

## Estimated Cost of Service Statement

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	<b>Operating Income</b>			
(100)	Collection	(106)	(120)	(14)
(1,011)	Management	(1,074)	(970)	104
<b>(1,111)</b>	<b>Total Income</b>	<b>(1,180)</b>	<b>(1,090)</b>	<b>90</b>
	<b>Direct Operating Expenditure</b>			
344	Collection	366	316	(50)
1,504	Management	1,962	1,477	(485)
<b>1,848</b>	<b>Total Direct Expenditure</b>	<b>2,328</b>	<b>1,793</b>	<b>(535)</b>
<b>737</b>	<b>Net Operating Cost/ (Surplus)</b>	<b>1,148</b>	<b>703</b>	<b>(445)</b>
	<b>Capital Expenditure</b>			
96	Management	852	901	49
<b>96</b>	<b>Total Capital Expenditure</b>	<b>852</b>	<b>901</b>	<b>49</b>
<b>833</b>	<b>Net Expenditure</b>	<b>2,000</b>	<b>1,604</b>	<b>(396)</b>
	<b>Funded By</b>			
(52)	Internal Loans Drawn	(852)	(831)	21
(41)	Reserves	0	(66)	(66)
(5)	General Rates	(9)	(8)	1
(5)	UAGC	(9)	(4)	5
(485)	Target Rate - District	(870)	(505)	365
(46)	Target Rate - Mokau	(48)	(38)	10
(32)	Target Rate - Piopio	(32)	(25)	7
(121)	Target Rate - Te Kuiti	(131)	(92)	39
(46)	Target Rate - Waitomo	(49)	(35)	14
<b>(833)</b>	<b>Total Funding</b>	<b>(2,000)</b>	<b>(1,604)</b>	<b>396</b>

## Variations from LTP 2012-22

Material variations for the 2014/15 financial year when compared to the LTP 2012-22 are:

### Operating Income

- Collection: The forecast revenue from the sale of Rubbish bags has been increased to reflect the number of bags currently being sold, in the proposed budgets.
- Management: The forecast revenue from the Landfill and Transfer Stations has been reduced due to an anticipated reduction in the disposal volumes of refuse, in the proposed budgets.

### Operating Expenditure

- Collection: The Kerbside Collection costs in the LTP 2012-2022 have been reduced as landfill disposal costs are anticipated to be less than expected during 2014/15. The reason for the decrease is due to greater volumes being diverted to recycling and therefore less residential waste being collected. However it should be noted that there could well be an increased recycling collection cost in the future because of this diversion.
- Management: The expenditure at the Landfill has been budgeted to be less than the LTP 2012-2022 forecast due to reduced operational expenditure (including the costs associated with Emissions Trading Scheme) in these proposed budgets. This operational expenditure is less than forecast as a result of reduced disposal volumes of refuse.

### Funding Changes

- Reserves: Funding for the roof over the recycling area will be met from the Waste Minimisation Special Reserve. Council approval is required for the reserve to be used in this way.
- Target Rate – District: Reduced net operational costs for the operation of the Landfill and Transfer Stations, have led to the District Targeted Rate levied to meet those costs being reduced accordingly.
- Target Rate – Collection: Reduced net operational costs for the collection service have led to the Targeted Rates for the service being reduced accordingly.

# Stormwater Drainage

## What we do

The Stormwater Drainage Group provides for the collection, diversion, and disposal of urban surface water runoff following rainfall. Surface water flooding can occur in the absence of an effective stormwater drainage system.

The Group covers the stormwater assets owned and operated by Council in urban areas including Te Kuiti, Benneydale, Piopio, Mokau, Awakino, Marokopa and Te Waitere. The majority of Council's stormwater infrastructure is located at Te Kuiti, with limited infrastructure available at the remaining townships. The stormwater infrastructure servicing Waitomo Village and Taharoa is privately owned and does not form part of this Plan.

Providing, maintaining and upgrading Council's urban stormwater network comprising the urban open drains, pipes and manholes, downstream from surface channels, sumps and sump leads (the latter, together with all rural drainage assets, are included under the Roads and Footpaths activity) are the main elements of this group.

## Main focus for 2014/15

- Continue with the collection of Asset management data, including physical attributes, asset performance, asset conditions and costs.
- A number of minor capital works have been identified as being required on the basis of known asset conditions and those identified during network cleaning and inspections.



