%	Government Subsidy
District Benefit	90%	90%	UAGC

### 5.3.6a 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.

### 5.3.6b Funding

National Allocation: Council resolved 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.

District Allocation: Council resolved that given the wide public benefit associated with this activity and the fact that the benefits fall more or less equally among all district residents, UAGC would be the most equitable method of funding this allocation.

### 5.3.7 Rural Fires

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

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

### 5.3.7a 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.

### 5.3.7b 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, but 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.

## 5.4 **COMMUNITY FACILITIES**

### 5.4a **DESCRIPTION**

Council 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.

### 5.4b **FUNCTIONS**

The functions comprising this activity are:

Active Reserves	Elder Persons Housing
Passive Reserves	Community Halls
Esplanade Reserves	Other Land and Buildings
Leased Reserves	Public Toilets
Playgrounds	Cemeteries
District Libraries	Street Furniture
District Swimming Pools	Public Car parks
Arts, Culture and Heritage	Aerodrome

### 5.4c **COMMUNITY OUTCOMES**

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

#### Table Key:

(1)	Connecting with the World
(2)	Natural Resources and a Sustainable Environment
(4)	The Needs of Living

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(1)	CO1.1 Image	1.1.1: To create a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.
	CO1.3 Cultural Heritage and Social Harmony	1.3.1: To ensure the District is enriched by the values of all its people and in particular its Maori heritage, culture, beliefs and way of life are an inherent and valued part of community life.
	CO1.4 Visitors and Tourism	1.4.1: To maximise the image and attraction value of tourism in bringing new business and new residents to Waitomo.
(2)	CO2.1 Preserving the Environment	2.1.1: To ensure the environment is preserved for future generations and to ensure that natural resources are used in a sustainable manner.
	CO2.3 Coastline, Parks and Reserves	2.3.1: To preserve the natural character of the District's coastline and reserves. Ensuring public access to the coastline and reserves.
(4)	CO4.1 Housing and Accommodation	4.1.1: To provide a choice of housing and visitor accommodation to meet the needs of all those people who wish to reside in or visit the District, in a way that contributes to the District appeal and image.
	CO4.2 Health	4.2.1: To pursue personal, social and cultural well-being supported by locally available health services.
	CO4.3. Education	4.3.1: To be a community where the level of education of all residents is high enough to take advantage of opportunities that improve the quality of life for the community.

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
	CO4.5 Recreation and Social Amenities	4.5.1: To ensure the community is able to enjoy social, cultural and spiritual well-being, through community amenities, facilities, recreation, sports, and arts activities that provide for a full quality of life and choice of enjoyment for all residents.
	CO4.6 Government Services	4.6.1: To ensure the community has appropriate and timely access to services provided by Central Government.

#### 5.4d PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

The Agency Service and Community Initiatives function is considered to be an annually funded activity, therefore there is not considered to be any intergenerational equality issues.

#### 5.4e COSTS AND BENEFITS OF DISTINCT FUNDING

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.

#### 5.4f BENEFITS ALLOCATION AND FUNDING MECHANISM

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Community Facilities significant activity follow.

#### 5.4g OVERALL IMPACT OF FUNDING MECHANISMS

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

#### 5.4.1 Active Reserves

This function involves the provision of areas for organised sporting activity and other recreational activity for residents and visitors in the District.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	90%	45%	General Rate
		45%	UAGC
User Benefit	10%	10%	Fees and Charges

#### 5.4.1a Distribution of Benefits

District Benefit: Provision and maintenance of Active Reserves is considered to have an element of District wide benefit as they can be used by any and everyone in the District. These reserves are also provided for the promotion of an active and healthy lifestyle and to meet the recreational needs of the District as a whole.

User Benefit: The individuals or clubs who use these facilities can be identified and are considered direct beneficiaries of the service.



#### 5.4.1b 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.

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

#### 5.4.2 Passive Reserves

This function involves the provision of open space, including public gardens, to enhance the visual amenity of the locality and provide informal and impromptu recreational activities.

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

#### 5.4.2a Distribution of Benefits

District Benefit: Provision and maintenance of Passive Reserves provides benefit to the wider District as a whole. They are available for anyone and everyone to use as well as providing aesthetic value to the District. They contribute to the social and cultural well being of the District as a whole.

#### 5.4.2b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most appropriate funding tool for this allocation, given the District wide benefit associated with the service and considering that the users are not readily identifiable or excludable.

#### 5.4.3 Esplanade Reserves

This function involves the management and provision of Esplanade Reserves that control/reduce the risk from natural hazards, protect conservation values and promote and improve recreational opportunities along the District's principal waterways.

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

#### 5.4.3a Distribution of Benefits

District Benefit: Maintenance of Esplanade Reserves provides benefit to the wider District as a whole. They are available for anyone and everyone to use as well as providing aesthetic value to the District. It is also difficult to identify or exclude any particular user group for these reserves.

#### 5.4.3b 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.

#### 5.4.4 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		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	10%	General Rate
		10%	UAGC
User Benefit	80%	80%	Fees and Charges

#### 5.4.4a 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.

#### 5.4.4b 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.

#### 5.4.5 Playgrounds

This function involves the provision of playground equipment to provide opportunities for recreation and physical development of children

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	40%	50%	General Rate
User Benefit	60%	50%	UAGC

#### 5.4.5a Distribution of Benefits

District Benefit: Provision and maintenance of Playgrounds provides benefit to the wider district as a whole as they are available for anyone and everyone to use. They contribute to the social and cultural well being of the district as a whole and also promote a healthy and active lifestyle.

User Benefit: The users of the playgrounds are considered direct beneficiaries of the service.

#### 5.4.5b 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 discussed that although the user benefit of this service is high, charging Fees and Charges for the use of playgrounds would be detrimental to their usage and also extremely hard to administer as it would mean somehow segregating these areas and putting in charge collection mechanisms. It would also defeat the purpose of promoting a healthy community and hence it was resolved that this allocation be transferred to District Allocation.

#### 5.4.6 Elder 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		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	5%	2.5%	General Rate
		2.5%	UAGC
User Benefit	95%	95%	Fees and Charges

#### 5.4.6a 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 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.

#### 5.4.6b 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.

#### 5.4.7 Community Halls

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

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

#### 5.4.7a 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.

#### 5.4.7b 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 Uniform Annual Charge levied within the Marokopa Community Centre rating area.

#### 5.4.8 Other Land and Buildings

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

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	30%	15%	General Rate
		15%	UAGC
User Benefit	70%	70%	Fees and Charges

#### 5.4.8a 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.

#### 5.4.8b 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.

#### 5.4.9 **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		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	45%	General Rate
		45%	UAGC
User Benefit	80%	10%	Fees and Charges

##### 5.4.9a **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.

##### 5.4.9b **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. 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 advantage of the District to promote their usage. It was resolved that 10% of the allocation be funded through Fees and Charges and the remaining be reallocated to District allocation.

#### 5.4.10 **District Swimming Pool**

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

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	5%	General Rate
		5%	UAGC
Community Benefit	70%	58%	TUAC (Urban rating area)
		25%	TUAC (Rural rating area)
User Benefit	20%	7%	Fees and Charges

##### 5.4.10a **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: Swimming pools 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.

##### 5.4.10b **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.

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 Uniform Annual Charge differentiated by rating area (Te Kuiti Urban and Periphery Rating Area/Rural Rating Area).

User Allocation: Council discussed that although the user benefit of this service is high, 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.

#### 5.4.11 **Arts, Culture and Heritage**

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

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

##### 5.4.11a **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.

##### 5.4.11b **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.

#### 5.4.12 **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		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	20%	General Rate
User Benefit	80%	80%	Fees and Charges

##### 5.4.12a **Distribution of Benefits**

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that 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.

#### 5.4.12b Funding

District Allocation: Council resolved General Rate 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.

#### 5.4.13 Public Toilets

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. Council presently owns and maintains 18 public toilets located through the District.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	60%	50%	General Rate
User Benefit	40%	50%	UAGC

#### 5.4.13a 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. There are also public health benefits associated with the provision of public toilets which accrue to the District as a whole.

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

#### 5.4.13b 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 agreed that although users are the direct beneficiaries of this service it would be highly inefficient to try and recover the costs through Fees and Charges, moreover, the usage is not high enough to warrant such a funding mechanism. Council resolved that this allocation be reallocated to District Allocation.

#### 5.4.14 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		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	60%	General Rate
Community Benefit	30%		
User Benefit	60%	40%	Fees and Charges

#### 5.4.14a 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.

#### 5.4.14b 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.

#### 5.4.15 Street Furniture

This function involves the provision and maintenance of street furniture, bins and other structures to visually enhance the town's environment and provide facilities for people to relax and enjoy the environment.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	95%	50%	General Rate
		50%	UAGC
Exacerbator	5%		

#### 5.4.15a Distribution of Benefits

District Benefit: This activity is assessed to provide District wide benefit since all people of the District benefit from the provision of street furniture, bins and the like. The service also contributes to public health and sanitation. Information displayed on notice boards is for all.

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

#### 5.4.15b 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.

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

#### 5.4.16 Public Car Parks

This function involves the provision and maintenance of car park areas to ensure residents and visitors to the District can access conveniently located off street parking in our towns.

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

#### 5.4.16a Distribution of Benefits

District Benefit: This activity is assessed to provide District wide benefit since all people of the district can benefit from usage of parking facilities.

#### 5.4.16b 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.

### ENVIRONMENTAL SUSTAINABILITY

The Environmental Sustainability group of activities works towards promoting and ensuring that the environment is sustainably managed.

The significant activities contained within this group are:

- 5.5 Solid Waste Management
- 5.6 Stormwater
- 5.7 Resource Management
- 5.8 Sewerage

## 5.5 **SOLID WASTE MANAGEMENT**

### 5.5a **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:

- Collection which includes Kerbside Collection and Recycling and,
- Management which includes Landfill 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.

### 5.5b **FUNCTIONS**

The functions comprising this activity are

Kerbside Collection	Kerbside Recycling
Landfill and Transfer Stations Management	Waste Minimisation

### 5.5c **COMMUNITY OUTCOMES**

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

#### **Table Key:**

(1)	Connecting with the World
(2)	Natural Resources and a Sustainable Environment
(3)	The Economy
(4)	The Needs of Living

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(1)	CO1.1 Image	1.1.1: To create a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.
	CO1.3 Cultural Heritage and Social Harmony	1.3.1: To ensure the District is enriched by the values of all its people and in particular its Maori heritage, culture, beliefs and way of life are an inherent and valued part of community life.
	CO1.4 Visitors and Tourism	1.4.1: To maximise the image and attraction value of tourism in bringing new business and new residents to Waitomo.
(2)	CO2.1 Preserving the Environment	2.1.1: To ensure the environment is preserved for future generations and to ensure that natural resources are used in a sustainable manner.
	CO2.4 Waste	2.4.1: To minimise the impact of waste on the environment.
(3)	CO3.3 Retail	3.3.1: To be seen as a destination for shopping offering choice and convenience.
	CO3.5. Urban Development	3.5.1: To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
(4)	CO4.2 Health	4.2.1: To pursue personal, social and cultural well-being supported by locally available health services.



#### 5.5d PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

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

#### 5.5e COSTS AND BENEFITS OF DISTINCT FUNDING

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.

#### 5.5f BENEFITS ALLOCATION AND FUNDING MECHANISM

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Solid Waste significant activity follow.

#### 5.5g OVERALL IMPACT OF FUNDING MECHANISMS

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

#### 5.5.1 Kerbside Collection

This function involves the provision of kerbside collection service to residents of Te Kuiti, Piopio, Mokau and Waitomo (part only).

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	UAGC
Community/ User Benefit	90%	90%	TUAC (per community where service is provided)

#### 5.5.1a Distribution of Benefits

District Benefit: Appropriate solid waste collection safeguards public health and the environment and thus provides District wide benefits associated with a healthy, sanitary District.

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

#### 5.5.1b Funding

District Allocation: Council resolved that given the District wide benefit associated with this service UAGC would be the most equitable and transparent method to fund this allocation.

Community Allocation/User Allocation: Since users can be identified as a particular group (communities that are provided with the service) Council resolved that Targeted Uniform Annual Charge per inhabitable dwelling differentiated by Community would be the most effective, efficient and transparent method for funding this allocation.

#### 5.5.2 Kerbside Recycling

This function involves the provision of kerbside recycling service to residents of Te Kuiti, Piopio, Mokau and Waitomo (part only).

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	UAGC
Community/ User Benefit	90%	90%	TUAC

### 5.5.2a Distribution of Benefits

District Benefit: Kerbside Recycling is a function of solid waste management and thus provides similar District wide benefit.

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

### 5.5.2b Funding

District Allocation: Council resolved that given the District wide benefit associated with this service UAGC would be the most equitable and transparent method to fund this allocation.

Community Allocation/User Allocation: Since users can be identified as a particular group (communities that are provided with the service) Council resolved that Targeted Uniform Annual Charge per inhabitable dwelling differentiated by Community would be the most effective, efficient and transparent method for funding this allocation.

