

Waitomo District Council Exceptions Annual Plan

2013-2014



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Waitomo
District Council

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Message from the Mayor and Chief Executive

We are pleased to present the Exceptions Annual Plan 2013/14 (Plan) which contains plans for the 2013/14 financial year.

This Plan mostly follows the direction set out through the Long Term Plan 2012-2022 (LTP) for the 2013/14 year. However, Council has decided upon some changes in certain activities as a result of external drivers. We consider it our responsibility to understand and respond to changes in circumstances appropriately, in the interest of our District and our communities.

Our journey continues as we work hard to ensure a healthy financial future for our district. The average rate increase in this Plan is 3.2% for all properties in the District, against the original LTP forecast of 7% for the 2013/14 financial year. However, this rates increase is an average and the actual increase will be different for different properties. The actual rates increase is also impacted by the change in individual property values in the recent 3 yearly revaluation round (held in September 2012).

▶ **The rate increase indicated through this Plan is the lowest since 2003 and has been made possible through a commitment to very sound and consistent financial management practices over the last 5-6 years.**

It is worth noting that all our capital investment in making upgrades to essential infrastructure has been delivered on or under budget.

The significant Te Kuiti Wastewater Treatment Plant upgrade (expected to be completed by 30 June 2013) is on target and is anticipated to be completed within budget. And an example of Council's commitment to prudent financial management is the saving of \$250,000 per annum in interest charges, by using a variety of debt funding tools and options, which means that the net cost of debt funding is below 5%.

We have an inspirational vision - "Creating a better future with vibrant communities and thriving business" - and our plan is to facilitate better economic and social outcomes for our District. Our goal is to make Waitomo district an attractive place that people will **choose** to come and live, visit or work in.

We work closely with all our key stakeholders to do this, including our local Police and other government agencies along with numerous community groups in Te Kuiti, Waitomo Village, Piopio and Benneydale to make our communities a better place to live in. We work closely with our youth and youth services, to give them a sense of pride and purpose and belonging to our district.



Youth Council 2013

Council has resolved to restore the Railway Buildings purchased from KiwiRail last year. It is our aspiration to develop this area as a central hub for the Te Kuiti township.



Te Kuiti Railway Buildings



Council aims to maintain existing service levels in all its activities, strive towards operational efficiency and carry out capital renewals in keeping with sound asset management practices.

As we all know, everything comes at a cost. The services Council provides are funded through a variety of sources. Council resolved that rates fund **46.7%** of the total required funding for the 2013/14 financial year. Council recognises and understands the concerns of the District's ratepayers' in respect of their ability to pay for services and also that rates affordability is exacerbated in these unsettled economic times.

Consequently, as always, in developing this Plan Council has carefully considered rates affordability and at the same time focussed on its goal to achieve robust financial health and meet the wishes of our residents.

The average rate increase for 2013/14 of **3.2%** compares very favourably with the 5.1% increase adopted for 2012/13.

The recent amendment to the purpose of local government (Section 10(b) Local Government Act 2002) means that instead of considering all four - economic, social, environmental and cultural well-being of the community Council is now required to 'meet the current and future needs of communities for **good-quality** local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.'

Focussing on efficient delivery of core services is a path Waitomo District Council has been taking since 2007 and Council has always been mindful of balancing affordability with catering to the needs of the community. However, given the new legislative requirements we will be working through the full implications of the Amendment Act over the 2013/14 year and reviewing the alignment of our services with the new purpose.

We have been working closely with the Waikato Mayoral Forum on collaboration opportunities across the region in four key areas – economic development, governance and planning, roading, and the '3 waters' (water, wastewater and stormwater) to deliver economies of scale, and ultimately cost efficiencies for our

communities. For example, when reviewing our budgets Council determined that it should defer commencing the review of the District Plan planned for 2013/14 until planning at regional level has been addressed.

Maintaining and replacing our infrastructure is one of our key responsibilities, and we continue to focus in this area. Waitomo District Council has improved considerably in terms of financial sustainability and affordability of rates and charges, moving from a position of 47th last year to 25th this year out of 67 NZ councils as per the 2013 Local Government League Table published by Mr. Larry Mitchell. In 2006, the same annual league table ranked Waitomo in last position. While care must be taken in the interpretation of league tables, since there can be numerous influencers to the positions, ratepayers of the District can take comfort from the fact that this was an independent assessment by a member of the public. It portrays the considerable work of the elected council and staff over the past 5 years to make WDC financially sustainable.

In summary, we are acutely aware that the economic conditions of the last 3-4 years have adversely affected many in our community - certainly the recent drought has not helped this situation. We will continue our endeavour to provide services that are most needed by our communities in an optimal manner.



Brian Hanna
MAYOR



Chris Ryan
CHIEF EXECUTIVE

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Audit Review Process

This Exceptions Annual Plan 2013/14 was developed in accordance with the relevant sections of the Local Government Act 2002.

The Exceptions Annual Plan was made available for consultation from 9th April to 9th May 2013.

This Plan does not include any significant amendments to the 2012-2022 Long Term Plan therefore it is not required to contain a report from Council's Auditor on behalf of the Office of the Auditor General.

Section A: Overview

This section describes:

- Strategic considerations for this Plan.
- The Consultation Process undertaken.
- Key changes to the Long Term Plan 2012-2022.
- Financial summary.

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Introduction

The Local Government Act 2002 (LGA 2002) requires Councils to produce a Long Term Plan (LTP) with a 10 year planning horizon and review it every 3 years. And for each financial year in between the LTP, Council is required to prepare and adopt an Annual Plan.

This 2013/14 Exceptions Annual Plan (EAP) pertains to year 2 of the LTP 2012-22. It details the proposed annual budget and funding for the 2013/14 financial year. In the main, this EAP follows the direction established by the LTP 2012-22 and identifies any proposed 'exceptions' from the financial statements contained in the LTP for the corresponding year. It commences by providing context in the form of strategic considerations that have influenced the development of the proposals in this Plan.

Structure of the Plan

This EAP contains three main sections. Section A provides the overview of the Plan, Section B provides proposed financial details for Council's Groups of Activities, the main focus in each activity area for the 2013/14 financial year and the reasons for any proposed exceptions. Section C contains the overall financial details of Council.

Strategic Considerations

The activities Council undertakes, the services it provides and the regulatory functions it performs are intrinsically linked to the requirements from Councils under the LGA 2002 and various other Acts (like Resource Management Act, Buildings Act 2004, Sale and Supply of Alcohol Act 2012 etc); and also the needs and desires of the communities it serves.

The community's needs and the policy environment that Council operates in, is constantly changing and Council needs to consider these factors and respond to the changes appropriately, in the interest of our District. These are the Strategic Considerations that have a potential impact on Council's activities and service delivery, now or in the future. Some of the key considerations are detailed in this section.

Local Government Act 2002 Amendment Act

The Government introduced an eight point reform agenda for local government in March 2012. Four parts of that proposal have been incorporated into legislation through the Local Government Act 2002 Amendment Act (the Amendment Act) which came into effect in December 2012.

The Amendment Act contains:

- Changes to the purpose of local government
- Changes to the process of local government reorganisation
- The intervention framework now provides more power to the Minister to intervene in matters considered to be a "problem".
- Introduction of fiscal benchmarks with the intention of providing more comparative information on local authorities across the country.

The changes to the purpose clause of the LGA 2002 now directs Councils to "meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses", instead of a broader role in meeting the social, economic, cultural and environmental well-beings of the communities.

In 2013/14, Council will be working through the implications of the amendments and reviewing the alignment of our activities and services with the new purpose.

Some procedural changes will need to be undertaken in decision-making processes and reporting templates etc as a result of the Amendment Act. Council will also need to be geared up in the near to medium term future to assess and implement outcomes of the benchmarking work being undertaken by the Department of Internal Affairs. Changes are imminent though they cannot be fully scoped out yet.

Resource Management Act 1991 Reforms

The Resource Management Reform Bill has been introduced to Parliament in December 2012. The Bill proposes to make improvements to the consenting regime, provide further powers to make regulations, and make technical and operational changes. Some of these operational and technical changes involve more stringent information requirements from applicants, and tighter consenting timeframes. There is also the introduction of the regulation making power regarding a duty to gather information, monitor and keep records and changes to evaluations for plan and policy making. The Government has made clear that further substantial reform of the RMA will continue during 2013. Although it is difficult to quantify the extent of the changes and their full implications at this stage, it is possibly that there might be a significant shift in the delivery of the resource management activity.

Waikato Mayoral Forum

The Waikato Mayoral Forum (WMF) is a group involving the Mayors and Chief Executives of local authorities within the Waikato region, aimed at achieving a collaborative and co-operative approach to local governance in the Waikato region. The four work streams being considered by WMF are:

- Regional economic development strategies
- Roads
- Water, wastewater and stormwater
- Integrated plans (i.e. alignment of District Plans) and Governance Structures

Effect of General Revaluation

The three-yearly general revaluation of the District was carried out in September 2012. The values from the 2012 district revaluation will be used for rating purposes from 1 July 2013.

In this round of revaluation, the previous rateable C.V. of the District of \$3,085,125,250 has been reduced by \$231,171,312 (-7.49%) to \$2,853,953,938.

From a rating perspective, had the revaluation figures been used to calculate the 2012/13 rates based on property values (i.e. not including UAGCs and targeted rates):

- 2,233 properties (39.5%) would have had an increase in rates
- 3,210 properties (56.7%) would have had a decrease in rates
- 217 properties (3.8%) would have had no change (less than 50c change).

It is important to reiterate that what this means is that even if there was no increase in rates proposed in this Plan for the 2013/14 financial year, some properties would still have a rates rise due to the increased values of their properties driven by the revaluation. Letters were sent in December 2012 to property owners likely to receive a rates rise due to revaluation providing them with more details.

2013/14 EAP Consultation Process

Council's draft Exceptions Annual Plan 2013/14 (dEAP) was presented to the Community for consultation from Tuesday 9th April to Thursday 9th May 2013. Feedback from the community was sought during this time on the proposals made in the dEAP.

During the consultation period, three public meetings were held:

Venue	Date
Piopio Hall	Thursday 11 th April 2013
Waitomo Cultural and Arts Centre, Te Kuiti	Monday 15 th April 2013
Waitomo Caves Discovery Centre	Tuesday 16 th April 2013

Information outlining the key proposals under consultation, was provided at these meetings by way of poster displays and a presentation to increase community awareness and encourage participation. Councillors also attended ratepayers meetings to provide further information on the dEAP.

April's issue of the Waitomo Way (WDC's newsletter) featured a Summary of the Annual Plan. The newsletter was sent out to each household in the Waitomo District in April. It summarised the full dEAP, the key proposals, the impacts in the coming year and included details on how the public could have their say.

Council also published the Waitomo Way online and promoted this by publishing a series of advertisements, via facebook and Council's website. The online newsletter included a submission form and the option of subscribing to the newsletter.

Submissions

A total of 13 submissions covering 40 topics were received and 4 submitters wished to be heard in support of their submissions. Overall, there was support for all the key proposals made by Council in the dEAP, through the submissions.

Key Changes

As a result of the consultation process, council made the following key changes to the dEAP:

- Council has agreed to include a funding capacity of \$15,000 per annum for the Youth Support Program run by Otorohanga District Development Board (ODDB). The funding is to be provided to ODDB subject to an appropriate Service Level Agreement being put in place containing clear detail of the service deliverables and performance measures to be reported against.
- In terms of the funding policy for Urban Stormwater, Council resolved that, the Urban Stormwater activity would be funded through a combination of a Targeted Uniform Annual Charge on a per rating unit basis (which will fund the standing charges associated with the provision of the service and which may vary annually), with the residual funding requirement being met from a rate based on rateable capital property value. However, urban properties that hold current resource consents to discharge stormwater directly into the Mangaokewa Stream, and which are not utilising any part of the urban reticulated stormwater or drainage network, are exempt from the rate based on rateable property value. The Targeted Uniform Annual Charge (TUAC), which is associated with the overall provision of an urban stormwater service, however, will be levied on all liable properties.

Subsequent to the dEAP 2013/14 being made available for public consultation on 9 April 2013 the Remuneration Authority advised that the Elected Members' Remuneration for 2013/14 has been re-calculated and that an increase would apply from the October 2013 triennial elections. The provision for elected members' remuneration in the dEAP 2013/14 was based on the previous advice from the Remuneration Authority. \$18,458 has been added to the 2013/14 EAP budget to make provision for the indicated increase.

The consultation process also resulted in some requests for service and other actions that are not detailed in the EAP. These actions will be carried out through the existing work streams and tracked through Council's service request system.

Key Changes to the Long Term Plan 2012- 2022

It has previously been mentioned that this EAP mostly follows the programmes and projects set out for 2013/14 in the LTP. However, situations and circumstances change and it is prudent for Council to adapt and respond to these changes.

This section sets out the key changes to what was contained in the LTP 2012-22 for the upcoming financial year (year 2 of the LTP). LGA 2002 requires Council to amend the LTP in case of any significant changes. It is important to note, because of the narrow scope and scale of these changes, in the context of overall budgets, Council does not consider any of the changes to be significant enough to warrant an amendment to the LTP. These changes only constitute some 'exceptions' to the plans in the LTP 2012-22.

Water and Waste Water Services for Waitomo Village

In August 2012, Council received a deputation from Tourism Holdings Limited (THL) and members of the Waitomo Village community requesting Council takeover the service provision for Water and Wastewater in the Waitomo Village. Such a consideration has not been scheduled into the LTP. However, in the interest of community needs, Council has commenced investigations on this matter and will progress the development of estimates and negotiations with the current asset owner in the 2013/14 financial year. A fully developed proposal is intended to be consulted upon through next year's Annual Plan process.

District Economic Development Board

Council had planned for the establishment of a District Economic Development Board (DEDDB) in the 2013/14 year, to assist with the provision of economic development within the district. Through this EAP, Council resolved to re-sequence the DEDDB establishment to next financial year.

In the period since the LTP 2012-22 was adopted, the Waikato Mayoral Forum has been making steady progress on its various work streams and recently there has been agreement to develop an economic development strategy for the Waikato region. Council considers that in the interest of efficiency it would prudent to use the outcomes of this process to inform our own plans and therefore proposes to move out the DEDDB establishment by a year. In the interim, Council will look at assessing the economic development needs and gaps within the District to inform what needs to be done and the delivery mechanism.

District Plan Review

In the LTP 2012-22 Council had planned to commence a full review of the District Plan in the 2013/14 financial year. However, since then the Resource Management Reform Bill was introduced to Parliament and the Ministry for the Environment has launched a discussion document containing proposals for a revamp of the resource management system. The changes will be continuing through 2013 and beyond and could be substantial. Council will be keeping a watching brief on the developments. Concurrently, the Waikato Mayoral Forum is also working on an Integrated Planning Framework which aims to come up with options on collaborative resource management planning in the Waikato region for best utilisation of scarce resources.

A comprehensive District Plan review is an onerous and extremely resource intensive process. And given that a range of potential changes are imminent, Council considers it advisable to await the outcome of these processes before embarking on a full scale review and will postpone the project by a year.

In the 2013/14 year, a thorough scope and needs analysis will be undertaken for the District Plan Review, given the change in circumstances.

Sport Waikato Services

In the interest of reducing cost of services within the District, Council is constantly looking at increasing the efficiency of service delivery. In keeping with this guiding principle, Council had sought an investigation of cross boundary shared services opportunities for the delivery of Sport Waikato services. The funding for this service included in the LTP 2012-22 was based on this premise. It was a provisional amount while a full scoping of the opportunity was carried out.

Through this investigation, it has been determined that a shared service arrangement is not possible at this time. Council therefore resolved to reinstate the 2012-2013 level of funding to the service for the 2013/14 financial year. A performance based contract will be negotiated with Sport Waikato for the 12 month period starting 1 July 2013.

Te Kuiti Railway Buildings

Council recognised the value of the railway heritage of Te Kuiti and the importance of the Railway station buildings (centre of Rora Street Te Kuiti) to preserving this heritage and therefore secured these buildings, including a long-term lease of the land on which they are sited, from KiwiRail in 2012.

Because of their historical significance KiwiRail would only consider the transfer of ownership of the railway buildings to a local government organisation. Ownership has been transferred on the condition that any future development of the buildings is in the community's interest and their historic nature and significance is protected in the long term. Part of the \$1 purchase price agreement was to prepare a Conservation and Maintenance plan detailing the extent of this obligation.

Restoration

The Railway buildings are currently vacant and were historically poorly maintained while tenanted. However now that they are WDC assets, Council has obligations of long term renewals, maintenance and general upkeep of these buildings, same as for all other Council assets.

The restoration or renewals of these buildings will be planned and carried out as per Council's regular asset management practices. Renewals for the Plaza which have been scheduled in the Asset Management Plan will be linked in with the renewals of buildings where appropriate to achieve cost efficiencies.

The renewals of the Railway buildings relate specifically to the outer shell of the buildings and bringing these buildings up to an acceptable heritage standard as required by the conservation plan.

The following renewal works are planned for 2013/14:

- Structural assessment of the three Railway Buildings.
- Preparation of detailed architectural and engineering plans.
- Commence exterior renewal works.
- Carry out some associated work on road space.

Since the close of the Draft EAP consultation period, Council has made an application to obtain grant funding for the renewal works on all three railway buildings, in keeping with the requirements of the external funder. Council has also had to shorten the timeframe of renewals to 2 years from the original plan spanning renewals over 5 years. Consequently, the cost of renewals for the 2013/14 year is now budgeted at \$495,721 (\$427,000 in the Draft EAP).

However the renewals are contingent upon receiving the external grants and Council recognises the risk that the grants will not be received in time or be of the estimated amount, in which case alternative funding sources will be looked at or the works re-assessed, if required.

Future Development

It is also Council's vision to revitalise the Railway buildings and surrounds over the next few years, to create a vibrant hub in the centre of Te Kuiti. This has been termed the Revitalisation Project.

Council considers that to achieve its aspiration for a 'town hub', there is a need to create a commercial space alongside the community space in these buildings. A commercial tenant is proposed for the use of building 1. This will provide a return on investment and assist with the funding of this project over the longer term.

Two distinct phases have been planned within the Revitalisation Project being:

- Community Space Revitalisation and
- Commercial Space Revitalisation

The Community Space Revitalisation Phase of the Revitalisation Project is about the utilisation of buildings 2 and 3 and the Commercial Space Revitalisation Phase is associated with the utilisation of building 1 by the commercial tenant.

The following works are being proposed within the Revitalisation Project in 2013/14:

- Undertake the 'Expressions of Interest' process for use of the buildings.
- Negotiations with approved commercial and community tenants (including funding discussions).
- Contract documentation for interior works in building 1 including additional works as per concept.
- Commence construction of interior works for building 1. These works are primarily associated with WDC's asset and include the building alteration proposed in the preliminary building concepts prepared by Council's architect.
- Undertake some minor works to the interior of building 2 which will allow immediate usage of this building for community use on a temporary basis.

The cost of these works for 2013/14 has been estimated at \$108,500. \$25,000 relates to roadworks and has been budgeted in the Non-subsidised Roading activity. \$83,500 of this will be funded through loans.

Creation of longer term community tenancies of buildings 2 and 3 are being planned for 2016/17 onwards. However, these works are also contingent on grant funding being received in time and to estimated value.

Funding of Urban Stormwater

There have been public requests to reconsider the methodology used to fund the Te Kuiti Urban Stormwater activity. The issue raised was based around the charging of stormwater rates on the basis of a separately used or inhabited part (SUIP) of a rating unit.

After careful consideration of various options and the funding tools available and bearing in mind the principles of 'exacerbator pays' and 'fairness and equity' between all groups of ratepayers, Council resolved to change the funding mechanism for urban stormwater from SUIPs to a combination of a 'base' uniform charge on a 'per rating unit' basis (which will be 67% of the total cost of service) with the residual funding requirement being met from a rate based on property value (33% of the total cost).

The base charge is expected to cover the 'standing charges' associated with the provision of urban stormwater services and may vary annually. This allocation is considered 'fair and equitable' as all exacerbators receiving the benefit of the stormwater system will make an equal contribution to those costs. For the 2013/14 financial year the base charge is estimated at \$150.

The portion based on capital value will shift the rating incidence on higher value properties which is fair since they generally have larger improvements and site coverage (verifiable by roof areas, driveways, parking areas and other hard surfaces) which exacerbate higher levels of stormwater run-off into the urban stormwater system.

Urban properties that hold current resource consents to discharge stormwater directly into the Mangaokewa Stream, and which are not utilising any part of the urban reticulated stormwater or drainage network, are exempt from the rate based on rateable property value. However, since the Targeted Uniform Annual Charge (TUAC) is associated with the standing charges of providing this service, it is deemed to relate to the public good element of an urban stormwater service. Therefore, the TUAC will be levied on all liable properties.

Local Government Funding Agency

Council will participate as a 'borrower' in the New Zealand Local Government Funding Agency (LGFA), which is a council-controlled trading organisation (CCTO).