STORMWATER DRAIN UPGRADE - ST ANDREW'S COURT TE KUITI (2012/13)

## Measuring our progress

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (Level of Service)	How we measure success (Performance Measure)	Our Targets		
		2014/15	2015/16	2016/17
Threats to public health and property will be limited.	Percentage of urgent requests dealt with within one working day.	90%	90%	90%
Service requests and complaints are processed as they come in.	Completion time (working days following receipt) for customer follow up on outstanding requests/complaints.	< 5 days	< 5 days	< 5 days
Stormwater quality will be managed effectively.	Percentage of stormwater pollution incidents are corrected within time frames agreed with Waikato Regional Council.	100%	100%	100%
	Response time for investigation of all reported pollution incidents associated with stormwater discharge following notification.	<12 hours	<12 hours	<12 hours
	Number of stormwater abatement notices issued.	Nil	Nil	Nil

## Estimated Cost of Service Statement

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	<b>Direct Operating Expenditure</b>			
346	Te Kuiti Stormwater	380	362	(18)
34	Rural Stormwater	39	38	(1)
<b>380</b>	<b>Total Direct Expenditure</b>	<b>419</b>	<b>400</b>	<b>(19)</b>
<b>380</b>	<b>Net Operating Cost/ (Surplus)</b>	<b>419</b>	<b>400</b>	<b>(19)</b>
	<b>Capital Expenditure</b>			
362	Te Kuiti Stormwater	131	349	218
5	Rural Stormwater	5	5	0
<b>367</b>	<b>Total Capital Expenditure</b>	<b>136</b>	<b>354</b>	<b>218</b>
<b>747</b>	<b>Net Expenditure</b>	<b>555</b>	<b>754</b>	<b>199</b>
	<b>Funded By</b>			
(366)	Reserves	(136)	(365)	(229)
(346)	Target Rate - Urban	(380)	(343)	37
(35)	Target Rate - Rural	(39)	(46)	(7)
<b>(747)</b>	<b>Total Funding</b>	<b>(555)</b>	<b>(754)</b>	<b>(199)</b>

## Variations from LTP 2012-22

Material variations for the 2014/15 financial year when compared to the LTP 2012-22 are:

### Operating Expenditure

- Te Kuiti: Forecast expenditure has decreased due to reduced insurance costs for Stormwater underground assets. The reason for the decrease is through Council's membership of the Local Authority Protection Plan and in particular the movement of the insured replacement value of Council's assets relative to other member Councils. It is proposed to offset part of these savings with increased operational and maintenance expenditure.

### Capital Expenditure

- Te Kuiti: Additional capital works are proposed to be carried out on Awakino and Hospital Roads as well as increasing minor renewal works capacity. None of these were provided in the LTP 2012-2022 forecast. The reason for these works is to rehabilitate those parts of the network identified as requiring remedial works during cleaning and inspections undertaken of the urban stormwater network.

### Funding Changes

- Reserves: It is proposed that funding for the additional capital works will be funded from depreciation reserves.
- Target Rates: It is proposed that the Urban Target Rate be reduced with the use of reserve funding and savings in operational expenditure.

# Resource Management

## What we do

The Resource Management Activity involves the administration, application and enforcement of the Waitomo District Plan provisions including:

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

The services delivered by this Group promote sustainable development of natural and physical resources, by establishing policies and plans which aim in part to make the district vibrant and prosperous.

The Resource Management Act 1991 (RMA) requires Council to establish objectives, policies and plans which promote the sustainable development of the District's natural and physical resources in a manner which enables communities to provide for their social, economic, environmental and cultural well-being and for their safety and health.

## Main focus for 2014/15

The service levels in this activity will be maintained.

The LTP 2012-22 had provided for a comprehensive review of the District Plan commencing in 2013/14 year. However, it was agreed through the 2013/14 Annual Plan process to defer the start of this review for a year given the possible changes to the Resource Management Act and the Regional Planning work being carried out through the Waikato Mayoral Forum (WMF).

A scope and needs analysis has been conducted in 2013/14 and Council considers that some quick gains can be had by carrying out certain updates to the District Plan as a start in 2014/15 to bring it in line with legislative changes and any relevant National Policy Statements instead of starting on a more extensive review. A watching brief on the WMF work and the parliamentary process will be maintained prior to any concrete decision being made in this area.