### 5.5.3 Landfill and Transfer Stations Management

This function involves the maintenance and management of the Rangitoto Landfill in Te Kuiti and Transfer Stations across the district

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	95%	95%	TUAC (District wide)
User Benefit	5%	5%	Fees and Charges

### 5.5.3a 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.

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

### 5.5.3b Funding

District Allocation: Council resolved that Targeted Uniform Annual Charge levied 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.

### 5.5.4 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		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	50%	General Rate
District Benefit	90%	50%	UAGC

### 5.5.4a 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.

#### 5.5.4b 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: Council resolved a combination of General Rate and UAGC to be the most efficient, effective and transparent funding mechanism available to fund this allocation.

### 5.6 STORMWATER

#### 5.6a 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 channeled 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.

#### 5.6b COMMUNITY OUTCOMES

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

**Table Key:**

(1)	Connecting with the World
(2)	Natural Resources and a Sustainable Environment
(3)	The Economy
(4)	The Needs of Living

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(1)	CO1.1 Image	1.1.1: To create a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.
	CO1.3 Cultural Heritage and Social Harmony	1.3.1: To ensure the District is enriched by the values of all its people and in particular its Maori heritage, culture, beliefs and way of life are an inherent and valued part of community life.
	CO1.4 Visitors and Tourism	1.4.1: To maximise the image and attraction value of tourism in bringing new business and new residents to Waitomo.
(2)	CO2.1 Preserving the Environment	2.1.1: To ensure the environment is preserved for future generations and to ensure that natural resources are used in a sustainable manner.
	CO2.3 Coastline, Parks and Reserves	2.3.1: To preserve the natural character of the District's coastline and reserves. Ensuring public access to the coastline and reserves.
(3)	CO3.5. Urban Development	3.5.1: To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
(4)	CO4.2 Health	4.2.1: To pursue personal, social and cultural well-being supported by locally available health services.

### 5.6c PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

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

### 5.6d COSTS AND BENEFITS OF DISTINCT FUNDING

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.

### 5.6e ACTIVITY ANALYSIS AND FUNDING MECHANISMS

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	90%	72%	TUAC (Urban rating area)
		18%	TUAC (Rural rating area)
User Benefit	10%	10%	Fees and Charges

### 5.6f 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.

### 5.6g FUNDING

Community Allocation: Council resolved that the most effective and transparent method to fund this allocation is through a Targeted Uniform Annual Charge to be differentiated between the Urban and Rural rating areas. 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 benefitted most from the service.

User/Applicant Allocation: Council resolved that user Fees and Charges is the most efficient and transparently lawful available method for funding this allocation.

### 5.6h OVERALL IMPACT OF FUNDING MECHANISMS

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

## 5.7 RESOURCE MANAGEMENT

### 5.7a 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.

## 5.7b FUNCTIONS

The functions comprising this activity are:

District Plan Administration	Consent Monitoring
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## 5.7c COMMUNITY OUTCOMES

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

**Table Key:**

(1)	Connecting with the World
(2)	Natural Resources and a Sustainable Environment
(3)	The Economy
(4)	The Needs of Living

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(1)	CO1.1 Image	1.1.1: To create a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.
(2)	CO2.1 Preserving the Environment	2.1.1: To ensure the environment is preserved for future generations and to ensure that natural resources are used in a sustainable manner.
	CO2.3 Coastline, Parks and Reserves	2.3.1: To preserve the natural character of the District's coastline and reserves. Ensuring public access to the coastline and reserves.
(3)	CO3.1 Land Use, Farming, Forestry and Mining	3.1.1: To achieve the best economic benefit of land in productive use, through planned 'intensification' and diversity of use.
	CO3.2 Manufacturing Process and Service Industries	3.2.1: To develop primary sector value-added business and an infrastructure of commerce that competes in the global market and provides local jobs and local wealth.
	CO3.3 Retail	3.3.1: To be seen as a destination for shopping offering choice and convenience.
	CO3.5. Urban Development	3.5.1: To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
(4)	CO4.6 Government Services	4.6.1: To ensure the community has appropriate and timely access to services provided by Central Government.

## 5.7d PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

Resource Management is considered to be an annually funded activity, therefore there is not considered to be any intergenerational equality issues.

## 5.7e COSTS AND BENEFITS OF DISTINCT FUNDING

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.

## 5.7f BENEFITS ALLOCATION AND FUNDING MECHANISM

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Resource Management significant activity follow.

## 5.7g OVERALL IMPACT OF FUNDING MECHANISMS

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

## ACTIVITY ANALYSIS AND FUNDING MECHANISMS

### 5.7.1 District Plan Administration

Administration of the District Plan for the sustainable management of physical and natural resources in the District and ensuring the District is developed in a planned and orderly manner.

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

#### 5.7.1a Distribution of Benefits

District Benefit: Proper and careful administration of the District Plan benefits the wider District as a whole as it implements the framework set out for sustainable land use practices. Accurate administration is instrumental in protecting Environmental Outcomes that are important to the entire District.

#### 5.7.1b Funding

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

### 5.7.2 Consent Monitoring

Issuing of Resource Consents for land use and subdivisions and monitoring consents for compliance with conditions. This function ensures protection of the District's environment and sustainable land use.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	15%	7.5%	General Rate
		7.5%	UAGC
User/Applicant Benefit	75%	75%	Fees and Charges
Exacerbator	10%	10%	Fees and Charges

#### 5.7.2a Distribution of Benefits

District Benefit: This function benefits the wider District as a whole to a certain extent as it promotes, advances and controls sustainable land use, the benefits of which are accrued by the whole District. Central Government policies are an important driver behind this activity and promoting practices that are of national interest and focus is beneficial to the District as a whole.

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.

#### 5.7.2b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective, efficient and transparently lawful method available for funding this allocation.

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: Council resolved user Fees and Charges to be the most efficient and effective method to fund this allocation.

## 5.8 SEWERAGE

### 5.8a DESCRIPTION

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

### 5.8b SCHEMES

Council provides sewerage disposal facilities in the following communities, in order to ensure the effective disposal of sewage in an environmentally sustainable manner and to promote and protect public health.

Te Kuiti	Benneydale
Piopio (proposed)	Te Waitere

### 5.8c COMMUNITY OUTCOMES

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

**Table Key:**

(1)	Connecting with the World
(2)	Natural Resources and a Sustainable Environment
(3)	The Economy
(4)	The Needs of Living

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(1)	CO1.1 Image	1.1.1: To create a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.
	CO1.3 Cultural Heritage and Social Harmony	1.3.1: To ensure the District is enriched by the values of all its people and in particular its Maori heritage, culture, beliefs and way of life are an inherent and valued part of community life.
(2)	CO2.1 Preserving the Environment	2.1.1: To ensure the environment is preserved for future generations and to ensure that natural resources are used in a sustainable manner.
	CO2.6 Wastewater and Sewage	2.6.1: To ensure reliable and functional sewage systems for urban communities greater than 200 population.
(3)	CO3.5. Urban Development	3.5.1: To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
(4)	CO4.2 Health	4.2.1: To pursue personal, social and cultural well-being supported by locally available health services.

### 5.8d PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

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

### 5.8e COSTS AND BENEFITS OF DISTINCT FUNDING

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.

#### 5.8f ACTIVITY ANALYSIS AND FUNDING MECHANISMS

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	85%	85%	TUAC Differentiated by Scheme
User / Applicant Benefit	15%	15%	Fees and Charges

#### 5.8g 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.

#### 5.8h FUNDING

Community Allocation: Council resolved that a Targeted Uniform Annual Charge differentiated by scheme and levied 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 rating unit will be considered to have the ability to connect (serviceable) if its boundary is situated within 30 metres of a public sewerage drain, to which it is able to be connected but is not so connected.

In Te Kuiti, sewer charges will be levied as per the following considerations –

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

All residential properties will be treated as having one pan.

Non residential properties will be charged the same as one connected residential property for up to 3 pans and will be charged per pan for any additional pans.

Based on their average hours of operation or business hours per week (calculated as an average over the year) all non residential properties will fall under one of the three categories mentioned below and their per pan charges (for over three pans) will be calculated as follows:

Business hours greater than 40 hrs per week      76% of residential pan charge

Business hours equal to 40 hrs per week      36% of residential pan charge

Business hours less than 40 hrs per week      20% of residential pan charge

#### 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 \$900 (incl. GST). This trigger will be reviewed in line with the LTCCP review every 3 years. 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) adjustments.

At this point in time Te Waitere is the only small community eligible for this assistance.

User Allocation: Council resolved user Fees and Charges to be the most efficient method for funding this allocation. Revenue is received from connection fees and Trade Waste charges.

**5.8i OVERALL IMPACT OF FUNDING MECHANISMS**

On the basis of the activity analysis in terms of benefits and cost allocation, Council resolved that no adjustments need to be made to the cost liability allocations.

**ECONOMIC SUSTAINABILITY**

The Environmental Sustainability group of activities works to promote a growing and sustainable economy in the Waitomo District.

The significant activities contained within this group are:

- 5.9 Investments
- 5.10 Water Supply
- 5.11 Land Transport

**5.9 INVESTMENTS**

**5.9a DESCRIPTION**

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

**5.9b FUNCTIONS**

The functions comprising this activity are

Local Authority Shared Services (LASS)	Inframax Construction Limited
Council Owned Quarries	Forestry located at Rangitoto Landfill

**5.9c COMMUNITY OUTCOMES**

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

**Table Key:**

- (1) Connecting with the World
- (3) The Economy

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(1)	CO1.1 Image	1.1.1: To create a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.
	CO1.4 Visitors and Tourism	1.4.1: To maximise the image and attraction value of tourism in bringing new business and new residents to Waitomo.
(3)	CO3.4 Employment	3.4.1: To create a wide range and number of employment opportunities in the region.

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
	CO3.5. Urban Development	3.5.1: To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
	CO4.2 Health	4.2.1: To pursue personal, social and cultural well-being supported by locally available health services.
	CO4.4 Transport	4.4.1: To provide for the movement of goods and people, efficiently, safely, competitively and conveniently so that commercial and community social needs are able to support the quality of life expected or chosen by the community.
	CO4.5 Recreation and Social Amenities	4.5.1: To ensure the community is able to enjoy social, cultural and spiritual well-being, through community amenities, facilities, recreation, sports, and arts activities that provide for a full quality of life and choice of enjoyment for all residents.
	CO4.6 Government Services	4.6.1: To ensure the community has appropriate and timely access to services provided by Central Government.

#### 5.9d 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.

#### 5.9e COSTS AND BENEFITS OF DISTINCT FUNDING

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.

#### 5.9f BENEFITS ALLOCATION AND FUNDING MECHANISM

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Investments significant activity follow.

#### 5.9g OVERALL IMPACT OF FUNDING MECHANISMS

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

#### 5.9.1 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		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	General Rate

### 5.9.1a 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.

### 5.9.1b Funding

District Allocation: Council resolved that General rate would be the most effective, efficient and transparently lawful method available for funding this allocation.

### 5.9.2 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		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	Dividends

### 5.9.2a Distribution of Benefits

District Benefit: ICL 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 ICL is considered to be strategic in nature and for the benefit of the wider District as a whole.

### 5.9.2b Funding

Investment Income: Council resolved that as this investment has been entered into for income purposes, it would be equitable to fund the cost of this activity through Investment Income. Any net surplus income generated through this investment will be used to offset rates income collected from the entire District.

### 5.9.3 Council Owned Quarries

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

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

### 5.9.3a Distribution of Benefits

District Benefit: Council owned quarries are assessed to have District wide benefit as they exist to generate income which is used 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.

### 5.9.3b Funding

Investment Income: Council resolved that as this investment has been entered into for income purposes, it would be most equitable to fund this activity through investment income.

### 5.9.4 Forestry located at Rangitoto Landfill

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

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

### 5.9.4a Distribution of Benefits

District Benefit: The forestry plantation at Rangitoto 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.

#### 5.9.4b Funding

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

### 5.10 WATER SUPPLY

#### 5.10a DESCRIPTION

The purpose of the Water Supply Activity is to supply safe water to the communities in the Waitomo District. 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.

#### 5.10b SUPPLY AREAS

Council provides water supply in the following communities

Te Kuiti	Mokau
Benneydale	Piopio

#### 5.10c COMMUNITY OUTCOMES

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

##### Table Key:

(1)	Connecting with the World
(2)	Natural Resources and a Sustainable Environment
(3)	The Economy
(4)	The Needs of Living

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(1)	CO1.1 Image	1.1.1: To create a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.
	CO1.3 Cultural Heritage and Social Harmony	1.3.1: To ensure the District is enriched by the values of all it's people and in particular Maori heritage, culture, beliefs and way of life are an inherent and valued part of community life.
	CO1.4 Visitors and Tourism	1.4.1: To maximise the image and attraction value of tourism in bringing new business and new residents to Waitomo.
(2)	CO2.1 Preserving the Environment	2.1.1: To ensure the environment is preserved for future generations and to ensure that natural resources are used in a sustainable manner.
	CO2.3 Coastline, Parks and Reserves	2.3.1: To preserve the natural character of the District's coastline and reserves. Ensuring public access to the coastline and reserves.
	CO2.5 Water Supplies	2.5.1: To ensure high quality water supplies in all urban centres greater than 200 population.
(3)	CO3.1 Land Use, Farming, Forestry and Mining	3.1.1: To achieve the best economic benefit of land in productive use, through planned 'intensification' and diversity of use.
	CO3.2 Manufacturing Process & Service Industries	3.2.1: To develop primary sector value-added business and an infrastructure of commerce that competes in the global market and provides local jobs and local wealth.
	CO3.5. Urban Development	3.5.1: To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
(4)	CO4.2 Health	4.2.1: To pursue personal, social and cultural well-being supported by locally available health services.