The purpose of the LGFA is to provide debt funding to local authorities in New Zealand at lower interest margins and for longer term than otherwise available under stand-alone bond issuance or bank debt.

The LGFA was established in December 2011 by a group of local authorities and the Government (who were an initial shareholder). Some back office administrative functions are provided by the Debt Management Office (Treasury) who also provides a \$500 million stand-by facility, which is intended to increase to \$1 billion when required.

The LGFA is now a permanent participant in the New Zealand wholesale debt market and has:

- ✓ a current credit rating from Standard and Poors of AA+
- ✓ 39 shareholders
- ✓ issued debt to local authorities in excess of \$1.5 billion.

Council therefore wishes to participate in the LGFA as a 'borrower' in order to capture the benefits of reduced interest costs, extend the duration of its borrowing and to provide a further option for sourcing debt finance.

All borrowers are required to subscribe to 'Borrowers Notes'. This requirement is currently set at a level of 1.6% of the amount borrowed. Borrower Notes are repaid by the LGFA when a local authority repays its debt, though they are subordinated, and may in some circumstances, be converted into equity (shares) in the LGFA rather than being repaid.

However, it should be noted that the investment in Borrower Notes will be funded by borrowing from the LGFA and the cost of this funding will be higher than the return paid by the LGFA on the investment in those Borrower Notes.

In order to enable Council to be able to borrow from the LGFA, it must amend its existing Debenture Trust Deed and meet certain financial covenants prescribed by the LGFA. As part of this process the LGFA will undertake an internal credit assessment to assess Council's creditworthiness.

Council's participation as a borrower and an investor will also require an amendment to its Liability Management Policy and Investment Management Policy, jointly comprising Council's Treasury Management Policy (TMP).

Although it is no longer a legislative requirement for Council to consult on changes to these policies, the amendments required are being mentioned here to clarify that those policies will reflect:

- that the Council may participate in the LGFA;
- that the Council may invest in shares and other financial instruments of the LGFA and may borrow to fund that investment; and
- that the Council may borrow from the LGFA and, in connection with that borrowing, may enter into related transactions to the extent it considers necessary or desirable.

Financial Summary

The total rate revenue requirement for the 2013/14 financial year is \$16,849,000 (excl GST) and represents an average overall **3.2%** increase over the current year's total rate requirement compared to the 7.0% projected increase in the LTP 2012-22. The combined Cost of Service Statement (below) provides for a decrease of overall Rate Revenue of \$610,000 when compared to the LTP 2012-22 forecast for 2013/14.

The reduction has been a hard task to achieve while maintaining the current levels of service, however, this outcome reflects Council's continued commitment to prioritise what needs to be done and to do it in the most cost effective manner.

(N.B. The tables provided in this section utilise brackets (...) for a credit value and no brackets ... for a debit value).

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP 2013/14
	Cost of Service Statement for All Council			
(10,480)	Total Operating Income	(10,574)	(11,441)	(867)
23,361	Total Operating Expenditure	25,610	24,543	(1,067)
12,881	Net Operating Cost/ (Surplus)	15,036	13,102	(1,934)
13,453	Total Capital Expenditure	9,304	11,571	2,267
26,334	Total Net Expenditure	24,340	24,673	333
	Funded By			
(7,175)	Internal Loans	(3,873)	(4,732)	(859)
(2,839)	Reserves	(3,008)	(3,092)	(84)
(16,320)	General Rates, UAGC and Service Charges	(17,459)	(16,849)	610
(26,334)	Total Funding	(24,340)	(24,673)	(333)

Overall trends show an increase in Operating Revenue and a decrease in Operating Cost resulting in an overall decrease in Net Operating Cost (compared to the 2013/14 year in the LTP 2012-22).

The overall increase in capital expenditure (compared to the 2013/14 year in the LTP 2012-22) is mainly due to the altered timing and level of investment in water supplies at Te Kuiti and Mokau, stormwater renewals in George and Duke Streets, Te Kuiti, and the restoration and revitalisation of the Railway Buildings in Te Kuiti.

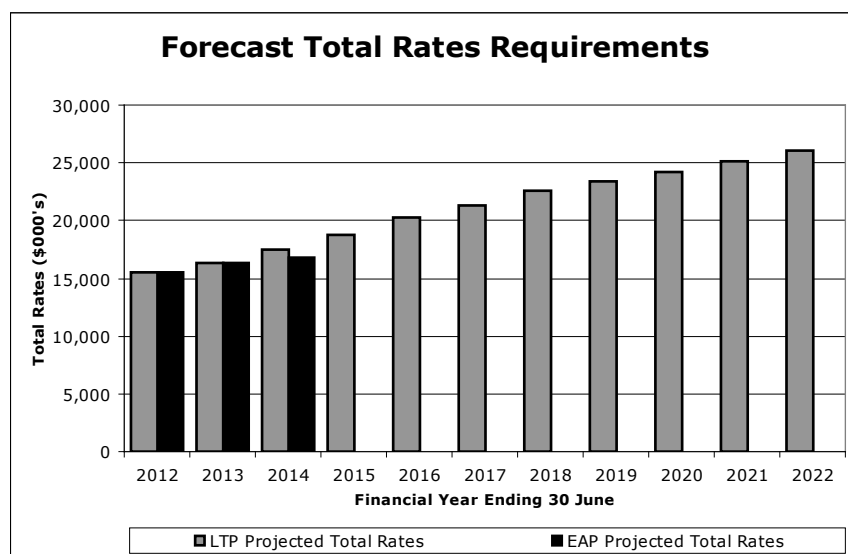
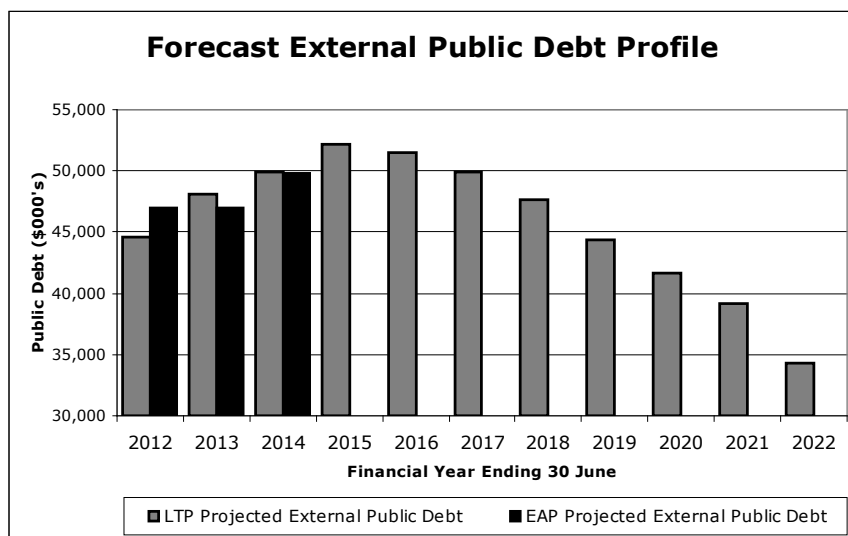
The increase in the internal loan funding (compared to the 2013/14 year in the LTP 2012-22) is largely driven by the change in the timing of the Capital Expenditure Programme. A further driver is the staged implementation of the restoration and revitalisation of the Te Kuiti Railway Buildings and the stormwater renewals in Te Kuiti. Neither of these latter projects were anticipated when the LTP 2012-22 was adopted.

It needs to be noted however that an increase in internal loans does not necessarily mean that external public debt will increase as well. This happens when Council has adequate reserves and can meet its internal debt obligations through its existing banking facilities.

In fact for the 2013/14 financial year the overall public debt profile remains below that provided for in year two (i.e. 2013/14) of the Long Term Plan 2012-22.

Further details on the 2013/14 capital expenditure programme and public debt are shown in in Section C of this document.

The following graphs summarise the impact of the EAP 2013/14.



What will it cost?

The overall increase in rates requirement for 2013/14 is \$528,099 (excl GST) which constitutes an average 3.2% increase over the current year. It is important to note that the rates changes for individual properties can be above or below this average increase.

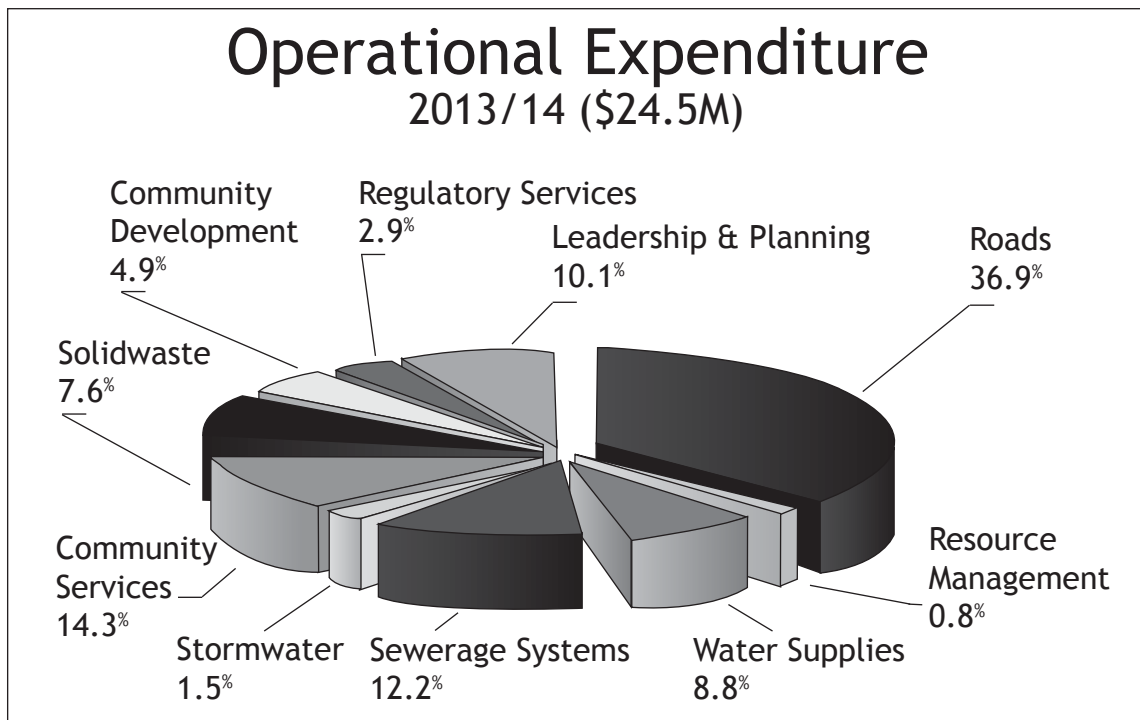
During the preparation of the 2013/14 budgets Council identified savings in a number of activities e.g. favourable interest rates and insurance premiums and reduced compliance costs associated with the Emissions Trading Scheme (ETS) among others. Those savings also included delaying two key projects (the review of the District Plan and the introduction of a District Economic Development Board) until the 2014/15 financial year, pending the outcome of legislative changes and work being undertaken by the Waikato Mayoral Forum around economic and environmental planning on a regional basis.

Despite these savings the key influencers to the 3.2% increase in rates requirement are:

- Increase in expenditure in the Roads and Footpaths Activity, which contributes to approximately 72% of the proposed rate increase (as planned for in the LTP 2012-22).
- Additional operating expenditure for the Te Kuiti Wastewater Treatment Plant.
- Additional operating expenditure for the Mokau Water Supply.
- Increase in funding for Civil Defence as a result of changes in regional Emergency Management requirements.
- Reinstate funding for Sport Waikato to maintain existing levels of service.

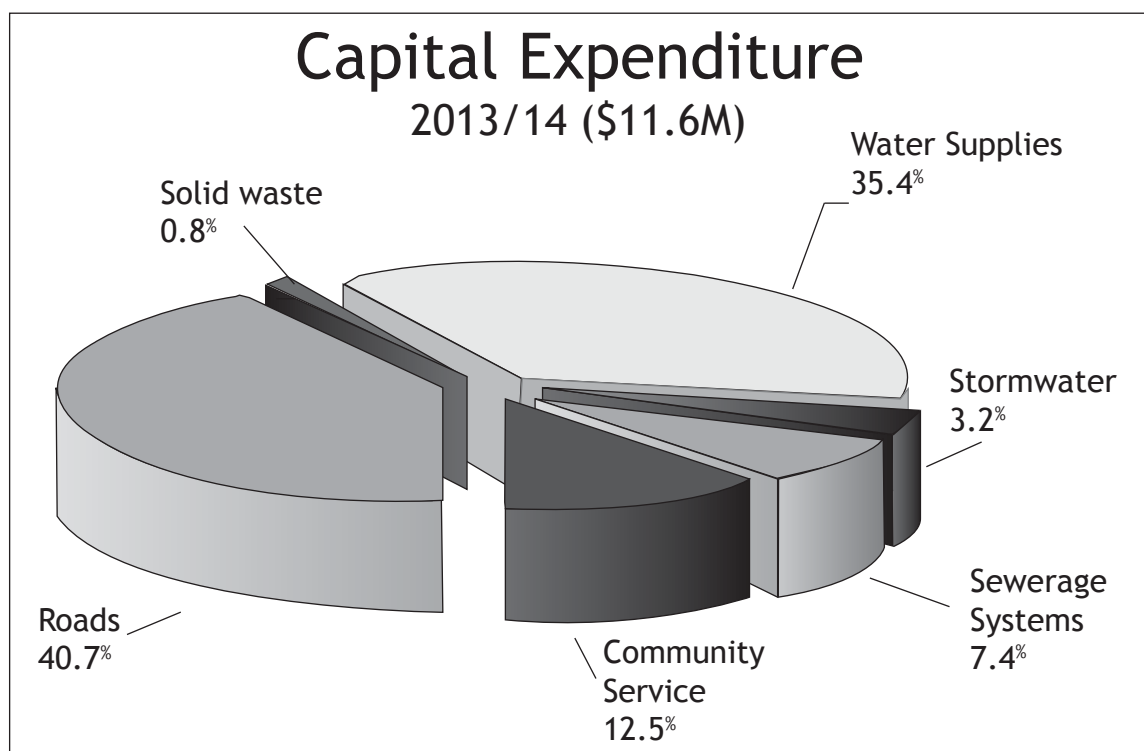
Commentary on material variances in the different activities between the 2013/14 budgets and year two (2013/14) of the LTP 2012-22 is provided in the relevant Cost of Service Statements in Section B of this Plan.

The total operational expenditure for 2013/14 of **\$24.5 million** will be spent in providing the following services and activities:



The total capital expenditure for 2013/14 is **\$11.6 million** of which 41% will be spent on maintaining and upgrading the 1,012 kms of roading network in the District.

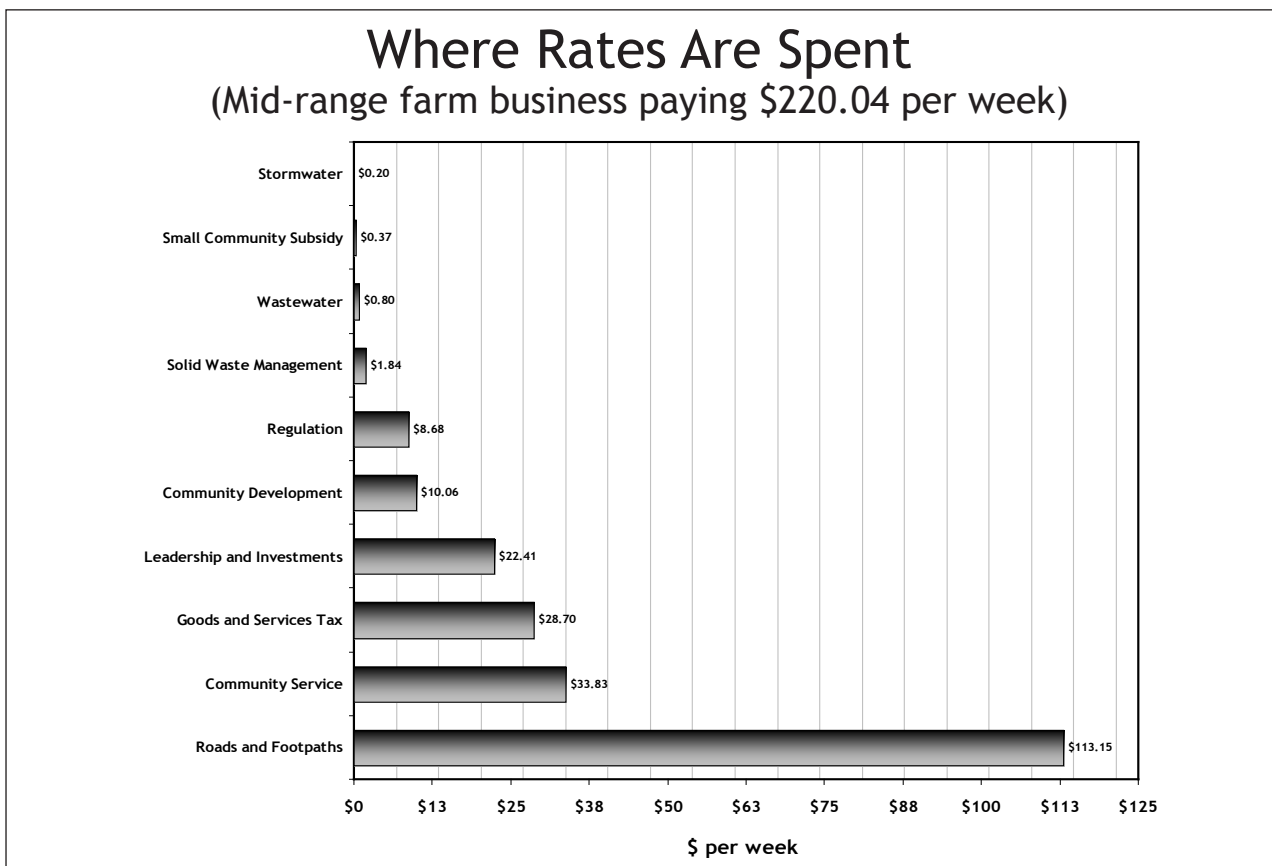
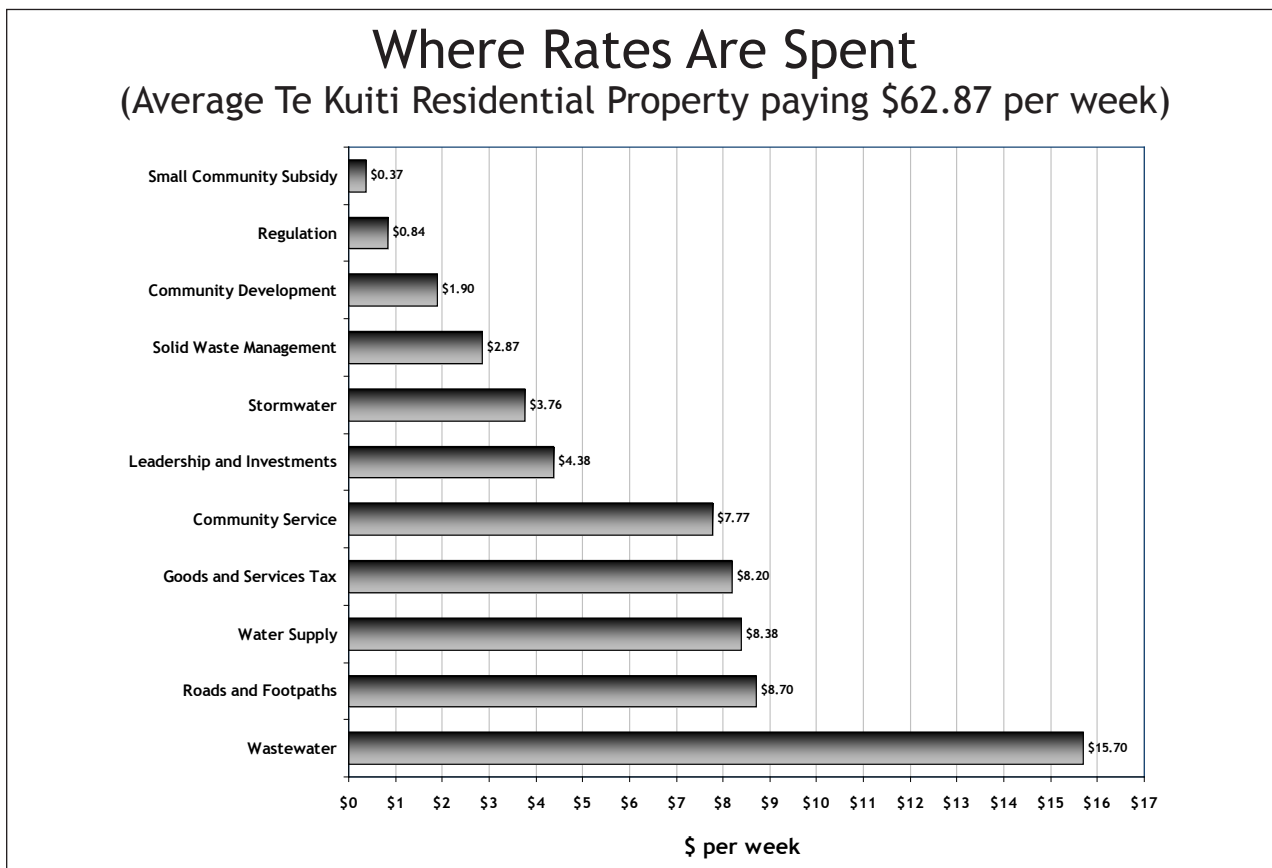
Upgrades of the water supply systems at Mokau and Te Kuiti and of the sewerage systems at Benneydale, Piopio and Te Kuiti comprise 43% of the capital programme.