## Measuring our progress

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (Level of Service)	How we measure success (Performance Measure)	Our Targets		
		2014/15	2015/16	2016/17
Council will ensure that resource consents are processed in a timely and customer friendly manner so as to facilitate district wide development.	Percentage of notified consents processed within 80 working days of receipt.*	90%	90%	90%
	Percentage of non-notified consents processed within 20 working days.	90%	90%	90%
All premises where resource consent have been issued will be monitored at least biennially to ensure compliance.	Percentage of consented premises visited each year.	50%	50%	50%

\* Resource consents are notified for public comment if they are complex with possible off-site effects.



LIMESTONE LANDSCAPE - WAITOMO

## Estimated Cost of Service Statement

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	<b>Operating Income</b>			
(80)	District Plan Administration	(86)	(80)	6
<b>(80)</b>	<b>Total Income</b>	<b>(86)</b>	<b>(80)</b>	<b>6</b>
	<b>Direct Operating Expenditure</b>			
198	District Plan Administration	196	176	(20)
<b>198</b>	<b>Total Direct Expenditure</b>	<b>196</b>	<b>176</b>	<b>(20)</b>
<b>118</b>	<b>Net Operating Cost/ (Surplus)</b>	<b>110</b>	<b>96</b>	<b>(14)</b>
<b>118</b>	<b>Net Expenditure</b>	<b>110</b>	<b>96</b>	<b>(14)</b>
	<b>Funded By</b>			
0	Reserves	0	10	10
(59)	General Rate	(55)	(70)	(15)
(59)	UAGC	(55)	(36)	19
<b>(118)</b>	<b>Total Funding</b>	<b>(110)</b>	<b>(96)</b>	<b>14</b>

## Variations from LTP 2012-22

There are no material variations in the Resource Management Activity for the 2014/15 financial year when compared to the LTP 2012-22.

# Sewerage and Treatment and Disposal of Sewage

## What we do

The Sewerage Group provides for the environmentally safe collection, treatment and disposal of the District's sewage wastes. Sewerage (or wastewater) schemes are provided by Council at Te Kuiti, Piopio, Benneydale and Te Waitere. The privately owned and operated sewerage schemes at Waitomo Village and Taharoa do not form part of this Plan.

There are three activities under this Group, namely:

- Maintenance
- Renewals and replacements
- Improvements

Operation and maintenance involves the planned and reactive servicing of the sewerage infrastructure – clearing blocked sewers, servicing pump stations, repairing damaged asset components and operating the sewage treatment plants and disposal systems.

Renewal/replacement of sewerage infrastructure (principally sewer pipes) involves replacement of these assets at the end of their effective lives.

The timing of renewals is determined from the asset age, condition assessments and capacity assessments of the existing drainage networks based on the available asset data.

Improvements involve the provision of additional sewerage reticulation or treatment plant capacity either by installing new or extending existing pipe networks or treatment plants. Where possible, any identified

shortfall in existing pipe capacity will be addressed at the time of the pipe replacement so that any existing undersized pipes will be replaced with larger diameter pipes.

## Main focus for 2014/15

- The 2013/14 financial year will see the completion of significant upgrade works to the Te Kuiti Waste Water Treatment Plant, which commenced in 2010/11. The focus for 2014/15 will be to ensure commissioning is completed and daily operations are bedded in.
- Improve the accuracy and completeness of asset registers and asset management plans for each scheme as required by the Local Government Act 2002. This will enable focus on risk identification and management of critical assets and prioritise work programmes accordingly.
- Negotiations are underway with the current asset owner of the wastewater network in Waitomo Caves Village regarding the takeover of assets by WDC. Once the outcome of the negotiation becomes clearer, Council will consult the community on the available options. These are expected to be a focus area during the 2014/15 year.



