

WAITOMO DISTRICT COUNCIL

# LONG TERM PLAN 2018 - 2028



**Creating a better future with vibrant communities and thriving business.**



**Waitomo**  
District Council

**WAITOMO DISTRICT COUNCIL**

**LONG TERM PLAN  
2 0 1 8 - 2 0 2 8**

Creating a better future with vibrant  
communities and thriving business.





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To the reader:

## INDEPENDENT AUDITOR'S REPORT ON WAITOMO DISTRICT COUNCIL'S 2018/28 LONG-TERM PLAN

I am the Auditor-General's appointed auditor for Waitomo District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Deloitte Limited. We completed our report on 26 June 2018.

### **Opinion**

In my opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and co-ordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 97 to 100 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

### **Basis of opinion**

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;

- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

### ***Responsibilities of the Council and auditor***

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

### ***Independence***

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Bruno Dente  
for Deloitte Limited  
On behalf of the Auditor-General, Hamilton, New Zealand

# Message from the Mayor and Chief Executive

We are pleased to present the Long Term Plan 2018-2028 (LTP) which sets out our direction and plans for the ten year period July 2018 to June 2028.

The future for Waitomo is exciting, and there are opportunities for us to take the next step on our journey towards creating a district with vibrant communities and thriving business.

We are set on a path to shape Waitomo into the place that we all want it to be. A place that is safe, welcoming, encourages business development and supports well-connected communities. This is not something Council can do alone, so we plan to enhance and establish partnerships with key stakeholders for achieving the outcomes we want for our District. We will also look at designing our public spaces to create prosperous and safe communities where people want to live, work and do business.

Enhancing our community development initiatives is a key feature of this LTP. Community services contribute to better social interactions and add significant value to our communities.

Over the last ten years, our focus has been on core infrastructure investments to ensure we meet legislative compliance and to meet the health and well-being outcomes of our residents now and into the future. We have worked hard to draw a balance between investing in our communities and district, so we are an attractive destination to live and work in while ensuring that the investments are affordable.

Financial prudence has been and is our guiding principle. We have sourced funds from avenues other than rates wherever possible, such as government subsidies and community funding organisations for capital investments in our district thereby improving facilities and services with the ratepayers not having to bear the full costs. Our infrastructure assets and community facilities are in great shape, and we are proud to say that our quality services are going to support a vibrant and thriving population in the Waitomo District.

We are very pleased with the progress being made by Inframax Construction Limited (ICL). The recovery plan put in place for ICL and supported by the community has come to fruition. The net profits of ICL have been increasing year on year, and our loan to ICL of \$750,000 will be returned by the end of the next financial year. We are also forecasting dividends from ICL in the 2018-28 period clearly indicating that ICL is on a firm footing now.

Our current debt level sits at \$43.4 million, well below the forecast in the 2015-25 LTP. We will decrease that debt to \$24 million by the end of the ten year period. To advance our goal over the next ten years, forecast dividend from ICL will be used to assist in reducing Council's debt, and by doing so, reduce overall costs to the community. In the LTP, we are expecting a cumulative dividend from ICL of almost \$5 million. We have also completed the sale of Parkside Subdivision.

Rates affordability remains on our agenda, and we are committed to limiting rates increases. We have agreed to an average rates increase of 2.65% per annum over the next ten years. Average rates revenue increase for the coming year is 2.48%.

We would like to thank all of you who provided feedback on the Consultation Document. Your views are welcome and an important part of our decision making. You can read more about the consultation on page 17.

BRIAN HANNA  
WAITOMO DISTRICT MAYOR



CHRIS RYAN  
CHIEF EXECUTIVE









*Lake Taharua*

# Section A: Planning Framework

This section describes:

- The purpose and structure of this Long Term Plan
- The strategic framework and considerations
- Council's focus areas for this planning period
- Key assumptions
- The outcomes of the consultation process

*Creating a better future with vibrant communities and thriving business.*

# Introduction

## Purpose of the 2018-2028 Long Term Plan

All local councils in New Zealand are required to produce a 10 year plan, called the Long Term Plan, for their communities, as per the Local Government Act 2002 (LGA 2002). The Long Term Plan (LTP) is aimed at providing a long term focus to Council's activities and decision making. The LTP outlines the activities Council plans to undertake, the cost of delivering these and how these will be paid for. The LTP is reviewed and updated once every three years.

This Plan is Waitomo District Council's (Council) sixth LTP. It describes the Council's direction over the next 10 years and will guide the activities of the Council in the coming years. It outlines Council's vision for the future and contains plans aimed at achieving that vision over time.

It also highlights the challenges and opportunities facing the Council and Council's strategy to meet these over the next 10 years in each activity area.

## Development Process

This Plan represents a concerted effort on the part of the elected members and Council staff over a period of 12 months to navigate and work through the various issues and balance community well-being aspirations with financial sustainability.

## Encouraging Māori contribution to decision making

Council is constantly working on its processes around community engagement and part of this is facilitating Māori participation in Council's decision making.

Council recognises that Māori are a key stakeholder group within the District and seeks to work closely with Tangata Whenua and gain their inputs on significant matters. Much of what Council does is directly relevant to Māori and requires good relationships at a local level.

As part of its current processes, Council seeks to identify any issues of particular interest to Māori, seek information on Māori perspectives on any significant work programmes and looks to build on relationships.

The LGA 2002 and the Resource Management Act 1991 place specific requirements on local authorities to take account of Māori values and provide opportunities

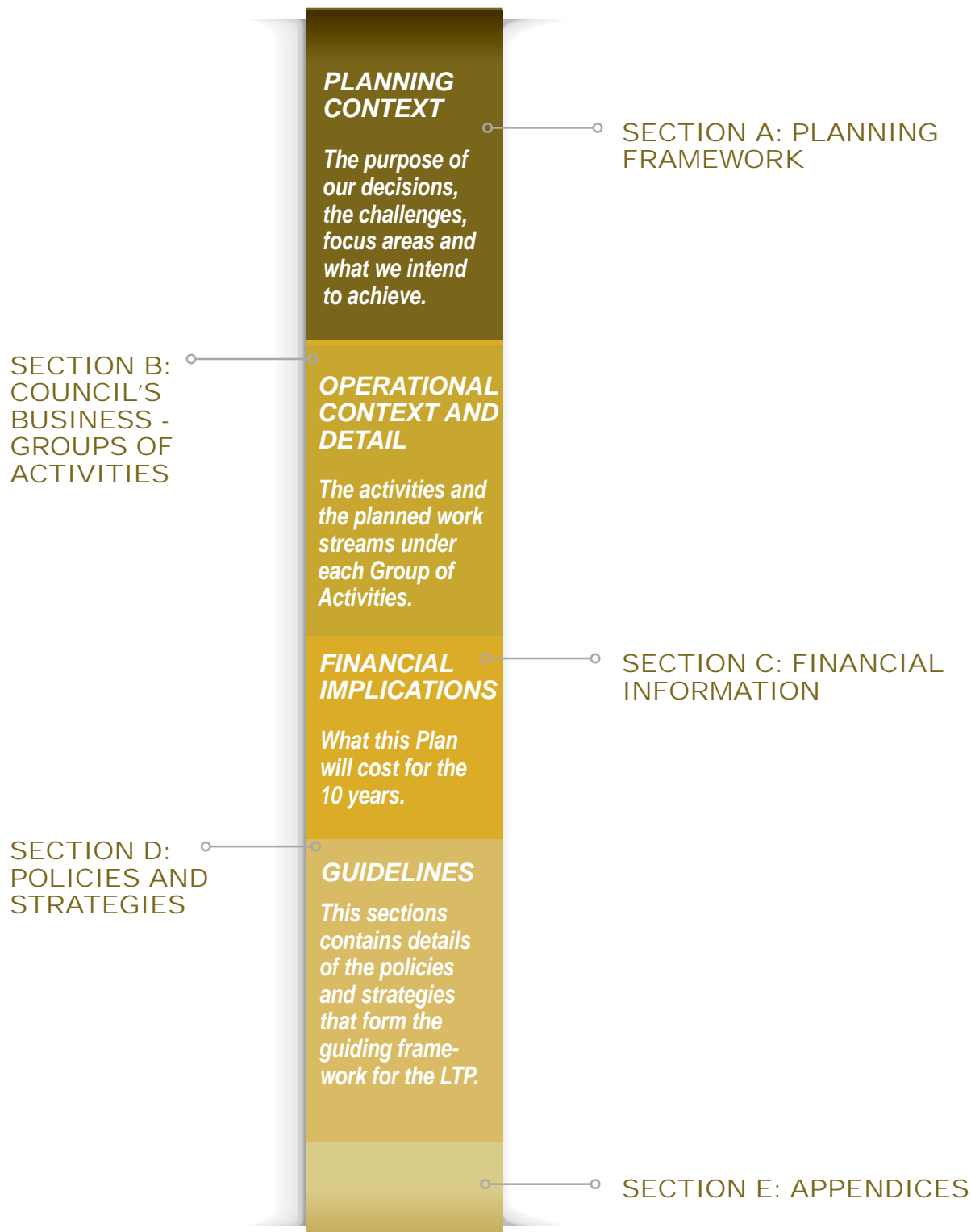
for Māori to contribute to Council's decision-making processes.

Council intends to continue with its current initiatives to foster the development of Māori capacity in the following ways:

- Co-management of the Waipa River with Tangata Whenua through the Joint Management Agreement.
- Encouragement of the Youth Council, of which Māori are a part, to put forward their views and ideas and contribute to decision making.
- Work with iwi and the Office of Treaty Settlements where required.
- Offer opportunities to participate in the development of the District Plan by way of working groups, collaborative decision making during the hearings stage and direct consultation with representatives of the Maniapoto Māori Trust Board.
- Provide information to local Māori, through the Maniapoto Māori Trust Board and other channels to enable, in a practicable manner, the provision of inputs during consultation processes carried out for key aspects of Council work such as future planning.
- Invite Māori representatives to be part of any groups established by Council for the purpose of seeking community feedback or understanding community views.
- Generally being available to engage on issues important for iwi and Māori on the range of Council activities and issues.
- Participation and support for the national Tuia Māori rangatahi (youth) leadership programme. Tuia is an intentional, long term, intergenerational approach to develop and enhance the way in which rangatahi Māori contribute to communities throughout New Zealand. It looks to build a network of support for rangatahi to help them serve their communities well. This is through developing relationships between a diverse range of rangatahi throughout the country that recognises, accepts and celebrates diversity.

# Structure of the 2018-2028 Long Term Plan

This plan contains five sections and the structure is shown below:



# Strategic Framework

## Vision

Council's vision for the District is:

***'Creating a better future with vibrant communities and thriving business.'***

At the heart of the Vision is the intent is to make the District an attractive place that people will want to come and visit, work, and live in. The activities and services we deliver and the work programmes undertaken are aligned to this Vision.