#### 5.10d PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

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

#### 5.10e 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.

#### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	100%	100%	TUAC (per community)

#### 5.10.1a 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.

#### 5.10.1b FUNDING

Community Allocation: Council resolved that Targeted Uniform Annual Charge differentiated by supply area and levied 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 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 fitted with a water meter and/or defined as an extraordinary user will be charged a fixed rate per cubic metre of water consumed.

#### 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 \$1300 (incl. GST). This trigger will be reviewed in line with the LTCCP review every 3 years. In future, Council might consider capping the total level of assistance that will be provided to eligible communities.

At this point in time Benneydale is the only small community eligible for this assistance.

#### 5.10g OVERALL IMPACT OF FUNDING MECHANISMS

Council proposes as a result of the activity analysis that no adjustment needs to be made to the cost liability allocations.

#### 5.11 LAND TRANSPORT ACTIVITY

##### 5.11a DESCRIPTION

The Land Transport 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 Transit New Zealand. Council maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

##### 5.11b FUNCTIONS

The functions comprising this activity are:

Subsidised Roading	Unsubsidised Roading
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##### 5.11c COMMUNITY OUTCOMES

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

**Table Key:**

(1)	Connecting with the World
(2)	Natural Resources and a Sustainable Environment
(3)	The Economy
(4)	The Needs of Living

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
(1)	CO1.1 Image	1.1.1: To create a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.
(2)	CO1.4 Visitors and Tourism	1.4.1: To maximise the image and attraction value of tourism in bringing new business and new residents to Waitomo.
	CO2.1 Preserving the Environment	2.1.1: To ensure the environment is preserved for future generations and to ensure that natural resources are used in a sustainable manner.
(3)	CO2.3 Coastline, Parks and Reserves	2.3.1: To preserve the natural character of the District's coastline and reserves. Ensuring public access to the coastline and reserves.
	CO3.1 Land Use, Farming, Forestry and Mining	3.1.1: To achieve the best economic benefit of land in productive use, through planned 'intensification' and diversity of use.
	CO3.2 Manufacturing Process and Service Industries	3.2.1: To develop primary sector value-added business and an infrastructure of commerce that competes in the global market and provides local jobs and local wealth.
	CO3.3 Retail	3.3.1: To be seen as a destination for shopping offering choice and convenience.
	CO3.4 Employment	3.4.1: To create a wide range and number of employment opportunities in the region.
	CO3.5. Urban Development	3.5.1: To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.

	Community Outcomes (Community Plan 06-16)	Goal (Community Plan 06-16)
	CO4.2 Health	4.2.1: To pursue personal, social and cultural well-being supported by locally available health services.
	CO4.4 Transport	4.4.1: To provide for the movement of goods and people, efficiently, safely, competitively and conveniently so that commercial and community social needs are able to support the quality of life expected or chosen by the community.
(4)	CO4.5 Recreation and Social Amenities	4.5.1: To ensure the community is able to enjoy social, cultural and spiritual well-being, through community amenities, facilities, recreation, sports, and arts activities that provide for a full quality of life and choice of enjoyment for all residents.

#### 5.11d PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

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

#### 5.11e COSTS AND BENEFITS OF DISTINCT FUNDING

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.

#### 5.11f BENEFITS ALLOCATION AND FUNDING MECHANISM

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Land Transport significant activity follow.

#### 5.11g OVERALL IMPACT OF FUNDING MECHANISMS

Following the consideration of the matters referred to in Section 101(3)(a) a picture emerges of where the benefits of engaging in the activity accrue. Once this is done and indicative costs allocation compiled, Council considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community and made any adjustments as assessed by them. Elected member judgement was important at this point, because many of the benefit distribution and resulting funding allocations are subjective and benefit from final overall assessment and adjustment by community representatives.

The results of the individual activity analysis and any adjustments made to funding allocations are presented on the following pages.

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

#### 5.11.1 Subsidised Roading

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

- Sealed Pavement Maintenance
- Unsealed Pavement Maintenance
- Routine Drainage Maintenance
- Structures Maintenance
- Environmental Maintenance
- Traffic Services Maintenance
- Level Crossing Warning Devices
- Emergency Reinstatement
- Network and Asset Management

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	58%	58%	Subsidy
District Benefit	42%	39.9%	Targeted Rate (rate in dollar of capital value)
		2.1%	UAGC

#### 5.11.1a 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.

#### 5.11.1b Funding

**National Allocation:** The National benefit portion is funded through LTNZ subsidy. The amount of subsidy is decided by LTNZ and is based on assessing costs and benefits.

**District Allocation:** Council resolved that a combination of Targeted Rate (rate in dollar of capital value) levied on all rating units and UAGC 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 recognizing the fact that the entire community has equal access to the roading network.

#### 5.11.2 Unsubsidised Roding

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 LTNZ and for which Council has sole financial responsibility. These include:

- Footpath Maintenance
- Footpath Renewals
- Amenity Lights
- Unsubsidised Miscellaneous
- Street Cleaning
- Professional Services

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	90%	Targeted Rate (Urban rating area)
		10%	Targeted Rate (Rural rating area)

#### 5.11.2a 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.

#### 5.11.2b 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 Rate in dollar of capital value differentiated by rating area would be the most efficient method of funding this allocation.



# Policy on Remission of Rates Including Remissions and Postponements of Rates on Maori Land

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## 1.0 Introduction

1.1 The Local Government (Rating) Act 2002 (LGRA) authorises Council to set, assess and collect rates to fund its activities.

1.2 Section 85 of the LGRA and Section 102 (5) of the Local Government Act 2002 (LGA) provide authority for Council to remit rates and to adopt a rates remission policy. Council sets rates on all rateable land in accordance with its Revenue and Financing Policy (RFP) adopted under Section 102 (4) (a) of the LGA and its Funding Impact Statement (FIS) adopted under Section 10, Schedule 10 of the LGA.

1.3 The Rates Remission Policy (RRP) documents any exceptions to the application of the Funding Impact Statement, the objectives sought by way of exception and the criteria applied to determine eligibility.

1.4 The RRP sets out a policy for the remission of rates under the following headings:

- Remission of Uniform Annual General Charges.
- Rates assessed against land owned or occupied by Community Organisations.
- Rates assessed against land owned or occupied by Societies and Associations.
- Rates assessed against land owned by Council.
- Rates assessed against Maori Freehold land.
- Remission of Penalties levied for Late or Non Payment of Rates.
- Rates assessed against land comprised in new residential subdivisions in District Townships.

1.5 The RRP is authorised by the LGA. In particular Section 109 of the LGA provides that any **Rates Remission Policy** must address the following;

- (1) *A policy adopted under section 102(5) (a) must state-*
  - (a) *The objectives sought to be achieved by the remission of rates; and*
  - (b) *The conditions and criteria to be met in order for rates to be remitted.*
- (2) *In determining a policy under section 102(5) (a), the local authority may consider the matters set out in Schedule 11.*
- (3) *For the purposes of this section, the term rate includes penalties payable on unpaid rates.*

1.6 Section 85 of the LGRA provides that Council may remit rates on the following basis:

- (1) *A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if-*
  - (a) *The local authority has adopted a remissions policy under section 102 (5) (a) of the Local Government Act 2002; and*
  - (b) *The local authority is satisfied that the conditions and criteria in the policy are met.*
- (2) *The local authority must give notice to the ratepayer identifying the remitted rates.*

## 2.0 Delegation to Operate, Application Process and Review of Decisions

- 2.1 The Chief Executive is delegated the authority to apply the Rates Remission Policy. Access to the rate remission arrangements is by way of annual application to the Council by the owner or occupier of the rating unit(s).
- 2.2 In the event that any applicant, for remission of rates, seeks a review of any decision taken under delegation the following process shall be followed:
1. Any application for review shall be made in writing, on the prescribed form, outlining the reasons for seeking a review and including appropriate documentation in support.  
  
Note: Additional information may be requested to allow a better understanding of the merits and background of the application.
  2. The application will be investigated and the application together with a report and recommendation thereon will be submitted to a meeting of the Council for its consideration and decision.
- 2.3 The decision of the Council will be final, and the applicant will be notified of the decision within 10 working days.

## 3.0 Remission of Uniform Annual General Charges (UAGC) – where two or more rating units are held in common ownership

### 3.1 Introduction

- 3.2 Section 15 (2) of the LGRA provides that a Uniform Annual General Charge (UAGC) is a rate for the purposes of the Act.
- 3.3 The Council's RFP sets out how UAGCs are assessed against rateable land.
- 3.4 Section 20 of the LGRA provides that two or more rating units must be treated as one unit for setting a rate if certain criteria are met;

*... those units are –*

- (a) *owned by the same person or persons; and*
- (b) *used jointly as a single unit; and*
- (c) *contiguous or separated only by a road, railway, drain, water race, river or stream.*

- 3.5 This section of the DRRP addresses land ownership and land use situations that fall outside of that limitation defined by Section 20 of the LGRA.
- 3.6 In certain situations Council believes the criteria provided for in Section 20 (a) and (c) of the LGRA does not assist ratepayers where rateable land is used as part of a farm operation.
- 3.7 A remission will be granted in respect of rateable property used for farming purposes where Council is satisfied its objectives are met.

### 3.8 Objectives of the Policy

- To extend the definitions of ownership and contiguous land as contained in Section 20 (a) and (c).
- To assist the use of rateable land as part of a farming operation where not all the rateable land is contiguous with land owned, or occupied under long term lease, by the same person or persons but is nevertheless used jointly as a single farming unit. The intention being to ensure that the use of such rateable land for farming purposes is not disadvantaged by the obligation to pay multiple UAGCs.
- To assist ongoing rural economic development by removing a UAGC liability that might create a cost barrier to the efficient integration of non contiguous land into one farming operation.
- To assist in the utilisation of unoccupied, undeveloped land in township areas to achieve:
  - good land management,
  - an improvement to visual amenity values
  - better environmental outcomes through assisting in weed and pest management
  - reduction of risk of fire hazard and to public health

by enabling non-contiguous vacant sections that are owned or occupied under long term lease by the same person or persons and used jointly as a single unit that might otherwise be unfairly disadvantaged by way of the obligation to pay multiple UAGCs.

### 3.9 Conditions and Criteria

3.10 The following categories of land use shall determine whether or not this policy shall apply to rateable land.

#### **1 Rateable Land used for farming purposes**

For the purposes of this policy, land used for farming purposes shall be defined as land used for 'pasturage'; being, the business of feeding or grazing livestock. Eligible farming properties are those where:

- a The applicant is the owner or can demonstrate a long term interest in two or more separately rateable rural farm properties and that two or more of those properties are used for farming purposes; and
- b The properties are used jointly as a single farm property for the purpose of carrying out a farming operation; and
- c The property for which the remission is sought does not carry sufficient improvements to allow it to be operated as a separate farming unit; and
- d The land for which the remission is sought is not occupied by a habitable dwelling.

#### **2 Rateable Land located in Townships**

Rateable land located within Waitomo District townships where:

- a The applicant is the owner or holds a written long term interest in two or more separately rateable properties that are not contiguous; and
- b The properties are used jointly as a single property; and
- c The property for which the remission is sought does not carry improvements exceeding \$1,000 in value, and is not occupied by a dwelling.
- d The property for which the remission is sought must be maintained in good order and repair as ascertained by the Council.

3.11 Application for remission of Uniform Annual General Charges where two or more rating units are held in common ownership must be made on an annual basis to ensure continued eligibility for remission.

### **4.0 Remissions for Community Organisations (Schedule 1, Part 1: Land fully non-rateable)**

#### 4.1 Introduction

4.2 Schedule 1, Part 1 of the LGRA defines land classified as non-rateable for the purposes of the LGRA.

4.3 Council recognises that Schedule 1, Part 1 of the LGRA limits the authority to set, assess, and collect rates on certain land. However non-rateable properties are liable for Targeted Rates assessed for the provision of services as contained within the Funding Impact Statement.

4.4 The LGRA provides in Schedule 1, Part 1 that the land defined in the following clauses is fully non-rateable:

- (4) *Land used by a local authority-*
  - (c) *for a public hall, library, athenaeum, museum, art gallery, or other similar institution.*
- (6) *Land owned or used by, and for the purposes of, -*

- (b) *an education establishment defined as-*
- (iv) *an early childhood centre*

- (9) *Land used solely or principally-*
  - (a) *as a place of religious worship*

- (12) *Land that is set apart under s338 of Te Ture Whenua Maori Act 1993 and-*
  - (a) *that is used for the purposes of a marae or meeting place and that does not exceed 2 hectares*

4.5 Council wishes to limit the liability for Targeted Rates for some properties classified under Schedule 1, Part 1 of the LGRA.

4.6 Council also wishes to remit rates on rateable land where the land use is similar to the land uses defined in Schedule 1, Part 1 but which fall outside of the uses defined in the schedule.