OVERVIEW - TE KUITI WASTE WATER TREATMENT PLANT

## Measuring our progress

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (Level of Service)	How we measure success (Performance Measure)	Our Targets		
		2014/15	2015/16	2016/17
Sewage treatment is managed without adversely affecting the quality of the receiving environment.	Number of complaints regarding receiving water quality as a result of effluent discharge as measured in Request for Service (RFS) system.	≤ 2	≤ 2	≤ 2
Sewage is managed without risk to public health.	Number of sewage overflows into habitable buildings due to faults in the wastewater system (measured by RFS system).	≤1	≤1	≤1
A reliable removal and treatment service is provided.	Number of sewage overflow events per year at any one wastewater scheme.	≤ 2	≤ 2	≤ 2
Resource Consent for TKWWTP is renewed and complied with	Percentage compliance with renewed TKWWTP Resource Consent	100% * See note below	100%	100%

*Note: Renewal of the Resource Consent has been applied for. Experience with the Piopio consent has shown that objectors delay the renewal of this type of consent and it is expected that the renewed consent will be granted in 2015.*



FILTRATION SYSTEM - TE KUITI WASTEWATER TREATMENT PLANT



# Estimated Cost of Service Statement

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	<b>Operating Income</b>			
(627)	Te Kuiti Sewerage	(790)	(825)	(35)
(1)	Benneydale Sewerage	(1)	(2)	(1)
(1)	Piopio Sewerage	(1)	(1)	0
<b>(629)</b>	<b>Total Income</b>	<b>(792)</b>	<b>(828)</b>	<b>(36)</b>
	<b>Direct Operating Expenditure</b>			
2,627	Te Kuiti Sewerage	3,112	2,927	(185)
30	Te Waitere Sewerage	33	48	15
139	Benneydale Sewerage	152	159	7
197	Piopio Sewerage	372	266	(106)
<b>2,993</b>	<b>Total Direct Expenditure</b>	<b>3,669</b>	<b>3,400</b>	<b>(269)</b>
<b>2,364</b>	<b>Net Operating Cost/ (Surplus)</b>	<b>2,877</b>	<b>2,572</b>	<b>(305)</b>
	<b>Capital Expenditure</b>			
671	Te Kuiti Sewerage	491	515	24
10	Te Waitere Sewerage	11	5	(6)
78	Benneydale Sewerage	0	65	65
101	Piopio Sewerage	452	0	(452)
<b>860</b>	<b>Total Capital Expenditure</b>	<b>954</b>	<b>585</b>	<b>(369)</b>
<b>3,224</b>	<b>Net Expenditure</b>	<b>3,831</b>	<b>3,157</b>	<b>(674)</b>
	<b>Funded By</b>			
(772)	Internal Loans Drawn	(942)	(515)	427
(394)	Reserves	(479)	(456)	23
(1,529)	Target Rate - Te Kuiti	(1,813)	(1,614)	199
(158)	Trade Waste Target Rate - District Wide	(187)	(176)	11
(30)	Target Rate - Te Waitere	(32)	(42)	(10)
(125)	Target Rate - Benneydale	(118)	(139)	(21)
(216)	Target Rate - Piopio	(260)	(215)	45
<b>(3,224)</b>	<b>Total Funding</b>	<b>(3,831)</b>	<b>(3,157)</b>	<b>674</b>

## Variations from LTP 2012-22

Material variations for the 2014/15 financial year when compared to the LTP 2012-22 are:

### Operating Income

- Te Kuiti: Revenue from the Trade Waste from industrial users is forecast to increase. These revenues are based on both volume and load being discharged, which in turn is based on their level of activity and amount of pre-treatment carried out by them before discharge into Council's sewerage system. Based on historical discharge and revenue information, it is proposed to increase this forecast. However there is some uncertainty associated with this forecast and it could well change in the future.

### Operating Expenditure

- Te Kuiti: It is anticipated that operational expenditure for Te Kuiti Sewerage will decrease compared with the LTP 2012-22 forecast due to reductions in insurance, electricity and other operational expenditures. It is expected that interest costs and depreciation are expected to increase with the completion of the Waste Water Treatment Plant upgrade.
- Piopio: Expenditure for 2014/15 is projected to decrease compared to the LTP 2012-2022 forecast due to reductions in depreciation charges and loan interest costs.

### Capital Expenditure

- Te Kuiti: It is proposed that additional expenditure be carried out for pump station improvements and increasing the capacity of the main sewer pipe crossing the river near Esplanade Bridge to improve operational performance of the main pump station.
- Piopio: It is proposed that expenditure (driven by a projected population growth in the LTP 2012-2022 forecast) be removed as slow growth in the population of Piopio is evident.