## Sustainable Development

The concept of sustainability is interwoven in the fabric of Council's planning. This concept has been closely adhered to in developing the financial forecasts and ensuring debt levels are prudent and manageable and that rates are affordable for the present and into the future.

Sustainability has also been considered in the proposals developed and included for each activity area in this Plan.

In taking a sustainable development approach, Council needs to take account of :

- the social, economic and cultural interests of people and communities
- the need to maintain and enhance the quality of the environment
- reasonably foreseeable needs of future generations

The Activity Management Plans developed have ensured that the maintenance and development of assets and services are carried out in an optimal manner so that the facilities are available to be enjoyed both now and into the future.

## Community Outcomes

Community outcomes provide an important framework for future planning and reflect the results that Council aims to achieve for the District in the future.

The outcomes have been grouped under the four main headings to align them with Council's vision and to ensure they are integrated to Council's areas of focus and the sustainable development approach.

Each of Council's activities will contribute to one or more of these headings.

### VIBRANT COMMUNITIES



### THRIVING BUSINESS



### EFFECTIVE LEADERSHIP



### SUSTAINABLE INFRASTRUCTURE



# Strategic Considerations

As is prudent in the development of any forward plan, Council has assessed its environment including the key challenges and opportunities facing our District over the coming years. These have influenced Council's thinking on the direction and strategies for the 2018- 28 LTP. This section sets out the strategic considerations for the development of this Plan.

Council is focused on its vision for a vibrant and thriving Waitomo District. One means to that end is to enhance the livability of the District. That approach underpins all our initiatives in the 2018-28 LTP. Infrastructure upgrades have driven our plans and our spending for the last 10 years and we're now at a point where we can look to invest in other areas. We believe that this investment should be in our communities themselves, so many of our work plans reflect this shift in focus.

The next 10 years are about achieving the vision through 'place making' and 'place shaping' initiatives by way of taking up the opportunities and meeting the challenges arising from New Zealand's steady economy and the booming local tourism industry.

## Population change and ageing

Waitomo District experienced a small decline in population in the last census (2013) same as many other communities in rural New Zealand. Future projections show a static population base over the 10 year planning period. There are numerous factors that impact on population change and Council is constrained in the operational extent of the role it can play. However, Council intends to influence a positive change by acting as a partner, facilitator and coordinator of efforts and programmes aimed at community and economic well-being to encourage living and working in the District. Place shaping and place making initiatives are being focused on to achieve this end.

New Zealand's population is ageing and although Waitomo currently has a higher youthful population when compared to other districts in the Waikato region, the trend toward an aging population is forecast for Waitomo as well. The proportion of people aged 65+ is forecast to increase from 13% in 2013 to between 25% and 29% by 2048, and the proportion of the population under 15 years of age is forecast to decline from around 24% in 2013 to between 17% and 23% in 2048.

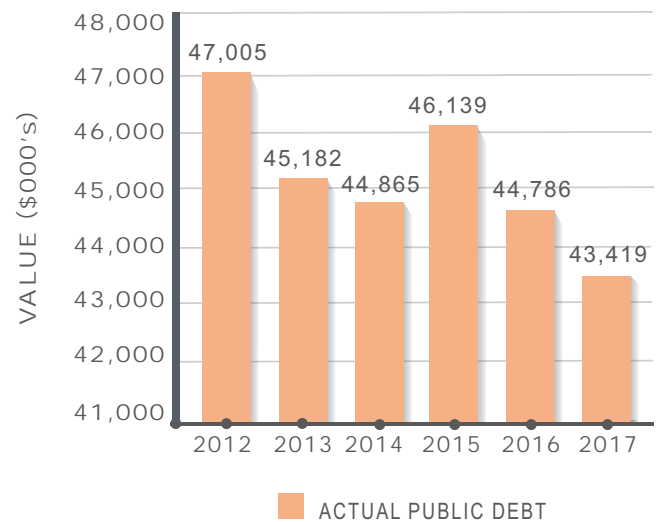
There will be a shift over time in the type of services needed, which Council will closely monitor.

## Public Debt

Council has been investing in its core services/ infrastructure over the last 10 years; keeping up with the replacement of old assets at the end of their useful lives and upgrading assets to meet community needs and to meet environmental and public health standards. Significant upgrades have been completed for Piopio Sewerage, Mokau Water, Piopio Water, Benneydale Water and Te Kuiti Sewerage in this period. While Council has made substantial use of subsidies and grants available to progress these, it has also meant an increase in debt levels from historic debt levels.

Reducing debt remains a high priority for Council in this Plan and Council has been working towards this.

### OUR BORROWINGS HAVE REDUCED OVER THE LAST SIX YEARS:



## Focus Areas

Council's areas of focus in response to the opportunities and challenges for the 2018-28 period are to encourage and support community connectivity and development, facilitate economic development, and continue with good stewardship of its core infrastructure and carrying these out in a financially prudent and sustainable manner.

It is Council's intention to focus on place making and place shaping initiatives in alignment with its vision of creating a vibrant and thriving District.

### Community Connectivity and Development

One of Council's key 'place shaping' opportunities will be achieved through its Community Development portfolio. Council supports the value in the close partnership between community members, community organisations, businesses, government agencies and others with an interest and concern about our Waitomo District community. We believe much can be achieved by working with others in a coordinated and collaborative way on joint activities and community projects that address our local needs and in doing so contribute to taking the District community forward.

Council intends to provide increased support of partnership initiatives that help in building a connected and resilient District.

Council has started on the journey to review its District Plan. A District Plan is hugely influential for place making and place shaping, and is a fundamentally important tool for enabling sustainable economic development and achieving the vision for our district. It does this by setting the direction, form and shape of our urban and rural communities, while ensuring that we promote the sustainable management of natural and physical resources, and protect our cultural and historic heritage, outstanding landscapes and significant natural features. The District Plan will also ensure that significant risks from natural hazards and contaminated land are managed within our District.

### Economic Development

Our aim is to enhance our support of the district community. We have discussed one of the means being through our community development portfolio.

The other means is through the economic development activity - support the growth of our local economy by effectively promoting our district as well as supporting local businesses and projects.

In this space, we will join up with existing initiatives to ensure we get the best possible return for our investment

and can take advantage of opportunities as part of a bigger collective. To this end, Council will participate in and become a member of the Waikato Regional Economic Development Agency (WREDA).

Council would benefit from aligning itself to the WREDA by seeking required information and services from this source instead of replicating the effort. Data collection, updating and monitoring economic activity in itself is a considerably resource intensive undertaking. It would also be better to leverage regional scale in seeking investments for the Waitomo District.

At a sub-regional level, Council will join its neighbouring Councils in the Sub Regional (Southern) Economic Development Action Plan. While this too is in its early stages, the initiative has received commitment from both the Ministry of Business, Innovation and Employment (national level) and Waikato Means Business (regional level).

The intended outcome of this initiative is to develop a strategy and action plan for the economic development of the South Waikato sub-region (includes Waitomo District, Otorohanga District and South Waikato District).

### Good Asset Stewardship and Management

Maintaining and managing our core infrastructure well so it is available for use by future generations will continue to form a vital part of Council's future planning.

Our Infrastructure Strategy (IS) contains an overview of the key infrastructure management matters for our water supply, wastewater (sewerage), stormwater and roads and footpaths infrastructure assets over the next 30 years (2018-2048).

As a result of the concerted effort in infrastructure upgrades over the last 10 years and with little projected growth in demand there are no material infrastructure issues that the District will be confronted with moving forward. However, it will be important to consistently meet renewal needs of assets to ensure there is no condition deterioration over time. Some upgrades and investigations have been programmed in the 2018-28 period in order to improve resilience and for risk mitigation reasons.

The overall levels of service are planned to be maintained over the life of the 2018-28 LTP.

A summary of the key infrastructure projects planned by Council over the next ten years are shown below. These are aimed at developing Waitomo District as a great place to live and do business. The complete strategy is included in Section D of this Plan.

## Key projects planned for the next 10 years.

A summary of the key projects planned by Council over the next ten years are shown below. These are aimed at developing Waitomo District as a great place to live and do business.

		ESTIMATED COST (\$000'S)	YEAR
Community	Safer Communities Initiatives	522	2018-2028
	Regional and Sub Regional Economic Initiatives	211	2018-2028
	Mokau Toilets	320	2019
	Waitomo Village Toilets	326	2020
	Playground Upgrades	102	2018-2021
	District Plan Review	3,745	2018-2023
Waters	Investigation into raw water storage and/or supply in Te Kuiti	261	2018-2022
	Te Kuiti water renewals	1,998	2018-2028
	Te Kuiti bulk monitoring of water use	112	2018-2028
	Te Kuiti water backflow preventors	316	2018-2025
	Mokau water monitoring renewals (SCADA)	62	2020
	Mokau water network renewals	322	2018-2028
	Piopio reservoir replacement	250	2019
	Piopio ring main (pipeline)	138	2020
	Te Kuiti sewerage treatment plant improvements	105	2019
	Te Kuiti sewerage renewals and river augmentation	3,329	2018-2028
	Te Waitere sewerage extension to soakage field	42	2020-2021
	Te Kuiti stormwater network rehabilitation	1,230	2018-2028
	Te Kuiti stormwater piping open drains	112	2018-2028
	Roads and Footpaths	Road minor improvements	7,232
Bridge and structures renewals		7,573	2018-2028
Drainage renewals		2,782	2018-2028
Pavement rehabilitation		21,835	2018-2028
Sealed road surfacing		15,287	2018-2028
Unsealed road metalling		6,676	2018-2028
Traffic services		1,669	2018-2028
Emergency reinstatement		7,788	2018-2028
Road improvements (unsubsidised)		1,113	2018-2028
Footpath renewals and Improvements		5,410	2018-2028
		<b>TOTAL 90,868</b>	



# Financial Sustainability

## Financial Strategy

Council's Financial Strategy for the 2018-28 period sets out the important financial aspects of Council's planned direction and how it intends to manage its financial performance. It also provides the financial parameters that will guide Council's journey over the next 10 years.

### The guiding principles underpinning the Financial Strategy are:

1. Provide amenities, facilities and services to the District community that contribute to and align with Council's Vision.
2. Undertake good asset stewardship and management.
3. Maintain affordable rates increases.
4. Ensure financial sustainability - by ensuring that our revenue is sufficient to cover an efficient operating expense base, all funding sources are being used optimally and financial management is prudent.