4.7 This Policy sets out the remissions available to Waitomo arts and heritage groups, pre-schools, marae and churches. This Policy clarifies liability for groups listed under Schedule 1, Part 1, Sections (4) (6) (9) and (12)).

#### 4.8 Objectives of the Policy

- To extend the arrangement provided for in the LGRA (for arts and heritage groups on Council land), to similar arts and heritage groups on private land.
- To support the development of arts and culture in the Waitomo District.
- To clarify liability for marae, churches and pre-schools' service charges.

#### 4.9 Conditions and Criteria

- (a) Community halls, art galleries and museums receive a rates remission of 100% of the assessed Rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage and solid waste collection services. Any Community halls, art galleries or museums opting for a private solid waste collection arrangement will not pay the solid waste collection rate, and would not receive a collection service. Community halls are defined as those halls and community centres located on Council administered land, and those privately owned community halls recognised as fulfilling the same primary function as public halls.
- (b) Pre-schools, marae and churches receive a rates remission of 100% of the assessed Rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage and solid waste collection services. Any Pre-school, marae or church opting for a private solid waste collection arrangement would not pay the solid waste collection rate, and would not receive a collection service.

### 5.0 **Remission for Organisations Providing Care for the Elderly**

#### 5.1 Introduction

Council wishes to support not for profit organisations that provide much needed facilities and services for the Elderly within the Waitomo District. The intent is to recognise and assist those organisations that provide specialised care for the Elderly who, in the absence of such services, may need to relocate outside of the Waitomo District, away from family and friends.

#### 5.2 Objectives of the Policy

To support those organisations that provide facilities and services that care for and enable the Elderly to reside in the Waitomo District.

#### 5.3 Conditions and Criteria

1. Organisations that demonstrate compliance with the following criteria will receive a rates remission of 100% of assessed rates EXCLUDING service charges set for Water, Sewerage and Solid Waste Collection and Disposal Services. Any organisation opting for a private Solid Waste Collection arrangement will not pay the Solid Waste Collection Rate and would not receive a Collection Service.

2. This remission arrangement is available on application on an annual basis by qualifying organisations which:
- (a) Are charitable organisation(s). Charitable organisations are organisations (incorporated or not) that carry out charitable activities or exist exclusively for charitable purposes. For an organisation's purposes to be charitable its activities or aims must be for public purposes - the benefit must be available to a large part of the community. In addition, it must not be carried on for the benefit or profit of any individual or group, and
  - (b) Provide Rest Home level of care to the Elderly. Rest Home level of care is defined as the provision of 'everyday living assistance' to the Elderly who are fully dependant on other people to assist them with everyday life (e.g. to cook, clean, shower, etc), and/or
  - (c) Provide Hospital Level Care for the Elderly. Hospital level care is defined as provision of palliative care type facilities, the ability to prescribe medicines as per national health standards and have the requisite number of trained nurses as per national and DHB health standards.
  - (d) For the avoidance of doubt – retirement villages are not eligible for remission of rates under this policy.

## **6.0 Remissions for land owned by Clubs and Societies (Schedule 1, Part 2 of the Local Government Rating Act 2002 Land 50% non-rateable)**

### 6.1 Introduction

6.2 This Policy provides remissions of rates to sport clubs and societies.

6.3 Section 8 and Schedule 1, Part 2 of the LGRA provide that certain land used or owned by a society, or an association of persons must not be assessed for rates at a value of more than 50% of the rates that would otherwise have been assessed under Council's RFP and in the Rating Impact Statement (RIS).

6.4 This land is known as 50% non-rateable.

6.5 The land for which assessed rates must not exceed 50% includes:

- Land owned or used by Agricultural and Pastoral Societies as a showground or place of meeting, and
- Land used or owned by sport clubs.
- Land used or owned for the purpose of any branch of the arts

Note: 50% non-rateable land is rateable for Targeted Rates set under Sections 16 and 19 of the LGRA for water supply, sewage disposal and solid waste collection.

6.6 For the purposes of this part of this Policy, those Targeted Rates are described as Service Charges.

6.7 Council seeks to remit Service Charges set for the purpose of funding water supply, sewage disposal and solid waste collection as defined in the RFP and in the RIS. That remission arrangement is made for land used or owned by certain societies and sports clubs.

Note: This remission arrangement does not extend to all land defined as 50% rateable under Schedule 1, Part 2, LGRA. That land remains liable for the payment of service charges as defined in the RFP and in the RIS.

6.8 The LGRA provides:

*Land 50% non-rateable (Schedule 1 Part 2):*

(2) *Land owned or used by a society or association of persons (whether incorporated or not) for games or sport, except galloping races, harness races, or greyhound races.*

*For the purposes of this Part, unless the context otherwise requires-*

- *land does not include land used for the private pecuniary profit of any members of the society or association*

- *land in clause 2, excludes land in respect of which a club licence under the Sale of Liquor Act 1989 is for the time being in force.*  
*Rate liability on 50% non-rateable land (section 8):*  
 (2) *Rates assessed for the land described in Part 2 of Schedule 1 must not exceed 50% of the rates that would otherwise have been assessed if the land were not described in that schedule.*

## 6.9 Objectives of the Policy

6.10 Council recognises the value of encouraging participation in active and passive recreation for the well-being of its communities. This Policy aims to support the development of sport and physical recreation in the Waitomo District by providing rates remissions for private clubs at the same level as those clubs located on and having long term tenure over Council owned land which is non-rateable under Schedule 1, Part 1 (4) of the LGRA.

## 6.11 Conditions and Criteria

6.12 The following policy applies to sport and recreation clubs located on either Council owned or privately owned or administered land.

- (a) Sport and recreation groups receive a rates remission of 100% of the assessed Rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage and solid waste collection services. Any Club or Association opting for a private solid waste collection arrangement would not pay the solid waste collection rate, and would not receive a collection service.
- (b) This remission arrangement is available on application on an annual basis by qualifying societies and organisations who:
  - 1 Are groups identified by Schedule I Part 1(4b) and Part 2(2) of the LGRA (2002) and who:
    - (i) Demonstrate that their primary function is for the purpose of sport or physical recreation, and
    - (ii) Are non-profit organisations, not providing recreation or fitness services for commercial profit, and
    - (iii) Are able to demonstrate that they are currently operative, and
    - (iv) The primary use of their facility for which they are seeking remissions is for the purpose of that organisation's sport or physical recreation activity, and
    - (v) Can demonstrate that their activities benefit or are available to the entire community.
- (c) That sport and recreation clubs apply on an annual basis for a remission of rates to ensure their continued eligibility and confirm the land-use remains eligible for remissions.

## 7.0 **Remissions of Rates for Council Properties**

### 7.1 Introduction

7.2 This section of the Policy is included for the sake of transparency. The LGRA provides that certain Council land is non-rateable. This Policy extends that non-rateable status to include any Council property which does not fall within the category of non-rateable land, but never the less the land held by Council has no current operational use that can be attributed for the day to day delivery of a service to the communities of Waitomo District.

7.3 The LGRA defines non-rateable Council land (Schedule 1, Part 1, Section 4 LGRA) as:

- (4) *Land used by a local authority-*
  - (a) *for a public garden, reserve or children's playground:*
  - (c) *for a public hall, library, athenaeum, museum, art gallery or other similar institution:*
  - (d) *for public baths, swimming baths, bathhouses, or sanitary conveniences*

7.4 Objectives of the Policy

7.5 To avoid the need to set, assess and collect rates funding from the District community to pay rates on Council property that is for the time-being not used for any operational purpose.

7.6 Conditions and Criteria

7.7 The Council has delegated authority to the Chief Executive to remit rates set, assessed and levied on land owned or occupied by the Council where the Chief Executive is satisfied that no operational use can be attributed to that land.

**8.0 Remission of Rates on Maori Freehold Land**

8.1 Introduction

8.2 The LGA provides that Council must adopt under Section 102(4)(f) a policy on the remission and postponement of rates set, assessed and levied on Maori freehold land.

8.3 Section 108 (3) of the LGA provides that any such policy places no obligation on Council to provide for the remission of, or postponement of the requirement to pay, rates on Maori freehold land.

8.4 Council wishes to provide for a fair and equitable rating system, recognising that some Maori owned freehold land has particular conditions, features, ownership structures, or other circumstances.

8.5 Council wishes to support and promote sustainable growth and development within key sectors of the local economy. In addition all of the community have a stake in the District's open spaces. Council recognises Tangata Whenua aspirations to define, preserve and maintain their traditional spiritual, cultural, social, and economic links with Ancestral Lands, waterways, places of habitation, Waahi Tapu and other Taonga.

8.6 The Council is of the view that Waitomo District community outcomes are improved if:

- Owners or Trustees of Maori freehold land benefit from better and appropriate use of undeveloped land, through providing a clear policy on the liability of the land for the payment of rates.
- Council and the Waitomo District community benefit through the efficient collection of rates where they are deemed to be payable.

8.7 Objectives

8.8 The remission of rates on Maori freehold land pursuant to Section 108, LGA 2002, and in recognition of the objectives of the Te Ture Whenua Maori Act, recognises that:

- (a) There are situations where there is no occupier or person gaining economic or financial benefit from the use of, or habitation on the land.
- (b) Some freehold Maori land might be better set-apart from development because of its natural features, significant vegetation and/or habitat, and cultural significance.
- (c) Physical access to some Maori freehold land is not available or is not practicable.
- (d) Takes into account the presence of waahi tapu that may limit the use of the land for other purposes.
- (e) A remission of rates should ONLY apply to those portions of land not occupied, and/or undeveloped.
- (f) Assessing rates against certain Maori freehold land might limit or restrict the development of an economic use of the land.

8.9 The Local Government (Rating) Act 2002 (LGRA) provides:

- *Maori freehold land is defined by the LGRA 2002 as "land whose beneficial ownership has been determined by the Maori Land Court by freehold order". Only rateable land that is the subject of such an order may qualify for remission under this policy.*

- *Maori freehold land is liable for rates in the same manner as if it were general land, subject to the provisions of Part 4 of the LGRA.*

8.10 The Local Government Act 2002 provides:

- *Section 102 (4)(f), 108 and Schedule 11 of the LGA sets out the requirements Council must consider in adopting any policy on the remission and postponement of rates on Maori freehold land.*

8.11 Te Ture Whenua Maori Act 1993 states as its purposes:

- (1) *It is the intention of Parliament that the provisions of this Act shall be interpreted in a manner that best furthers the principles set out in the Preamble to this Act:*

*Preamble principles:*

- *to recognise that land is a taonga tuku iho of special significance to Maori people,*
- *to promote the retention of that land in the hands of its owners, their whanau, and their hapu,*
- *to protect waahi tapu,*
- *to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapu,*
- *to maintain a Court and to establish mechanisms to assist the Maori people to achieve the implementation of these principles:*

8.12 Te Tiriti o Waitangi (Treaty of Waitangi):

- *Shall be taken into account under the LGA and the Resource Management Act 1991.*

8.13 Interpretation Of Terms

Hapu:	Whanau groups descended from their own hereditary ancestor.
Maori customary land:	Land held under the customs and usages of the Maori people, the title to which has not been investigated by the Maori Land Court
Maori freehold land:	Land whose beneficial ownership has been determined by the Maori Land Court by freehold order.
Taonga tuku iho:	Legacy, treasure
Waahi tapu:	Means land set apart under Section 338(1) (b) of the Te Ture Whenua Maori Act 1993 (a place of special significance according to the meaning, custom, obligation and conditions to Maori).
Whanau:	Extended family in which a person is born and socialised.

8.14 Conditions and Criteria

8.15 This policy does not provide for permanent remission or postponement of rates on Maori freehold land recognising the potential for changes in circumstance and land use.

**Part A: Council Discretion**

- (1) Maori freehold land is liable for rates in the same manner as if it were general land and any rates set, assessed and levied will be collected to the extent authorised by and practicable under legislation.
- (2) Where a remission of rates is made the obligation is on the applicant to advise any change of use that might affect the eligibility of the land for any remission. Note – Council will require that any rates remissions be repaid where the failure to notify Council of a change in circumstance impacts on the eligibility of the land for a rate remission.
- (3) Council's valuation service provider will provide three yearly land use reports to coincide with the three yearly revaluation cycle. These reports will be used to monitor changes in land use and to determine any eligibility for rates remission under this policy.
- (4) Council will monitor, on an ongoing basis the use of any Maori freehold land enjoying a rate remissions under this policy. If, in the Council's opinion, the underlying status of



the land has changed and income is being generated from the land, Council will review the land's eligibility for rates remissions.

**Part B: Maori Freehold Land Rates Remission Register**

- (1) Council will maintain a register titled the Maori Freehold Land Rates Remission Register for the purpose of recording the rating units for which rates are remitted pursuant to this Policy. The Register will comprise of two category lists, which are summarised as:

**Category A: Maori Freehold Land – General Remissions List**

- For the purpose of recording remissions on unoccupied or unproductive land that achieves objectives (a), (b), (c), (d), (e).
- 100% of all rates set on these properties, except Targeted Rates set for water supply, sewage disposal or solid waste collection will be remitted.
- Where there are no services provided to the property and/or it is uneconomic to pursue rates, all rates will be remitted.