### Funding Changes

- Internal Loans: Loan funding is used for capital improvement expenditure but with the cancellation of capital works for Piopio (above) the amount of loan funding required will decrease in 2014/15.
- Reserves: Reserve funding of part of the operational expenditure is decreased from that proposed in the LTP 2012-2022 forecast.
- Target Rates: Rates funding for Te Kuiti and Piopio is proposed to be reduced due to decreases in net operational expenditure. Rate funding for Te Waitere and Benneydale is projected to increase as a result of additional operational expenditure.

# Economic Sustainability Group

The Groups of Activities discussed under this heading promotes Community Outcomes that primarily target economic well-being. Its component Groups focus on providing the necessary infrastructure that enables communities to prosper and to ensure that the District as a whole is able to transport produce and necessities to and from the marketplace. The growth and maintenance of tourism, farming and other commerce and industry is dependent on the provision of reliable transport and water supply networks.

## ***Groups promoting Economic Sustainability:***

- Water Supply
- Roads and Footpaths



*MOKAU VISTA*

# Water Supply

## What we do

The Water Supply activity provides for the environmentally safe collection, treatment and reticulation of Council's public water supplies. Water supply schemes are provided by Council at Te Kuiti, Benneydale, Piopio and Mokau.

The privately owned and operated water supply schemes at Waitomo Village and Taharoa do not form part of this Plan.

**There are three aspects of operations under this group, namely:**

- **Maintenance** – Which can be defined as the regular work and immediate repairs necessary to preserve an asset in a condition, which allows it to perform its required function.  
For example, repairing leaks and broken mains, servicing pump stations, cleaning reservoirs etc.
  - **Renewals and Replacements** - Renewal/ replacement of water supply infrastructure (principally water supply mains) involves replacement of these assets at the end of their effective lives. The timing of renewals is determined from the asset age, condition assessments and capacity assessments of the existing water supply networks based on the available asset data.
  - **Improvements** - This involves the provision of additional water supply reticulation, storage or treatment plant capacity either by installing new or extending/upgrading existing pipe networks, storage structures or treatment plants.
- The major upgrade of the Water Treatment Plant in Te Kuiti is required to deliver higher drinking water quality required under the Drinking-Water Standards for New Zealand 2005 (Revised 2008) that apply to water supply systems of Te Kuiti's size by 1 July 2014. The focus for 2014/15 will be the completion of Phases One and Two which includes upgrade of the filter backwash system, installation of ultra violet light treatment, renewal of the main pump station and repositioning of the water intake equipment. It is estimated that the cost of this work will be approximately \$4.1 million, which is more than the estimates provided in the LTP 2012-22. Assessments subsequent to the adoption of the LTP 2012-22 have shown that other supporting components will require upgrading as well. Notwithstanding that, detailed plans and formal engineer's costings have yet to be completed so these estimates may vary.
  - Renewal of the Water Take resource consent as part of the Water Treatment Plant upgrade.
  - Implementation of a water meter reading programme and bulk reticulation monitoring for Te Kuiti to track down and eliminate leaks within the system.
  - Construction of raw water storage dam at Mokau to improve security of supply, especially over the summer holiday period will be under taken in the 2013/14 financial year, with commissioning early in the 2014/15 financial year.
  - Negotiations are underway with the current owners of water assets in the Waitomo Caves Village regarding the take-over of water assets by Council. Once the outcomes become clearer Council will engage with the community on options, during the 2014/15 year.



*THE OFFICIAL OPENING OF THE PIOPIO WATER TREATMENT PLANT - MAY 2013.*

## Measuring our progress

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (Level of Service)	How we measure success (Performance Measure)	Our Targets		
		2014/15	2015/16	2016/17
Water supply is adequate for public health purposes.	Percentage compliance with NZ Drinking water Standards 2005 as measured in WINZ database.	95%	95%	95%
	Public Health Risk Management plans adopted and implement.	100%	100%	100%
	Confirmed illnesses attributable to consumption of Council water supply services.	Nil	Nil	Nil
	Number of complaints per annum regarding water supply quality, at any supply scheme.	<10	<10	<10
	Percentage of customers who are satisfied with the quality of their drinking water as measured by Resident Satisfaction Survey.	75%	75%	75%
Water resources are used efficiently and sustainably.	Percentage of the fire hydrants meeting bi-annual compliance test with the fire fighting standards.	75%	75%	75%
Water supply to customers is reliable.	Percentage of customers who are satisfied with the reliability of their water supply services as measured by Resident Satisfaction Survey.	75%	75%	75%
Failures and service requests are responded to promptly.	Percentage of supply disruptions restored with 4 hours after first notification.	90%	90%	90%