How will it be paid for?

Our activities are funded through a mix of sources – rates, fees and charges, reserves and loans. Details on the different type of rates charged are contained in the Funding Impact Statement in Section C of this document.

The following provides a summary of where rates are spent on a weekly basis using indicative residential and rural properties.

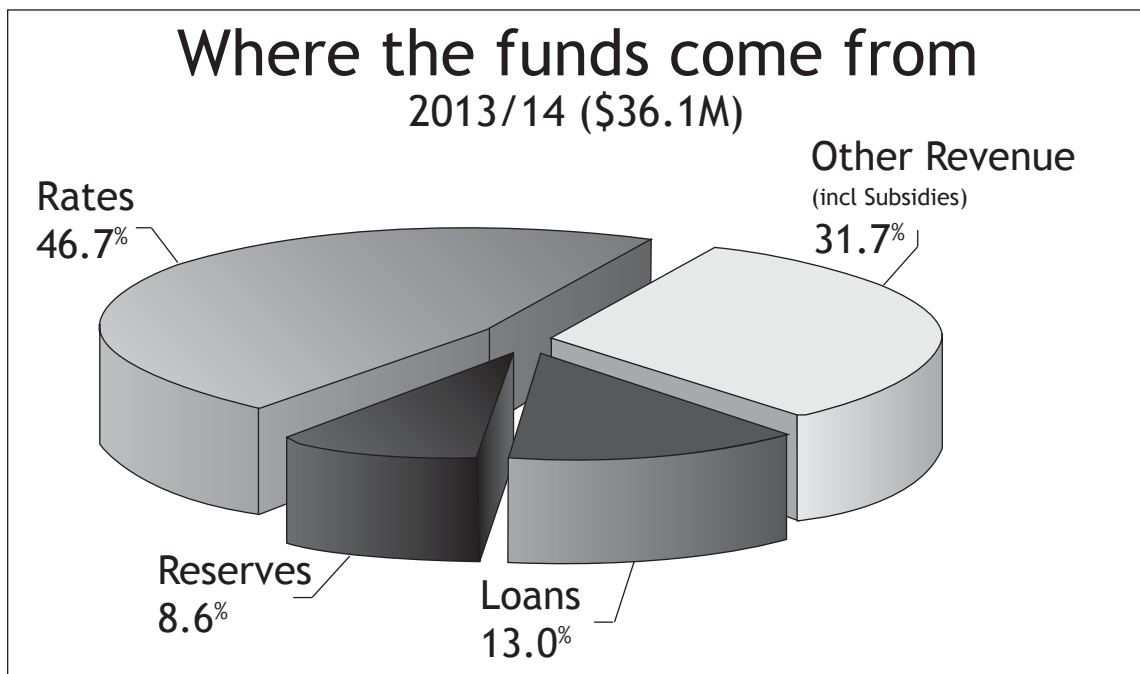


Funding Sources

The financial requirements of Council are met through various funding sources and their use for different activities is described in Council's Revenue and Financing Policy which can be viewed online at www.waitomo.govt.nz

Details on the different types of rates charged are contained in the Funding Impact Statement (Section C).

The following graph shows the various funding sources for 2013/14.



Section B: Groups of Activities

This section provides details on Council's Groups of Activities and:

- A description of the activities making up the group.
- Main focus for 2013/14.
- How the performance of the activity is measured.
- Financial forecasts for the group.



Creating a better future with vibrant communities and thriving business.

Introduction

Council carries out a number of activities or functions in order to meet its statutory responsibilities and in response to the aspirations of its District communities. Council's functions are arranged under ten Groups of Activities. These ten Groups of Activities are further organised under three main 'Sustainability Groups'.

Council's Group of Activities structure is shown in the following table.

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

Community and Cultural Sustainability

The Groups of Activities discussed under this heading promotes Community Outcomes that primarily focus 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 in order to achieve this.

Groups promoting Community and Cultural Sustainability:

- Governance: Leadership and Investments
- Community Service
- Community Development
- Regulation and Safety



Waitomo District Youth Council - Great NZ Muster 2012

Governance: Leadership and Investments

What we do

The Governance: Leadership and Investments Group comprises the Leadership and Investments significant activities.

Leadership

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

Some key elements of this activity are:

- Council's governance at a District level which involves the provision of leadership and governance for the District through the Mayor's Office and the Council/Committee structure.
- Conduct of elections.
- Council's advocacy on issues that impact on the Waitomo District.
- Planning and Policy development which 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 achieving the Community Outcomes.
- Monitoring and Reporting.

Investments

Council Controlled Organisations

Investment in Local Authority Shared Services (LASS) - The Council has an equal share with each of the 12 local authorities situated within the boundaries of the Waikato region, in LASS Ltd. The principal objective is for the Company to provide the most effective access to regional information of mutual value to the regional community using modern technology and processes.

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 Organisation. Although, it is wholly owned by Council, ICL is an independent legal entity with its own Board of Directors and management structure and bound by the legal obligations of the Companies Act.

Investment Properties

Council Owned Quarries - Maintenance and management of Council owned quarries. The Council owns 22 quarries throughout the District of which five are leased, with 4 of these being operational. The quarries are a major source of aggregate in supporting road construction and development within the District.

Forestry Holdings Held by Waitomo District Council - Maintenance and management of small forestry located predominantly at Waitomo District Landfill. The forestry was predominantly planted in 1994 and comprises approximately 15.7 hectares of pine trees.

Parkside - As part of the restructure and capital raising of Inframax Construction Ltd in 2011, WDC purchased the Parkside Subdivision. The subdivision consists of 32 sections located near the centre of Te Kuiti.

Other Entities

Investment in Civic Assurance Ltd - Civic Assurance Ltd is the trading name of the Local Government Insurance Corporation Ltd. It is owned by Local Government and supplies the sector with a range of financial and insurance services. WDC holds 16,940 shares in the company.

Main focus for 2013/14

The following are key projects planned in this activity area:

- Draft, consult and adopt the Annual Plan for 2014/15.
- Prepare and adopt the 2012/13 Annual Report by 24 September 2013.
- Prepare and publish a pre-election report no later than two weeks before nominations open for candidates seeking election at the Triennial Local Government elections in October 2013.
- Conduct the Triennial Local Government elections in October 2013.
- Prepare Triennial Agreements with Waikato and Manawatu - Wanganui Regional Councils no later than 1 March 2014.
- Prepare and make publicly available the Council's Governance Statement by February 2014, as required by s.40 LGA 2002.
- Actively participate in the Waikato Mayoral Forum (involving the Mayors and Chief Executives of local authorities within the Waikato region) to review/consider opportunities to collaborate in planning, purchasing and service delivery options.
- Undertake a review of Council's Code of Conduct by the end of November 2013.
- Continue with the process commenced in 2011 with the appointment of a new Board of Directors to ensure that Council's investment in Inframax Construction Limited returns to a sound financial footing by actively monitoring the agreed Financial Recovery Plan and influencing the annual Statement of Intent (as provided for in Schedule 8 of the LGA 2002).
- Investigate the feasibility options of improving the subdivisions in the Parkside subdivision to enhance the saleability of the lots.

Measuring our progress

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		
		2013/14	2014/15	2015/16 to 2021/22
Leadership				
Decision making in compliance with provisions of the Local Government Act 2002.	Number of challenges to the decision making process.	0	0	0
Consultation is in accordance with the Special Consultative Procedure outlined in LGA 2002.	Number of challenges to the decision making process.	0	0	0
Effective communication with the community.	Customer satisfaction rating of effectiveness and usefulness of Council communications "good or better".	≥ 50%	≥ 55%	≥ 60%
Investments				
Investments contribute to economic and social well-being.	Analysis of investment financials and activity including investment company reporting statements are reported to Council and made available to the public as applicable.	2 reports per year	2 reports per year	2 reports per year

Estimated Cost of Service Statement

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(322)	Representation	(332)	(480)	(148)
(132)	Investments	(140)	(113)	27
(454)	Total Income	(472)	(593)	(121)
	Direct Operating Expenditure			
705	Representation	716	777	61
663	Strategic Planning and Policy	1,022	515	(507)
382	Monitoring and Reporting	396	374	(22)
903	Investments	906	812	(94)
2,653	Total Direct Expenditure	3,040	2,478	(562)
2,199	Net Operating Cost/ (Surplus)	2,568	1,885	(683)
2,199	Net Expenditure	2,568	1,885	(683)
	Funded By			
0	Internal Loans	(232)	0	232
(27)	Reserves	(76)	(8)	68
(740)	General Rates	(798)	(656)	142
(1,432)	UAGC	(1,462)	(1,221)	241
(2,199)	Total Funding	(2,568)	(1,885)	683

Variations from LTP 2012-22

Material variations for the 2013/14 financial year when compared to the LTP 2012-22 are:

Operating Income

- Representation: Forecast increase in revenues from rates penalties.
- Investments: Revenue from investments is forecast to decrease due to the change in accounting treatment of Cost of Sales (previously included as expenditure) which is now off-set against revenue from section sales.

Operating Expenditure

- Strategic Planning and Policy and Monitoring and Reporting: Proposed expenditure is expected to decrease due to a reallocation of internal resources to other activities within the organisation.
- Investments: Proposed expenditure for the Investments activity is forecast to decrease primarily due to a change in the accounting treatment of the Cost of Sales for Parkside Section sales (previously included as expenditure) which is now off-set against revenue from section sales.

Funding Changes

- Internal Loans Drawn: Due to the deferral of the Review of the District Plan (which the LTP 2012-22 provided for funding over ten years), loans of \$232,000 proposed to fund this review are not required in 2013/14. This review has been deferred pending the outcome of the Waikato Mayoral Forum's review of planning on a regional basis.

Community Service

What we do

The Community Service Group consists of the following activities:

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

Parks and Reserves

This activity involves the provision of parks and reserves in order to support the health and well-being of the community by supplying and maintaining areas for sport and recreation, as well as green places and landscapes that are restful and enhance the visual amenity. The parks, reserves and play areas are grouped according to their primary purpose under the following categories - Active reserves, Passive reserves, Esplanade reserves, Leased reserves and Play Equipment.

Housing and Other Property

This activity involves the provision of Housing and Other Property in order to support and fulfil Council's role in promoting social well-being.

Council provides a number of housing and other properties that are grouped according to their primary purpose. The different groups of Housing and Other Property are – Housing, Corporate Property, Community Halls and General Property (includes miscellaneous land holdings and wharves, jetties etc).

Recreation and Culture

This activity involves the provision of recreation and cultural opportunities in order to support the health and well-being of the community. Facilities are provided for sport and recreational events, key historic features are protected and low cost visitor accommodation in the form of camping grounds is provided.

The different groups of recreation and cultural assets that provide leisure and recreational opportunities for residents and visitors to the District are – Waitomo District Swimming Pool, Aerodrome, Reserve and Community facilities, Camp Grounds, Te Kuiti Cultural and Arts Centre and Waitomo District Library. Assisted voluntary community libraries are located at Awakino, Mokau and Benneydale.

Public Amenities

This activity involves the provision of public amenities in order to support the health and well-being of the community by providing areas for burial, and for the comfort and convenience of visitors and residents.

The different groups of public amenities are – Cemeteries, Public Toilets, Public Carparks, Street Furniture/Amenity Area, Emergency Management delivery, Rural Fire delivery.

Main focus for 2013/14

Parks and Reserves

- Commence a walking track strategy which is scheduled for completion in 2014/15.
- Replacement of playground equipment to meet compliance standards.

Housing and Other Property

- Commence asset renewals associated with the external framework of the Te Kuiti railway buildings (dependent on obtaining external grant funding).
- Commence Expressions of Interest process related to future use of Railway Buildings

Council Rental Housing

- Continue the process leading to the disposal of 4 Jennings Street, which is a residential house and section, currently leased to the Te Kuiti Community House.

Recreation and Culture

- Waitomo District swimming pool water flow realignment and leak repairs.
- Taupiri Street Council building renewals and entrance development (subject to external funding).
- Investigation into consolidation of delivery of Council services which is scheduled for completion 2014/15 year.
- Commence Te Kuiti Aerodrome reserve management plan scheduled to be completed 2014/15 year.

Public Amenities

- Continuation of toilet upgrades across district.
- Investigation with neighbouring land owner for provision of shared parking for the Waitomo Culture and Arts Centre.

Emergency Management

Substantial change will be necessary for the delivery of Emergency Management Services in 2013/14 and moving forward, due to the disestablishment of the Waikato Valley Emergency Operating Area (WVEOA) from 1 July 2013. Council is currently investigating options for this service delivery which are anticipated to result in increased operating expenditure.

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		
		2013/14	2014/15	2015/16 to 2021/22
High quality Parks and Reserves will be provided.	Percentage of community satisfied with the quality of Parks and Reserves in annual and research surveys.	≥ 80%	≥ 80%	≥ 80%
Provision and maintenance of Elderly Persons Housing that meets the needs of the tenants.	Percentage of users satisfied with the provision and maintenance of Elderly Persons Housing in the User Survey.	> 55%	> 60%	> 65%
Quality public amenities will be provided.	Percentage of community satisfied with the quality of public amenities (Public Toilets and Cemeteries).	≥ 80%	≥ 80%	≥ 80%
Provision of comprehensive library facilities for the community.	Percentage of community satisfied with the quality of the library facilities and service in the annual satisfaction survey and research survey results.	≥ 85%	≥ 85%	≥ 85%
Provision of effective pool facilities for the community.	Percentage of community satisfied with the quality of the pool facilities and service in the annual satisfaction survey and research survey results.	≥ 60%	≥ 70%	≥ 70%
Provision of effective Arts and Culture facilities for the community.	Percentage of community satisfied with the quality of the Arts and Culture facilities and service in the annual satisfaction survey and research survey results.	≥ 75%	≥ 75%	≥ 75%
Council's public facilities are provided to standards of fitness for use.	Current Building Warrant Of Fitness (BWOFF) for facilities with compliance schedules.	100%	100%	100%
Pool is safe for use of pool patrons at all times.	Pool accreditation in place.	100%	100%	100%
	Number of pool non complying water quality readings per year	< 5	< 5	< 5
Community education and information provided to build community awareness and preparedness.	The number of residents who understand the need to plan for the ability to survive on their own for 3 days if there was an emergency event.	35%	40%	40%
Council will ensure that staff are equipped and trained to efficiently man the Civil Defence headquarters in an emergency	One major training exercise involving Civil Defence headquarters staff will be held per year	One exercise per year	One exercise per year	One exercise per year
Playground equipment is safe to use for parks and reserves playground users	Number of accidents directly attributable to playground equipment failure	Nil accidents	Nil accidents	Nil accidents

Estimated Cost of Service Statement

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(11)	Parks and Reserves	(11)	(11)	0
(216)	Housing and Other Property	(225)	(420)	(195)
(114)	Recreation and Culture	(118)	(114)	4
(49)	Public Amenities	(55)	(54)	1
(390)	Total Income	(409)	(599)	(190)
	Direct Operating Expenditure			
524	Parks and Reserves	639	603	(36)
725	Housing and Other Property	787	931	144
979	Recreation and Culture	1,040	1,041	1
682	Public Amenities	717	734	17
137	Safety	140	194	54
3,047	Total Direct Expenditure	3,323	3,503	180
2,657	Net Operating Cost/ (Surplus)	2,914	2,904	(10)
	Capital Expenditure			
306	Parks and Reserves	99	99	0
69	Housing and Other Property	142	722	580
229	Recreation and Culture	398	398	0
205	Public Amenities	123	233	110
809	Total Capital Expenditure	762	1,452	690
3,466	Net Expenditure	3,676	4,356	680
	Funded By			
(449)	Internal Loans Drawn	(501)	(1,024)	(523)
(443)	Reserves	(337)	(328)	9
(837)	General Rate	(911)	(981)	(70)
(1,499)	UAGC	(1,682)	(1,793)	(111)
(238)	Target Rate	(245)	(230)	15
(3,466)	Total Funding	(3,676)	(4,356)	(680)

Variations from LTP 2012-22

Material variations for the 2013/14 financial year when compared to the LTP 2012-22 are:

Operating Income

- Housing and Other Property: Proposed capital expenditure on the Restoration and Revitalisation of the Railway Building in Te Kuiti Township focussing on the asset renewal works, is expected to be part funded through Grants from external organisations (grants are treated as operational income). This project was not anticipated at the time the LTP 2012-22 was adopted.

Operating Expenditure

- Housing and Other Property: The value of Council-owned Buildings increased when revalued at 30 June 2012. Depreciation for 2013/14 is forecast to increase as a result. Provision has been made for maintenance, security and upkeep of the Railway Building complex. This expenditure was not anticipated at the time the LTP 2012-22 was adopted.
- Increase in funding for Emergency Management service delivery due to the disestablishment of WVEOA which was not anticipated at the time of LTP 2012-22 adoption.

Capital Expenditure

- Housing and Other Property: The proposed increase in capital works is for the commencement of the Railway Building restoration and revitalisation projects. These projects were not anticipated when the LTP 2012-22 was adopted.

Funding Changes

- Internal Loans Drawn: It is proposed that the local share of the restoration and revitalisation of the Railway Building complex not met from external grants will be funded through internal loans
- General Rate and UAGC: The proposed increase in General and UAGC rates funding is due to a reallocation of internal resources to Community Services activities from the Leadership and Investments Activities.

Community Development

What we do

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

Waitomo District Council's Community Development group involves Community Support, Customer Services, District and Regional Promotions and Economic Development. These activities form the foundation for engagement and the focus of work.

The Community Development Group comprises the following functions:

Community Support – which seeks to improve social outcomes within Waitomo District by working closely with the District community. It includes making grants to the community, provision of service contracts, WDC's sister city relationship and youth initiatives.

Youth Engagement

WDC identified key community outcomes relating to Youth for the first time, in the 2012-22 LTP. To support the achievement of these outcomes WDC has led, or invested time in supporting a number of youth related projects in the 2012/13 year. WDC found these projects to be beneficial in interconnecting and engaging young people within the community in a number of different ways. Council intends to continue with these initiatives in 2013/14 and in the coming years. The key areas of youth engagement include:

- The Waitomo Youth Council;
- Mayor's Taskforce for Jobs;
- Tuia Programme; and
- Social Sector Youth Trials
- Social Sector Youth Mentoring Programme

Customer Services – which enables service delivery and support for residents across 3 Council sites - Council's Administration Building (Queen Street), Waitomo District Library (Taupiri Street) and Te Kuiti i-SITE (Rora Street).

District Development Activity includes - District and Regional Promotion, Economic Development, Management of the Visitor Information Centre i-SITE and Coordination of District Events.

District Economic Development Board

To assist with a more integrated strategic focus on sustainable delivery of economic development initiatives within Waitomo District, Council through the 2012-2022 agreed to the establishment of a District Economic Development Board (Board) in 2013/14. This project has been deferred by one year to await the outcomes of the Regional Economic Development work stream being progressed by the Waikato Mayoral Forum.

Main focus for 2013/14

Community Support

- Administration of existing Community Development Fund.
- Community Events continued (e.g. Christmas Parade).
- Further develop the WDC events diary and community web pages

Youth Engagement

- Participation and support of the identified youth engagement projects will continue in the 2013/14 financial year.

District Development

- Continued support of district promotion via the Hamilton and Waikato Regional Tourism organisation.
- Event promotion, including the Great NZ Muster.
- Continue long-standing sister city relationships.
- Undertake a needs and gaps analysis of economic development practice and opportunities within the district.