**Category B: Maori Freehold Land - Economic Use and Development Remissions List**

- For the purpose of recording remissions on potentially productive land that achieves objective (f).
- The level of rate liability on land recorded on this list will be subject to the criteria and calculations in PART D of this Policy.

**Part C: Category A: Maori Land General Remissions List**

- (1) Eligibility

The following land use categories will be considered for remission of rates:

- (a) Unoccupied or undeveloped Maori freehold land (meaning land that is unoccupied and where no income is derived from the use of that land):
- (i) That is better set aside and protected from use because:
- of its special cultural significance and unique natural features, or
  - to protect the indigenous flora and fauna under a formal protection arrangement.
- (ii) Has no legal or practicable road access available to the land.

- (2) Criteria

An annual application for a rate remission under Category A: Maori Land General Remissions List must be made prior to commencement of the rating year and no later than 30 April in each year. The application must be made on the prescribed form. That application must be supported by sufficient supporting information to allow an informed decision to be made in respect of the application. Other material that Council will require is outlined under each of the following land-use sections.

- (a) Documentation that the land in question has been determined to be Maori freehold land by the Maori Land Court by way of freehold order.
- (b) A copy of the Certificate of Title if available.
- (c) An identified owner, agent of owner, or occupier to be recorded on the rating records pursuant to Part 4 of the Local Government (Rating) Act 2002.
- (d) That identified owner, agent of owner or occupier must provide Council with evidence that he or she has full control over the property.
- (e) Details of the property size and use.
- (f) Aerial photographs if available.

- (g) A description of the intended use of the land, and a statement as to how the objectives defined under this Policy will be achieved by the granting of rates remission.
- (h) Other documentation that Council may require to make a decision.

(3) Arrears and Penalties

- (a) Remission of penalties may be applied for under this Policy.
- (b) No penalties will be incurred whilst the Agreement on Rates Remission is upheld.
- (c) The remittance of rate arrears will be considered, where it can be shown that current rates have been paid for a continuous period of three years.

(4) Unproductive and Unoccupied Land Blocks

The following provision shall apply:

- (a) Where a property is unproductive (assessed as having no income derived from the land) and unoccupied, including land that is better set aside for non-use because of its natural features and cultural significance and/or is inaccessible, shall be placed be recorded on the Category A: Maori Land General Remissions List.

(5) Dwellings on Maori Freehold Land

The following provisions shall apply:

- (a) Where there is one or more dwelling on the land, Council may establish and identify separately used or inhabited parts of the rating unit:
  - That separately used or inhabited portion of the rating unit will be defined based on the area occupied, and/or the area undeveloped and uneconomic, with the written consent of the Trustee or Occupier.
- (b) Rates set assessed and levied on the separately used or inhabited portion of the property will be payable, shall remain paid and in all other respects comply with the provisions of this policy.

(6) Indigenous Flora and Fauna

Indigenous Vegetation lots located wholly or partially on Maori freehold land shall be recorded on the "Maori Land Indigenous Vegetation Register". Each identified indigenous vegetation lot shall be checked every 3 years to verify the land use has remained unchanged.

- (a) Land considered under this policy is subject to the list by one or more of the following criteria being met. The land is unoccupied and:
  1. A traditional and important food source for Tangata Whenua.
  2. A traditional and important source for cultural, medicinal, symbolic and spiritual needs of Tangata Whenua.
  3. Includes important tribal landmarks significant to Tangata Whenua.
  4. Important water catchment system to Tangata Whenua for sustaining physical and spiritual values.
- (b) Council will also take into consideration whether the land:
  1. Has road access and/or access to other services.
  2. Contains indigenous forest of high ecological value.

3. Is contiguous with forest reserves or National/Forest Parks
  4. Is complementary with Marae Reserve Areas.
  5. Contains remnants of interspersed indigenous vegetation that provide ecological value.
  6. Offers significant or assessable benefits and protection of developed lower lying land and/or protection for the investment in public roads.
  7. Complements the objectives of and quality of water achieved within formal established water catchment areas.
  8. Enhances and complements the objectives and quality of formal established wildlife areas.
- (c) Where part of the land is deemed to be in indigenous vegetation, the following information must be provided:
1. Location and calculation of the area of the land in question shall be provided.
  2. Photographs and valuation data shall be provided where available.

(7) Other Property

Maori freehold land where no body corporate has been constituted under Part XIII of the Te Ture Whenua Maori Act 1993 has been established to administer such land and/or the whereabouts of such owner/s is unknown may be considered for Category A remissions at Council's discretion.

**Part D: Category B: Maori Land - Economic Use and Development Remissions List**

(1) Objectives and Eligibility

The objective for Category B: Maori Land - Economic Use and Development Remissions is to provide an incentive to assist the conversion of otherwise undeveloped, unoccupied Maori freehold land, to an economic use through a progressive stepped application of a full liability for the payment of rates, over a five year period where:

- (a) There is an intention to make economic use of the land, or a clear intent to progressively develop the economic use of the land over time, Council will enter into a remission of rates arrangement with the Trustees/Owner(s) or Occupier(s) where the Council is satisfied such an arrangement will encourage economic use through development over time.

(2) Extent of Remissions

- (a) No remission will be granted on Targeted Rates for water supply, sewage disposal, and solid waste services.
- (b) All applications for rates remissions toward economic development will be remitted on satisfaction of the application criteria outlined in clause Part C (2) and Part D (4) of this Policy.

(3) Calculation of Liability

- (a) At Council's discretion during the annual review and/or with negotiations with the land owner/s or trustees, a staged rates requirement will be implemented according to the following schedule:

Year 1	Not less than 20% payable for that year
Year 2	Not less than 40% payable for that year
Year 3	Not less than 60% payable for that year
Year 4	Not less than 80% payable for that year

Year 5 100% payable for that year.

(4) Criteria

The following additional supporting material may be required to make annual application for remissions under B: Maori Land - Economic Use and Development Remissions prior to commencement of the rating year.

- (a) A written plan setting out the planned economic use of the land or the planned economic development against a five year timeline prepared by a suitable person holding authority over the land and responsible for the planned use.
- (b) Any other documentation that the Council may require to make an assessment.

8.16 Appeals

8.17 Appeals relating to decisions taken on the eligibility of Maori freehold land for rates remissions will follow the process outlined under the Delegations and Appeals Process Policy.

**9.0 Remission of Penalties**

9.1 Introduction

9.2 This Policy outlines Council's process and criteria for the remission of penalties incurred by way of late or non-payment of rates, in accordance with Section 85 of the Local Government (Rating) Act 2002. Penalties are incurred for late or non-payment of rates in accordance with the amount set in Council's Funding Impact Statement.

9.3 Objective of the Policy

- To disclose the circumstances under which Council will consider remitting penalty payments for late or non-payment of rates.

9.4 Policy and Criteria

9.5 Remissions for late or non-payment of rates will be considered on the following grounds:

<b>Circumstance</b>	<b>Policy and Criteria</b>	<b>Delegation</b>
Extenuating circumstances	Remission of a penalty incurred on an instalment will be considered in the following circumstances: <ul style="list-style-type: none"> <li>• The ratepayer has a good payment history.</li> <li>• Extenuating personal circumstances such as family illness, death or other tragedy.</li> <li>• In circumstances considered just and equitable.</li> <li>• Where there is an error made on the part of Council.</li> </ul>	Team Leader Customer Services
Approved Payment Arrangement	Penalties will not be levied where an Approved Payment Arrangement of a minimum of the annual rate x1.5 has been made.	Team Leader Customer Services
	Penalties will not be levied where the remission of all or part of additional charges already levied, or yet to be incurred, will assist in resolving a long term debt situation.	Staff Sub-committee (CE and Corporate Services Manager)
Change of ownership	Remission of a penalty incurred on an instalment will be made where a property changes ownership, but the rates assessment and invoice has been sent to the previous owner.	Manager Financial Services
Abandoned Land sales or Rating sales	Any remaining arrears or penalties following sale of abandoned land, or rating sale, will be written off to ensure that the new owner begins with a nil balance.	Manager Financial Services

- 9.6 All penalties remitted shall be recorded in the Penalty Remission Register, where the amount remitted is over \$10 for any individual ratepayer.

## **10.0 Remission of Rates for New Residential Subdivisions**

### **10.1 Introduction**

10.2 Council wishes to assist the establishment of new residential subdivisions by providing temporary rates relief from UAGCs assessed against individual vacant lots prior to sale. The Policy provides for the remission of uniform charges for the first full year following subdivision for residential use of 3 vacant lots or more. In that situation multiple lots will be treated as one rating unit. Application of remissions for one full rating year following subdivision provides incentive to sell as intended, but recognises that a full year may be required to achieve the developer's aim.

### **10.3 Objective of the Policy**

- To provide a one off remission of rates assessed against land held in separate title and forming part of a new residential subdivision so as to limit the impact of multiple UAGCs in the first year.
- To encourage development within Waitomo District by providing a one off remission to the subdivider or developer of any UAGC assessed against the newly created lot(s)

### **10.4 Conditions and Criteria**

1. This Policy will apply to land that:
  - (a) Has been subdivided into 3 or more vacant residential lots where the Titles have been issued; and
  - (b) The unsold lots remain in the ownership of the original subdivider/developer and the land has yet to be sold on to subsequent purchasers.
2. A Remission will be made for 100% of the UAGC for each unsold vacant residential lot, except one.
3. The Remission will only be made for the first full rating year following the creation of the new residential lots following subdivision.

# Policy on Partnerships with the Private Sector

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## Summary

- 1.1 This Policy has been developed to comply with Section 107 of the LGA 2002. The Policy outlines the circumstances in which Council may enter partnerships with a private sector partner, circumstances under which consultation may be undertaken prior to any such partnership being entered in to, and conditions that may be imposed on such a partnership including risk management measures, and the financial reporting required of any such partnership.

## Policy Objectives

- 2.1 The objectives of this Policy are:

- To comply with Section 107 of the Local Government Act 2002.
- To outline under what situations Council would consider entering into partnerships with the private sector.
- To disclose what conditions may be imposed on a partnership with the private sector.
- To outline Council's position in relation to risk management and reporting on partnerships with the private sector.

To outline what consultation would be required prior to entering a partnership with the private sector.

## Statutory Requirements

- 3.1 Section 107 of the LGA 2002 outlines the content of a policy on partnerships with private sector:

### **107 Policy on partnerships with private sector**

- (1) A policy adopted under section 102(4)(e)---
- (a) must state the local authority's policies in respect of the commitment of local authority resources to partnerships between the local authority and the private sector; and
- (b) must include---
- (i) the circumstances (if any) in which the local authority will provide funding or other resources to any form of partnership with the private sector, whether by way of grant, loan, or investment, or by way of acting as a guarantor for any such partnership; and
- (ii) what consultation the local authority will undertake in respect of any proposal to provide funding or other resources to any form of partnership with the private sector; and
- (iii) what conditions, if any, the local authority will impose before providing funding or other resources to any form of partnership with the private sector; and
- (iv) an outline of how risks associated with any such provision of funding or other resources are assessed and managed; and
- (v) an outline of the procedures by which any such provision of funding or other resources will be monitored and reported on to the local authority; and

- (vi) *an outline of how the local authority will assess, monitor, and report on the extent to which community outcomes are furthered by any provision of funding or other resources or a partnership with the private sector.*
- (2) *In this section, partnership with the private sector means any arrangement or agreement that is entered into between 1 or more local authorities and 1 or more persons engaged in business; but does not include---*
  - (a) *any such arrangement or agreement to which the only parties are---*
    - (i) *local authorities; or*
    - (ii) *1 or more local authorities and 1 or more council organisations; or*
  - (b) *a contract for the supply of any goods or services to, or on behalf of, a local authority.*

#### **Relationship to other Council Policies**

4.1 It is important when reading this Policy that it is read in conjunction with other related Council policies. Council policies often reference and inform each other so that any issue before Council can be dealt with in an integrated and comprehensive fashion. Policies that have a clear relationship with this Policy on partnerships with the private sector are:

- The Investment Policy (for the investment of funds for financial gain).
- The Liability Management Policy (for borrowing by the Council and guarantees by the Council which are ultimately a liability).
- Council's Policy on Significance (which if triggered by a proposal to partner with the private sector will mean that the proposal will be subject to further decision-making and consultation requirements).

#### **Definition of 'Partnership with the Private Sector'**

5.1 Section 107(2) provides a definition of 'partnership with the private sector'.

*In this section, partnership with the private sector means any arrangement or agreement that is entered into between 1 or more local authorities and 1 or more persons engaged in business; but does not include—*

- (a) *any such arrangement or agreement to which the only parties are—*
  - (i) *local authorities; or*
  - (ii) *1 or more local authorities and 1 or more [council-controlled organisations]; or*
- (b) *a contract for the supply of any goods or services to, [by,] or on behalf of, a local authority.*

5.2 This Policy on Partnerships with the Private Sector relates to arrangements or agreements where Council may enter with persons engaged in business (other than local authorities or Council organisations), but which are not contracts for the supply of goods or services to or on behalf of Council. As a result the following general approach is utilised:

- Any venture where the Council participates with a person engaged in business with some joint objective is included. This is irrespective of whether or not that joint venture also involves the supply of goods or services to or on behalf of Council.
- Contracts between the Council and its ordinary suppliers of goods and services (for example office supplies or legal services) are excluded.
- Contracts for the supply of goods or services between the Council and its agents for undertaking activities of the Council (such as building or maintaining roads) are excluded.
- Borrowing by the Council and the investment of Council funds for financial gain are excluded as they are addressed in the liability and investment management policies required by Section 102(4)(b) and (c) of the LGA 2002.
- The making of grants to community groups is not included as these groups are not engaged in business, and because grants do not have the same characteristics of partnerships.