### The key aspects of the Financial Strategy are:

- Rates revenue will be limited to an average of 75% of total operating expenditure over the 10 years.
- Total rate increases will be limited to a 'cap' of Local Government Cost Index (LGCI) for that year + 2%.
- External borrowing will be used in a prudent and sustainable manner, however, Council is committed to reducing its external debt over time.
- Some of the limits on debt are - total borrowing costs will not exceed 10% of total revenue, net interest will not exceed 20% of annual rates and the ratio of net debt to total [cash] revenue will not exceed 170%.

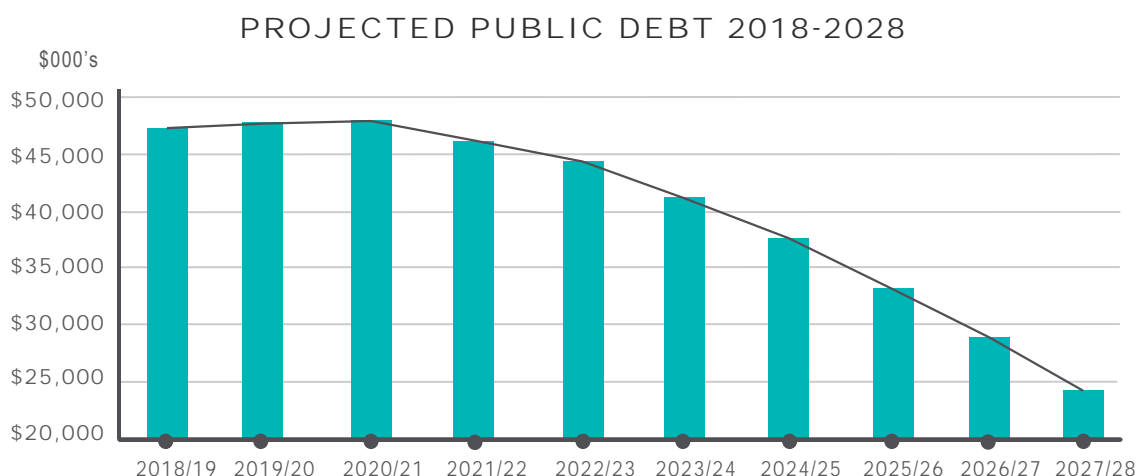
The strategic objectives and policies within the Financial Strategy underpin the financial decisions made in this Plan. The complete strategy is included in Section D of this Plan.

## Debt Reduction

Council is committed to reducing debt as part of its Financial Strategy for this Plan. Over the 2018-28 period Council is forecasting dividend income from its shareholding investment (in Inframax Construction Limited) **which will be used to repay debt**. This income is forecast at **\$4.95 million** over the life of the 2018-28 LTP starting from 2019/20 year.

The New Zealand Transport Agency notified us late in the LTP development process (in early May 2018) that the funding assistance rate for roading maintenance and renewals would be increased from 65% to 73% starting 1 July 2018. This will mean additional subsidy income. Council has agreed to utilise this additional subsidy to further reduce its debt over the 2018-28 LTP, in keeping with its overall Financial Strategy. This will also have an indirect effect on reducing rates requirement due to reduction in interest costs.

Over the term of the 2018-28 LTP, public debt is forecast to reduce from a high of \$46.8 million in 2018 to **\$24 million by the end of 2028**. This is a decrease of **\$22.8 million or 49%** over the ten year period.

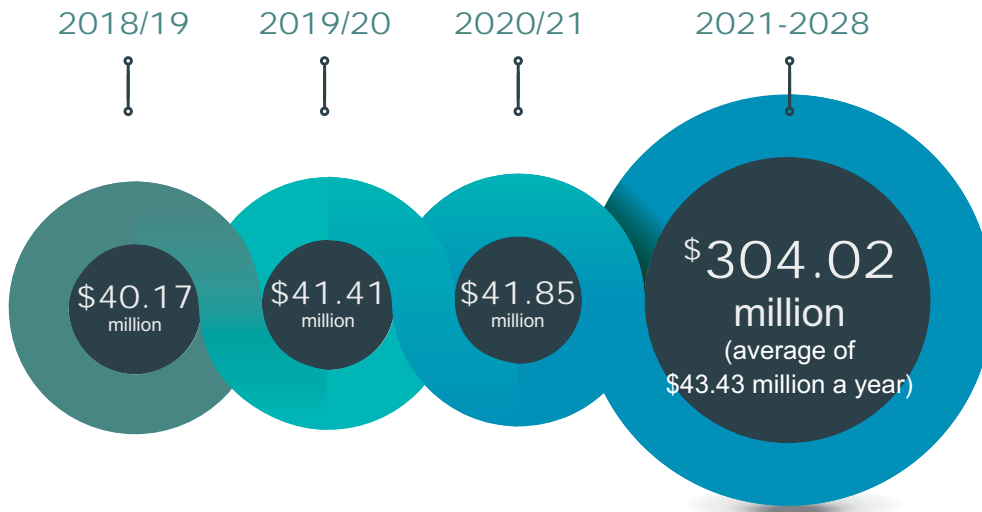


This graph shows public debt is forecast to reduce over time.

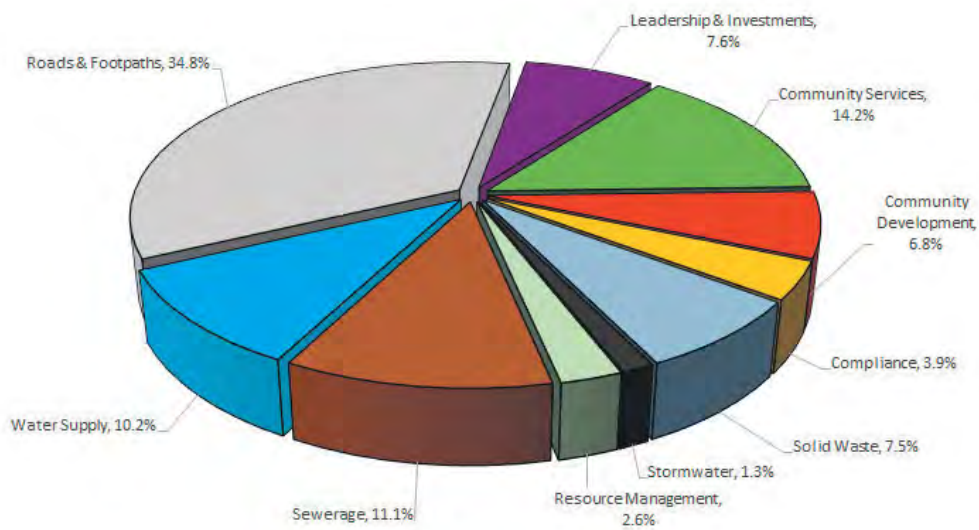
# Financial Summary

## What will it cost?

The total expenditure estimated over the life of this plan is:

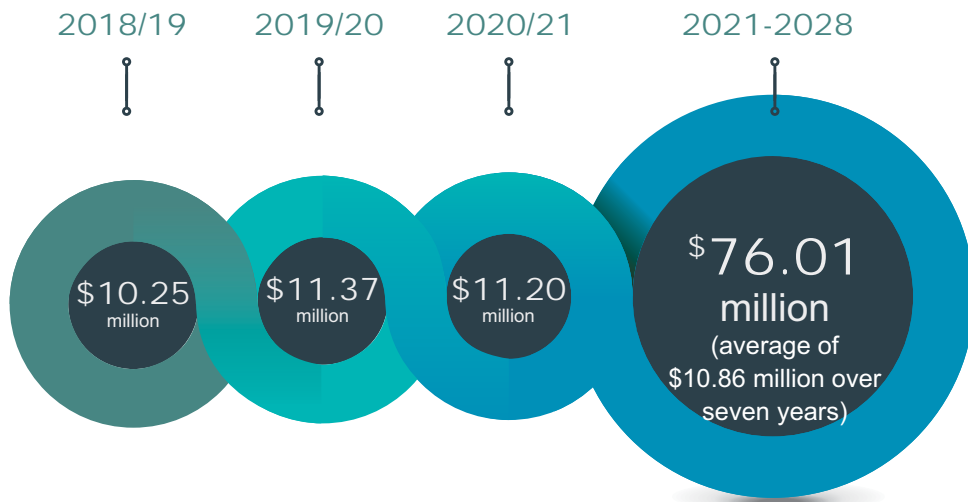


OPERATIONAL EXPENDITURE 2018-2028  
(\$318.6m)

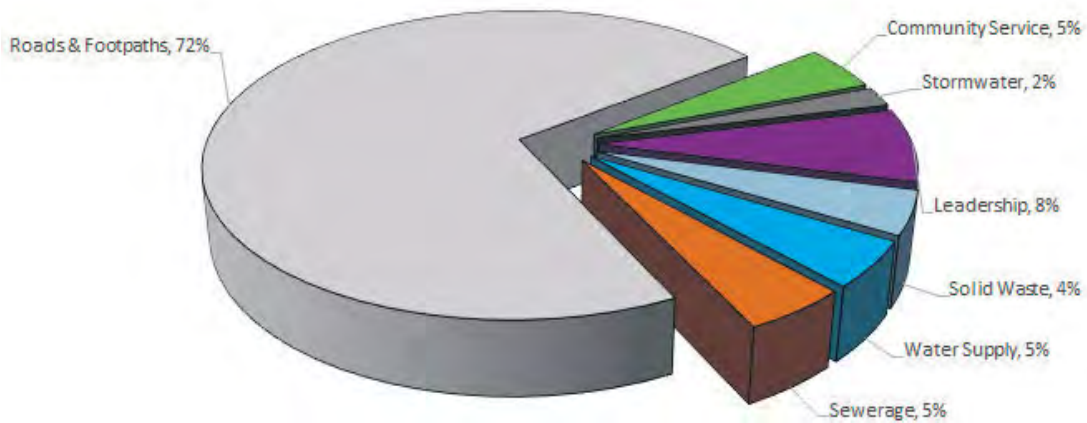


Council's total Operational Expenditure to deliver the 10 significant activities is forecast to be \$318.6 million over 10 years.