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		
		2013/14	2014/15	2015/16 to 2021/22
Provide assistance for community support activities.	Advertisement and administration of all WDC Funding Rounds as per the Community Development Fund Policy.	100%	100%	100%
Support the positive development of youth within the District.	Youth Council makes one submission to Council per year.	1 per annum	1 per annum	1 per annum
	Youth Council undertakes two youth related projects per year.	2 per annum	2 per annum	2 per annum
Council will support major District events that build community pride and raise the District's profile.	Number of major District events held on time and to budget.	One Major event (the Muster) and one minor event (the Christmas Parade)	One Major event (the Muster) and one minor event (the Christmas Parade)	One Major event (the Muster) and one minor event (the Christmas Parade)
Council through its membership of the Hamilton and Waikato Regional Tourism Organisation will ensure enhanced presence in national and international markets for the District.	Number of District Promotion opportunities taken by the Hamilton and Waikato Regional Tourism Organisation in key publications and industry events.	> 4	> 4	> 4
Council will support business expansion and diversification, and encourage the development of work-based skills.	District Economic Development Board Strategy developed and implemented.	District Economic Development Board Strategy developed and approved by Council	25% of the programmes identified within the District Economic Development Board strategy are implemented	District Economic Development Board 100% operational

Estimated Cost of Service Statement

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
0	Youth Engagement	0	(62)	(62)
(207)	District Development	(214)	(150)	64
(20)	Agencies	0	(20)	(20)
(227)	Total Income	(214)	(232)	(18)
	Direct Operating Expenditure			
556	Community Support	541	542	1
0	Youth Engagement	0	124	124
4	Sister City	4	4	0
636	District Development	716	496	(220)
28	Agencies	27	26	(1)
1,224	Total Direct Expenditure	1,288	1,192	(96)
997	Net Operating Cost/ (Surplus)	1,074	960	(114)
	Capital Expenditure			
1	District Development	0	0	0
1	Total Capital Expenditure	0	0	0
998	Net Expenditure	1,074	960	(114)
	Funded By			
(1)	Reserves	(60)	(26)	34
0	Internal Loans Drawn	0	0	0
(257)	General Rates	(265)	(207)	58
(555)	UAGC	(558)	(576)	(18)
(185)	Target Rates	(191)	(151)	40
(998)	Total Funding	(1,074)	(960)	114

Variations from LTP 2012-22

Material variations for the 2013/14 financial year when compared to the LTP 2012-22 are:

Operating Income

- Youth Engagement: The engagement in the Social Sector Youth Mentoring Programme will be externally funded. This was not provided for in the LTP 2012-22.
- District Development: It is forecast that sales of tourism services and products from the i-SITE in Te Kuiti will decrease. This reflects a downturn in tourism activities.

Operating Expenditure

- Youth Engagement: The Youth Engagement initiative has been developed further by Council as agreed in the LTP 2012-22. Consequently, the expenditure is now accounted for in a separate 'Youth Engagement' function for the purpose of transparency. Part of this expenditure is an increase in internal resourcing for this activity and the other part is for participation in Social Sector Youth Mentoring programme which will be externally funded (as noted in the income above).
- District Development: The establishment of a District Development Board was proposed for 2013/14 in the LTP 2012-22. It is now proposed that this be delayed by one year pending the outcome of the Waikato Mayoral Forum's review of economic development within the region.
Expenditure for i-SITE purchases is forecast to decrease, with a corresponding decrease in i-SITE revenue. It is further proposed to reduce indirect costs with a reallocation to other activities.

Regulation and Safety

The Regulation and Safety group of activities together with Resource Management fall under the Regulatory Services business unit. Both groups of activities are included in a single Activity Management Plan called the "Regulatory Services Activity Management Plan (AMP)".

What we do

The Regulation and Safety Group aims to ensure a healthy and safe environment for the community in terms of building and food safety, regulating behaviours and creating a nuisance free, family and investment friendly environment.

This Group includes the regulatory functions devolved to Council by legislation and leads the making of the necessary policies and bylaws to ensure a safe and nuisance-free environment for all the residents of the District. The functions are:

Building Control - regulates the whole building control function in the District.

Liquor Licensing - oversees the administration of the Sale of Liquor Act at a local level acting as the District Licensing Agency (DLA) on behalf of the Liquor Licensing Authority which encourages the responsible sale and use of alcohol through licensing, monitoring of premises and enforcement of the Act.

Environmental Health - involves the provision of environmental health services including licencing and inspection of food premises and noise control.

Bylaw Administration – involves managing a range of bylaws that Council has in place which allow WDC to manage issues associated with community nuisance, protect public health and manage Council's assets.

Regulatory Services administer and where appropriate enforce the bylaws with the activity carried out under the shared services arrangement with Waipa District Council.

Animal Control - involves the registration of dogs as well as the prevention of harm to the community in cases of menacing or dangerous behaviour by dogs and dealing with roving stock.

Main focus for 2013/14

The statutory environment within which this Group tends to undergo continuous changes. The Building Act is under constant review and it is expected that the Food Bill will be enacted in the current year although indications are that the Bill may undergo several major amendments. Implementation of the new legislation could become a key area of focus in 2013/14.

The Sale and Supply of Alcohol Act 2012 has recently been introduced. As a result, Council will be developing a policy on the sale of liquor within the District in 2013/14. The policy will address the location of licensed premises, the number of premises in the District and maximum trading hours.

It is planned to carry out extensive public consultation on the policy in order to ensure that localised alcohol related issues are well understood.

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		
		2013/14	2014/15	2015/16 to 2021/22
All food and liquor retail premises will be inspected and appropriately registered and licensed.	Percentage of registration or licensing of food and liquor retail premises inspected annually.	100%	100%	100%
Provision of an effective environmental health service for the community.	Customer satisfaction survey rating on Environmental Health Service.	> 50%	> 50%	> 50%
Building consents and project information memoranda issued within 15 working days.	Percentage of building consents and project information memoranda issued within 15 working days.	90%	90%	90%
Council will ensure that consented building works adhere to the Building Code.	Percentage of consented buildings under construction (inspected) to ensure code compliance.	100%	100%	100%
Provision of an effective building control service to the community.	Customer satisfaction survey rating on Building Control.	> 50%	> 50%	> 50%
Dog owners' properties will be inspected to ensure compliance with the Dog Control Act 1996 and Council's bylaws.	Percentage of dog owners' properties inspected per year.	Urban 100% Rural 10%	Urban 100% Rural 10%	Urban 100% Rural 10%
High level of customer satisfaction with animal control service.	Customer satisfaction survey rating on Animal Control.	≥ 50% good or above	≥ 50% good or above	≥ 50% good or above

Estimated Cost of Service Statement

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(402)	Regulation	(422)	(409)	13
(402)	Total Income	(422)	(409)	13
	Direct Operating Expenditure			
722	Regulation	744	722	(22)
722	Total Direct Expenditure	744	722	(22)
320	Net Operating Cost/ (Surplus)	322	313	(9)
	Funded By			
3	Reserves	4	(5)	(9)
(230)	General Rates	(241)	(226)	15
(93)	UAGC	(85)	(82)	3
(320)	Total Funding	(322)	(313)	9

Variations from LTP 2012-22

There are no material variations in the Regulation and Safety Activity for the 2013/14 financial year when compared to the LTP 2012-22.

Environmental Sustainability Group

The Group of Activity discussed under this heading promotes Community Outcomes that primarily target environmental well-being. Its component Groups aim to minimise the impact of communities lifestyles and growth on the natural environment. It is the responsibility of every local authority to carry out activities that promote sustainable management and protection of the environment.

Groups promoting Environmental Sustainability:

- Solid Waste Management
- Stormwater Drainage
- Resource Management
- Sewerage and the Treatment and Disposal of Sewage



Limestone formations, Mangapohue

Solid Waste Management

What we do

The Solid Waste Management Group provides for the environmentally safe reduction, diversion, collection and disposal of the District's solid waste. The services delivered will ensure that the natural environment is protected from detrimental effects of solid waste, and that the waste disposal needs of the District community are met.

Council is responsible under the Waste Minimisation Act 2008 for preparing and implementing a waste management and minimisation plan, and overseeing and promoting effective and efficient waste management and minimisation in the District, having regard to the New Zealand Waste Strategy (NZWS).

There are four activities under this Group:

Waste Minimisation - focused on the reduction and diversion (reuse, recycling and recovery) of solid waste. It includes educational programmes targeted at improving awareness of the benefits of waste reduction and services available in support of this, promotion of and support for community initiatives.

Kerbside Recyclables Collection - A weekly kerbside collection of recyclables is provided for the residents of Te Kuiti, Piopio, Awakino, Mokau and the Waitomo ward and Village area.

Kerbside Refuse Collection - A weekly kerbside collection of bagged refuse is provided for the residents of Te Kuiti, Piopio, Mokau, Awakino and Waitomo ward and Village, coincident with the weekly kerbside collection of recyclables.

Waste Disposal - Waste transfer stations are provided at the communities of Benneydale, Piopio, Marokopa (new), Kinohaku and Mokau/Awakino (at the site of the former Awakino transfer station). A fully consented District landfill is located at Te Kuiti.

Main focus for 2013/14

This EAP proposes the continuation of level of service provided for the solid waste activity.

- Continuation of waste reduction initiatives
- Continue assessment of possibility of Waitomo District Landfill becoming a clean fill site only.
- Report of all waste management facilities to identify hazards and safety improvements.
- Carry out two yearly waste audits.
- Monitor and review waste minimisation behaviour change.

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		
		2013/14	2014/15	2015/16 to 2021/22
Users find the recycling facilities safe to use.	Percentage of users rate the safety of Council's recycling facilities as satisfactory or better.	75%	75%	75%
Provision of effective waste service for the community.	Customer satisfaction survey rating on waste transfer stations.	60%	60%	60%
The solid waste management facilities feel safe to the user.	Percentage of users rate the District's waste transfer stations safe to use.	70%	70%	70%
Users find the landfill facility safe to use.	Percentage of users rate the safety of Council's landfill facility as satisfactory or better.	75%	75%	75%
The solid waste management facilities are open and accessible to users at advertised times.	Number of complaints per month due to facilities not being open at advertised times.	<1	<1	<1
Reduce quantity of recyclables like paper and plastics in bag collection that goes to landfill.	Percentage of reduction per annum leading to 10% reduction by 2016 and 15% by 2022. (both measured against the 2010 Waste Audit).	2%	2%	2%
Reduce the quantity of organic waste like food scraps etc in bag collection that goes to landfill.	Percentage of reduction per annum achieved through continual education leading to 10% reduction by 2022 (measured against the 2010 Waste Audit).	1.5%	1.5%	1.5%
Provision of an effective solid waste service for the community.	Number of complaints received per month regarding solid waste activities.	≤ 10	≤ 10	≤ 10

Estimated Cost of Service Statement

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(95)	Collection	(104)	(100)	4
(974)	Management	(1,043)	(1,011)	32
(1,069)	Total Income	(1,147)	(1,111)	36
	Direct Operating Expenditure			
331	Collection	347	344	(3)
1,623	Management	1,781	1,504	(277)
1,954	Total Direct Expenditure	2,128	1,848	(280)
885	Net Operating Cost/ (Surplus)	981	737	(244)
	Capital Expenditure			
6	Management	96	96	0
6	Total Capital Expenditure	96	96	0
891	Net Expenditure	1,077	833	(244)
	Funded By			
(1)	Internal Loans Drawn	(52)	(52)	0
(5)	Reserves	(44)	(41)	3
(7)	General Rates	(7)	(5)	2
(7)	UAGC	(7)	(5)	2
(634)	Target Rate - District	(723)	(485)	238
(44)	Target Rate - Mokau	(45)	(46)	(1)
(30)	Target Rate - Piopio	(31)	(32)	(1)
(118)	Target Rate - Te Kuiti	(122)	(121)	1
(45)	Target Rate - Waitomo	(46)	(46)	0
(891)	Total Funding	(1,077)	(833)	244

Variations from LTP 2012-22

Material variations for the 2013/14 financial year when compared to the LTP 2012-22 are:

Operating Income

- Management: Forecast revenue from the Landfill is expected to reduce due to a reduction in the volume of refuse being deposited at the landfill.

Operating Expenditure

- Management: Forecast expenditure of the Landfill is expected to reduce due to significant reductions in projected Emissions Trading Scheme expenses and landfill operational costs. Depreciation is also expected to be less due to asset revaluations for 30 June 2012 and interest costs will decrease due to the reduced loan funding required for capital expenditure.

Funding Changes

- Target Rate – District: Due to reduced net operational costs for the operation of the Landfill (as described above), District Targeted Rates funding required for this activity will reduce 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 2013/14

- Continue to collect Asset Management data (physical attributes, asset performance/condition, and costs).
- Determine the condition and decay rates of the networks by analysing condition reports provided by contractors and/or works staff during the day to day operation of stormwater assets.

Capital Works

It was indicated in the LTP that a modest capital works programme was being budgeted on the basis of known information about asset condition. The renewal budget for the first 4 years was split to do stormwater reticulation cleaning and piping of open drains as they become necessary. It was also indicated that asset management systems and information in this area would be updated as regular maintenance work was carried out and this would be reflected in updated renewal and upgrade work forecasts.

The first stage of stormwater rehabilitation (cleaning) progress since LTP 2012-22 was adopted has identified the need for considerable renewal/rehabilitation works in George Street and Duke Street that are quite critical and will be the focus of the capital work programme in 2013/14. This represents a proposed increase of \$256,000 in capital expenditure.

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		
		2013/14	2014/15	2015/16 to 2021/22
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

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
0	Te Kuiti Stormwater	0	0	0
0	Total Income	0	0	0
	Direct Operating Expenditure			
346	Te Kuiti Stormwater	360	346	(14)
34	Rural Stormwater	35	34	(1)
380	Total Direct Expenditure	395	380	(15)
380	Net Operating Cost/ (Surplus)	395	380	(15)
	Capital Expenditure			
122	Te Kuiti Stormwater	106	362	256
5	Rural Stormwater	5	5	0
127	Total Capital Expenditure	111	367	256
507	Net Expenditure	506	747	241
	Funded By			
(127)	Reserves	(111)	(366)	(255)
(346)	Target Rate - Urban	(360)	(346)	14
(34)	Target Rate - Rural	(35)	(35)	0
(507)	Total Funding	(506)	(747)	(241)

Variations from LTP 2012-22

Material variations for the 2013/14 financial year when compared to the LTP 2012-22 are:

Capital Expenditure

- Te Kuiti Stormwater: It is proposed that additional capital works will be required to maintain existing service levels of the stormwater network including renewal projects in George Street and Duke Street.

Funding Changes

- Reserves: It is proposed that reserve funding for the additional renewal work, (as described above) will be funded from depreciation reserves.

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 2013/14

This EAP proposes a continuation of the service levels provided for within this activity. The LTP 2012-22 provides for a full review of the District Plan to commence in the 2013/14 financial year. However, due to imminent changes to the RMA and also the regional planning work stream carried out by the Waikato Mayoral Forum, this EAP defers the commencement of the District Plan review to 2014/15.

Council intends to keep a watching brief on the parliamentary process around RMA reforms and intends to carry out a detailed scoping of resource management issues within the District.

This project is necessary so as to ensure that the reviewed plan allows Council to manage the use, development and protection of our natural and physical resources in a manner which best meets community needs.

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		
		2013/14	2014/15	2015/16 to 2021/22
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.

Estimated Cost of Service Statement

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(73)	District Plan Administration	(83)	(80)	3
(73)	Total Income	(83)	(80)	3
	Direct Operating Expenditure			
191	District Plan Administration	191	198	7
191	Total Direct Expenditure	191	198	7
118	Net Operating Cost/ (Surplus)	108	118	10
118	Net Expenditure	108	118	10
	Funded By			
(59)	General Rate	(54)	(59)	(5)
(59)	UAGC	(54)	(59)	(5)
(118)	Total Funding	(108)	(118)	(10)

Variations from LTP 2012-22

There are no material variations in the Resource Management Activity for the 2013/14 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 2013/14

The upgrade works to the Te Kuiti Wastewater Treatment Plant will finalise the major works programme for this group of activities.

Asset Management Programmes

- Improve accuracy and completeness of asset registers for each scheme.
- Develop a greater focus on risk identification and management, obtaining more detailed information on critical assets, and prioritise the works developed from the risk assessment exercise.

Te Kuiti Sewerage Scheme

- Upgrade works to the Te Kuiti Wastewater Treatment Plant commenced in 2011. Completion of the construction work and commissioning of the new plant will be completed in 2013-14.

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		
		2013/14	2014/15	2015/16 to 2021/22
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	N/A	100% * See note below	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.

Estimated Cost of Service Statement

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(534)	Te Kuiti Sewerage	(724)	(627)	97
(1)	Benneydale Sewerage	(1)	(1)	0
0	Piopio Sewerage	(1)	(1)	0
(535)	Total Income	(726)	(629)	97
	Direct Operating Expenditure			
2,133	Te Kuiti Sewerage	2,885	2,627	(258)
29	Te Waitere Sewerage	30	30	0
143	Benneydale Sewerage	145	139	(6)
326	Piopio Sewerage	347	197	(150)
2,631	Total Direct Expenditure	3,407	2,993	(414)
2,096	Net Operating Cost/ (Surplus)	2,681	2,364	(317)
	Capital Expenditure			
5,442	Te Kuiti Sewerage	803	671	(132)
8	Te Waitere Sewerage	10	10	0
0	Benneydale Sewerage	0	78	78
0	Piopio Sewerage	101	101	0
5,450	Total Capital Expenditure	914	860	(54)
7,546	Net Expenditure	3,595	3,224	(371)
	Funded By			
(5,442)	Internal Loans Drawn	(905)	(772)	133
(146)	Reserves	(510)	(394)	116
(1,471)	Target Rate - Te Kuiti	(1,628)	(1,529)	99
(128)	Target Rate - District (Trade Waste Contribution)	(173)	(158)	15
(29)	Target Rate - Te Waitere	(30)	(30)	0
(114)	Target Rate - Benneydale	(117)	(125)	(8)
(216)	Target Rate - Piopio	(232)	(216)	16
(7,546)	Total Funding	(3,595)	(3,224)	371

Variations from LTP 2012-22

Material variations for the 2013/14 financial year when compared to the LTP 2012-22 are:

Operating Income

- Te Kuiti Sewerage: It is forecast that Trade Waste revenue from the industrial users of the Te Kuiti sewerage scheme will decrease. Revenues are based on volume and load being discharged, which in turn is based on their level of activity.

Operating Expenditure

- Te Kuiti Sewerage: Forecast operational expenditure for Te Kuiti Sewerage is expected to decrease compared with the LTP 2012-22 due to reduced insurance and electricity expenditure. In addition to that it is expected that interest costs and depreciation will be less due a delay in the completion of the Waste Water treatment plant upgrade.

Capital Expenditure

- Te Kuiti Sewerage: It is forecast that capital expenditure for the Te Kuiti Waste Water treatment plant will be less for the 2013/14 financial year due to capitalised staff time spent on the project and forecasted for 2013/14 being advanced into the 2012/13 financial year.
- Benneydale Sewerage: It is proposed that further renewal expenditure will be required for the Benneydale reticulation assets. This work was not anticipated when the LTP 2012-22 was adopted.

Funding Changes

- Internal Loans: Due to reduced capital expenditure for Te Kuiti Sewerage (as described above) the amount of loans required to fund that project will also decrease.
- Reserves: It is proposed that reserve funding of Net Operational Costs for both Piopio and Te Kuiti Sewerage schemes to smooth the impact on rates requirement will decrease in 2013/14. This will be offset with an increase in reserve funding to be used to fund the renewal expenditure for Benneydale.
- General Rates and UAGC: Due to reduced expenditure and increased revenue forecasts for Te Kuiti, Te Kuiti Sewerage rates will decrease.

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



Visitors to the Ruakuri Caves, Waitomo

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.

Main focus for 2013/14

Identified areas for improvement relate mainly to the aesthetic (taste, odour, colour) aspects of Council's water supplies and to ensure an adequate supply volume.

Application submitted for Ministry of Health subsidy funding to install disinfection units at the Mokau and Benneydale water treatment plants was successful and the work will be completed during the 2013 calendar year.

The projects and programmes scheduled for 2013/14 are:

Te Kuiti Water Supply Scheme

The TKWTP needs significant upgrade to meet the Drinking-water Standards for New Zealand 2005 (Revised 2008), that has application to the Te Kuiti supply with effect from 1 July 2014.

The project to construct and commission the upgrades to the plant will commence in 2013-14 and be completed in 2018-19 at a total estimated cost of \$3.37 million.

Mokau Water Supply Scheme

Construction works on the Mokau dam to increase the holding capacity will be undertaken in 2013/14 at a total estimated cost of \$810,000.

The Mokau disinfection upgrade will be completed during the 2013 calendar year.

Benneydale Water Supply Scheme

The Benneydale disinfection upgrades will be completed during the 2013 calendar year.