#### **Circumstances where Council may Consider a Partnership Approach**

6.1 Council may consider a Partnership with the Private Sector when:

- Entering such a partnership offers material leverage to the Council and the community in furthering the goals and outcomes in the Long Term Plan.

- A partnership with the private sector can deliver better value for money in terms of time, cost, risk management and other financial arrangements than other identified methods of delivery.
- The private sector can demonstrate particular skills and/or innovative capability that are not readily available to the public sector.
- There is opportunity for Council to allocate risk that it is unfamiliar with to a partner that, due to the very nature of its business activities, has the experience and expertise to manage.
- The sheer size and nature of the particular project requires a partnership approach and justifies related transaction and ongoing management costs.
- Benefits to the community (measured in terms of cost, quality, efficiency and ability to promote the social, economic, cultural and environmental well-being of the community) are demonstrated.

### **Consultation with respect to any proposal to form a Partnership**

- 7.1 Any decision by Council to form a Partnership with the Private Sector will be subject to the requirements for decision-making under Section 76 of the LGA 2002.
- 7.2 For the avoidance of doubt any decision to form a Partnership with the Private Sector that triggers Council's Policy on Significance as required by Section 90 of the LGA 2002 will be subject to the special consultative procedure required by section 83 that Act. Where possible, such a decision will be incorporated into a review of Council's Long Term Plan or preparation of Annual Plan.

### **Conditions of Partnership**

- 8.1 Any partnership between the Council and the Private Sector will be subject to certain conditions before Council will agree to the provision of funding or any resources. The relative weighting and means of compliance with the following conditions will be commensurate with the level of risk for Council:
- Any partnership with the private sector will be tested for its ability to further the community goals and outcomes in the Long Term Plan. This will be compared with alternative methods of service delivery.
  - Where Council sees an opportunity to partner with the private sector any resulting partnership will be subject to competitive process. However, Council reserves the right to respond directly to approaches from the private sector with unique proposals.
  - Private sector partners will be subject to independent due diligence assessment (to the satisfaction of the Council) in relation to the proposed partnership to ensure possible partners have the adequate expertise, capacity and financial stability to deliver their responsibilities under the partnership agreement.
  - The expected outputs of any partnership with the private sector will be clearly articulated including the service standards required and related measurable performance indicators including but not limited to:
    - a) The clear articulation of Council's legislative responsibilities and those which are being transferred to the private sector partner under the agreement.
    - b) The establishment of reporting mechanisms and standards to the satisfaction of the Council including the identification of penalties for failure to comply with those mechanisms and standards.
    - c) The establishment of a partnership review dates and how at those review dates the partnership will be tested in terms of its effectiveness and efficiency.

### **Risk Management**

- 9.1 In the event of a partnership with the private sector triggering this Policy and where material risk to the Council is apparent, Council will commission an independent risk assessment and management report prior to entering the relationship. Any identified risks will then be managed via the partnership agreement and related contractual documentation.

### **Procedures for Monitoring and Reporting**

- 10.1 Procedures for monitoring and reporting any partnership with the private sector to Council:



- Transparency and reporting mechanisms will be key elements in any partnership contracts with the private sector. The frequency and nature of reporting will depend on the nature and size of each partnership arrangement.
- In general terms the private sector partner will be expected to report using generally accepted accounting practice and to comply with International Financial Reporting Standards.
- Performance of the partnership will be reported in accordance with the partnership agreement, but no less than on an annual basis.

#### **Contribution to Community Outcomes**

- 11.1 Formal objectives will be established for any partnership with the private sector including how the relationship should/will contribute to community outcomes;
- 11.2 Wherever possible appropriate indicators will be contained within contract documents that will be used to monitor progress towards identified outcomes;
- 11.3 Objectives and indicators will be formally reviewed and reported on completion of the partnership arrangement. For long-standing partnerships periodic reviews will be established through the contractual documentation.

# Policy on Significance

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**Summary**

1.1 This Policy has been developed to comply with Section 90 of the LGA 2002. It addresses the thresholds, criteria and procedures by which issues, decisions, and proposals, will be considered as significant by Waitomo District Council and therefore consulted on using a method commensurate with the significance of the decision (in accordance with Section 79 (1)(a)). The Policy also determines which assets of Council it considers strategic.

## Policy Objectives

2.1 The objectives of the Policy are:

- To outline under what situations Council will consult with the Waitomo District on issues of significance, that fall outside other specific provisions of the Act.
- To outline the basis on which Council considers issues to be of significance to the Waitomo District.
- To outline which assets Council considers strategic.
- To comply with Section 90 of the Local Government Act 2002.

## Statutory Requirements

3.1 Section 90 of the LGA 2002 outlines the content of a policy on significance:

**“90 Policy on significance**

- (1) *Every local authority must adopt a policy setting out---*
- (a) *that local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters; and*
  - (b) *any thresholds, criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, decisions, or other matters are significant.*
- (2) *The policy adopted under subsection (1) must list the assets considered by the local authority to be strategic assets.*
- (3) *A policy adopted under subsection (1) may be amended from time to time.*
- (4) *A local authority must use the special consultative procedure both in relation to---*
- (a) *the adoption of a policy under subsection (1); and*
  - (b) *the amendment, under subsection (3), of a policy adopted under subsection (1).”*

## Relationship to other Council Policies

4.1 It is important when reading this Policy that it is read in conjunction with other related Council policies. Council policies are often linked so that any issue before Council can be dealt with in an integrated and comprehensive fashion. Policies that have a clear relationship with the Policy on Significance are:

- Council's Governance Statement, Standing Orders and the Delegations Register (in terms of operating the policy).
- Council's Policy on Partnerships with the Private Sector (in terms of any proposal or decision to enter a formal relationship with the private sector).
- Council's Investment Policy, Liability Management Policy, Revenue and Financing Policy and Long Term Plan, as these identify and/or set the parameters for the financial implications of significant decisions.

## Definition of Significance

5.1 The LGA 2002 defines significance as:

*"significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,---*

- (a) the current and future social, economic, environmental, or cultural well-being of the district or region:*
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:*
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.*

*significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance"*

## General Approach to Determining Significance

6.1 An issue, decision, proposal or other matter is considered to have significance to the Waitomo District, if (in a material sense):

- a. The consequences or impacts of the issue or decision will affect the overall sustainable development of the District.
- b. The issue or decision is determined to be significant by Council through resolution, and has not been previously consulted on by the Special Consultative Procedure through Council's Annual Plan or Long Term Council Community Plan.
- c. The consequences or impacts of the issue, assets or other matters, will affect the ability of the community to progress toward its Strategic Goals and Community Outcomes as outlined in the Long Term Plan.
- d. The issue or decision may lead to significant change to levels of service, or service provision, in terms of:
  - Potential reduction in levels of service below any level of service standards adopted by Council, including change to service delivery points.
  - Potential changes to levels of service that invoke cost implications as outlined under the financial thresholds provided for in this Policy.
- e. Involves Council's entry into any partnership, transfer of ownership or management control to be exercised over an entire Significant Activity (as defined by Council's Revenue and Financing Policy).
- f. The decision involves the acquisition or disposal of a strategic asset as determined by the LGA 2002 or this Policy.

## Thresholds and Procedures

7.1 When undertaking a process to determine the extent to which issues, proposals, decisions or other matters are significant; the Council will use the following thresholds and procedures:

### Thresholds:

A possible increase in funding requirement in excess of:

- (a) 20% of total Council operating budget costs (\$4.183M) or,
- (b) Capital expenditure in excess of 2.5% of the total value of Council's assets (\$7.937M).

*Note 1: Emergencies and emergency works of Council are excluded from this Policy, 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 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.*

### Procedures:

Decisions on 'significance' will be made in accordance with the Council's requirement that the Chief Executive bring to Council professional and technical advice on all matters in accordance with Council's policies and reporting procedures.

Where any issue, policy, decision or other matter triggers one or more of the thresholds or criteria in this Policy the Chief Executive shall report the matter to Council. Reports to Council or its committees shall include a statement indicating that the issue, proposal, decision or other matter has been considered in regard to Council's Policy on Significance and shall include an assessment of the degree of significance of the issue, proposal, decision or other matter. The report will also make recommendation as to the procedural requirements to be followed by Council prior to making a decision on the issue, proposal, or other matter.

## Strategic Assets

8.1 The LGA 2002 provides the following definition of strategic assets:

### **"5 Interpretation**

**strategic asset**, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes-

- (a) any asset or group of assets listed in accordance with section 90(2) by the local authority; and
- (b) any land or building owned by the local authority and required to maintain the local authorities capacity to provide affordable housing as part of its social policy; and
- (c) any equity securities held by the local authority in-
  - (i) a port company within the meaning of the Port Companies Act 1988:
  - (ii) an airport company within the meaning of the Airport Authorities Act 1966

8.2 Council has identified the following strategic assets and groups of strategic assets:

- Road Network in its entirety
- Water Network in its entirety (Statutory)
- Wastewater Network in its entirety (Statutory)
- Reserves Network in its entirety
- Housing for Elderly Persons (Statutory)
- Stormwater Network in its entirety

# Policy on Investments

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## Summary

- 1.1 The following is developed pursuant to Section 102 (4). It seeks to outline the suggested content for an Investment Policy in compliance with Section 105 of the LGA 2002. It discloses Council's principles of prudent financial management and risk mitigation strategies as they relate to investments.

## Policy Objectives

- 2.1 The objectives of this Policy are:
- To comply with Sections 102 (4) and 105 of the Local Government Act 2002.
  - To promote long term prudent financial management.
  - To outline how investment risk associated with investment activities is assessed and managed.
  - To outline how investments (strategic, equity, and treasury) are managed and reported on.

## Statutory Requirements

- 3.1 Section 105 of the LGA 2002 outlines the content of an investment policy:

### ***105 Investment policy***

*A policy adopted under section 102(4)(c) must state the local authority's policies in respect of investments, including—*

- (a) the objectives in terms of which financial and equity investments are to be managed; and*
- (b) the mix of investments; and*
- (c) the acquisition of new investments; and*
- (d) an outline of the procedures by which investments are managed and reported on to the local authority; and*
- (e) an outline of how risks associated with investments are assessed and managed.*

## Relationship to other Council Policies

- 4.1 It is important when reading this Policy that it is read in conjunction with other related Council policies. Council policies often reference and inform each other so that any issue before Council can be dealt with in an integrated and comprehensive fashion. Policies that have a clear relationship with this Investment Policy are:
- The Liability Management Policy (for borrowing by the Council and guarantees by the Council which are ultimately a liability).
  - Council's Significance Policy (which if triggered by a proposal to make an investment will mean that the proposal will be subject to further decision-making and consultation requirements).
  - The Partnerships with the Private Sector Policy.

## Mix of Investments

- 5.1 Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to maintain diversity in its investment portfolio to spread and minimise risk. Council generally has three types of investments:
- Strategic Investments - investments made or held in alignment to Council's strategic direction and typically retained on a long term basis.
  - Equity Investments - equity (ownership) participation in a private (unlisted) company or a startup (a company being created or newly created).
  - Treasury Investments – short to medium term financial investments that maximise financial return but ensure an appropriate level of liquidity for forecast expenditure.

## New Investments

- 6.1 Prior to making new strategic or equity investments Council will consider (where relevant):
- The expected financial return.
  - How the investment will contribute in furthering the Waitomo District's Community Outcomes as documented in the Long Term Plan.
  - The existing investment portfolio and how the proposed investment 'fits' in terms of Council's preference to spread and minimise risk.
  - Any other consideration Council deems appropriate.

## Management and Reporting

- 7.1 Investments will generally be monitored and reported through Council's established reporting procedures (Quarterly and Annual Report).
- 7.2 For equity investments:
- Transparency and reporting mechanisms will be key elements in any governance arrangements. The frequency and nature of reporting will depend on the nature and size of each investment.
  - In general terms reporting will comply with generally accepted accounting practice and International Financial Reporting Standards.
  - Performance of investments will be reported in accordance with any governance arrangements, but no less than on a six monthly and annual basis.

## Risk Management

- 8.1 Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to maintain diversity in its investment portfolio to spread and minimise risk.
- 8.2 Where material risk to Council is apparent (e.g. equity investments) Council will commission an independent risk assessment and management report prior to entering into the investment.
- 8.3 To ensure the protection of Treasury investments Council will only invest with credit worthy counter parties. Low risk counter parties are defined as those having a Standard and Poors rating of AA- or better.

## Appendix Two: Land Transport Programme

### 2008/09 Land Transport Programme

#### Introduction

The following information relates to the Council's subsidised Land Transport Programme (LTP) for 2008/09 and is provided in accordance with Schedule 1 of the Land Transport Management Act 2003.

#### Outstanding Payments

There are no approved activities or activity classes that have outstanding payments due as at 1 July 2008 from Land Transport New Zealand.