Capital expenditure in the first three years (included in total expenditure) is:



CAPITAL EXPENDITURE 2018-2028  
(\$108.8m)



## Summary Cost of Service Statement for 10 years

Summary Cost of Service Statement for All of Council (\$000's)	EAP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Total Operating Income	11,227	13,104	13,995	14,381	14,842	15,149	15,499	15,960	16,502	16,946	17,539
Total Operating Expenditure	29,380	29,920	30,041	30,647	30,544	31,414	32,148	32,597	33,103	33,919	34,284
<b>Net Operating Cost/ (Surplus)</b>	<b>18,153</b>	<b>16,816</b>	<b>16,046</b>	<b>16,266</b>	<b>15,702</b>	<b>16,265</b>	<b>16,649</b>	<b>16,637</b>	<b>16,601</b>	<b>16,973</b>	<b>16,745</b>
<b>Total Capital Expenditure</b>	<b>10,150</b>	<b>10,254</b>	<b>11,369</b>	<b>11,204</b>	<b>10,342</b>	<b>10,682</b>	<b>10,515</b>	<b>10,522</b>	<b>10,940</b>	<b>11,167</b>	<b>11,845</b>
<b>Net Expenditure for Activity</b>	<b>28,303</b>	<b>27,070</b>	<b>27,415</b>	<b>27,470</b>	<b>26,044</b>	<b>26,947</b>	<b>27,164</b>	<b>27,159</b>	<b>27,541</b>	<b>28,140</b>	<b>28,590</b>
<b>Funded By</b>											
Internal Loans	3,170	3,934	3,877	3,731	2,132	1,315	1,019	846	969	1,089	1,037
External Loan Repayments	0	(779)	(1,139)	(1,120)	(1,126)	(1,050)	(970)	(888)	(948)	(1,006)	(1,067)
Reserves	5,562	3,859	4,003	3,731	3,279	4,400	4,028	3,496	3,187	3,044	3,207
General Rates, UAGC and Service Charges	19,571	20,056	20,674	21,128	21,759	22,282	23,087	23,705	24,333	25,013	25,413
<b>Total Funding</b>	<b>28,303</b>	<b>27,070</b>	<b>27,415</b>	<b>27,470</b>	<b>26,044</b>	<b>26,947</b>	<b>27,164</b>	<b>27,159</b>	<b>27,541</b>	<b>28,140</b>	<b>28,590</b>
Depreciation and Amortisation Expense	6,005	5,905	5,990	5,849	6,104	6,350	6,690	7,026	7,178	7,372	7,659

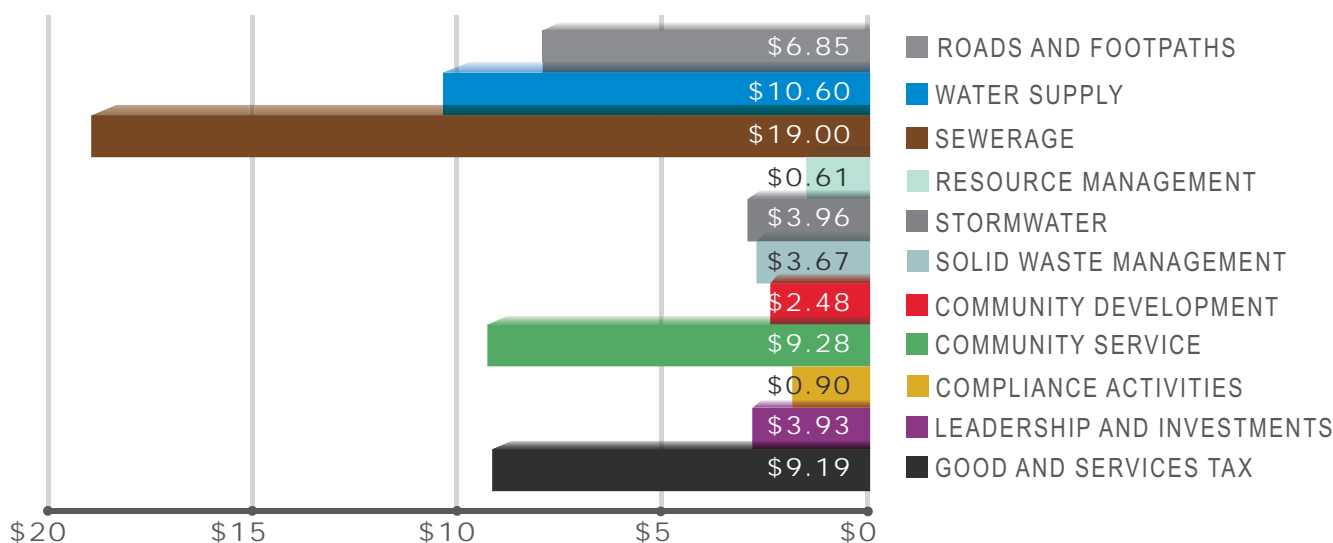
## What will this mean for your rates

The services that Council provides you are partially funded from rates. The total rates revenue and rates increases forecast over the 10 year period are shown in table below.

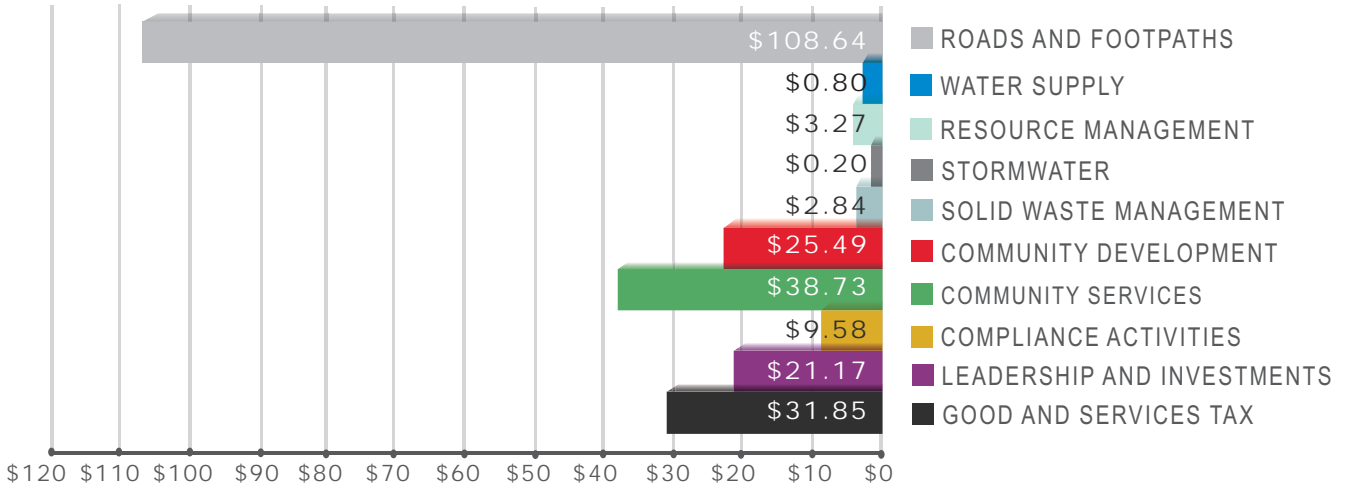
\$000's	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rates Requirement	20,056	20,674	21,128	21,759	22,282	23,087	23,705	24,333	25,013	25,413
<b>Percentage Increase</b>	<b>2.48%</b>	<b>3.08%</b>	<b>2.20%</b>	<b>2.99%</b>	<b>2.40%</b>	<b>3.61%</b>	<b>2.68%</b>	<b>2.65%</b>	<b>2.79%</b>	<b>1.60%</b>

## Where Rates Per Week Are Spent

### TE KUITI RESIDENTIAL PROPERTY PAYING \$70.47 PER WEEK



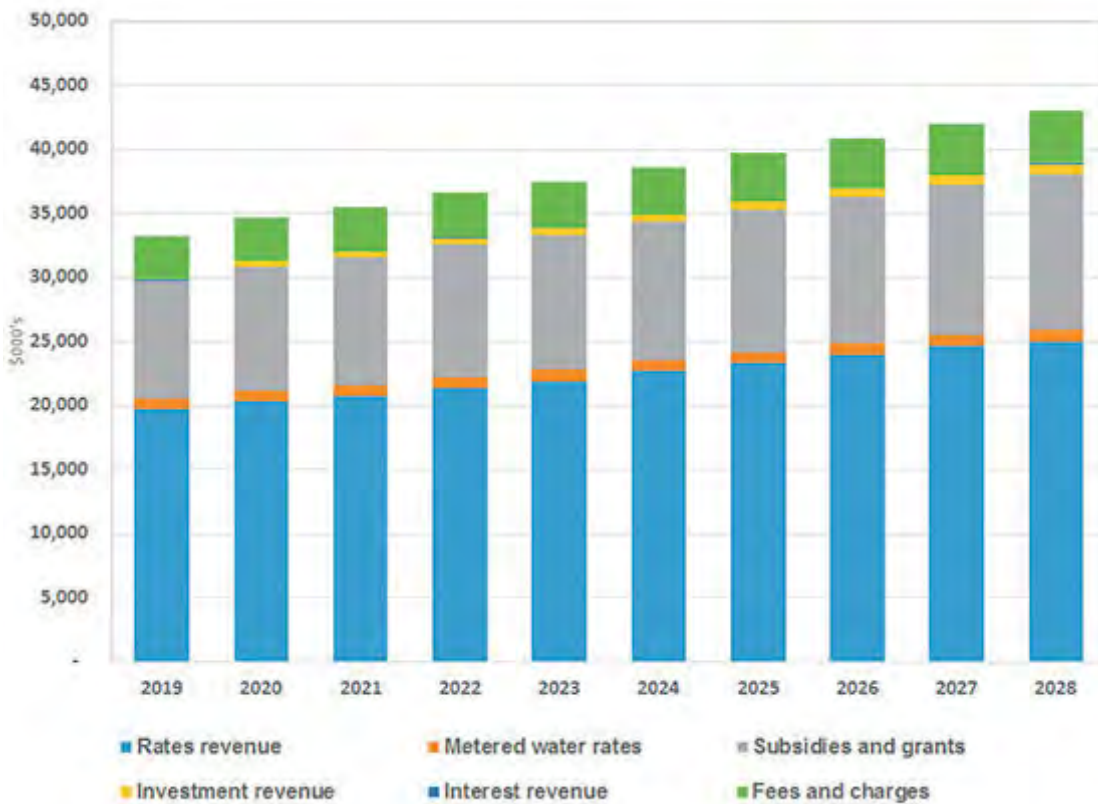
## RURAL PROPERTY PAYING \$242.57 PER WEEK



## Funding Sources

The financial requirements of Council are met through various funding sources. The details are contained in the Statment of Funding Sources in Section C. This graph shows the various funding sources over the life of the Plan.

## FORECAST TOTAL REVENUE (\$381.4M)



# Consultation and Impact of Feedback on the LTP 2018-28

Council's Consultation Document for the LTP 2018-28 was presented to the Community for consultation in April 2018. The consultation period ran from Thursday 5 April to Friday 4 May 2018. Inputs from the community were sought during this time on the proposals made.

The Consultation Document was sent out to each household in the Waitomo District. This document contained the key proposals to be included in the 2018-28 LTP and identified the impacts in the coming years, and sought community feedback on these.

During the consultation period Councillors attended a number of community meetings to talk about plans for the next ten years.