*PIOPIO WATER TREATMENT PLANT*

## Estimated Cost of Service Statement

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	<b>Operating Income</b>			
(1,287)	Te Kuiti Water	(642)	(1,407)	(765)
(812)	Mokau Water	(33)	(30)	3
(16)	Piopio Water	(26)	(26)	0
(2)	Benneydale Water	(25)	(23)	2
<b>(2,117)</b>	<b>Total Income</b>	<b>(726)</b>	<b>(1,486)</b>	<b>(760)</b>
	<b>Direct Operating Expenditure</b>			
1,397	Te Kuiti Water	1,664	1,784	120
344	Mokau Water	327	306	(21)
273	Piopio Water	266	315	49
150	Benneydale Water	154	182	28
<b>2,164</b>	<b>Total Direct Expenditure</b>	<b>2,411</b>	<b>2,587</b>	<b>176</b>
<b>47</b>	<b>Net Operating Cost/ (Surplus)</b>	<b>1,685</b>	<b>1,101</b>	<b>(584)</b>
	<b>Capital Expenditure</b>			
3,242	Te Kuiti Water	1,123	1,540	417
810	Mokau Water	11	80	69
41	Piopio Water	13	65	52
3	Benneydale Water	3	3	0
<b>4,096</b>	<b>Total Capital Expenditure</b>	<b>1,150</b>	<b>1,688</b>	<b>538</b>
<b>4,143</b>	<b>Net Expenditure</b>	<b>2,835</b>	<b>2,789</b>	<b>(46)</b>
	<b>Funded By</b>			
(2,505)	Internal Loans Drawn	(1,147)	(905)	242
(103)	Reserves	(13)	(353)	(340)
(890)	Target Rate - Te Kuiti	(1,021)	(901)	120
(310)	Target Rate - Mokau/Awakino	(303)	(258)	45
(194)	Target Rate - Piopio	(215)	(213)	2
(141)	Target Rate - Benneydale	(136)	(159)	(23)
<b>(4,143)</b>	<b>Total Funding</b>	<b>(2,835)</b>	<b>(2,789)</b>	<b>46</b>

## Variations from LTP 2012-22

Material variations for the 2014/15 financial year when compared to the LTP 2012-22 are:

### Operating Income

- Te Kuiti: Government subsidies to the maximum extent possible will be pursued from the Ministry of Health to part fund capital improvements to the Water Treatment Plant to meet new Drinking Water Standards. This is reflected in the increase in subsidy income within the budgets.

### Operating Expenditure

- Te Kuiti: There was a timing change in the start of construction of the Water Treatment Plant to the 2013/14 financial year. This has resulted in a shift of both depreciation charges and loan interest costs to the 2014/15 year and therefore the difference to the LTP 2012-22 budgets.
- Mokau: The interest and operational costs for 2014/15 are less than the LTP 2012-2022 however, the depreciation charges will increase due to the construction of the new storage dam.
- Piopio: The loan interest and depreciation forecasts for 2014/15 are expected to be more than forecasts in the LTP 2012-2022 as a result of an enhanced rebuild of the water treatment plant and the consequential effects of previous remedial upgrades carried out on the network during the 2012/13 financial year.
- Benneydale: Both operational costs and depreciation charges are more than forecast in the LTP 2012-2022.

### Capital Expenditure

- Te Kuiti: The apparent increase in capital expenditure is due to timing changes in starting the upgrade of the Te Kuiti Water Treatment Plant. In addition to that an enhanced programme of bulk water metering and meter reading is proposed to be introduced to identify leaks within the network. This work was not planned for in the LTP 2012-2022 forecast.
- Mokau: The planned completion of raw water storage dam in the 2013/14 financial year (as per the LTP 2012-2022) was delayed. This has resulted in delays to remedial works to the existing dam structures to meet Building Standards which will be undertaken later than originally planned in the LTP 2012-2022 forecast. This accounts for the variations in costs.
- Piopio: Investigations have revealed that the condition of the network is worse than projected in parts requiring a more extensive renewal of the reticulation and plant. This accounts for the variation in costs. Furthermore, some unplanned work on bulk reticulation metering is required to reduce wastage from the system.