#### Activities and Administration Outputs

Activity Class	Priority	Total Cost	Start Date	Duration	Alternatives
Roading maintenance (See Table 1)	1		1 July 2008	12 months	Not considered at this fundamental level, consistent with RLTS
Improvement, renewal and replacement of roads and bridges (See Table 1)	2				
Administration (See Table 1)	3				
Safety administration (See Table 1)	4				

#### Expenditure Funded by Tolling Revenue

Nil

#### Objectives of Activities and How They Contribute to the Act

The purpose of the Act is to contribute to the aim of achieving an integrated, safe, responsive and sustainable land transport system.

Roading Maintenance ensures the safety, responsiveness (accessibility) and sustainability of the network by mitigation of gradual deterioration, surface flooding, loss of skid resistance, poor signage and road markings and helps to maintain its key role as part of an integrated land transport system.

Improvement and Replacement of Roads ensures that the network meets the on-going demands placed on it by progressively upgrading capacity due to growth and changes in service level, and replacing bridges or sections of road that have reached the end of their economic life. As above, it contributes to the purposes of safety, responsiveness and sustainability.

Administration guides the process necessary to achieve the above activities and supports the decision making processes required for compliance. It therefore contributes to the purpose of achieving integration, safety, responsiveness and sustainability.

Safety Administration contributes to the purposes of safety and responsiveness. With the focus being on non-asset solutions to road safety issues, improvements to driver behaviour and awareness has flow on benefits to the responsiveness of the roading network by reducing driver accidents. The Council supports the activities of the LTSA, the Police and Environment Waikato and employs a Road Safety Coordinator, shared with Otorohanga District Council for the implementation of targeted road safety awareness programmes.

#### Assessment of Activities

This Land Transport Programme takes into account how each activity or activity class:

- a) Assists economic development; and
- b) Assists safety and personal security; and
- c) Improves access and mobility; and
- d) Protects and promotes public health; and
- e) Ensures environmental sustainability.

These matters are addressed in Table 2 below.

This Land Transport Programme takes into account the NZ Transport Strategy, the National Energy Efficiency and Conservation Strategy, and the Environment Waikato Regional Land Transport plan.

The Council's Land Transport Programme focuses on maintaining the current roading asset that has been developed to meet the transport needs of the Waitomo District. In the absence of any alternative transport mechanism, the District's roads are fundamental in achieving the NZ Transport Strategy, which is about creating a sustainable transport system that is also affordable, integrated, safe and responsive to the District's needs (see Foreword to NZ Transport Strategy December 2002).

Street lighting upgrades make use of energy efficient light fittings. New road design has regard to energy considerations through the roading geometry and use of modern road surfacings to improve energy efficiency during the construction and maintenance phases, and on-going vehicle use. Both aspects therefore take into account the National Energy Efficiency and Conservation Strategy.

The LTP is consistent with and complementary to the Environment Waikato Regional LTP where the public transport needs of the District (and region) are addressed.

### Consultation

Consultation on this programme has been carried out in conjunction with the 2008/09 Annual Plan. The specific organisations listed in the ACT were provided with a copy of this document and invited to comment or seek further information on the proposed programme.

### Steps for Developing Options and Alternatives

Options and alternatives are considered at the time of programme design as part of the Council's standard activity management practices so as to deliver the agreed levels of service at optimal cost.

### Long Term Financial Forecasts

The LTP forecast for the next three years of the land transport activity, as varied by this Plan, is detailed in the Table 3 below:

**Table 1: 2008/09 Subsidised LTP Programme**

Activity	WDC Classification	AP 08/09	Subsidy %	LTNZ Subsidy	Local Share
<b>Maintenance</b>			(based on 2007/08 rates)		
Sealed Pavement Maintenance	Operational	1,265,000	58%	733,700	531,300
Unsealed Pavement Maintenance	Operational	910,000	58%	527,800	382,200
Routine Drainage Maintenance	Operational	420,000	58%	243,600	176,400
Structures Maintenance	Operational	150,000	58%	87,000	63,000
Environmental Maintenance	Operational	371,000	58%	215,180	155,820
Traffic Services Maintenance	Operational	303,000	58%	175,740	127,260
Level Crossing Warning Devices	Operational	7,000	100%	7,000	0
Network and Asset Management	Operational	543,000	58%	314,940	228,060
Emergency Reinstatement	Operational	300,000	58%	174,000	126,000



Activity	WDC Classification	AP 08/09	Subsidy %	LTNZ Subsidy	Local Share
<b>Safety Administration</b>					
Community Co-ordination	Operational	39,173	75%	29,380	9,793
Community Projects	Operational	45,927	75%	34,445	11,482
Community Advertising	Operational	14,900	75%	11,175	3,725
Income from ODC for above	Operational				-4,875
Income from ODC for above	Operational				-5,750
Income from ODC for above	Operational				-1,875
	<b>Sub Total</b>	<b>4,369,000</b>		<b>2,553,960</b>	<b>1,802,540</b>
<b>Capex - Renewals</b>					
Unsealed Road Metalling	Capex - Renewals	470,000	58%	272,600	197,400
Sealed Road Surfacing	Capex - Renewals	1,310,000	58%	759,800	550,200
Drainage Renewals	Capex - Renewals	548,000	58%	317,840	230,160
Pavement Rehabilitation	Capex - Renewals	1,430,000	58%	829,400	600,600
Structures Components Replace	Capex - Renewals	445,000	58%	258,100	186,900
Traffic Services Renewals	Capex - Renewals	108,000	58%	62,640	45,360
Associated Improvements	Capex - Renewals	180,000	58%	104,400	75,600
Seal Extension	Capex - Renewals	0	68%	0	0
Minor Improvements	Capex - Renewals	250,000	68%	170,000	80,000
	<b>Sub Total</b>	<b>4,741,000</b>		<b>2,774,780</b>	<b>1,966,220</b>
<b>Capex - Improvements</b>					
Associated Improvements	Capex - Growth Related	50,000	58%	29,000	21,000
Seal Extension	Capex - Growth Related	0	68%	0	0
Minor Improvements	Capex - Growth Related	50,000	68%	34,000	16,000
Property Purchase	Capex - Growth Related	55,000	58%	31,900	23,100
	<b>Sub Total</b>	<b>155,000</b>		<b>94,900</b>	<b>60,100</b>
<b>Capex - Replacements</b>					
Papakauri Road Bridge	Capex - New	250,000	68%	170,000	80,000
Soundy Road Bridge	Capex - New	75,000	68%	51,000	24,000
	<b>Sub Total</b>	<b>325,000</b>		<b>221,000</b>	<b>104,000</b>
	<b>TOTAL</b>	<b>9,590,000</b>		<b>5,644,640</b>	<b>3,932,860</b>

**Table 2: Each Activity's Contribution to the Matters Set Out in the Act**

	<b>Assists Economic development</b>	<b>Assists Safety &amp; Personal Security</b>	<b>Improves Access &amp; Mobility</b>	<b>Protects &amp; Promotes Public health</b>	<b>Ensures Environmental Sustainability</b>
<b>Pavement Maintenance</b>	Ensures traffic flow	Provides driver confidence in consistency and quality of road surface	Ensures traffic flow	Facilitates safe community access to social services and cultural experiences	
<b>Drainage Maintenance</b>	Ensures traffic flow	Provides driver confidence in consistency and quality of road surface	Ensures traffic flow	Facilitates safe community access to social services and cultural experiences	
<b>Structures Maintenance</b>	Ensures traffic flow	Improves driver confidence in consistency and quality of road surface	Ensures traffic flow	Facilitates safe community access to social services and cultural experiences	
<b>Environmental Maintenance</b>	Ensures traffic flow			Removes waste from the roading environment	Remedies negative impacts of land transport
<b>Traffic Services Maintenance</b>	Ensures traffic flow	Improves driver confidence in consistency and quality of road surface	Ensures traffic flow	Facilitates safe community access to social services and cultural experiences	
<b>Level Crossing Warning Devices</b>	Minimises risk of disruption to traffic flow due to accidents	Reduces risk of accidents at rail crossings	Ensures traffic flow	Facilitates safe community access to social services and cultural experiences	
<b>Emergency Reinstatement</b>	Restores traffic flow	Improves driver confidence in consistency and quality of road surface	Restores traffic flow	Restores safe community access to social services and cultural experiences	
<b>Capex - Renewals</b>	Ensures traffic flow	Improves driver confidence in consistency and quality of road surface	Ensures traffic flow	Facilitates safe community access to social services and cultural experiences	
<b>Capex - Improvements</b>	Ensures traffic flow	Improves driver confidence in consistency and quality of road surface	Ensures traffic flow	Facilitates safe community access to social services and cultural experiences	

	<b>Assists Economic development</b>	<b>Assists Safety &amp; Personal Security</b>	<b>Improves Access &amp; Mobility</b>	<b>Protects &amp; Promotes Public health</b>	<b>Ensures Environmental Sustainability</b>
<b>Capex - Replacements</b>	Ensures traffic flow	Improves driver confidence in consistency and quality of road surface	Ensures traffic flow	Facilitates safe community access to social services and cultural experiences	Bridge replacements keep traffic out of waterways
<b>Network and Asset Management</b>	Ensures traffic flow	Improves driver confidence in consistency and quality of road surface	Ensures traffic flow	Facilitates safe community access to social services and cultural experiences	Ensures roading operations have minimal adverse environmental effects
<b>Safety Administration</b>	Ensures traffic flow	Improves driver and pedestrian education and awareness of good road safety practices	Ensures traffic flow	Facilitates safe community access to social services and cultural experiences	

**Table 3: Extract From Ten year Financial Programme – Years 3 to 5 of LTP**

<b>Activity</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
<b>Maintenance</b>			
Sealed Pavement Maintenance	1,265,000	1,302,950	1,342,039
Unsealed Pavement Maintenance	910,000	937,300	965,419
Routine Drainage Maintenance	420,000	432,600	445,578
Structures Maintenance	150,000	154,500	159,135
Environmental Maintenance	371,000	382,130	393,594
Traffic Services Maintenance	303,000	312,090	321,453
Level Crossing Warning Devices	7,000	7,200	7,426
Network & Asset Management	543,000	559,290	576,069
Emergency Reinstatement	300,000	309,000	318,270
<b>Safety Administration</b>			
Community Co-ordination	39,173	40,348	41,560
Community Projects	45,927	47,300	48,725
Community Advertising	14,900	15,350	15,810
<b>Sub Total</b>	<b>4,369,000</b>		

Activity	2008/09	2009/10	2010/11
<b>Capex - Renewals</b>			
Unsealed Road Metalling	470,000	493,500	518,200
Sealed Road Surfacing	1,310,000	1,350,000	1,390,000
Drainage Renewals	548,000	564,440	581,380
Pavement Rehabilitation	1,430,000	1,200,000	1,476,800
Structures Components Replace	445,000	360,500	392,533
Traffic Services Renewals	108,000	111,250	114,580
Associated Improvements	180,000	177,000	175,000
Seal Extension		175,200	134,826
Minor Improvements	250,000	200,000	200,000
<b>Sub Total</b>	<b>4,741,000</b>		
<b>Capex - Improvements</b>			
Associated Improvements	50,000	60,000	70,000
Seal Extension			
Minor Improvements	50,000	45,000	55,000
Property Purchase	55,000	65,000	75,000
<b>Sub total</b>	<b>155,000</b>		
<b>Capex - Replacements</b>			
Papakauri Road Bridge	250,000	0	0
Ngakakore Road Bridge	75,000	0	0
<b>Sub Total</b>	<b>325,000</b>		
<b>TOTAL</b>	<b><u>9,590,000</u></b>		

**NOTE:** The above figures make allowance for inflation at the rate of 3% per annum.

## Appendix Three: The Waitomo District Council

### District Background

The Waitomo County Act was passed in 1904 and the first meeting of the Waitomo County Council was held in September 1905.

The Borough of Te Kuiti was constituted in 1910.

In 1922 the Awakino County was amalgamated with the Waitomo Council in an area of the then Otorohanga County to form a separate local authority.

Part of the Kawhia County was included with Waitomo County in 1956 and the balance incorporated with Otorohanga.

The Te Kuiti Borough and Waitomo County Councils were amalgamated to form the Waitomo District Council on 1st April 1976, and although minor changes to boundaries occurred with the 1989 reorganisation, the District remains substantially unchanged.

The present Waitomo District Council was reconstituted on 1st November 1989 as a result of the local government reorganisation process that occurred across New Zealand.



### District History

The town of Te Kuiti and the majority of the Waitomo District is situated within the King Country, a large tract of the western central North Island. The name King Country arose because this was the region in which King Tawhaio sought refuge after the Waikato land wars. He prohibited the entry of Europeans to the area.

To the Maori people the region was known as Te Rohe Potae. Within Te Rohe Potae there were five tribes who signed an agreement with the Crown, which eventually allowed the North Island Main Trunk Railway line to come into the area. The five tribes were Ngati Maniapoto, Ngati Hikairo, Ngati Raukawa, Ngati Tuwharetoa and Whanganui.