VENUE	DATE
Te Waitere	13 April 2018
Marokopa	15 April 2018
Benneydale	17 April 2018
Te Kuiti	23 April 2018
Piopio	26 April 2018
Mokau	28 April 2018
Waitomo Caves	1 May 2018

A series of adverts and social media posts were published and a radio advertising campaign was undertaken, highlighting the public consultation period and availability of key publications, with options provided to the community for making submissions and attending meetings on the LTP.

LTP Consultation Facebook posts:

- Liked by 142 people.
- Reached by 3,855 Facebook users.
- Posts were shared 25 times.

Website:

- 105 sessions on the consultation webpage '*Shape Waitomo to your liking*'.
- 33 sessions on the webpage '*property information - proposed rates for 2018/19 financial year*'.
- 25 sessions on the webpage - '*supporting information for the 2018-28 LTP*'.

Meetings were held with Maniapoto Maori Trust Board and representatives from Te Kuiti Meats and Universal Beef Packers, individually.

## Submissions

A total of 117 submissions were received on the Consultation Document. A variety of topics were covered in the submissions some related to the proposals for the LTP and others not.

94 submitters presented their views on one or all of the six proposals contained in the Consultation document. There were 52 unrelated submission points made that were considered by Council and 16 submitters spoke to their submissions at the Hearings on 15 May 2018.

## Key matters raised in the submissions

The majority of submitters were supportive of all six proposals contained in the consultation document and of the direction Council has set for the next ten years.

Some concern was raised for the proposed change in funding for Water and Sewerage services by the two largest 'extraordinary' users of water in Te Kuiti.

## Outcomes as a result of the consultation process

As a result of the feedback received from the community during the consultation process Council deliberated and resolved to confirm its preferred options, as contained in the consultation document and incorporate them into the 2018-28 LTP as follows:

- Council will pursue the Safe Communities accreditation to support the development of our communities.
- Council will provide a maximum capital funding grant to the Game on Community Trust (GoCT) of \$1.5 million, with \$1 million provided in 2018/19 year and \$500,000 in 2019/20 under the proviso that if the GoCT are able to source additional funding from other benefactors then Council would contribute less.
- Council will become a member of the Waikato Regional Economic Development Agency (WREDA), and the Sub Regional (South) Economic Development initiative.
- Two new rates remission categories will be established one for new businesses and the other for properties adversely affected by natural calamities. The details of the criteria and conditions is contained in the Rates Remission Policy.

- Council will proceed with the upgrade of public toilets in Mokau and Waitomo Village if 50% of the costs of these upgrades can be obtained from the Tourism Infrastructure Fund (TIF)
- Council will implement uniform rate for sewerage and for water services across the District and will set 10% district benefit rate for all rating units across the District. Uniform water rates will be transitioned over 4 years starting from 2018/19

In consideration of the submissions by the two largest 'extraordinary' water users, Council agreed to an amendment to the implementation of uniform water rates, being harmonisation of water by meter rates would be transitioned over four years starting in 2018/19, same as for Water Targeted Rate.



*Te Kuiti Railway Station Buildings and Sir Colin Meads Statue*

# Section B: Council's Business - Groups of Activities

This section provides details on Council's groups of activities and:

- Council's performance framework
- Planning assumptions
- A description of the activities making up the group
- Any significant negative effects associated with the group of activities
- Key projects, programmes and services planned
- How the performance of the group is measured
- Financial forecasts for the group

*Creating a better future with vibrant communities and thriving business.*





# Structure of Groups of Activities

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 Groups of Activities are shown below:

- Governance: Leadership and Investments
- Community Service
- Community Development
- Compliance
- Solid Waste Management
- Stormwater
- Sewerage and the Treatment and Disposal of Sewerage
- Resource Management
- Water Supply
- Roads and Footpaths

## Performance framework

### Purpose

In order to manage and monitor the performance of its activities and the work programmes undertaken by Council and to ensure that its efforts contribute to Council's purpose and Community Outcomes, we have developed a Performance Framework. The two key functions of this framework are:

1. To guide Council's efforts and work streams in achieving Council's purpose and community outcomes.
2. To demonstrate to the community what we are trying to achieve, and how our performance will be measured.



## Elements of the framework

As shown in the diagram, surrounding and underpinning the performance framework is the purpose of Local Government as stated in the Local Government Act 2002 (LGA 2002), which is:

*To meet the current and future needs of communities for good quality infrastructure, local public services and performance of regulatory functions in a way that is cost effective for households and businesses.*

**Council's vision** is: 'Creating a better future with vibrant communities and thriving business', which guides everything we do. These are underpinned by our community outcomes, discussed in Section B of this Plan.

**Sustainable development** is the **way** we do things – and this spans across the key operational elements of the performance framework.

Council's **focus areas** set the framework in which planning will be carried out, and guides the **how**, behind delivering on our vision and community outcomes. These focus areas are:

- Encourage community connectivity and development
- Facilitate economic development
- Good asset stewardship and management

**Policy and planning** relate to the instruments Council creates to support the Strategic Elements of the framework. These instruments are Council Policies, Bylaws, activity management plans, Financial Strategy, Infrastructure Strategy, Long Term Plans and Annual Plans.

Council's **Groups of Activities** is the grouping of the various functions and activities that are carried out by Council. All activities need to demonstrate their contribution to the community outcomes.

The 'coal-face' of the performance framework are the :

- Levels of Service: what the community can expect Council to provide
- Performance Measures: how success or progress will be measured
- Performance Targets: the level of performance that Council is aiming for

## Monitoring and Reporting





Achievement against agreed performance targets is monitored monthly at a management level and reported quarterly at governance level. The annual achievement against performance targets is audited and communicated to the community and stakeholders in Council's Annual Report.

# How the Planning Framework comes together

Council's areas of focus are:

- Community connectivity and development
- Economic development
- Good asset stewardship and management

These focus areas and the initiatives in each area are aimed at achieving Council's vision and community outcomes following a sustainable development approach.

VISION	COMMUNITY OUTCOMES		FOCUS AREAS
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Creating a better future with vibrant communities and thriving business.</p>	<p><b>Vibrant Communities</b></p> 	<ol style="list-style-type: none"> <li>1. A place where the multicultural values of all its people and, in particular, Māori heritage and culture is recognised and valued.</li> <li>2. A place where all age groups have the opportunity to enjoy social, cultural and sporting activities within our District.</li> <li>3. A place where young people have access to education, training and work opportunities.</li> <li>4. A place where young people feel valued and have opportunities for input into the decisions for the District.</li> <li>5. A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.</li> </ol>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">                     SUSTAINABLE DEVELOPMENT                      COMMUNITY CONNECTIVITY AND DEVELOPMENT                      ECONOMIC DEVELOPMENT                      GOOD ASSET STEWARDSHIP AND MANAGEMENT                 </p>
	<p><b>Thriving Business</b></p> 	<ol style="list-style-type: none"> <li>6. A place that attracts more people who want to live, work and play, and raise a family.</li> <li>7. A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.</li> </ol>	
	<p><b>Effective Leadership</b></p> 	<ol style="list-style-type: none"> <li>8. A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.</li> <li>9. A place where the governance actively seeks to participate and take a leadership role in regional and national initiatives aimed at the development of the District.</li> </ol>	
	<p><b>Sustainable Infrastructure</b></p> 	<ol style="list-style-type: none"> <li>10. A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.</li> </ol>	

# Planning Assumptions for 2018-28 Long Term Plan

## Introduction

In order to plan for the long term, it is imperative to make assumptions about various aspects in the future. The significant assumptions made about the future form an important part of the planning framework. It is also important to assess the estimated levels of uncertainty represented by the factors identified in the assumptions, so that the risk mitigation and planning can be appropriately carried out. The impact of the assessed levels of uncertainty on the integrity of this plan has also been undertaken. Schedule 10 of the Local Government Act 2002 requires that, for high levels of uncertainty, Council is required to state the fact of the uncertainty and give an estimate of the potential effects of that uncertainty on the financial estimates provided in the LTP 2018-28.

The significant forecasting assumptions are summarised in the table below and are discussed more fully in the pages that follow. The main contributions of risk are identified as arising from the impacts of climate change and natural hazards, interest rate movements, central Government changes to legislation and policy impacting on the role and compliance costs of local government and annual return on investment.

	ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
GLOBAL IMPACT	1. The impacts of climate change and natural hazards will be minimal over the LTP planning period.	MEDIUM	LOW
	2. That the impact of technological change or disruption will not adversely affect Council's ability to deliver services.	LOW-MEDIUM	LOW
NATIONAL IMPACT	3. Actual rates of inflation will be within the range tabulated.	LOW	LOW
	4. NZ Transport Agency financial assistance rates will continue at the levels set out by NZTA.	LOW	MEDIUM
	5. The average annual interest cost on borrowings will be 5.5% over the first 3 years and 6.0% over years 4 to 10.	MEDIUM	LOW
	6. Impact of Central Government changes to policy or legislation on local government income or expenditure.	MEDIUM-HIGH	MEDIUM
	7. Government funding will continue at current levels.	LOW	LOW
WDC IMPACT	8. The impact of population change has been adequately provided for in the financial estimates.	LOW	LOW
	9. The impacts of societal changes and population structure have been adequately provided for in the financial estimates.	LOW	LOW
	10. The annual return on investments is assessed at zero for year 1, \$350k for year 2 and thereafter increasing by \$50k per annum over the remaining period.	MEDIUM	LOW
	11. The risk of Council's investment portfolio and inability to borrow is minimal.	LOW	LOW
	12. Resource consent acquisition and compliance processes are within estimated timeframes and expenditure estimates.	LOW	LOW
	13. The size of the rating base will not increase.	LOW	LOW
	14. The two major users of water and trade waste services will continue to operate within the district.	LOW	LOW
	15. Impact of transfer of significant Council assets will be minor.	LOW	LOW
	16. Changes to the scale of Council's asset inventory will be minor.	LOW	LOW
	17. Change in value of assets due to periodic revaluation will be in line with inflation.	LOW	LOW
	18. Assumed lives for Council's assets will have minimum impact on financial estimates.	LOW	LOW
	19. Depreciation reserves and subsidies will generally be adequate to fund asset renewal expenditure.	LOW	LOW
	20. The impact of growth related capital expenditure will be offset by revenue.	LOW	LOW

## Description of Assumptions

### 1. Climate change and natural hazards

The Ministry for the Environment (MfE) has been providing guidance to local government since 2001 on the effects of Climate Change. Within its most recent guidance (2017) it calls out the impacts of an ever increasing sea level rise, which is anticipated to continue for the next several centuries. A consequence of an ever increasing sea level is that the hazards and risks compound in areas adjacent to coastlines, estuaries and harbours. As hazards and risks compound so will the exposure of people and assets to these hazards and risks.