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		
		2013/14	2014/15	2015/16 to 2021/22
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 within 4 hours after first notification.	90%	90%	90%

Estimated Cost of Service Statement

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(484)	Te Kuiti Water	(1,307)	(1,287)	20
(839)	Mokau Water	(32)	(812)	(780)
(340)	Piopio Water	(25)	(16)	9
(23)	Benneydale Water	(24)	(2)	22
(1,686)	Total Income	(1,388)	(2,117)	(729)
	Direct Operating Expenditure			
1,324	Te Kuiti Water	1,416	1,397	(19)
263	Mokau Water	312	344	32
218	Piopio Water	251	273	22
133	Benneydale Water	146	150	4
1,938	Total Direct Expenditure	2,125	2,164	39
252	Net Operating Cost/ (Surplus)	737	47	(690)
	Capital Expenditure			
486	Te Kuiti Water	2,475	3,242	767
1,204	Mokau Water	10	810	800
443	Piopio Water	41	41	0
72	Benneydale Water	3	3	0
2,205	Total Capital Expenditure	2,529	4,096	1,567
2,457	Net Expenditure	3,266	4,143	877
	Funded By			
(1,082)	Internal Loans Drawn	(1,746)	(2,505)	(759)
41	Reserves	(2)	(103)	(101)
(839)	Target Rate - Te Kuiti	(890)	(890)	0
(254)	Target Rate - Mokau/Awakino	(293)	(310)	(17)
(194)	Target Rate - Piopio	(199)	(194)	5
(129)	Target Rate - Benneydale	(136)	(141)	(5)
(2,457)	Total Funding	(3,266)	(4,143)	(877)

Variations from LTP 2012-22

Material variations for the 2013/14 financial year when compared to the LTP 2012-22 are:

Operating Income

- Mokau Water: It is forecast that subsidy revenue for the construction of a raw storage dam to improve security of supply at Mokau will now be received in the 2013/14 financial year, whereas the LTP 2012-22 expected the capital works and associated subsidy to be completed and received respectively during the 2012/13 financial year. Forecast revenues from water by meter at Mokau will be less than the LTP 2012-22 due to the revised allocation of free water units to connected properties.

Capital Expenditure

- Te Kuiti Water: It is proposed that capital expenditure for Te Kuiti will increase compared with the LTP 2012-22 due to increased expenditure on the Water Treatment Plant Upgrade and Design, Te Kuiti reticulation renewal work and new main pumping stations.
- Mokau Water: It was forecast that the construction of the raw water storage dam at Mokau (to improve security of water supply during dry periods) would be carried out during the 2012/13 financial year. Due to delays in receiving consent to complete the works during that year, this work is now expected to be completed during the 2013/14 financial year.

Funding Changes

- Internal Loans: Due to reduced capital expenditure required for the Te Kuiti Water Treatment Plant upgrade, loan funding will be reduced accordingly.
- Reserves: It is proposed that reserve funding of the Net Operational Costs for Mokau, Piopio and Benneydale Sewerage schemes to smooth the impact on rates requirement will increase.

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	52.86	959.18	1012.04
SEALED	49.30	414.86	464.16
UNSEALED	3.56	544.32	547.88

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 Roading

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

Unsubsidised Roading

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
- Unsubsidised Miscellaneous Work
- Street Cleaning
- Carpark Maintenance (other than kerbside parking)

Main focus for 2013/14

Restoring Levels of Service

One of Council's strategies outlined in the LTP 2012-22 is to restore the Levels of Service for this Group of Activities to what they were prior to the introduction of the austerity measures through the 2009-19 LTP. These reductions are now being phased back returning to full funding levels by 2015/16.

In May 2012, the NZTA Board confirmed in writing that it had committed to provide WDC with \$25.9M of roading subsidy for the three year period 2012 to 2015. That amounts to a 12% increase over the subsidy support previously provided. This has enabled Council to proceed with its intention to return to previous service levels by 2015/16.

Some key works planned for 2013/14 are:

- Pavement Rehabilitation Package
- Sealed Road Surfacing of 38km per year - the programmed budget for 2013/14 is \$1.3 million.
- Minor improvement works totalling \$350,000
- Emergency reinstatement totalling \$240,000
- Development of detailed maintenance plans such as road marking within the network.
- Rora Street upgrade Stage 3 \$200,000.

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		
		2013/14	2014/15	2015/16 to 2021/22
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.*

Estimated Cost of Service Statement

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(5,584)	Subsidised Roads	(5,653)	(5,611)	42
(60)	Non Subsidised Roads	(60)	(60)	0
(5,644)	Total Income	(5,713)	(5,671)	42
	Direct Operating Expenditure			
8,343	Subsidised Roads	8,673	8,759	86
278	Non Subsidised Roads	296	306	10
8,621	Total Direct Expenditure	8,969	9,065	96
2,977	Net Operating Cost/ (Surplus)	3,256	3,394	138
	Capital Expenditure			
4,642	Subsidised Roads	4,572	4,435	(137)
213	Non Subsidised Roads	320	265	(55)
4,855	Total Capital Expenditure	4,892	4,700	(192)
7,832	Net Expenditure	8,148	8,094	(54)
	Funded By			
(201)	Internal Loans Drawn	(437)	(379)	58
(2,134)	Reserves	(1,872)	(1,821)	51
(233)	UAGC	(247)	(249)	(2)
(5,046)	District Wide Rate	(5,357)	(5,399)	(42)
(23)	Target Rate - Rural	(25)	(27)	(2)
(195)	Target Rate - urban	(210)	(219)	(9)
(7,832)	Total Funding	(8,148)	(8,094)	54

Variations from LTP 2012-22

Material variations for the 2013/14 financial year when compared to the LTP 2012-22 are:

Operating Expenditure

- Due to the revaluation of Roads and Footpaths assets undertaken at 30 June 2012, depreciation is forecast to be more than was forecast in the LTP 2012-22. However this forecasted increase in cost is offset by decreases in maintenance expenditure, and reduced interest expense due to reduced loans needed for funding of operational and capital expenditure.

Capital Expenditure

- It is proposed that capital expenditure for Subsidised Roads will decrease compared with proposed expenditure in the LTP 2012-22.
- It is further proposed that budgets for Non-Subsidised Road improvements and property purchases for the roading corridor (if required) be decreased. This decrease however is offset by an increase in Non-Subsidised road renewal works associated with the Plaza upgrade (part of the Railway Building restoration and revitalisation project).

Section C: Financial Information

This section provides details on the financial implications of the Plan, including estimated expenditure, revenue and public debt for the 2013/14 financial year, and the Funding Impact Statements.



Creating a better future with vibrant communities and thriving business.

Introduction

This section outlines Council's financial position for the 2013/14 financial year. The information that follows shows the impact of the measures Council has taken as it moves to a sustainable financial plan.

Summary of Estimated Revenue and Expenses Statement for all Council Activities

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP 2013/14
	Operating Income			
(1,473)	Community and Cultural Sustainability	(1,517)	(1,833)	(316)
(1,677)	Environmental Sustainability	(1,956)	(1,820)	136
(7,330)	Economic Sustainability	(7,101)	(7,788)	(687)
(10,480)	Total Operating Income	(10,574)	(11,441)	(867)
	Direct Operating Expenditure			
7,646	Community and Cultural Sustainability	8,395	7,895	(500)
5,156	Environmental Sustainability	6,121	5,419	(702)
10,559	Economic Sustainability	11,094	11,229	135
23,361	Total Operating Expenditure	25,610	24,543	(1,067)
12,881	Net Operating Cost/ (Surplus)	15,036	13,102	(1,934)
	Capital Expenditure			
810	Community and Cultural Sustainability	762	1,452	690
5,583	Environmental Sustainability	1,121	1,323	202
7,060	Economic Sustainability	7,421	8,796	1,375
13,453	Total Capital Expenditure	9,304	11,571	2,267
26,334	Total Net Expenditure	24,340	24,673	333
	Funded By			
(7,175)	Internal Loans Drawn	(3,873)	(4,732)	(859)
(2,839)	Reserves	(3,008)	(3,092)	(84)
(2,129)	General Rates	(2,276)	(2,134)	142
(3,879)	UAGC	(4,095)	(3,985)	110
(10,312)	Target Rates	(11,088)	(10,730)	358
(26,334)	Total Funding	(24,340)	(24,673)	(333)

Summary of Estimated Revenue and Expenses Statement for Community and Cultural Sustainability

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(454)	Leadership	(472)	(593)	(121)
(390)	Community Services	(409)	(599)	(190)
(227)	Community Development	(214)	(232)	(18)
(402)	Regulation	(422)	(409)	13
(1,473)	Total Income	(1,517)	(1,833)	(316)
	Direct Operating Expenditure			
2,653	Leadership	3,040	2,478	(562)
3,047	Community Services	3,323	3,503	180
1,224	Community Development	1,288	1,192	(96)
722	Regulation	744	722	(22)
7,646	Total Direct Expenditure	8,395	7,895	(500)
6,173	Net Operating Cost/ (Surplus)	6,878	6,062	(816)
	Capital Expenditure			
809	Community Services	762	1,452	690
1	Community Development	0	0	0
810	Total Capital Expenditure	762	1,452	690
6,983	Net Expenditure	7,640	7,514	(126)
	Funded By			
(449)	Internal Loans	(733)	(1,024)	(291)
(468)	Reserves	(469)	(367)	102
(2,063)	General Rates	(2,215)	(2,070)	145
(3,580)	UAGC	(3,787)	(3,672)	115
(423)	Target Rate	(436)	(381)	55
(6,983)	Total Funding	(7,640)	(7,514)	126

Summary of Estimated Revenue and Expenses Statement for Environmental Sustainability

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(1,069)	Solid Waste Management	(1,147)	(1,111)	36
(73)	Resource Management	(83)	(80)	3
(535)	Sewerage	(726)	(629)	97
(1,677)	Total Income	(1,956)	(1,820)	136
	Direct Operating Expenditure			
1,954	Solid Waste Management	2,128	1,848	(280)
380	Stormwater	395	380	(15)
191	Resource Management	191	198	7
2,631	Sewerage	3,407	2,993	(414)
5,156	Total Direct Expenditure	6,121	5,419	(702)
3,479	Net Operating Cost/ (Surplus)	4,165	3,599	(566)
	Capital Expenditure			
6	Solid Waste Management	96	96	0
127	Stormwater	111	367	256
5,450	Sewerage	914	860	(54)
5,583	Total Capital Expenditure	1,121	1,323	202
9,062	Net Expenditure	5,286	4,922	(364)
	Funded By			
(5,443)	Internal Loans Drawn	(957)	(824)	133
(278)	Reserves	(665)	(801)	(136)
(66)	General Rates	(61)	(64)	(3)
(66)	UAGC	(61)	(64)	(3)
(3,209)	Targeted Rates	(3,542)	(3,169)	373
(9,062)	Total Funding	(5,286)	(4,922)	364

Summary of Estimated Revenue and Expenses Statement for Economic Sustainability

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(1,686)	Water Supply	(1,388)	(2,117)	(729)
(5,644)	Roads and Footpaths	(5,713)	(5,671)	42
(7,330)	Total Income	(7,101)	(7,788)	(687)
	Direct Operating Expenditure			
1,938	Water Supply	2,125	2,164	39
8,621	Roads and Footpaths	8,969	9,065	96
10,559	Total Direct Expenditure	11,094	11,229	135
3,229	Net Operating Cost/ (Surplus)	3,993	3,441	(552)
	Capital Expenditure			
2,205	Water Supply	2,529	4,096	1,567
4,855	Roads and Footpaths	4,892	4,700	(192)
7,060	Total Capital Expenditure	7,421	8,796	1,375
10,289	Net Expenditure	11,414	12,237	823
	Funded By			
(1,283)	Internal Loans Drawn	(2,183)	(2,884)	(701)
(2,093)	Reserves	(1,874)	(1,924)	(50)
(233)	UAGC	(247)	(249)	(2)
(6,680)	Target Rates	(7,110)	(7,180)	(70)
(10,289)	Total Funding	(11,414)	(12,237)	(823)

Prospective Balance Sheet as at 30 June

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's
	Public Equity		
199,518	Retained Earnings	201,880	200,041
2,765	Council Created Reserves	2,826	4,969
4	Available for Sale Reserves	4	4
(101)	Hedging Reserve	(101)	(701)
50,265	Revaluation Reserves	50,265	68,617
252,451		254,874	272,930
	Current Assets		
100	Cash and Cash Equivalents	100	100
2	Other Financial Assets	2	2
36	Inventories	37	27
1,146	Land Subdivision Inventories	1,067	0
4,630	Trade and Other Receivables	4,791	6,702
5,914	Total Current Assets	5,997	6,831
	Current Liabilities		
3,629	Trade and Other Payables	3,748	4,036
5,200	Current Portion of Borrowings	5,200	5,200
51	Provisions	51	52
0	Taxation Payable	0	0
456	Employee Entitlements	471	470
118	Derivative Financial Instruments	118	265
9,454	Total Current Liabilities	9,588	10,023
(3,540)	Net Working Capital	(3,591)	(3,192)
	Non Current Assets		
298,242	Property, Plant and Equipment	302,515	319,259
80	Intangible Assets	80	91
39	Forestry Assets	39	39
648	Investment Property	657	728
0	Assets Held for Sale	0	958
20	Shares - NZ Local Government Insurance Corporation Ltd	20	20
800	Shares - Inframax Construction Ltd	800	0
21	Other Financial Assets	19	795
54	Derivative Financial Instruments	54	46
299,904	Total Non Current Assets	304,184	321,936
	Non Current Liabilities		
42,886	Borrowings	44,690	44,543
61	Employee Entitlements	63	61
928	Provisions	928	727
38	Derivative Financial Instruments	38	483
43,913	Total Non Current Liabilities	45,719	45,814
252,451	Net Assets	254,874	272,930

Prospective Income Statement

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's
	Revenue		
6,569	Subsidies	6,290	7,120
5	Investment Income	5	107
16,630	Rates Revenue (Including Penalties)	17,780	17,248
562	Water By Meter Rates	608	529
3,030	Fees and Charges	3,348	3,307
10	Gains/Loss on Revaluation of Investment Properties	9	32
26,806	Total Revenue	28,040	28,343
	Expenditure		
3,037	Employee Benefit Expenses	3,223	3,355
4,703	Depreciation and Amortisation	5,147	5,303
2,775	Finance Costs	3,191	2,738
12,852	Other Expenditure	14,056	13,200
23,367	Total Expenditure	25,617	24,596
3,439	Surplus/(Deficit) Before Tax	2,423	3,747
0	Less Taxation Expense	0	0
3,439	Net Surplus/(Deficit)	2,423	3,747
	Other Comprehensive Income		
0	Gains/(Loss) on Revaluation of Investment Properties	0	0
3,439	Total Comprehensive Income for the Year	2,423	3,747

Prospective Statement of Recognised Income and Expenses

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's
249,012	Balance at 1 July	252,451	269,183
0	Property, Plant and Equipment Gains	0	0
0	Gains/(Losses) from Cash Flow Hedges	0	0
0	Net Income Recognised Directly in Equity	0	0
3,439	Net Surplus/(Deficit) for the Year	2,423	3,747
3,439	Total Recognised Income for the year Ended 30 June	2,423	3,747
252,451	Balance at 30 June	254,874	272,930

Prospective Cashflow Statement

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's
	Cash flow from Operating Activities		
	<i>Provided from</i>		
16,630	Rates Revenue Including Penalties	17,618	17,053
6,569	Subsidies and Grants	6,290	7,120
402	Property Rentals	427	415
129	Petrol Tax	133	129
5	Interest from Investments	5	107
3,060	Other Revenue	3,395	3,291
0	Dividend and Subvention Receipts	0	0
26,795		27,868	28,115
	<i>Applied to</i>		
15,438	Payments to Suppliers and Employees	16,679	15,936
259	Elected Members	267	293
2,775	Interest Paid on Borrowings	3,191	2,738
18,472		20,137	18,967
8,323	Net Cash Flows from Operating Activities	7,731	9,148
	Cash Flow from Investing Activities		
	<i>Applied to</i>		
13,906	Purchase and Development of Property, Plant and Equipment	9,537	11,803
	<i>Provided from</i>		
2	Repayments from Advances	2	14
13,904	Net Cash Flow from Investing Activities	9,535	11,789
	Cash Flow from Financing Activities		
	<i>Provided from</i>		
10,781	Proceeds from Borrowings	7,004	7,841
	<i>Applied to</i>		
5,200	Repayment of Borrowings	5,200	5,200
5,581	Net Cash Flow Financing Activities	1,804	2,641
0	Net increase/(decrease) in Cash	0	0
100	Cash at Start of Period	100	100
100	Balance of Cash at end of year	100	100
100	Cash and Cash Equivalents	100	100

Prospective Statement of Reserve Fund Movements

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's
2,687	Balance 1 July	2,765	4,387
78	Transfer to/from Reserves	61	583
2,765	Council Created Reserves	2,826	4,970

N.B. Reserves are not necessarily matched by available cash. Reserves form part of Council's total equity which is matched by net assets (i.e. assets less liabilities, both current and non-current).

The use of reserves as a funding tool will therefore result in either a decrease in available cash, or, where cash is not available, an increase in the Council's total debt facilities.

Prospective Statement of Public Debt

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's
42,505	Balance 1 July	48,086	47,102
10,781	Loans Raised	7,004	7,841
(5,200)	Loans Repaid	(5,200)	(5,200)
48,086	Balance 30 June	49,890	49,743

Loans raised or repaid in the Public Debt, Cashflow and Balance Sheet Prospective Statements are based on budgeted cashflow requirements, which includes working capital considerations, and do not equate to either the internal loans drawn or the external loan repayments shown in the Funding Impact Statement or the Summary of Estimated Revenue and Expenses Statement.

The EAP 2013/14 opening balance at 1 July 2013 (above) is based on current financial data and not the LTP 2013/14 projected closing balance at 30 June 2013 (which represented Council's estimates at the time of developing the LTP 2012-2022).

Reconciliation of Summary Cost of Service Statement to Prospective Comprehensive Income Statement

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's
	From Summary Cost of Service Statement		
12,881	Net Operating Cost/Surplus	15,036	13,102
	Plus Rates Revenue		
(2,129)	General Rates	(2,276)	(2,134)
(3,879)	UAGC	(4,095)	(3,985)
(10,312)	Targeted Rates	(11,088)	(10,730)
(3,439)	Net (Surplus)/Deficit	(2,423)	(3,747)
	From Prospective Comprehensive Income Statement		
3,439	Net Surplus/(Deficit)	2,423	3,747
0	Variance	0	0

Prospective Statement of Capital Expenditure

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's
	Community Service		
306	Parks and Reserves	99	99
69	Housing and Other Property	142	722
229	Recreation and Culture	398	398
205	Public Amenities	123	123
809		762	1,452
	Community Development		
1	Community Development	0	0
1		0	0
	Solid Waste Management		
6	Landfill Management	96	96
6		96	96
	Stormwater		
122	Te Kuiti Stormwater	106	362
5	Rural Stormwater	5	5
127		111	367
	Sewerage		
5,442	Te Kuiti	803	671
8	Te Waitere	10	10
0	Benneydale	0	78
0	Piopio	101	101
5,450		914	860
	Water Supply		
486	Te Kuiti	2,475	3,242
1,204	Mokau	10	810
443	Piopio	41	41
72	Benneydale	3	3
2,205		2,529	4,096
	Roads and footpaths		
4,642	Subsidised Roads	4,572	4,435
213	Non-subsidised Roads	320	265
4,855		4,892	4,700
13,453	Capital Expenditure Directly Attributable to Groups of Activities	9,304	11,571
	<i>Plus</i>		
	Corporate Support		
452	Corporate Support	230	232
13,905	Total Capital and Renewal Expenditure	9,534	11,803

Funding Impact Statement

Introduction

Council is required under Schedule 10(15) of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement. The Funding Impact Statement provides a summary of Council's funding sources as well as the detailed rate requirement for the 2013/14 financial year. The Funding Impact Statement represents the fiscal outcome from the Revenue and Financing Policy.

The Revenue and Financing Policy is available on Council's website - www.waitomo.govt.nz

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 (3)(a)) and LGRA (Section 85). It includes the objectives of the remissions targeting each of social, cultural, environmental and economic well-beings. Remissions categories include Properties Used Jointly as a Single Unit, Community Organisations, Financial Hardship, Organisations Providing Care for the Elderly, Clubs and Societies, New Subdivisions, Council Properties and Maori Freehold Land.

The value of these remissions is \$244,000 for 2013/14 year.

Postponements

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

Reconciliation of Rates adjustment between General Rate and UAGC

	Year 2013/14	
	General Rate	UAGC
	\$000's	\$000's
AS PER SUMMARY OF ESTIMATED REVENUE AND EXPENSES STATEMENT (PAGE 46)	2,135	3,985
* Section 101(3)(b) Adjustment	887	(887)
Subtotal	3,022	3,098
Add - GST @ 15%	453	465
Total Requirement (incl GST) (as per Sections 3 and 4 - Funding Impact Statement)	3,475	3,563

* See 1. Statement of Funding Sources

Separately Used or Inhabited Part of a Rating Unit

In accordance with Schedule 3 (7) of the Local Government (Rating) Act 2002 the Council has resolved that the basis of calculating liability for certain targeted uniform annual charges (TUACs), will be the number of 'separately used or inhabited parts' (SUIPs) of rating units.