### Funding Changes

- Loans: Due to delays in constructing the Te Kuiti Water Treatment Plant it is forecast that there will be a delay in receiving a Ministry of Health subsidy. As a result the projected loan funding required for the balance of the capital expenditure has been reduced accordingly.
- Increased capital expenditure in Mokau and Piopio will require a subsequent increase in the loan funding projections for 2014/15.
- Reserves: Due to increased depreciation on new assets not all of the depreciation has been funded through rates (for assets with long useful lives). The reason being that replacement of those new assets will not be likely in the near future. Reserve funding has been used to stabilise the rate increase for Te Kuiti and Mokau/Awakino.
- Target Rates: Due to affordability and stability of rates considerations, Te Kuiti water supply target rate has been maintained at the 2013/14 level and not be increased as contained in the LTP 2012-2022.
- There is a projected increase in metered water charges and reduction in operating costs for Mokau/Awakino and therefore the rates have reduced.
- The proposed target rate for Benneydale is more than the LTP 2012-2022 forecast reflecting increases in operational and depreciation costs following upgrade of the water supply network.

# Roads and Footpaths

## What we do

The nature of the roading activities is to manage and maintain the District's road network and to identify the need for and undertake maintenance, operations, renewals of roads and footpaths and ancillary systems such as signs and road markings.

The scope of the activities forming part of the Roads and Footpaths Group includes:

- Roads (excluding state highways),
- Footpaths, bridges,
- Traffic services,
- Carparking and
- Traffic safety programmes

The services delivered by this Group aim to provide safe and reliable transport infrastructure (including footpaths) to facilitate the movement of people and goods.

ROADS	URBAN (KM)	RURAL (KM)	TOTAL (KM)
MAINTAINED	52.97	961.11	1014.08
SEALED	50.22	409.04	459.26
UNSEALED	2.75	552.07	554.82

There are no passenger transport services available other than the national links via the NZ Rail Overlander service and inter-regional bus connections operating on the state highway network.

## Subsidised Roding

New Zealand Transport Agency (NZTA), the national road funding authority, provides a subsidy for works that meet their criteria via the regional council's Land Transport Programme. The Activities currently subsidised by NZTA 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
- Professional Services

## Non-subsidised 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 NZTA.

The Council has sole financial responsibility for this activity.

The functions include:

- Footpath Maintenance
- Footpath Renewals
- Amenity Lights
- Non-subsidised miscellaneous work
- Street Cleaning
- Carpark Maintenance (other than kerbside parking)

## Main focus for 2014/15

- Develop and adjust the roading maintenance contract to reflect the proposed "one network classification".
- Manage the outcome of the effects of the review of the Financial Assistance Rates (FAR) currently being reviewed by NZTA.
- Management of new roading network performance measures being implemented as required by NZTA.
- Identify and complete the work programmes for the following work categories;
  - » Pavement rehabilitation package
  - » Sealed road surfacing package
  - » Minor improvements works associated with renewals
  - » Emergency reinstatement work as required.



ROAD SAFETY: KEA CROSSING AND BUS LOADING ZONE WAS ESTABLISHED ADJACENT TO ST JOSEPHS SCHOOL IN CONJUNCTION WITH LOCAL POLICE - JANUARY/ FEBRUARY 2014



# Measuring our progress

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (Level of Service)	How we measure success (Performance Measure)	Our Targets		
		2014/15	2015/16	2016/17
The rideability of the roading network is maintained in good condition and is 'fit for purpose'.	The number of service complaints from ratepayers in any one month regarding the condition of the roading surface.	<4 / month	<4 / month	<4 / month
	Sealed road lane kilometres exceeding a NAASRA roughness count rating of 150. Measured on a bi-annual basis.	<8%	<8%	<8%
The network's traffic marking and signage facilities are up to date, in good condition and 'fit for purpose'.	Number of service complaints per month regarding missing, damaged or inaccurate road signage.	<3 / month	<3 / month	<3 / month
The roading network is open and accessible to users.	The number of road closures per month due to weather events (defined as bank slippages or blockages or flood events) lasting more than 24 hours.	≤1 / month	≤1 / month	≤1 / month
	The number of complaints per month regarding damaged footpaths.	<3	<3	<3
	Time of response to reported defects and faults.	Within 24 hours	Within 24 hours	Within 24 hours