Linked to the climate impacts are a series of supporting climate projections (2016) that are anticipated to occur within New Zealand:

- **Higher temperatures**, with an increase of about 0.7°C (low emissions scenario) and 1.0°C (high emissions scenario) by 2040 and about 0.7°C (low emissions scenario) and 3.0°C (high emissions scenario) by 2090. There will likely be slight gradients from north to south, and from east to west, with the greatest warming experienced in the northeast.
- **A change in rainfall patterns** – increased summer rainfall in the north and east of the North Island, and decreased spring rainfall in the north and east of the North Island.
- **Increased frequency of dry days** for much of the North Island, and increased frequency of heavy rainfall events over some parts of the North Island.
- **Increased frequency and intensity of droughts** over time, particularly under a high emissions scenario.
- **Some increase in storm intensity**, small-scale wind extremes and thunderstorms are likely to occur. Ex-tropical cyclones will likely be stronger and cause more damage as a result of heavy rain and strong winds.
- **Increase in the number of hot days**, and decrease in the number of frost days and snow days.

Within New Zealand, MfE has identified the three major impacts associated with Climate Change projections as being floods, coastal hazards and droughts. The effects of climate change may be felt both through changes in long-term averages and in the changed frequency and intensity of extreme events (such as heavy rainfall, high sea levels brought by storm surges, drought, or very high temperatures). It is this combination of underlying average climate, climate change trends, and natural variations that will provide the extremes that future New Zealand society faces. A small shift in the average climate can cause significant changes in the occurrence of extremes: generally, it is the extreme events that cause damage.

Increased frequency and intensity of extreme rainfall events may contribute to reduced ability of stormwater systems to cope, particularly at those beach communities where stormwater outlet points are within tidal zones, where it is likely there will be additional pressure from rising sea levels, increased storminess and coastal erosion, and at Te Kuiti due to high river levels during high rainfall events. The tempo of erosion of land adjoining the estuaries could increase and lead to a loss of property and increased expectation by the affected communities for some form of intervention by Council.

Higher intensity rainfall events will increase runoff and could impact on existing drainage capacity. Consideration has been given to complete catchment assessment studies for the main urban areas. Climate change is also expected to present in the form of more frequent drought periods, particularly on the east coast of New Zealand. This may increase the demand for irrigation and impact on the capacity of Council's water supplies, including source and storage. Work has been done to address both of these issues, including initiatives to reduce water consumption in the District.

Higher rainfall could result in increased inflow and infiltration of Council's sewerage systems. In Te Kuiti a programme of Closed Circuit Television (CCTV) inspection and renewals has been initiated. Whilst progress is being made the implementation of this programme is limited by funding and affordability issues. The success of this work will go a long way towards mitigating any effects of climate change on Council's sewerage infrastructure over time.

There is much uncertainty about the extent of climate change and about social, economic and environmental change. That makes it necessary to consider a range of possible futures when assessing climate impacts, and whether adaptive responses are needed.

Climate Change and the advice provided to local government identifies a need for local government organisations to establish and utilise the mechanisms that enable the significant adaption of the wider community to existing and future impacts of Coastal Hazards and Climate Change. The challenges identified with this are having sustainable adaption solutions need special consideration because of the differences within the communities of the Waitomo District.

Broadly framed these can be defined as:

- Differences in coping capacity
- Sensitivity to increasing impacts
- Emergence of considerable future risks

Whilst decisions made long ago have dictated our settlement and land development patterns, increasing the consequences of many natural hazard events and ensuring these events will not always be avoidable. How we choose to prepare, assess, plan, manage and monitor the impact of environmental changes (as it impacts on the community) is within our control.

Managing natural hazards and building community resilience is at the forefront of local government activity nationally, as required by section 11A of the Local Government Act 2002 which states that local authorities must have particular regard to the contribution that the core service of “the avoidance or mitigation of natural hazards” make to their communities.

In 2017 the Waitomo District Council commenced a review of the District Plan. As part of the review of the Waitomo District Plan, Council has contracted specialist services to help evaluate the potential risk of climate change on coastal areas and in respect of flood events. The purpose of this work is to help build intergenerational resilience to Climate Change within the District. Initial assessment indicates that an adaptive management strategy is required for coastal townships. The assessment of flood risk was at the scoping stage at the time of writing this document. Once Council has more robust information about the potential levels of risk, District Plan provisions will be drafted to guide and manage the response which will further inform the planning and management phases.

Currently the Council has made provisions within Activity and Asset Management Plans (Water Supply, Waste Water, Storm Water and Roading and Footpaths) where consideration is given to consequences arising from climate change. In particular the consequences of new capital work occurring in areas with the potential to be impacted by climate change.

Given the initiatives already in progress to address the potential effects of climate change, it is considered there will be minimal impact over the 10 year period of the LTP. However, a distinguishing feature of climate change-related risks is that the underlying risks themselves change over time. In addition, ongoing research will continue to add to the understanding of the potential impacts of climate change. This means that from time to time the Council may need to reconfirm that our infrastructure and services will perform in future climatic conditions.

Through the LTP and asset management planning process, Waitomo District Council indicates what level of event they are to withstand (in the case of network infrastructure) and this is reflected in Council’s Infrastructure Strategy which has a 30 year planning horizon. The strategy explicitly considers the resilience of infrastructure in the event of natural disasters, identifies and provides for the management of risks relating to such disasters, and makes appropriate financial provision for those risks.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
1. The impacts of climate change will be minimal over the LTP planning period.	Medium	Low

## 2. Technological change

The evolution of information and communications technology is changing the way people live their lives and provides new opportunities for local government to improve the delivery of local services and the way we govern our communities. Technology companies launch new products every day, and implications of a new launch may not always be apparent and the pace of change can be bewildering. These new technologies can enhance local authorities’ ability to deliver services through providing opportunities to increase efficiencies and effectiveness, but can also be disruptive – that is, where a new technology either displaces and existing technology or creates an entirely new industry, for example the creation of email, which has largely displaced letter-writing as a means of communication with dramatic consequences for the postal service.

Society of Local Government Managers (SOLGM) has developed a useful guidance document for NZ Councils, ‘Fit for the digital future’ (2015), which goes into detail of ten of the most likely enhancing or disrupting technologies on the horizon for local government. These are:

- **Unmanned vehicles** - vehicles that operate autonomously from human control, i.e. unmanned aerial vehicles (or drones) and driverless vehicles.
- **3D printing** - the creation of a physical object from a three-dimensional model, typically by laying down small layers of composite until the physical object is complete.
- **Mobile devices** - computers designed for transportation while in use, enabling use in a variety of locations.
- **Wearable technology** - computing devices worn on the body or incorporated into it.
- **Augmented reality** - the overlay of computer generated sensory input (such as graphics) over a live direct or indirect view of the physical world.
- **Electric vehicles** - vehicles that wholly or partly depend on electrical energy for motive power as opposed to internal combustion. While not an emergent technology in and of itself, advances in battery technology are making electric vehicles a more economic and more available alternative.
- **Renewable electricity and distributed generation** - renewable energy is the generation of energy from sources that are not 'used' up in the conversion to electric energy, or are replaceable. Examples include solar, wind, and geothermal.
- **The Internet of Things (IoT)** - a network of physical objects that measure either the object's internal state or some factor in the external environment. The objects are equipped with transmission capability and connected to a monitoring agency via the internet.
- **Big data** - the creation of datasets that have a high number of observation points and/ or a high velocity of creation and transmission and/or a high degree of complexity.
- **Cloud computing** - using a remote server or servers hosted on the Internet to store, manage and process data, rather than a local server or a personal computer.

It is important to note that while the above emerging technology could either enhance or disrupt local government function, it is the nature of technology that some of the downstream effects of innovation can be unexpected, and this uncertainty is where the potential for risk lies.

Technological change is, for the purposes of these 2018-28 long term planning assumptions, a low-medium risk for Waitomo District Council. Council assesses new technologies and processes as part of procurement and RFP processes, to identify new technology which could enhance service delivery. This means that Council can control its internal uptake of technology in delivering services, whilst keeping an eye out for opportunities to enhance service delivery.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
2. That the impact of technological change or disruption will not adversely affect Councils ability to deliver services	Low - Medium	Low

### 3. Future price changes - rates of inflation

The Society of Local Government Managers (SOLGM) commission a regular study by Business and Economic Research Limited (BERL) to develop price level change adjustors for local authorities to use in estimating their future year expenses. BERL uses the following category adjustors to provide inflation forecasts, which have been updated from previous years:

CATEGORY ADJUSTOR	RELATED PRICES INDICES
1. Planning and Regulation	<ul style="list-style-type: none"> <li>• Local government sector salaries and wages</li> <li>• Local government administration PPI (Producer Price Index)</li> <li>• Earthmoving and site work CGI (Capital Goods Index)</li> <li>• Pipelines CGI</li> <li>• Reclamation and river control CGI</li> </ul>
2. Roading	<ul style="list-style-type: none"> <li>• Private sector salaries and wages</li> <li>• Earthmoving and site work CGI</li> <li>• Local government administration PPI</li> </ul>
3. Transport	<ul style="list-style-type: none"> <li>• Local government sector salaries and wages</li> <li>• Earthmoving and site work CGI</li> <li>• Local government administration PPI</li> </ul>
4. Community Activities	<ul style="list-style-type: none"> <li>• Local government sector salaries and wages</li> <li>• Earthmoving and site work CGI</li> <li>• Arts and recreation services PPI</li> </ul>



CATEGORY ADJUSTOR	RELATED PRICES INDICES
5. Water and Environmental Management	<ul style="list-style-type: none"> <li>Local government sector salaries and wages</li> <li>Earthmoving and site work CGI</li> <li>Pipelines CGI</li> <li>Reclamation and river control CGI</li> <li>Water, sewer, drainage, and waste services PPI</li> </ul>

The following table shows the inflation forecasts reflected in the report for each significant adjustor impacting on local authorities through to 2028. Inflation adjustments have been applied for years 2-10 of the planning period. The adjustors in the table below are based on the BERL adjustors, updated in September 2017.