Council levies TUACs in all rating areas of the District on a SUIP basis for provision of:

- Water Supplies
- Sewerage Systems
- Solid Waste Management
- Solid Waste Collection
- Unsubsidised Roading
- Te Kuiti Swimming Pool
- Marokopa Community Centre
- Uniform Annual General Charge (UAGC).

Definition

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. STATEMENT OF FUNDING SOURCES

The table on the following page provides a summary of the funding sources for 2013/14. 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.

The Statement of Funding Sources and the associated Funding Impact Statement provide for an overall funding adjustment. That adjustment is made in the interests of Community Well-being (as provided for by section 101 (3) (b) of the Local Government Act 2002) and applies only to the 2013/14 financial year. This adjustment results in the transfer of \$887,000* from the Uniform Annual General Charge to the General Rate in an effort to maintain a funding equity between urban and rural ratepayers within the Waitomo District and their respective contribution to those services with a high element of public good.

2. FUNDING CAP FOR UNIFORM ANNUAL CHARGE

Section 21 of the Local Government (Rating) Act 2002 requires that certain rates must not exceed 30% of total rates revenue. Those rates include Uniform Annual General Charges and Target Rates that are set on a uniform basis. The threshold for levying rates under the 30% limit is referred to as the Funding Cap.

For the purposes of calculating the Funding Cap, uniform charges that are levied on the district as a whole are included in the calculation. Council is not in breach of the Funding Cap for this Annual Plan. The adjusted Funding Cap for the 2013/14 year is 21.3% - (26.5% prior to the adjustment).

Statement of Funding Sources

LTP 2012/13 \$000's		LTP 2013/14 \$000's	EAP 2013/14 \$000's	VARIANCE TO LTP \$000's
	Targeted Rates			
1,958	Sewerage	2,179	2,057	(122)
1,416	Water	1,519	1,535	16
452	Targeted Services	476	472	(4)
172	District Development Rate	177	138	(39)
13	Piopia Retirement Village Contribution	14	14	0
5,046	Roads and Footpaths	5,357	5,399	42
634	Solid Waste Management	723	485	(238)
237	Solid Waste Collection	244	244	0
380	Stormwater	396	382	(14)
4	Marokopa Hall	4	4	0
10,312	Total Targeted Rates	11,089	10,730	(359)
3,080	UAGC	4,095	3,098	(997)
2,928	General Rates	2,276	3,021	745
16,320	Total Rates	17,460	16,849	(611)
	<i>Percentage Rate Increase</i>	<i>7.0%</i>	<i>3.2%</i>	
	Other Revenue			
6,569	Subsidies	6,290	7,120	830
0	Investment Income	0	0	0
5	Interest Revenue	5	107	102
310	Rates Penalties Revenue	320	400	80
3,602	Fees and Charges	3,964	3,867	(97)
10,486	Total Other Revenue	10,579	11,494	915
	Other Funding Sources			
7,174	Internal Loans Raised	3,874	4,733	859
7,174	Total Other Funding	3,874	4,733	859
33,980	Total Funds Used	31,913	33,076	1,163
18,661	Operating Expenditure	20,467	19,292	(1,175)
13,906	Capital Expenditure (Including Corporate Support)	9,537	11,803	2,266
1,335	Loan Repayments	1,848	1,371	(477)
0	External Loans Repaid	0	0	0
78	Reserve Transfers	61	610	549
33,980		31,913	33,076	1,163

3. GENERAL RATE

Description and Use

The General Rate is assessed as a rate per \$100 of capital value across the District. The General Rate is not set differentially. The rationale for assessing the General Rate using Capital Value is contained in the Revenue and Financing Policy.

The General Rate will contribute to the funding of:

- Governance: Leadership and Investments
- Leased Reserves
- District Libraries
- District Swimming Pool
- Arts Culture and Heritage
- Aerodrome
- Public Facilities
- Community Service
- District Development
- Regulation
- Waste Minimisation
- Resource Management

Requirement in 2013/14 (incl. GST)

	Rate per \$100 capital value	Total Revenue Requirement (\$000)
General Rate District (CV)	0.12224	3,475

4. 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:

- Governance: Leadership and Investments
- Parks and Reserves
- District Libraries
- District Swimming Pool
- Arts, Culture and Heritage
- Housing and Other Property
- Public Facilities
- Community Development
- Regulation
- Solid Waste
- Resource Management
- Waste Minimisation
- Subsidised Roding

Requirement in 2013/14 (incl. GST)

Uniform Annual General Charge	Charge	Total Revenue Requirement (\$000)
UAGC	\$650	3,563

5. 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.

5.1 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, Piopio Sewerage TUAC, Piopio Retirement Village Contribution 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 2010 Triennial Elections.
2. Te Kuiti Urban and Periphery Rating Area	All rating units situated within a 5km radius, all around, from the Information Centre (deemed to be the centre of town), in Te Kuiti. (Refer Appendix One, Revenue and Financing Policy)
3. Rural Rating Area	All rating units situated within the Rural Ward as defined by the Basis of Election for the 2010 Triennial Elections.
4. Piopio Wider Benefit Rating Area	All rating units situated in the rural areas around Piopio Township that are deemed to indirectly benefit from the Piopio Sewerage reticulation network. (Refer Appendix Two, Revenue and Financing Policy)

(a) Targeted Services TUAC - Te Kuiti Urban and Rural Rating Area

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 Roding 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 2013/14 (incl. GST)

Targeted Services TUAC	Charge	Total Revenue Requirement (\$000)
Te Kuiti Urban and Periphery	\$187	433
Rural	\$35	109

(b) Targeted Services TUAC - Piopio Wider Benefit Rating Areas

Council will set a Targeted Services TUAC on every separate rating unit situated within the Piopio Wider Benefit Rating Area to assist the funding of the sewerage reticulation networks in Piopio. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2013/14 (incl. GST)

Targeted Services TUAC	Charge	Total Revenue Requirement (\$000)
TUAC	\$9	5

(c) Targeted Services TUAC – Piopio Township and Piopio Wider Benefit Rating Areas (Piopio Retirement Village Contribution)

Council will set a Targeted Services TUAC on every rating unit situated within the Piopio Township and the Piopio Wider Benefit Rating Area to fund the support of the continued delivery of elderly housing accommodation services provided by the Piopio Retirement Trust Inc. through the remission of service charges. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2013/14 (incl. GST)

Targeted Services TUAC	Charge	Total Revenue Requirement (\$000)
TUAC	\$21	16

(d) Rural Stormwater TUAC

Description and Use

Council will set a TUAC on every separately used or inhabited portion of a rating unit in the rural areas of the District to fund the Rural Stormwater Activity. The Rating Area for the purpose of levying the Rural Stormwater TUAC will be the Rural Rating Area (rest of the District).

Requirement in 2013/14 (incl. GST)

Rural Stormwater TUAC	Charge	Total Revenue Requirement (\$000)
Rural Rating Area	\$12	41

(e) Te Kuiti Urban Stormwater TUAC and Targeted Rate

Description and Use

- (i) Council will set a TUAC on every separate rating unit in the Te Kuiti Urban area to partly fund the Urban Stormwater Activity. The Rating Area for the purpose of levying the Urban Stormwater TUAC will be the Te Kuiti Urban Rating Area.
- (ii) Council will set a Targeted Rate to be assessed as a rate per \$100 of Capital value on every separate

rating unit in the Te Kuiti Urban area to partly fund the Urban Stormwater Activity. The Rating Area for the purpose of levying the Urban Stormwater Targeted Rate will be the Te Kuiti Urban Rating Area.

Requirement in 2013/14 (incl. GST)

Urban Stormwater	Charge	Total Revenue Requirement (\$000)
TUAC	\$150	267
Targeted Rate	0.04457	131

(f) 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.

Requirement in 2013/14 (incl. GST)

Marokopa Community Centre TUAC	Charge	Total Revenue Requirement (\$000)
TUAC	\$24	5

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

5.3 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.

Requirement in 2013/14 (incl. GST)

Water Supply (TUAC)	Charge		Total Revenue Requirement (\$000)
	Per connected rating unit	Per serviceable rating unit	
Te Kuiti	\$501	\$250	1,024
Piopio	\$899	\$450	223
Benneydale	\$1,400	\$700	162
Mokau	\$1,400	\$700	296

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 an annual consumption of 292m² per household/ SUIP.

Requirement in 2013/14 (incl. GST)

Community	2013/14 Charge per cubic metre (including GST)
Te Kuiti	\$1.60
Piopio	\$2.10
Benneydale	\$4.85
Mokau	\$9.20

5.4 Subsidy Rate for Mokau Water Supply

Description and Use

Council will set 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 Mokau Water Supply	Charge	Total Revenue Requirement (\$000)
No of Properties = 4596	13	61

5.5 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 2013/14

Sewerage TUAC	Charge		Total Revenue Requirement (\$000)
	Per connected rating unit	Per serviceable rating unit	
Benneydale	\$1,100	\$550	119
Te Waitere	\$1,100	\$550	16
Te Kuiti	\$900	\$450	1,517
Piopio	\$1,100	\$550	243

A Trade Waste Contribution TUAC will also be levied on every rating unit in the District in recognition of the contribution made to the social and economic well-being of the District by the large industrial users of the Te Kuiti Wastewater Network. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Trade Waste Contribution	Charge	Total Revenue Requirement (\$000)
	Per connected rating unit	
Te Kuiti	\$39	181

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 categorised by the businesses hours of operation as calculated below.

Category	Calculation factor per pan	Base Charge	Total Revenue Requirement (\$000)
Business hours more than 40 hours	0.76	\$684	44
Business hours equal to 40 hours	0.36	\$324	45
Business hours less than 40 hours	0.20	\$180	6

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	Total Revenue Requirement (\$000)
Business hours more than 40 hours	0.76	\$684	102
Business hours equal to 40 hours	0.36	\$324	17
Business hours less than 40 hours	0.20	\$180	27

5.6 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 = 4596	\$4	18

5.7 Subsidy Rate for Benneydale 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 Benneydale Sewerage	Charge	Total Revenue Requirement (\$000)
No. of Properties = 4596	\$5	25

6 Roads and Footpaths Rate

Description and Use

Council will set a Roads and Footpaths Rate assessed as a rate per \$100 of capital value across the District to part fund Subsidised Roding (part of Roads and Footpaths Activity). Rationale for use of the rate is contained in the Revenue and Financing Policy.

Requirement in 2013/14 (incl. GST)

District Roding Rate	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Roads and Footpaths Rate	0.21840	6,209

7 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 2013/14 (incl. GST)

Solid Waste Collection (TUAC)	Charge	Total Revenue Requirement (\$000)
Te Kuiti	\$70	139
Waitomo	\$95	53
Piopio	\$161	37
Mokau	\$188	53

8 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 2013/14 (incl. GST)

Solid Waste Management (TUAC)	Charge	Total Revenue Requirement (\$000)
Solid Waste	\$100	557

9 District Development Rate

Description and Use

Council will set a District Development Rate as a rate per \$100 capital values across Commercial and Rural Businesses to part fund Economic Development, Visitor Information Centre, District and Regional Promotion and Event Co-ordination. Rationale for use of the rate is contained in the Revenue and Financing Policy.

Requirement in 2013/14 (incl. GST)

District Development Rate	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Commercial and Industrial Businesses	0.02677	79
Rural Businesses	0.00414	79

10 Rates Payments

Rates are payable by four instalments due on:

Rates	Due Date
1 st Instalment	30 August 2013 (Friday)
2 nd Instalment	29 November 2013 (Friday)
3 rd Instalment	28 February 2014 (Friday)
4 th Instalment	30 May 2014 (Friday)

The due date for rates payments is the last working day of the month. Any portion of the current instalment remaining unpaid after this due date will incur a penalty.

Penalties

A first additional charge of 10% will be added to the amount of any instalment unpaid at the close of business, being 5.00pm 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 2013 and a continuing charge of 10% will be added thereafter to all rates remaining unpaid at twelve monthly intervals.

Rates Example 2012/13

(Including GST) Capital Value \$ as at September 2009	Te Kuiti Residential \$160,000 2012/2013	Te Kuiti Commercial \$260,000 2012/2013	Te Kuiti Wider Rating Area \$650,000 2012/2013	Waitomo Commercial \$1,000,000 2012/2013	Benneydale Residential \$45,000 2012/2013	Piopio Residential \$134,000 2012/2013	Piopio Life style \$385,000 2012/2013	Mokau Residential \$240,000 2012/2013	Drystock Rural \$3,815,000 2012/2013	Dairy Farm Rural \$3,150,000 2012/2013
Uniform Annual General Charge (UAGC)	650	650	650	1,300	650	650	650	650	650	1,950
General Rate	175	284	711	1,094	49	147	421	263	4,173	3,446
District Wide Roading Rate	302	490	1,225	1,885	85	253	726	452	7,192	5,938
Targeted Services Rate (Urban)	178	178	178	-	-	-	-	-	-	-
Targeted Services Rate (Rural)	-	-	-	68	34	34	34	34	34	102
Subsidy Rate for Te Waitere Sewerage	4	4	4	4	4	4	4	4	4	4
Subsidy Rate for Benneydale Sewerage	4	4	4	4	4	4	4	4	4	4
Stormwater (Urban)	199	199	-	-	-	-	-	-	-	-
Stormwater (Rural)	-	-	11	22	11	11	11	11	11	33
Water Supply	474	474	-	-	1,327	926	-	1,400	-	-
Sewerage	868	660	-	-	1,100	1,100	-	-	-	-
Piopio Wider Rating Area - Sewerage	-	-	-	-	-	-	29	-	29	29
Piopio Retirement Village Contribution	-	-	-	-	-	21	21	-	21	21
Te Kuiti Trade Waste Contribution	32	32	32	32	32	32	32	32	32	32
Solid Waste Management - District	131	131	131	262	131	131	131	131	131	393
Solid Waste Collection and Recycling	69	69	95	-	-	152	-	184	-	-
District Development Rate - Commercial	-	84	-	324	-	-	-	-	-	-
District Development Rate - Rural Business	-	-	-	-	-	-	-	-	180	148
Total Rates	3,086	3,259	3,041	4,995	3,427	3,465	2,063	3,165	12,461	12,100

Rates Example 2013/14

(Including GST)
Capital Value \$ as at
September 2012

	Te Kuiti Residential \$170,000 2013/2014	Te Kuiti Commercial \$255,000 2013/2014	Te Kuiti Wider Rating Area \$630,000 2013/2014	Waitomo Commercial \$990,000 2013/2014	Benneydale Residential \$44,000 2013/2014	Piopio Residential \$127,000 2013/2014	Piopio Life style \$365,000 2013/2014	Mokau Residential \$270,000 2013/2014	Drystock Rural \$3,075,000 2013/2014	Dairy Farm Rural \$3,250,000 2013/2014
Uniform Annual General Charge (UAGC)	650	650	650	1,300	650	650	650	650	650	1,950
General Rate	208	312	770	1,210	54	155	446	330	3,759	3,973
District Wide Roading Rate	371	557	1,376	2,162	96	277	797	590	6,716	7,098
Targeted Services Rate (Urban)	187	187	187	-	-	-	-	-	-	-
Targeted Services Rate (Rural)	-	-	-	70	35	35	35	35	35	105
District Development Rate - Commercial	-	68	-	265	-	-	-	-	-	-
District Development Rate - Rural Business	-	-	-	-	-	-	-	-	127	135
Subsidy Rate for Te Waitere Sewerage	4	4	4	4	4	4	4	4	4	4
Subsidy Rate for Benneydale Sewerage	5	5	5	5	5	5	5	5	5	5
Subsidy Rate for Mokau Water	13	13	13	13	13	13	13	13	13	13
Stormwater Urban Fixed Charge	150	150	-	-	-	-	-	-	-	-
Stormwater Urban Capital Value	76	114	-	-	-	-	-	-	-	-
Stormwater (Rural)	-	-	12	24	12	12	12	12	12	36
Water Supply	501	501	-	-	1,400	899	-	1,400	-	-
Sewerage	900	684	-	-	1,100	1,100	-	-	-	-
Piopio Wider Rating Area - Sewerage	-	-	-	-	-	-	9	-	9	9
Piopio Retirement Village Contribution	-	-	-	-	-	21	21	-	21	21
Te Kuiti Trade Waste Contribution	39	39	39	39	39	39	39	39	39	39
Solid Waste Management - District	100	100	100	200	100	100	100	100	100	300
Solid Waste Collection and Recycling	70	70	95	-	-	161	-	188	-	-
Total Rates 2013/14	3,274	3,454	3,251	5,292	3,508	3,471	2,131	3,366	11,490	13,688
Total Rates (Actual) 2012/13	3,086	3,259	3,041	4,995	3,427	3,465	2,063	3,165	12,461	12,100
Change (%)	6.1%	6.0%	6.9%	5.9%	2.4%	0.2%	3.3%	6.4%	-7.8%	13.1%

Please note in comparing Rates Examples between 2012/13 and 2013/14 year that rates changes for individual properties in the 2013/14 financial year also reflect the effect of the District Revaluation (further described in the Strategic Considerations - Section A).

Funding Impact Statements (Local Government (Financial Reporting) Regulations 2011)

The following information is presented in compliance with the Local Government (Financial Reporting) Regulations 2011 and should not be relied upon for any other purpose than compliance with the Regulations. It is not prepared in compliance with generally accepted accounting practice.

COUNCIL	LTP 2012/13 \$000's	LTP 2013/14 \$000's	EAP 2013/14 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	6,318	6,691	6,518
Targeted rates (other than a target rate for water supply)	10,312	11,089	10,728
Subsidises and grants for operating purposes	2,597	2,765	2,809
Fees, charges, and targeted rates for water supply	3,361	3,718	3,501
Interest and Dividends from Investments	5	5	107
Local authorities fuel tax, fines, infringement fees and other receipts	141	145	202
Total operating funding (A)	22,734	24,413	23,865
Applications of operating funding			
Payments to staff and suppliers	16,264	17,650	16,816
Finance costs	2,747	3,163	2,710
Other operating funding applications	0	0	0
Total applications of operating funding (B)	19,011	20,813	19,526
Surplus (deficit) of operating funding (A-B)	3,723	3,600	4,339
Sources of capital funding			
Subsidises and grants for capital expenditure	3,970	3,523	4,450
Development and financial contributions	0	0	0
Increase (decrease) in debt	7,174	3,874	4,732
Gross proceeds from sale of assets	100	103	100
Lump sum contributions	0	0	0
Total sources of capital funding (C)	11,244	7,500	9,282
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	7,576	3,750	5,496
Capital expenditure - to replace existing assets	5,903	5,361	6,098
Increase (decrease) in reserves	1,488	1,989	2,027
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	14,967	11,100	13,621
Surplus (deficit) of capital funding (C-D)	(3,723)	(3,600)	(4,339)
Funding Balance ((A-B)+(C-D))	0	0	0

LEADERSHIP AND INVESTMENTS	LTP 2012/13 \$000's	LTP 2013/14 \$000's	EAP 2013/14 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,483	2,580	2,277
Targeted rates (other than a target rate for water supply)	0	0	0
Subsidises and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	42	49	116
Internal charges and overheads recovered	11,112	12,008	12,212
Local authorities fuel tax, fines, infringement fees and other receipts	5	6	106
Total operating funding (A)	13,642	14,643	14,711
Applications of operating funding			
Payments to staff and suppliers	5,624	6,068	6,103
Finance costs	2,722	3,138	2,685
Internal charges and overheads applied	5,065	5,446	5,697
Other operating funding applications	0	0	0
Total applications of operating funding (B)	13,411	14,652	14,485
Surplus (deficit) of operating funding (A-B)	231	(9)	226
Sources of capital funding			
Subsidises and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	232	0
Gross proceeds from sale of assets	100	103	100
Lump sum contributions	0	0	0
Total sources of capital funding (C)	100	335	100
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	452	184	184
Capital expenditure - to replace existing assets	0	46	46
Increase (decrease) in reserves	(121)	96	96
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	331	326	326
Surplus (deficit) of capital funding (C-D)	(231)	9	(226)
Funding Balance ((A-B)+(C-D))	0	0	0

COMMUNITY SERVICE	LTP 2012/13 \$000's	LTP 2013/14 \$000's	EAP 2013/14 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,336	2,592	2,774
Targeted rates (other than a target rate for water supply)	238	244	230
Subsidises and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	381	399	387
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	10	10	10
Total operating funding (A)	2,965	3,245	3,401
Applications of operating funding			
Payments to staff and suppliers	1,355	1,489	1,261
Finance costs	0	0	0
Internal charges and overheads applied	1,115	1,181	1,606
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,470	2,670	2,867
Surplus (deficit) of operating funding (A-B)	495	575	534
Sources of capital funding			
Subsidises and grants for capital expenditure	0	0	201
Development and financial contributions	0	0	0
Increase (decrease) in debt	449	501	1,024
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	449	501	1,225
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	246	206	896
Capital expenditure - to replace existing assets	563	556	556
Increase (decrease) in reserves	135	314	307
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	944	1,076	1,759
Surplus (deficit) of capital funding (C-D)	(495)	(575)	(534)
Funding Balance ((A-B)+(C-D))	0	0	0