*\*The target has been slightly revised as sometimes severe weather events can happen causing excess damage and the resolution can be delayed. Resourcing to meet these rare events is considered financially impractical and hence the slight revision in target.*

*\*\* NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicate an acceptable level of ride comfort.*



*RURAL ROAD: OMYA ROAD IMPACT TOUR - SEPTEMBER 2013*

# Estimated Cost of Service Statement

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	<b>Operating Income</b>			
(5,611)	Subsidised Roads	(6,463)	(5,911)	552
(60)	Non Subsidised Roads	(61)	(74)	(13)
<b>(5,671)</b>	<b>Total Income</b>	<b>(6,524)</b>	<b>(5,985)</b>	<b>539</b>
	<b>Direct Operating Expenditure</b>			
8,759	Subsidised Roads	9,183	8,994	(189)
306	Non Subsidised Roads	329	306	(23)
<b>9,065</b>	<b>Total Direct Expenditure</b>	<b>9,512</b>	<b>9,300</b>	<b>(212)</b>
<b>3,394</b>	<b>Net Operating Cost/ (Surplus)</b>	<b>2,988</b>	<b>3,315</b>	<b>327</b>
	<b>Capital Expenditure</b>			
4,435	Subsidised Roads	5,503	4,923	(580)
265	Non Subsidised Roads	398	340	(58)
<b>4,700</b>	<b>Total Capital Expenditure</b>	<b>5,901</b>	<b>5,263</b>	<b>(638)</b>
<b>8,094</b>	<b>Net Expenditure</b>	<b>8,889</b>	<b>8,578</b>	<b>(311)</b>
	<b>Funded By</b>			
(379)	Internal Loans Drawn	(519)	(371)	148
(1,821)	Reserves	(2,080)	(2,390)	(310)
(249)	UAGC	(266)	(186)	80
(5,399)	District Wide Rate	(5,755)	(5,399)	356
(27)	Target Rate - Rural	(29)	(26)	3
(219)	Target Rate - urban	(240)	(206)	34
<b>(8,094)</b>	<b>Total Funding</b>	<b>(8,889)</b>	<b>(8,578)</b>	<b>311</b>

## Variations from LTP 2012-22

Material variations for the 2014/15 financial year when compared to the LTP 2012-22 are:

### Operating Income

- Subsidised Roothing: As a result of a reduced maintenance and capital expenditure programme in 2014/15, NZTA subsidy applicable to each will decrease accordingly.
- Non-subsidised Roothing: To better reflect amounts being received related revenues projected for 2014/15 have been increased compared to the LTP 2012-2022 forecast.

### Operating Expenditure

- Subsidised Roothing: Maintenance expenditure is less than the LTP 2012-22 with reduced expenditure on first response emergency works, traffic services maintenance and other expenditure categories. This decrease is offset by increases in depreciation charges and loan interest costs.
- Non-subsidised Roothing: The depreciation forecast for 2014/15 has been increased inline with updated depreciation projections.

### Capital Expenditure

- Subsidised Roothing: Capital expenditure has been reduced compared with the LTP 2012-22 particularly in Associated and Minor Improvements for Renewals and Sealed Road Surfacing work categories. These decreases are partially offset by increases in Minor Safety Improvements and Preventative Maintenance categories.
- Non-subsidised Roothing: Improvements ineligible for subsidy and the property purchases budget capacity has been reduced but offset by an increase in road improvements associated with the Railway Building/Plaza development on Rora Street, Te Kuiti.

### Funding Changes

- Loans: Due to reduced improvement capital expenditure, which is normally funded through loans, funding through this source is proposed to be decreased.
- Reserves: Reserve funding has been used to maintain the District Roothing rate a similar level to the 2013/14 financial year, which represents a decrease against the LTP 2012-22.
- District Wide Rate and UAGC: There is a decrease from rate forecast in the LTP 2012-22 as only the local share of the depreciation expense has been funded. The rates are proposed at a level similar to the 2013/14 financial year.
- Target Services Rate (part) Rural and Urban: Operating expenditure is less than the forecast in the LTP 2012-22 due to a decrease in loan interest costs and some other maintenance due to efficiencies achieved. Due to the net cost of service for non-subsidised roads being less than LTP 2012-22 that the targeted services rate for this activity be decreased.