PLANNING YEAR	CATEGORY ADJUSTOR				PRICE INDICES		OVERALL LOCAL GOVERNMENT COST INDEX (LGCI)
	Planning and regulation	Roading	Community activities	Water and Environmental	All salary and wage rates - Local Government	Local Government administration	
2018/19	2.0%	2.0%	1.7%	2.3%	1.6%	2.1%	2.0%
2019/20	2.1%	2.2%	2.0%	2.5%	1.6%	2.0%	2.2%
2020/21	2.1%	2.2%	2.1%	2.3%	1.7%	2.0%	2.2%
2021/22	2.1%	2.3%	2.1%	2.4%	1.8%	2.1%	2.2%
2022/23	2.2%	2.4%	2.2%	2.4%	1.8%	2.2%	2.3%
2023/24	2.3%	2.4%	2.3%	2.5%	1.9%	2.3%	2.3%
2024/25	2.3%	2.5%	2.3%	2.6%	1.9%	2.3%	2.4%
2025/26	2.4%	2.6%	2.4%	2.6%	2.0%	2.4%	2.5%
2026/27	2.4%	2.7%	2.4%	2.7%	2.0%	2.5%	2.6%
2027/28	2.5%	2.8%	2.6%	2.8%	2.1%	2.5%	2.7%

The inflation adjustments will be applied to both capital and operational expenditure in the first instance by category adjustor, otherwise by price indices. The Local Government Cost Index is generally applied to thresholds for small community assistance subsidies for rating purposes.

The inflation assumptions have been applied to both capital and operating cost forecasts as the indices include a combined forecast of operating and capital costs. Because of this combination in the composition of the indices, they may either understate or overstate changes in the prices of operating and capital expenditure.

**Adjustment assumptions have been made for the following revenue categories:**

- Dividends from Investments – no adjustment
- Subsidies for all other funding agencies including the NZ Transport Authority – the amount is determined by the relevant funding agency. The “Roading” adjustor has been applied to the roads expenditure prior to the NZTA subsidy calculation being made, no additional index has been applied to the NZTA subsidy
- Property revenue – adjustments are applied using the “Community activities” adjustor
- Stormwater, Wastewater and Water Supply (excluding metered water revenue) - adjustments are applied using the “Water and Environmental” category

The above inflation forecasts do not make allowance for spikes in pricing that traditionally occur during re-tendering or renewal processes for medium to long term operating and maintenance contracts. These movements can be as large as 10% in the year immediately following contract re-tendering/renewal, due partly to the inherent increase in levels of service that is introduced to contract specifications, either consciously as a change to the scope of works or as a consequence of contract interpretation over previous years.

Rates of inflation greater than those assumed will impact in particular on future cost estimates and the ability of the community to afford the consequential rate increases. This can be mitigated by revising budget estimates in conjunction with preparation of each Annual Plan and inflation estimates when the LTP is reviewed every three years.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
3. Actual rates of inflation will be within the range tabulated.	Low	Low

#### 4. NZ Transport Agency financial assistance rates

Co-investment in Roading (subsidy) from NZTA is Council's largest single source of revenue after rates. The amended subsidy levels for 2018/19 year onwards have been advised by NZTA. The funding assistance rates for Council for the 2018-21 National Land Transport Programme (NLTP) period, and moving forward are set out in the table below:

NORMAL FUNDING ASSISTANCE RATES FOR THE 2018-22 NLTP				
2018/19	2019/20	2020/21	2021/22 onwards	
73%	73%	73%	73%	

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
4. NZ Transport Agency financial assistance rates will continue at the levels set out by NZTA.	Low	Medium

#### 5. Expected interest rates on borrowing

New Zealand's economy has been performing well in recent times, however inflationary pressures are subdued and the Reserve Bank has kept the Official Cash Rate (OCR) low for a considerable length of time. Council has benefited from this with reduced interest costs on its borrowings.

In April 2017 Council joined the Local Government Funding Authority (LGFA) as a borrower and guarantor and borrows substantially all its debt funding needs through this agency. The LGFA is a debt accumulation entity for local authorities and through its capital structure and cross guarantees enjoys the same credit rating as the NZ Government. It can therefore lend to its local government members at very favourable rates and in many instances at better rates than if the local authority was to borrow in its own name. For Council, the estimated savings in interest rate margin at the time of transfer is estimated at 0.40% and the maturities of the debt significantly extended, which goes some way to match the long life nature of assets being funded.

There continues to be a mixed view of where interest rates will go throughout the planning period; the Reserve Bank is not expecting rates to increase until June 2019 but the market is expecting a gradual increase starting from September 2017 to June 2019 of 1.70%.

For planning purposes, the interest rate assumed is 5.50% for the first three years to June 2021 and 6.0% for the remaining seven years to June 2028. The LTP 2015-25 assumed a rate of 6.25% for the first two years and 6.50% thereafter. For the first three years the reasons for the reduced rates assumed is due to the savings in interest rates achieved through joining the LGFA and reduced underlying interest rates which continue to prevail in the market. A higher interest rate would increase the rating requirement. However, Council considers that this assumption carries a low risk as there is no indication at this time that the interest rates used will be exceeded.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
5. The annual interest cost on borrowings will be 5.5% over the first three years and 6.0% over years 4-10.	Medium	Low

#### 6. Central Government changes to policy or legislation

Council has assumed that Central Government will provide a reasonably stable statutory and policy framework for local government. However, Council is aware that further changes to the Local Government Act 2002 may occur in the short to medium term. For this reason the level of uncertainty has been increased to medium-high and the impact on the integrity of the LTP has been assessed as medium.

Successive governments have had a record of imposing additional responsibilities and costs on local government without associated funding, however the planning framework assumes Waitomo District Council will continue to provide for community needs in its present form.

Central Government has made changes and flagged further changes to the New Zealand Emissions Trading Scheme (ETS) and that several decisions have been made in principle which will affect the ETS in the 2020s, within the life of this plan, including:

- introduce auctioning of units, to align the NZ ETS to our climate change targets
- limit participants' use of international units when the NZ ETS reopens to international carbon markets
- develop a different price ceiling to eventually replace the current \$25 fixed price option
- coordinate decisions on the supply settings in the NZ ETS over a rolling five-year period

While this does not affect how Council participates with the ETS in the short term and these decisions will involve further work and consultation before any implementation occurs, it is still important to note that changes in this space will have financial implications for Council, for example the cost of units. Council will keep a watching brief on this work, as there is a great deal of uncertainty about how these changes will impact on the price and supply of carbon credits in the future.

Currently carbon credits are trading for around \$20.00 per unit. Since 2014 the cost of purchasing carbon credits for WDC has totalled \$205,000 with prices per unit ranging from \$0.10 to \$11.40. At the current purchase price there may be a significant increase in the cost of purchasing carbon units moving forward.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
6. Impact of Central Government changes to policy or legislation on local government income or expenditure.	Medium-High	Medium

## 7. Other External Funding

### Petrol Tax

Petrol tax revenue is received by local authorities on the basis of returns submitted by oil companies on petrol and diesel distribution. Historically the value of petrol tax revenue has remained relatively static and therefore a petrol tax revenue budget of \$125,000 has been assumed for the life of the plan. This revenue is indexed using the “Roading” cost adjutor.

### Other External Funding

Where an external funding source is available such as grants or subsidies from central government or other parties, WDC will seek to apply for funding to assist with the provision of operational or capital expenditure program.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
7. Government funding will continue at current levels.	Low	Low

## 8. Projected growth change factors

Rationale Limited was engaged to review and develop growth projections for WDC in June 2017. This work was commissioned as a continuation of the collaborative project with Matamata-Piako District Council, Hauraki District Council and Thames-Coromandel District Council, with similar deliverables across all councils. The purpose of the review was to provide population, dwelling and rating unit projections out to 2048. The projections consider elements such as historical and current trends, relevant land-use policies, and relevant national, regional and local level drivers.

It is important to note that projections are an indication of the future characteristics of a population, and are based on an assessment of past trends and assumptions (e.g. fertility, mortality, migration). Projections are models based on input data, available knowledge and expert assumptions. The projections represent only one possible, albeit plausible, future. Demographics and economies are complex systems characterised by multi-scale dynamic feedbacks which cannot be predicted. For this reason, it is not possible to fully quantify the uncertainty associated with the projections.

Regarding the population structure, the district has a similar age profile to the rest of New Zealand. In 2013 the proportion of people aged 20 to 44 was lower than the rest of New Zealand however the proportion of people aged below 15 was higher. The proportion of people aged over 65 is projected to increase from 13% in 2013 to over 25% in 2048 and the number of people aged between 15 and 64 years of age is projected to decrease. This may have a flow-on effect to the

make-up of the work force in the district. Factors such as the aging population contribute to a decline in the average household size, decreasing from around 2.6 residents per household in 2013 to under 2.3 in 2048.

In terms of geographic spread of growth, the Te Kuiti Ward is expected to experience a population decline and only small growth in dwellings. The population and number of dwellings is projected to grow in the Waitomo Rural Ward. The number of unoccupied dwellings increases significantly in Te Kuiti due to the declining population.

Population and dwelling growth flows through to rating units. The district's rating units are predominantly Residential and Residential Lifestyle, with nearly two thirds of the total rating units falling under these two categories. Therefore, any rating unit growth is heavily dependent on dwelling growth. The number of Commercial and Industry rating units is projected to increase in Mokauiti, Piopio, and Te Kuiti with no growth elsewhere.

OUTPUT	2013	2018	2028	2038	2048	CHANGE (TO 2048)	AVERAGE ANNUAL CHANGE	ANNUAL AVERAGE GROWTH RATE
Resident Population	9,340	9,810	9,650	9,120	8,420	-920	-26	-0.3%
Total Dwellings	4,224	4,377	4,522	4,644	4,863	639	18	0.4%

*Key Results -medium growth scenario*

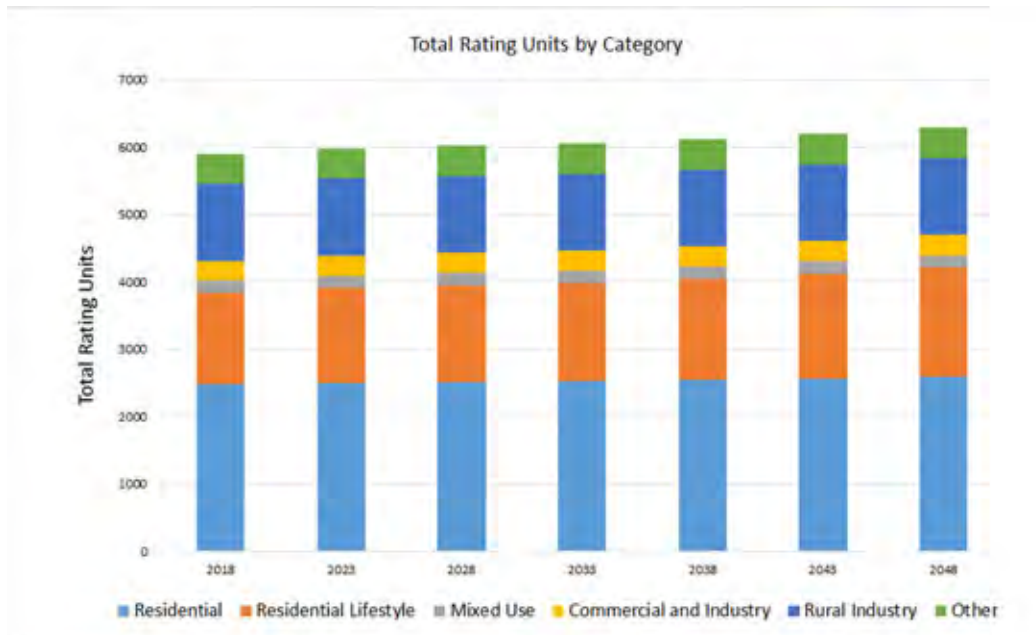
- **Population** - Under this scenario, the district's population decreases at a lower rate than over the past 12 years, around 26 people or -0.3% per year. The population is projected to peak in 2018 but decline from there at increasingly greater rates. The population in the Waitomo Rural Ward increases by 2 people per year with the population in the Te Kuiti Ward declining by 28 people or -0.7% per year.
- **Dwellings** - The dwelling growth that flows from the above population is approximately double the dwelling growth under the low scenario. It is also 20% higher than the historical growth rate. The proportion of occupied dwellings decrease from 82% in 2013 to 74% in 2048. The number of dwellings in the Waitomo Rural Ward is projected to increase at a higher rate than the Te Kuiti Ward, at 16 and 2 dwellings per year respectively.
- **Overall** - This scenario is the closest to recent trends and is therefore considered to be the most realistic. It provides a conservatively optimistic midpoint between the construction boom of the mid 2000s and the general economic uncertainty following the global financial crisis.