COMMUNITY DEVELOPMENT	LTP 2012/13 \$000's	LTP 2013/14 \$000's	EAP 2013/14 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	812	823	782
Targeted rates (other than a target rate for water supply)	185	191	151
Subsidises and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	227	214	170
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	62
Total operating funding (A)	1,224	1,228	1,165
Applications of operating funding			
Payments to staff and suppliers	748	792	760
Finance costs	0	0	0
Internal charges and overheads applied	470	490	427
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,218	1,282	1,187
Surplus (deficit) of operating funding (A-B)	6	(54)	(22)
Sources of capital funding			
Subsidises and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	1	0	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	5	(54)	(22)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	6	(54)	(22)
Surplus (deficit) of capital funding (C-D)	(6)	54	22
Funding Balance ((A-B)+(C-D))	0	0	0

REGULATION AND SAFETY	LTP 2012/13 \$000's	LTP 2013/14 \$000's	EAP 2013/14 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	323	326	308
Targeted rates (other than a target rate for water supply)	0	0	0
Subsidises and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	400	420	407
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	2	3	2
Total operating funding (A)	725	749	717
Applications of operating funding			
Payments to staff and suppliers	242	274	262
Finance costs	0	0	0
Internal charges and overheads applied	478	469	458
Other operating funding applications	0	0	0
Total applications of operating funding (B)	720	743	720
Surplus (deficit) of operating funding (A-B)	5	6	(3)
Sources of capital funding			
Subsidises and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	5	6	(3)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	5	6	(3)
Surplus (deficit) of capital funding (C-D)	(5)	(6)	3
Funding Balance ((A-B)+(C-D))	0	0	0

SOLID WASTE MANAGEMENT	LTP 2012/13 \$000's	LTP 2013/14 \$000's	EAP 2013/14 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	14	15	10
Targeted rates (other than a target rate for water supply)	871	967	728
Subsidises and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	1,069	1,147	1,111
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	1,954	2,129	1,849
Applications of operating funding			
Payments to staff and suppliers	1,215	1,378	1,197
Finance costs	25	25	25
Internal charges and overheads applied	567	578	545
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,807	1,981	1,767
Surplus (deficit) of operating funding (A-B)	147	148	82
Sources of capital funding			
Subsidises and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	1	52	52
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	1	52	52
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	6	96	96
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	142	104	38
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	148	200	134
Surplus (deficit) of capital funding (C-D)	(147)	(148)	(82)
Funding Balance ((A-B)+(C-D))	0	0	0

STORMWATER	LTP 2012/13 \$000's	LTP 2013/14 \$000's	EAP 2013/14 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a target rate for water supply)	380	396	382
Subsidises and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	380	396	382
Applications of operating funding			
Payments to staff and suppliers	136	142	112
Finance costs	0	0	0
Internal charges and overheads applied	89	92	90
Other operating funding applications	0	0	0
Total applications of operating funding (B)	225	234	202
Surplus (deficit) of operating funding (A-B)	155	162	180
Sources of capital funding			
Subsidises and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	127	111	367
Increase (decrease) in reserves	28	51	(187)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	155	162	180
Surplus (deficit) of capital funding (C-D)	(155)	(162)	(180)
Funding Balance ((A-B)+(C-D))	0	0	0

RESOURCE MANAGEMENT	LTP 2012/13 \$000's	LTP 2013/14 \$000's	EAP 2013/14 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	118	108	118
Targeted rates (other than a target rate for water supply)	0	0	0
Subsidises and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	73	83	80
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	191	191	198
Applications of operating funding			
Payments to staff and suppliers	80	91	88
Finance costs	0	0	0
Internal charges and overheads applied	111	100	110
Other operating funding applications	0	0	0
Total applications of operating funding (B)	191	191	198
Surplus (deficit) of operating funding (A-B)	0	0	0
Sources of capital funding			
Subsidises and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	0	0	0
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	0	0	0
Surplus (deficit) of capital funding (C-D)	0	0	0
Funding Balance ((A-B)+(C-D))	0	0	0

SEWERAGE	LTP 2012/13 \$000's	LTP 2013/14 \$000's	EAP 2013/14 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a target rate for water supply)	1,958	2,179	2,057
Subsidises and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	535	726	629
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	2,493	2,905	2,686
Applications of operating funding			
Payments to staff and suppliers	1,232	1,451	1,368
Finance costs	0	0	0
Internal charges and overheads applied	668	1,005	850
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,900	2,456	2,218
Surplus (deficit) of operating funding (A-B)	593	449	468
Sources of capital funding			
Subsidises and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	5,442	905	772
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	5,442	905	772
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	5,260	705	572
Capital expenditure - to replace existing assets	190	210	288
Increase (decrease) in reserves	585	439	380
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	6,035	1,354	1,240
Surplus (deficit) of capital funding (C-D)	(593)	(449)	(468)
Funding Balance ((A-B)+(C-D))	0	0	0

WATER SUPPLY	LTP 2012/13 \$000's	LTP 2013/14 \$000's	EAP 2013/14 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a target rate for water supply)	1,416	1,519	1,535
Subsidises and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	562	608	529
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	1,978	2,127	2,064
Applications of operating funding			
Payments to staff and suppliers	1,244	1,299	1,272
Finance costs	0	0	0
Internal charges and overheads applied	448	524	489
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,692	1,823	1,761
Surplus (deficit) of operating funding (A-B)	286	304	303
Sources of capital funding			
Subsidises and grants for capital expenditure	1,124	780	1,588
Development and financial contributions	0	0	0
Increase (decrease) in debt	1,082	1,746	2,505
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	2,206	2,526	4,093
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	1,512	2,353	3,598
Capital expenditure - to replace existing assets	694	177	499
Increase (decrease) in reserves	286	300	299
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	2,492	2,830	4,396
Surplus (deficit) of capital funding (C-D)	(286)	(304)	(303)
Funding Balance ((A-B)+(C-D))	0	0	0

ROADS AND FOOTPATHS	LTP 2012/13 \$000's	LTP 2013/14 \$000's	EAP 2013/14 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	233	247	249
Targeted rates (other than a target rate for water supply)	5,264	5,592	5,645
Subsidises and grants for operating purposes	2,597	2,765	2,809
Fees, charges, and targeted rates for water supply	72	73	72
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	129	133	129
Total operating funding (A)	8,295	8,810	8,904
Applications of operating funding			
Payments to staff and suppliers	4,388	4,666	4,393
Finance costs	0	0	0
Internal charges and overheads applied	1,675	1,697	1,731
Other operating funding applications	0	0	0
Total applications of operating funding (B)	6,063	6,363	6,124
Surplus (deficit) of operating funding (A-B)	2,232	2,447	2,780
Sources of capital funding			
Subsidises and grants for capital expenditure	2,846	2,743	2,661
Development and financial contributions	0	0	0
Increase (decrease) in debt	201	437	379
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	3,047	3,180	3,040
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	100	206	150
Capital expenditure - to replace existing assets	4,756	4,686	4,550
Increase (decrease) in reserves	423	735	1,120
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	5,279	5,627	5,820
Surplus (deficit) of capital funding (C-D)	(2,232)	(2,447)	(2,780)
Funding Balance ((A-B)+(C-D))	0	0	0

Statement of Reserve Funds

The Council maintains reserves as a sub-part of its equity. Schedule 10(16) Local Government Act 2002 requires certain information on Reserve Funds to be included in the Council's Annual Plan. The following represents a summary of Reserve Funds over the period of the plan and provides information on:

- the purpose of the Reserve Fund
- the activity to which the fund relates
- the amount expected to be in the fund at:
 - ◊ the commencement of the year; and
 - ◊ the end of the year; and
- the amount expected to be deposited in the fund during the year; and
- the amount expected to be withdrawn from the fund during the year.

1. OPERATIONAL RESERVES

Operational Reserves are created to hold short-term funding surpluses (or deficits) arising from the various activities of Council.

This occurs when:

- Operating expenditure exceeds budget;
- Operating income is less than budget; or
- A combination of both.

A balance held in an operational reserve forms part of the Council's funding considerations for a particular activity in each subsequent year's budget.

For example, the balance in an operational reserve will determine whether more or less income is required in the subsequent year's budget to clear that balance.

Council ensures that rates collected for a particular activity from an identified group of ratepayers are used only for that activity and for the benefit of that identified ratepayer group.

2. DEPRECIATION RESERVES

The Council sets aside accumulated funds from rates in specific Depreciation Reserves to fund repayments on loans raised for capital expenditure and to maintain the service capacity and integrity of assets throughout their useful lives.

Each major activity e.g. water, roading, wastewater, stormwater, solid waste, etc. has its own Depreciation Reserve so that the funds from each can be applied to the appropriate activity.

Council ensures that funds accumulated for a particular activity from an identified group of ratepayers can only be used for that activity and for the benefit of that identified ratepayer group.

The purpose of accumulating specific Depreciation Reserves is to ensure that Council's ability to provide services to the District's communities is maintained.

3. INVESTMENT REVALUATION RESERVES

Council's investment activities include its subsidiary companies (Inframax Construction Ltd and Independent Roadmarkers Taranaki Ltd), Parkside Subdivision, 22 quarries throughout the District, Housing and Other Property and a small forestry holding at the Rangitoto Landfill site.

Council is obliged to periodically review the value of its investment in each of these activities. Investment revaluation reserves are therefore created when the value of Council's investment either increases or decreases as a result of that revaluation.

Revaluations of investments do not form part of the Revaluation Reserve shown in the Public Equity section of the Balance Sheet.

The balances held in an investment revaluation reserve are not utilised in any way other than to recognise movements in the value of Council's investments.

They would only be realised as a component of the profit or loss should Council ever resolve to dispose of a particular investment.

	Projected Reserve Balance 30 June 2013	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2014
Operational Reserves (1)				
Leadership				
Leadership	(62)		31	(31)
Investments	3,225	(23)	30	3,232
	3,163	(23)	61	3,201
Community Service				
Parks and Reserves	(219)		4	(215)
Housing and Other Property	326	(35)	46	337
Recreation and Culture (Library)	119			119
Recreation and Culture (Swimming Pool)	83			83
Recreation and Culture (Culture and Arts Centre)	(143)			(143)
Recreation and Culture (Aerodrome)	(62)	(4)		(66)
Public Amenities	(114)			(114)
Safety	(35)			(35)
	(45)	(39)	50	(34)
Community Development				
Community Development	(557)	(24)	49	(532)
	(557)	(24)	49	(532)
Regulation				
Regulation	80	(4)	9	85
	80	(4)	9	85
Solid Waste Management				
Collection	(6)			(6)
Management (Landfill and Transfer Stations)	(514)	(8)		(522)
Management (Waste Minimisation)	(94)		5	(89)
	(614)	(8)	5	(617)
Stormwater				
Te Kuiti Stormwater	(111)			(111)
Rural Stormwater	(121)			(121)
	(232)	0	0	(232)
Resource Management				
District Plan Administration	74			74
	74	0	0	74
Sewerage				
Te Kuiti Sewerage	240			240
Te Waitere Sewerage	(58)			(58)
Benneydale Sewerage	145			145
Piopio Sewerage	(399)			(399)
	(72)	0	0	(72)
Water Supply				
Te Kuiti Water	477			477
Mokau Water	393			393
Piopio Water	186			186
Benneydale Water	134			134
	1,190	0	0	1,190
Roads and Footpaths				
Subsidised Roads	2,168			2,168
Non Subsidised Roads	(522)			(522)
	1,646	0	0	1,646
Corporate Support				
Gratuities	(83)			(83)
Long service leave	(35)			(35)
Natural disaster	(426)			(426)
	(544)	0	0	(544)
Total Operational Reserves	4,089	(98)	174	4,165

	Projected Reserve Balance 30 June 2013	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2014
Depreciation Reserves (2)				
Community Service				
Parks and Reserves	176	(31)	30	175
Housing and Other Property (Housing)	(90)	(71)	57	(104)
Housing and Other Property (Community halls)	(700)	(128)	15	(813)
Housing and Other Property (Other Land and Buildings)	(334)	(89)	45	(378)
Recreation and Culture (Library)	(375)	(87)	70	(392)
Recreation and Culture (Swimming Pool)	74	(21)	24	77
Recreation and Culture (Culture and Arts Centre)	(35)	(137)	171	(1)
Recreation & Culture (Aerodrome)	(5)	(9)	6	(8)
Public Amenities	(64)	(61)	68	(56)
	(1,353)	(634)	486	(1,501)
Community Development				
I-site	(27)	(5)	3	(29)
	(27)	(5)	3	(29)
Regulation				
Animal Control	14	(2)	6	18
	14	(2)	6	18
Solid Waste Management				
Landfill and Transfer Stations	32	(80)	202	154
	32	(80)	202	154
Stormwater				
Te Kuiti Stormwater	(475)	(175)	373	(277)
Rural Stormwater	(12)	(4)	5	(11)
	(487)	(179)	378	(288)
Sewerage				
Te Kuiti Sewerage	(787)	(657)	585	(859)
Te Waitere Sewerage	5	(5)	10	10
Benneydale Sewerage	(156)	(38)	107	(87)
Piopio Sewerage	(26)	(95)	25	(96)
	(964)	(795)	727	(1,032)
Water Supply				
Te Kuiti Water	(222)	(249)	73	(398)
Mokau Water	(25)	(61)	65	(21)
Piopio Water	(167)	(59)	70	(156)
Benneydale Water	(134)	(34)	20	(148)
	(548)	(403)	228	(723)
Roads and Footpaths				
Subsidised roads	(4,146)	(2,862)	2,376	(4,632)
Unsubsidised roads	191	(78)	9	122
	(3,955)	(2,940)	2,385	(4,510)
Corporate support				
Corporate support	(304)	(185)	137	(352)
Plant	(615)	(72)	93	(594)
	(919)	(257)	230	(946)
Total Depreciation Reserves	(8,207)	(5,295)	4,645	(8,857)

	Projected Reserve Balance 30 June 2013	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2014
Investment Revaluation Reserves (3)				
Leadership and Investments				
Investment Properties (Forestry)	36	0	0	36
	36	0	0	36
Community Service				
Housing and Other Property (Other Land and Buildings)	(305)	(9)	0	(314)
	(305)	(9)	0	(314)
Total Investment Revaluation Reserves	(269)	(9)	0	(278)
Total Reserves	(4,387)	(5,402)	4,819	(4,969)
Net Movement in All Council Created Reserves			(583)	

Reconciliation of Reserve Funding to Estimated Revenue and Expenses Statements.

Set out below is a high level reconciliation between the Statement of Reserve Funds (pages 74-77) and the net reserve movements shown in the Estimated Revenue and Expenses Statements.

The \$583,000 forecast net movement in reserves shown in the Statement of Reserves Funds (page 53) recognises the total movement in reserves showing in the Estimated Revenue and Expenses Statement (page 46) together with forecast Asset Disposals, Internal Loan Repayments and Funded Depreciation.

It needs to be noted that Internal Loan Repayments amounts are not shown separately in either the Statement of Reserves Funds or the Estimated Revenue and Expenses Statement.

Activity	Statement of Reserve Funds	Estimated Revenue and Expenses Statements			
	Total Net Movement	Total Movement (To)/From Reserves	Plus Reserve Funding for Loan Repayments	Less Funded Depreciation to Reserve	Total Net Movement
Leadership	37	(8)	(30)	0	(38)
Community Service	(146)	(328)	(161)	635	146
Community Development	24	(26)	(3)	5	(24)
Regulation	9	(5)	(6)	2	(9)
Solid Waste Management	119	(41)	(158)	80	(119)
Stormwater	199	(366)	(12)	179	(199)
Sewerage	(68)	(394)	(312)	774	68
Water Supply	(174)	(103)	(126)	403	174
Roads and Footpaths	(556)	(1,821)	(563)	2,940	556
	(556)	(3,092)	(1,371)	5,019	556
Add Back					
Corporate Support *	(27)				27
Net Movement in Reserves	(583)		Implied Movement in Cost of Service Statements		583

* Corporate Support forms part of the Council's internal cost allocation and as such does not have a separate Estimated Revenue and Expenses Statement. The reserve shown above is therefore not directly attributable to any Estimated Revenue and Expenses Statement disclosed in this Plan and requires separate disclosure in the Prospective Statement of Reserve Funds for reconciliation purposes only.

Accounting Policies

Statement of Responsibility

The Exceptions Annual Plan 2013/14 was adopted by Council on 25th June 2013.

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 prospective financial statements have been prepared in compliance with FRS 42 Prospective Financial Statements.

The Council, who are authorised to do so, believe the assumptions underlying the Prospective Financial Statements are appropriate and as such, adopted the Exceptions Annual Plan on 25th June 2013.

No actual financial results have been incorporated within the prospective financial statements.

Statement of Compliance

The forecast prospective 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 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).

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).

The financial information contained within the Annual Plan may not be appropriate for purposes other than those described.

Basis of Preparation

The prospective financial statements 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 prospective financial statements have been prepared in

accordance with NZ GAAP and comply with other Financial Reporting Standards, as applicable for public benefit entities. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments, investment property and forestry assets.

In September 2011, the External Reporting Board issued a position paper and consultation papers proposing a new external reporting framework for public benefit entities (PBEs). The papers proposed that accounting standards for PBEs would be based on International Public Sector Accounting Standards, modified as necessary. The proposals in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore, the accounting policies on which the forecast information for 2012-2022 has been prepared are based on the current New Zealand equivalents to International Financial Reporting Standards.

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 NZ Transport Agency, (which subsidises part of the Council's costs of maintaining local roading), and subsidies for water and wastewater projects from Ministry of Health.

Council is proposing to apply for grant funding for the revitalisation and restoration of the Railway Buildings in Te Kuiti.

Council is also proposing to apply for grant funding from Ministry of Social Development to support Youth activities.

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 prospective financial statements on the date that 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.

Construction Contracts

Revenue from construction contracting services includes revenue from building and civil contracting services. Revenue and expenditure are recognised by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to costs incurred up to balance date as a percentage of the total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the Council's construction activities in general.

Expected losses are recognised immediately as an expense in the profit or loss.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contract costs where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under trade and other payables.

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

Council has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Income Tax

Income tax expense on the surplus or deficit for the period comprises current tax expense and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly to equity, in which case it is recognised in other comprehensive income or directly to equity. Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Council can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the tax rates which are expected to apply in the period the liability is settled or asset realised using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Council intends to settle its current tax assets and liabilities on a net basis.

Cash and Cash Equivalents

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

Inventories

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

The amount of any write down from the loss of service potential or from cost to net realisable value is recognised in profit or loss.

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.

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 profit or loss.

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 de-recognised 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:

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 re-measurement are recognised in the profit or loss.

Derivative financial instrument assets are included in this class.

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 de-recognised are recognised in the profit or loss. 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 profit or loss.

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.

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 de-recognised are recognised in the profit or loss.

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

Available for Sale

Available for sale financial assets are those that 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 arising from changes in fair value are recognised in other comprehensive income and accumulated as a separate component of equity in the available-for-sale revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate and foreign exchange gains and losses on monetary assets, which are recognised directly in profit and loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is reclassified from equity to profit and loss (as a reclassification adjustment).

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 profit or loss.

Derivative Financial Instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the profit or loss.

The Council designates certain derivatives as either:

- hedges of highly probable forecast transactions (cash flow hedge).
- derivatives that do not qualify for hedge accounting.

The Council documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in fair values or cash flows of hedges items.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedges items is less than 12 months.

Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the profit or loss as part of finance costs.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are classified into the profit or loss in the same period or periods during which the asset acquired or liability assumed affects the profit or loss. However, if it is expected that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the profit or loss.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer

expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective is reclassified from equity to the profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are immediately in profit or loss.

Payables

Trade payables and other payables are recognised when the Group 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 Statement of Comprehensive Income 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. Commitments and contingencies are disclosed exclusive of GST.

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.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts

are disclosed as contingent liabilities. The amount of these contingent liabilities is equal to the loan balances guaranteed.

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.

The Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Council anticipates it will be used by staff to cover those future absences.

Long-Term Benefits

Retirement Gratuities

Entitlements that are payable beyond twelve months, such as 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 and 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 profit or loss. 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	5-100 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	2-20 years
Base course	25-120 years
Sub base	25-115 years
	Or not depreciated
Formation and running course	Not depreciated
Culverts – timber and other	40-100 years
Signs	15-30 years
Street Lights and poles	15-60 years
Bridges	70-120 years
Footpath surface and base	18-80 years

Water Reticulation

Pipes, hydrant, valves	30-100 years
Pump station, reservoirs	25-100 years

Sewerage Reticulation

Pipes and manholes	50-120 years
Pump station	15-100 years
Treatment plant	10-80 years

Stormwater Systems

Pipes, cesspits	40-120 years
Flood Control Systems	10-80 years

Refuse Systems

Retaining walls	70-90 years
Drainage	70-75 years
Signs	5-20 years
Kerb and channelling	30-75 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	5-100 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 three 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

An independent valuation of the Council's land and buildings was performed by Darroch Valuations, independent registered valuers, to determine the fair market value of the land and buildings at 30 June 2012. Darroch Valuations are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation of properties within the Waitomo District.