It was also to this area that the rebel Te Kooti fled in 1871, and in return for sanctuary left as a gift for the Maniapoto people, Te Tokanganui-a-noho, the carved meeting house which now stands at the south end of Te Kuiti's main street. Te Kuiti was also the headquarters for paramount Maniapoto chiefs, Wahanui Huatere and Taonui who were instrumental in the opening up of the King Country to the railway and the North Island Main Trunk Railway line.

Te Kuiti lies on an area known to Maori as Pukenui. The original Te Kuiti was situated at the mouth of the Mangaokewa Gorge, just below where the Mangaokewa River emerges, from the higher country through ramparts of limestone.

Situated in a pleasant valley with this narrow gorge at the south end, Te Kuiti's original name was Te Kuiti O Nga Whakaaro O Te Iwi, meaning the narrowing down or thoughts of the people.



Sourced from LINZ data. Crown and Critchlow  
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 Census boundaries from Statistics NZ.

## Mayor and Councillors

### Mayor

Mark Ammon 41 Waitete Road, TE KUITI  
Phone: (07) 878 0800 (Business); (07) 878 6359 (Home)  
Fax: (07) 878 7771



### Deputy Mayor

Pat Hickey (Urban Ward)  
1604 Te Kumi Road, TE KUITI  
Phone: (07) 878 3408 (Business); (07) 878 6316 (Home)  
Fax: (07) 878 3409

Brian Hanna (Rural Ward)  
2896 SH 3, Mahoenui, R D, TE KUITI  
Phone: (07) 877 8406  
Fax: (07) 877 8407



Peter Keeling (Rural Ward)  
166 Paekaka Road R D 2, PIOPIO 3970  
Phone: (07) 878 5236 (Business); (07) 877 8779 (Home)  
Fax: (07) 878 7157

Pauline Ryan (Urban Ward)  
6 South Street, TE KUITI  
Phone: (07) 878 8072 (Business); (07) 878 6797 (Home)  
Fax: (07) 878 8072

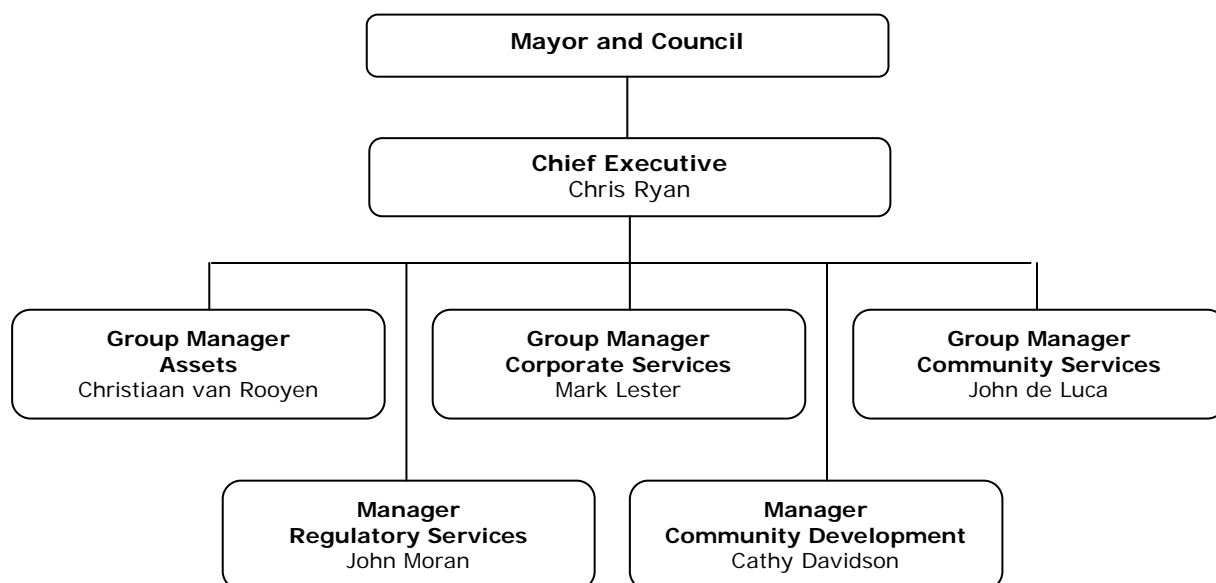


Sue Smith (Rural Ward)  
313 Te Waitere Road, R D 8, TE KUITI  
Phone: (07) 876 7518  
Fax: (07) 876 7518

Doug Stone (Urban Ward)  
7 Gladstone Road, TE KUITI  
Phone: (07) 878 6014



## Organisational Structure



## District Statistics

### Location

Latitude: 38° 21' South Longitude: 175° 11' East of Greenwich  
 Altitude: 55m above mean sea level Area: 336,357 hectares (3363.57 sq km)

### Climate

Temperature Summer Average 18.5°C Winter Average 9.5°C  
 Sunshine Mean Average 1,749 hours  
 Rainfall Average 1,473mm per year  
 Frosts Average 47 days per year

### Population Analysis ([www.elections.org.nz](http://www.elections.org.nz))

Total Population (as per [www.elections.org.nz](http://www.elections.org.nz)) 9,441  
 Electors (as per [www.elections.org.nz](http://www.elections.org.nz)) 5,793

### Rating Statistics

Total Rates Struck (excl GST) 2007/2008 \$10,728,000  
 2006/2007 \$9,325,000  
 Total Rateable Capital Value as at 1 April 2008 \$3,421,724,400  
 Total Capital Value as at 1 April 2008 \$3,691,376,350  
 Number of Rateable Properties as at 1 March 2007 5,581

### Public Debt Outstanding

30 June 2007 (Actual) \$24,563,000  
 30 June 2009 (Budgeted) \$34,486,000

### Public Equity

30 June 2007 (Actual) \$246,431,000  
 30 June 2009 (Budgeted) \$247,576,000

### Other Information

Number of Building Consents 2006/2007 278  
 Value of 2006/2007 Building Consents \$14,026,547  
 Total District Roading Sealed (June 2007) 451.4 kilometres  
 Total District Roading Unsealed (June 2007) 559.3 kilometres  
 Registered Dogs Total (30 June 2007) 4,212



## Appendix Four: Glossary

### Glossary of Terms

<b>Activity</b>	The goods or services that Council provides to the Community.
<b>Assets</b>	Assets are things that Council owns, such as roads, parks, buildings and cash holdings.
<b>Asset Management Plan (AMP)</b>	A planning document that combines management, financial, strategic and engineering techniques to ensure an asset continues to provide the desired level of service to its customers at the lowest long term cost.
<b>Capital Expenditure (Capex)</b>	The term used to describe expenditure on assets (land, infrastructure, plant and equipment) that will provide benefit to the Community for a period greater than 12 months
<b>Capital Value</b>	The sum of the unimproved value (land value), and the value of the improvements is equal to the capital value of the land.
<b>Community Outcomes (COs)</b>	The Community's view of what is important for its current and future social, economic, environmental and cultural well-being.
<b>Community Well-beings</b>	One of the main purposes of councils, as stated in the LGA 2002, is to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future. These four aspects are known as the 'four community well-beings'.
<b>Corporate Support</b>	Used to describe the inputs that are used by all of Council's activities.
<b>Council Organisation</b>	<ul style="list-style-type: none"> <li>a) a company— <ul style="list-style-type: none"> <li>(i) in which equity securities carrying voting rights at a meeting of the shareholders of the company are— <ul style="list-style-type: none"> <li>(A) held by 1 or more local authorities; or</li> <li>(B) controlled, directly or indirectly, by 1 or more local authorities; or</li> </ul> </li> <li>(ii) in which 1 or more local authorities have the right, directly or indirectly, to appoint 1 or more of the directors (however described) of the [[company]]; or</li> </ul> </li> <li>(b) an [[entity]] in respect of which 1 or more local authorities have, whether or not jointly with other local authorities or persons,— <ul style="list-style-type: none"> <li>(i) control, directly or indirectly, of 1 or more of the votes at any meeting of the members or controlling body of the [[entity]]; or</li> <li>(ii) the right, directly or indirectly, to appoint 1 or more of the trustees, directors, or managers (however described) of the [[entity]].</li> </ul> </li> </ul>

<p><b>Council Controlled Organisation (CCO)</b></p>	<p>A council organisation that is—</p> <p>(a) a company—</p> <p>(i) in which equity securities carrying 50% or more of the voting rights at a meeting of the shareholders of the company are—</p> <p>(A) held by 1 or more local authorities; or</p> <p>(B) controlled, directly or indirectly, by 1 or more local authorities; or</p> <p>(ii) in which 1 or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or</p> <p>(b) an [[entity]] in respect of which 1 or more local authorities have, whether or not jointly with other local authorities or persons,—</p> <p>(i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the [[entity]]; or</p> <p>(ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the [[entity]]</p>
<p><b>Council Controlled Trading Organisation</b></p>	<p>A council-controlled organisation that operates a trading undertaking for the purpose of making a profit.</p>
<p><b>Current Assets</b></p>	<p>Assets that can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors, and operational investments.</p>
<p><b>Current Liabilities</b></p>	<p>Creditors and other liabilities due for payment within the financial year.</p>
<p><b>Designated Investments</b></p>	<p>Investments representing Special Funds and Reserve Accounts.</p>
<p><b>Development Expenditure</b></p>	<p>A form of capital expenditure that refers to an investment in an asset to improve its value. The investment in the asset results in the asset's condition being better than when it was first purchased, or built by Council. This does not include renewing old assets to their original state; these are classed as renewal works.</p>
<p><b>Exception Annual Plan (EAP)</b></p>	<p>A plan that reports on any exceptions from the forecast LTP.</p>
<p><b>Infrastructural Assets</b></p>	<p>Fixed utility systems that provide a continuing service to the Community and are not generally regarded as tradable. Council's infrastructural assets consist of roads, waste disposal systems, sewerage, stormwater systems and landfill assets.</p>
<p><b>Key Performance Indicators (KPIs)</b></p>	<p>Targets set by Council to enable the Community to monitor Council's progress towards agreed outcomes each year. A table of performance measures is provided in each activity section.</p>

<b>Levels of Service (LoS)</b>	Council has Levels of Service that it has agreed to provide to the Community. Examples include the number of times reserves are mowed per year or response times to customer concerns. Operational levels of service are stated in the activity sections of the Waitomo District Council Long Term Council Community Plan (LTP).
<b>Level of Service Expenditure</b>	A form of capital expenditure that refers to an investment in an asset to improve its value as a result of improving the service that that assets provides to the community. The level of service investment in the asset results in the asset's condition being better than when it was first purchased or built by Council. This does not include improvements to assets as a result of increased need or demand for that asset due to growth, this is classed as Development Expenditure; or renewal of old assets to their original state, which is classed as Renewal Expenditure.
<b>Local Government Act 2002 (LGA)</b>	The Key legislation that defines the regulations and responsibilities for local authorities.
<b>Long Term Council Community Plan (LTP)</b>	A plan covering a period of ten years, developed by the Council and describing what the Council will do to contribute to the achievement of Community Outcomes. It shows what the Council will do, why it does these things, how much they will cost and how success will be judged. Council's current LTP is labeled "Waitomo District Long Term Council Community Plan 2006/2016".
<b>Operations Expenditure</b>	The expenditure required to meet the costs of normal day-to-day services provided by Council. This includes expenditure resulting from inputs on such items as contract costs, materials, electricity and plant hire.
<b>Operating Revenue</b>	<p>Money earned through Council activities in return for service provided, or by way of a grant or subsidy to ensure particular services or goods are provided.</p> <p>Examples include Land Transport New Zealand (LTNZ) Financial Assistance Rates (FAR) subsidies, rental income and fees and charges.</p>
<b>Operating Surplus</b>	An accounting term meaning the excess of income over expenditure. Income and expenditure in this context excludes "capital" items such as the receipt of repayment of intergeneration loans, the cost of capital works and transfers to and from reserves. An operating surplus is inclusive of non-cash items such as income and expenditure owing but not paid (debtors and creditors) and depreciation.
<b>Outputs</b>	Goods and services the Council will produce or provide to achieve agreed outcomes.

<b>Renewal Expenditure</b>	A form of capital expenditure that describes Council's ongoing programme of works, which is aimed at maintaining the District's assets in a good condition by 'renewing' them back to their original state.
<b>Separately Used or Inhabited Part (SUIP)</b>	Includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease or other agreement. As a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or separate use. For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one separately used or inhabited part.
<b>Stakeholders</b>	People, groups and or organisations that have an interest in what happens in the District.
<b>Strategic Goals</b>	Council has set Strategic Goals for each of its activities. These goals are targeted at ensuring Council's work programmes are promoting the achievement of Community Outcomes. The goals are long-term and in most cases will take many years to achieve.
<b>Sustainable Development</b>	Development that meets the needs of the present without compromising the ability of future generations to meet its own needs.
<b>Targeted Uniform Annual Charge (TUAC)</b>	A targeted rate based strictly on a uniform amount set for each separately used or inhabited rating unit, within a defined (targeted) area, e.g. stormwater, solid waste kerbside collection, etc.
<b>Uniform Annual Charge (UAC)</b>	A service charge that is levied on each separately used or inhabited rating unit, e.g. solid waste management, sewerage, water supply, etc.
<b>Uniform Annual General Charge (UAGC)</b>	Uniform Annual General Charge that is levied on all separately used or inhabited rating units in the District.