The values of the assets have been considered on a Fair Value basis in accordance with NZ IAS 16 under a highest and best use scenario.

The valuation was prepared with reference to the Property Institute of New Zealand Professional Practice Standard 2009, and in particular International Valuation Application 1 and New

Zealand Valuation Guidance Note 1 (effective from 1 October 2009, including changes effective 1 January 2012 to IVS 300 valuations for Financial Reporting).

Land is valued on a fair value basis determined from market based evidence and conditions that prevailed as at 30 June 2012.

All buildings have been valued on either a fair value or depreciated replacement cost basis.

The Total Value for the Waitomo District Council Operational and Restricted Property Portfolio as at 30 June 2012 is reported at:

Improvements Value (30 June 2012) \$9,473,900
Land Value (30 June 2012) \$11,120,400
Total Fair Value (30 June 2012) \$20,594,300

Subsequent additions are at cost less accumulated depreciation.

Library Books

A valuation of the Council's library books was carried out as at 1 July 2004 by North Langley and Associates, independent registered valuers, to determine the 'Existing Use' value of the library books.

North Langley and Associates are specialist valuers of plant, machinery and equipment (including chattels and infrastructural assets) and have the appropriate qualifications and relevant experience in the valuation of these types of assets.

The valuation was computed in strict accordance with the guidance notes and background papers issued by the International Assets Valuation Standards Committee of which the NZ Institute of Valuers is a member.

The value of the library books at 1 July 2004, subject to them having a good and marketable title, free from encumbrances, was determined as \$492,800 (excl GST).

Subsequent additions are at cost less accumulated depreciation.

Revaluation of Infrastructural Assets

Roads

An independent valuation of the Council's roading infrastructure was performed as at 30 June 2012 by AECOM NZ Ltd, independent consulting engineers who have the appropriate qualifications and experience in valuation of land transport assets, to determine the depreciated replacement cost of those assets. The valuation, which conforms to New Zealand Equivalent to International Accounting Standard (NZ IAS) 16 'Property, Plant and Equipment' was determined using the optimised depreciated replacement costs (ODRC) method as described in the NZ Infrastructure Asset Valuation and Depreciation Guidelines – Version 2, 2006.

The total value of Council's roading infrastructure at 30 June 2012 (as determined using the ODRC valuation method) is reported at \$224,659,672.

Sewerage, Water, Stormwater and Solid Waste

A valuation of the Council's water utilities (water, wastewater, stormwater) and solid waste infrastructure was performed by AECOM NZ Ltd, independent consulting engineers who have the appropriate qualifications and experience in valuing community infrastructure, as at 30 June 2012 to determine the depreciated replacement cost of those assets. The valuation, which conforms to New Zealand Equivalent to International Accounting Standard (NZ IAS) 16 'Property, Plant and Equipment' was determined using the optimised depreciated replacement costs (ODRC) method as described in the NZ Infrastructure Asset Valuation and Depreciation Guidelines – Version 2, 2006.

The total value of Council's water utilities and solid waste infrastructure as at 30 June 2012 is reported at:

Asset Class	Optimised Depreciated Replacement Cost @ 30 June 2012
Waste Water Network	\$16,412,332
Water Supply Network	\$13,216,842
Storm Water Network	\$9,449,986
Solid Waste Assets	\$3,317,471

Land

An independent valuation of the Council's infrastructural land was performed by Darroch Valuations, independent registered valuers, to determine the fair market value of the land at 30 June 2012.

Darroch Valuations are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation of properties within the Waitomo District.

The value of the land has been considered on a Fair Market Value basis in accordance with NZ IAS 16 and NZ IAS 40 under a highest and best use scenario.

The valuation was prepared with reference to the Property Institute of New Zealand Professional Practice Standard 2009, and in particular New Zealand Valuation Guidance Note 1 (effective from 1 October 2009), including changes effective 1 January 2012 to IVS 300 valuations for Financial Reporting.

The Total Value for the Waitomo District Council Operational Property Portfolio (Infrastructural Land) as at 1 July 2009 is reported at:

Land Value (30 June 2012)	Total Fair Value (30 June 2012)
\$1,254,500	\$1,254,500

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. Darroch Valuations (Independent Registered Valuers) valued restricted assets on 30 June 2012 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 other Comprehensive Income and accumulated as a separate equity in 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 profit or loss. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the profit or loss will be recognised first in the profit or loss 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 Group'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 de-recognised. The amortisation charge for each period is recognised in the profit or loss.

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

Computer software	2 to 5 years	20% to 50%
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Forestry Assets

An independent valuation of Council's forestry assets was performed by North Langley and Associates, independent registered valuers, to determine the fair value less estimated point of sale costs at 30 June 2011.

North Langley and Associates are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation for assets of this nature.

The valuation, which conforms to the New Zealand Professional Practice Standard 2006, and in particular International Valuation Application Standard 1 'Valuation for Financial Reporting' and International Valuation Application Standard 3 'Valuation Reporting'.

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 profit or loss.

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.

An independent valuation of the Council's Assets held for sale was performed by Darroch Valuations, independent registered valuers, to determine the fair market value of the investment properties.

Darroch Valuations are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation of properties within the Waitomo District.

The valuation was prepared with reference to the Property Institute of New Zealand Professional Practice Standard 2009, and in particular New Zealand Valuation Guidance Note 1 (effective from 1 October 2009, including changes that become effective 1 January 2012 to IVS 300 Valuations for Financial Reporting).

Under IVS 300, all valuations must be assessed as at the date of inspection of the property, except where the valuation instructions are to assess the value at a retrospective date. Accordingly, the valuation date is the date of inspection. The valuers considered the use of the valuation for financial reporting at 30 June 2012.

The fair value less costs to sell at 30 June 2012 was \$1,111,732.

Investment in Unlisted Shares

Council has an interest (1.6%) in a Council Controlled Organisation (CCO), Local Authority Shared Services Limited. Council has no significant influences on operational or financial policies.

As this investment is not traded on an active market, and quoted market prices of similar financial assets are not available, the fair value cannot be measured reliably. The investment is therefore measured at cost.

Council has an interest (0.04%) in New Zealand National Mutual Riskpool. Council has no significant influences on operational or financial policies.

As this investment is not traded on an active market, and quoted market prices of similar financial assets are not available, the fair value cannot be measured reliably. The investment is therefore measured at cost.

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 profit or loss.

An independent valuation of the Council's investment properties was performed by Darroch Valuations, independent registered valuers, to determine the fair market value of the properties at 30 June 2012.

Darroch Valuations are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation of properties within the Waitomo District.

The value of the investment properties has been considered on a Fair Value basis in accordance with NZ IAS 40.

The valuation was prepared with reference to the Property Institute of New Zealand Professional Practice Standard 2009, and in particular New Zealand Valuation Guidance Note 1 (effective from 1 October 2009, including changes that become effective 1 January 2012 to IVS 300 Valuations for Financial Reporting).

The Total Value for the Waitomo District Council Investment Properties as at 30 June 2011 is reported at:

Improvements Value (30 June 2012)
\$356,500
Land Value (30 June 2012)
\$306,000
Total Fair Value (30 June 2012)
\$662,500

Overhead Allocation

All overhead costs have been allocated to significant activities.

Overhead costs are allocated to Council activities using appropriate cost drivers such as resource use, staff numbers and floor area.

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 or where there is an indication that the asset is impaired. 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 it's 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 profit or loss.

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

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 Profit or loss, a reversal of the impairment loss is also recognised in the profit or loss.

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

Equity

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

The components of equity are:

- Retained earnings
- Other reserves
- Asset revaluation reserves

Retained earnings do not represent cash available to offset future rate increases, but rather represent the community's investment in publicly owned assets resulting from past surpluses.

Reserves

Restricted 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.

Council created reserves

Council created reserves are a combination of depreciation reserves and transfers of Surplus or Deficit from operations. The purpose of the reserves is to maintain balances of funded depreciation for future renewal of assets and to hold revenue streams in separate balances as required by Council.

Available for sale reserves

Available for sale reserves consists of valuation gains associated with Council's investments, classified as Available for Sale.

Hedging reserves

Hedging reserves comprise the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges. Property revaluation reserves relates to the revaluation of property, plant and equipment to fair value.

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. 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:

Landfill Aftercare Provision

Note 16 of Council's 2011/12 Annual Report discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

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 the Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and;
- 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 Profit or loss. 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 profit or loss, 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; and
- analysis of prior asset sales.

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

Deferred Tax Asset

Recognition

Determining whether or not to recognise a deferred tax asset requires estimation of future cash flows. Any significant deviation from the assumptions used in forecasting future cash flows may effect the carrying value of the asset.

Recoverability

It is unlikely the Council will be able to benefit from its deferred tax assets resulting from its accumulated tax losses. As such most of the Council's deferred tax balances, have been written off to profit and loss. In addition to that, Council is unlikely to receive taxable income from which to offset its accumulated tax losses and continues to not recognise a deferred tax asset.

Changes in accounting policies

There have been no changes in accounting policies.

Cautionary Note

The information in the prospective financial statements is uncertain and the preparation requires the exercise of judgement. Actual financial results achieved for the period covered are likely to vary from the events and information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted or the Council may subsequently take actions that differ from the proposed courses of action on which the prospective financial statements are based.

The information contained within these prospective financial statements may not be suitable for use in another capacity.

Future changes to financial reporting standards

The minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Council is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about our new or amended NZ IFRS that exclude public benefit entities from their scope.

Assumptions underlying Prospective Financial Information

The financial information contained within these policies and documents is prospective financial information in terms of FRS 42: Prospective Financial Information. The purpose for which it has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Waitomo District Council over the 2013/14 financial year, and to provide a broad accountability mechanism of the Council to the Community.

Section D: Appendices

This section provides information about the Waitomo District Council and a Glossary of terms and acronyms used in the Plan.



Creating a better future with vibrant communities and thriving business.

The Waitomo District Council

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 remained 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 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
Temperature Winter Average	9.5°C
Sunshine Mean Average	1,749 hours
Rainfall Average	1,473 mm per year
Frosts Average	47 days per year

POPULATION ANALYSIS (Source data 2006 Census)

Total Population	9,441
2010 estimated population	9,640
Median age	35
Number of households	3,390
Electors	5,793

RATING STATISTICS

Total Rates Revenue 2012/13 (excluding Penalties) Budget:	\$16,320,000
Total Rateable Capital Value as at 30 June 2012	\$3,165,466,900
Total Capital Value as at 30 June 2012	\$3,778,079,250
Number of Rateable Properties as at 30 June 2012	5,672

PUBLIC DEBT OUTSTANDING

30 June 2012 (Actual)	\$47,005,000
30 June 2013 (Budget)	\$48,086,000

PUBLIC EQUITY

30 June 2012 (Actual)	\$264,378,000
30 June 2013 (Budget)	\$252,451,000

OTHER INFORMATION

Number of Building Consents 2011/12	166
Value of Building Consents 2011/12	\$9,378,099
Total District Roding Sealed	464 kilometres
Total District Roding Unsealed	548 kilometres
Registered Dogs Total (30 June 2012)	4,021

Elected Representatives



Mayor Brian Hanna

Phone: (07) 878 7227
 Mobile: 021 726 282
 Email: brian.hanna@waitomo.govt.nz
 Address: 160 Tate Road, RD2,
 Te Kuiti 3982.



Allan Goddard
 (Deputy Mayor)

Phone: (07) 878 7865
 Email: allan.goddard@waitomo.govt.nz
 Address: 566 Mangaokewa Road,
 RD7, Te Kuiti 3987.



Pat Hickey

Phone: (07) 878 6316
 Phone (work): (07) 878 3408
 Email: pat.hickey@waitomo.govt.nz
 Postal Address: 1604 Te Kumi
 Road, RD5, Te Kuiti 3985.



Lorrene Te Kanawa

Phone: (07) 878 7306
 Phone (work): (07) 878 8184
 Mobile: 027 333 8531
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 Address: 23 Hetet Street,
 Te Kuiti 3910.



Guy Whitaker

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 Address: 15 Liverpool Street,
 Te Kuiti 3910.



Phil Brodie

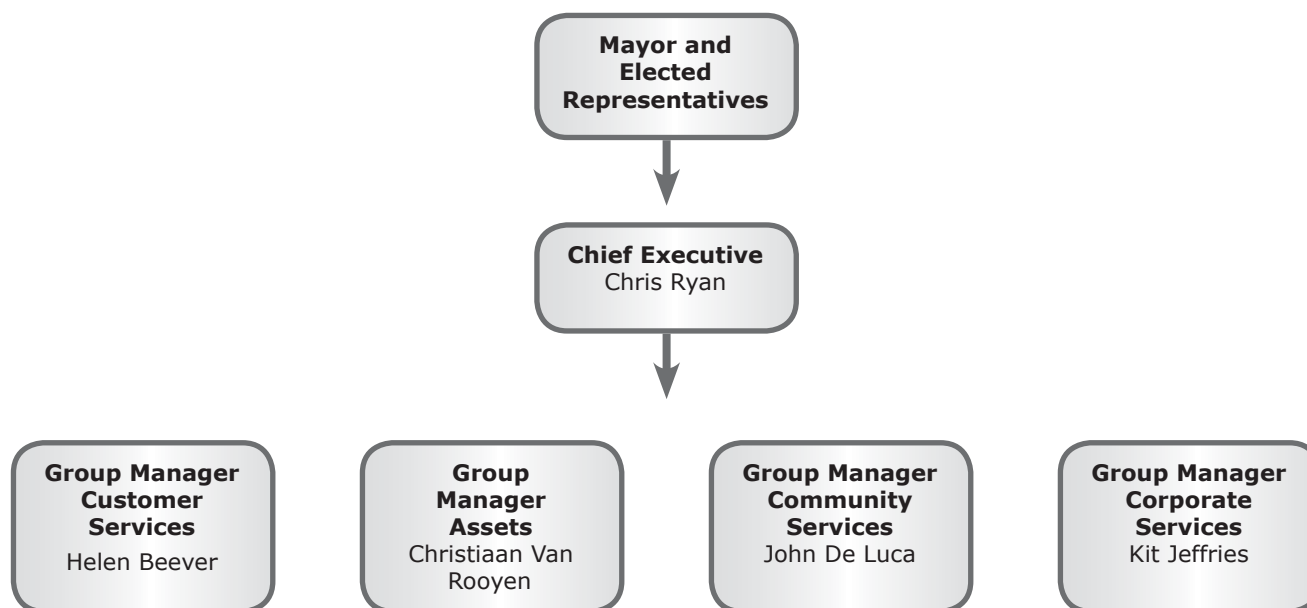
Phone: (07) 877 8033
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 RD2, Piopio 3970



Charles Digby

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 Te Kuiti 3983.

Management Structure



Glossary

Terms used in this document

Activity	The goods or services that WDC provides to the Community.
Annual Report	A document that WDC prepares each year which provides the public with information on the performance of the WDC during the year (in both financial and non-financial terms).
Assets	Assets are things that WDC owns, such as roads, parks, buildings and cash holdings.
Asset Management Plan	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.
Capital Expenditure	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.
Capital Value	The sum of the unimproved value (land value), and the value of the improvements is equal to the capital value of the land.
Community	A network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identity (for example, a Hapu, a voluntary organisation or society), or an administrative community (such as a District).
Community Outcomes	The Community's view of what is important for its current and future social, economic, environmental and cultural well-being as identified through a special consultative procedure. These outcomes inform the development of WDC's planning and co-ordinate the activities and planning of all sectors of the community.
Community Well-beings	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'.
Corporate Support	Used to describe the inputs that are used by all of WDC's activities.
Council	The seven elected members that form the governing body (WDC) of the WDC.
Current Assets	Assets that can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors, and operational investments.
Current Liabilities	Creditors and other liabilities due for payment within the financial year.
Designated Investments	Investments representing Special Funds and Reserve Accounts.
Development Expenditure	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 WDC. This does not include renewing old assets to their original state; these are classed as renewal works.
Exception Annual Plan	A document adopted by WDC in each of the years between LTPs which sets out the budget and sources of funding for the year and reports on any exceptions from those forecast in the LTP.
Infrastructural Assets	Fixed utility systems that provide a continuing service to the Community and are not generally regarded as tradable. WDC's infrastructural assets consist of roads, waste disposal systems, sewerage, stormwater systems and landfill assets.
Key Performance Indicators	Targets set by WDC to enable the Community to monitor WDC's progress towards agreed outcomes each year. A table of performance measures is provided in each activity section.
Levels of Service	WDC 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 WDC Long Term WDC Community Plan (LTP).
Level of Service Expenditure	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 the asset 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 WDC. 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.
Local Government Act 2002	The Key legislation that defines the regulations and responsibilities for local authorities.
2009-19 Long Term Plan	A plan covering a period of 10 years (2009-2019), developed by the WDC and describing what the WDC will do to contribute to the achievement of Community Outcomes. An LTP describes what the WDC will do over the ten year period, why it plans to do these things, how much these things will cost including how they will be funded and how success will be judged.
LONG TERM Plan 2012-2022	A plan covering a period of 10 years (2012-2022), developed by the WDC and describing what the WDC will do to contribute to the achievement of Community Outcomes. An LTP describes what the WDC will do over the ten year period, why it plans to do these things, how much these things will cost including how they will be funded and how success will be judged.
Operations Expenditure	The expenditure required to meet the costs of normal day-to-day services provided by WDC. This includes expenditure resulting from inputs on such items as contract costs, materials, electricity and plant hire.
Operating Revenue	Money earned through WDC activities in return for service provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include Land Transport New Zealand (LTNZ) Financial Assistance Rates (FAR) subsidies, rental income and fees and charges.
Operating Surplus	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.
Outputs	Goods and services the WDC will produce or provide to achieve agreed outcomes.
Renewal Expenditure	A form of capital expenditure that describes WDC'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.
Separately Used or Inhabited Part	A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use. 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 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.
Stakeholders	People, groups and or organisations that have an interest in what happens in the District.
Strategic Goals	WDC has set Strategic Goals for each of its activities. These goals are targeted at ensuring WDC'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.

Sustainable Development	Development that meets the needs of the present without compromising the reasonably foreseeable needs of future generations.
Targeted Uniform Annual Charge	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.
Uniform Annual Charge	A service charge that is levied on each separately used or inhabited rating unit, e.g. solid waste management, sewerage, water supply, etc.
Uniform Annual General Charge	Uniform Annual General Charge that is levied on all separately used or inhabited rating units in the District.
Waitomo District Council	(WDC) the organisation established to administer WDC affairs, conduct operations and bring effect to WDC policy and strategies.
WDC Organisation	Any organisation in which one or more local authorities own or control any proportion of the voting rights or have the right to appoint one or more of the directors, trustees, etc.
WDC Controlled Organisation	Any organisation in which one or more local authorities own or control 50 percent or more of the voting rights or have the right to appoint 50 percent or more of the directors of the organisation.
WDC Controlled Trading Organisation	A council-controlled organisation that operates a trading undertaking for the purpose of making a profit.

Acronyms

AMP	Asset Management Plan
AP	Advisory Panel
Board	District Economic Development Board
Capex	Capital Expenditure
CCO	Council Controlled Organisation
COs	Community Outcomes
DEDB	District Economic Development Board
DDR	District Development Rate
DWS	2005 Drinking Water Standards
EAP	Exceptions Annual Plan
ETS	Emissions Trading Scheme
FAR	Financial Assistance Rates
ICL	Inframax Construction Limited
KPI	Key Performance Indicator
LGA 2002	Local Government Act 2002
LGFA	Local Government Funding Agency
LoS	Level of Service
LTP	Long Term Plan
LTNZ	Land Transport New Zealand
MoH	Ministry of Health
NAASRA	National Association of Australian State Roading Authorities
Opex	Operational Expenditure
PHRMP	Public Health Risk Management Plans
PWBRA	Piopia Wider Benefit Rating Area
RFS	Request for Service - Waitomo District Council's service request system.
RSS	Resident Satisfaction Survey
RTO	Regional Tourism Organisation
SUIP	Separately Used or Inhabited Part
SWaMMP	Solid Waste (Activity) Management and Minimisation Plan
SWSS	Sanitary Waste Subsidy Scheme
THL	Toursim Holdings Ltd
TKISA	Te Kuiti Infrastructure Support Area
TKWTP	Te Kuiti Water Treatment Plant
TKWWTP	Te Kuiti Waste Water Treatment Plant
TMP	Treasury Management Policy
TUAC	Targeted Uniform Annual Charge
UAC	Uniform Annual Charge
UAGC	Uniform Annual General Charge
WDC	Waitomo District Council
WDHB	Waikato District Health Board
WMF	Waikato Mayoral Forum
WRC	Waikato Regional Council (formally known as Environment Waikato)