## Current Pattern of Building and Subdivisional Development

As stated in the previous section, the population change for the District is projected to be in decline, while the dwelling and rating units is projected to grow slightly. Historic trends of pockets of sub divisional and building activity in the form of modest lifestyle development around Te Kuiti, Waitomo Village, Mokau, and Awakino are slowing. The sub divisional activity that was occurring in and around the Te Waitere area has also slowed in recent years.

## Future Subdivisional Activity

The graph below shows the projected growth in rating units within the district sorted by category. As mentioned above, this shows the district's reliance on residential rating units - nearly two thirds of the total rating units are in the Residential or Residential Lifestyle category. Rural Industry rating units are around 20% of the total rating units. The remainder is spread between Commercial and Industry, Mixed Use, and Other rating units, each making up less than 10% of the total.



The demographic and development trends show that there is no demand for growth related infrastructure at the present time or in the foreseeable future. For the past few years Council has been working on improving the condition of its core infrastructure assets, particularly in the Water Supply and Sewerage activity areas, in order to support public health outcomes and to meet its resource consent and other legislative requirements.

The National Policy Statement for Urban Development Capacity 2016 (NPS-UDC) requires Councils to provide sufficient development capacity in their resource management plans for housing and business growth to meet demand. Development capacity refers to the amount of development allowed by zoning and regulations in plans that is supported by infrastructure. Sufficient development capacity is necessary for urban land and development markets to function efficiently in order to meet community needs. In well-functioning markets, the supply of land, housing and business space matches demand at efficient (more affordable) prices.

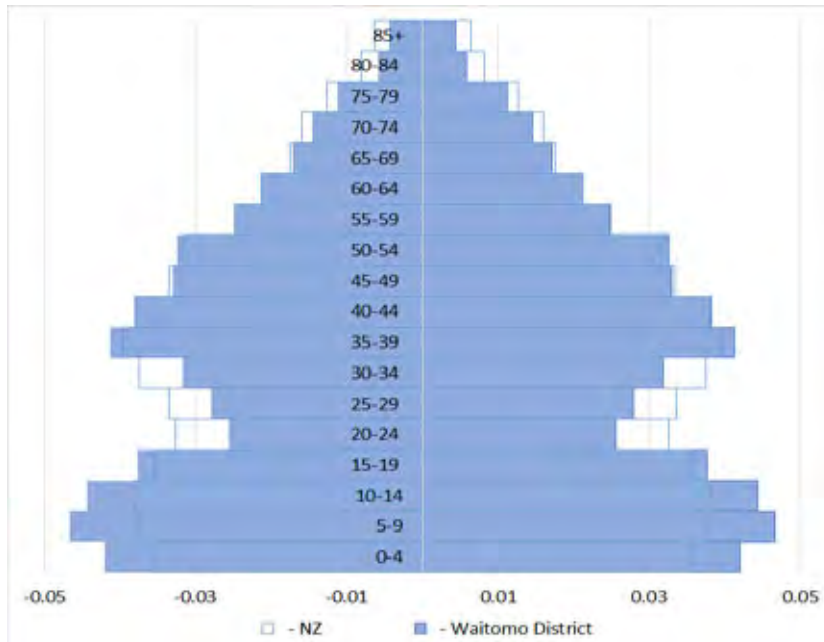
The growth and development trends support an approach of continuing to upgrade and maintain existing assets as opposed to the development of new capacity driven infrastructure. There is currently enough capacity in the infrastructure network to allow for minimal growth should it occur. Council does not anticipate any significant land-use changes during the period of the 2018-28 LTP.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
8. The impact of population change has been adequately provided for in the financial estimates.	Low	Low

### 9. Potential societal change factors

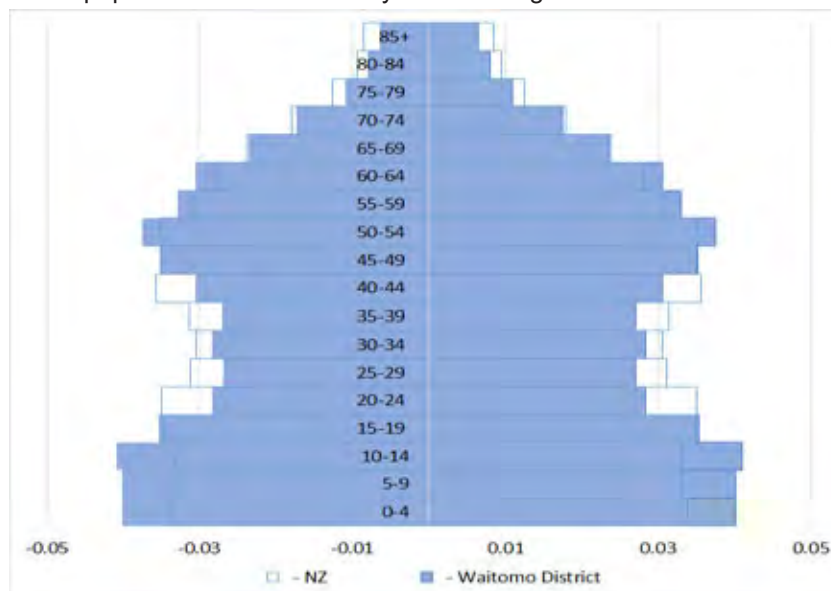
The following age pyramids show the district's resident population in five year age groups, for both 2001 and 2013 in relation to the age distribution of New Zealand. 0-4 year olds are at the base of the pyramid and the over 85 year olds are at the top. Typically, age pyramids show the male/female population split but that level of detail is not necessary for this review. To calculate the total proportion in an age bracket, the two sides of the vertical axis need to be added together ignoring the negative sign.

The first pyramid shows that the district had a higher proportion of children and teenagers than the rest of New Zealand in 2001. The proportion of the district's population in the 20 to 34 year old and retirement age categories was lower than the rest of New Zealand.



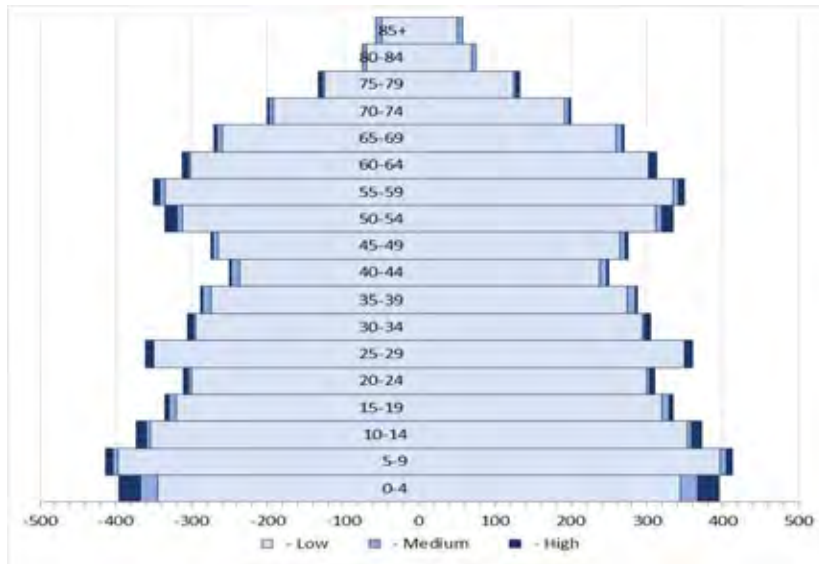
Pyramid one: 2001 age pyramid, the district compared to New Zealand

The 2013 pyramid shows that like 2001, the district had a higher proportion of children and teenagers than the rest of New Zealand. The proportion of the population in the 50 to 64 year old categories was also above the national average.

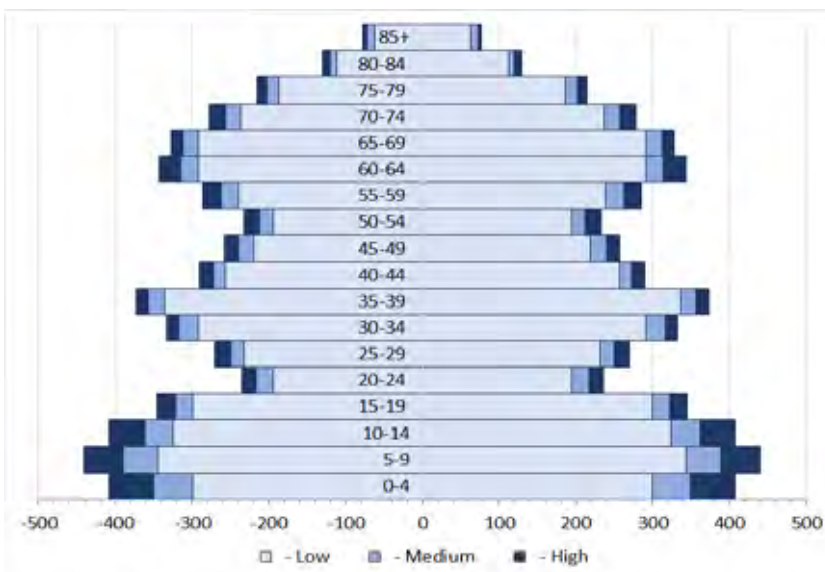


Pyramid two: 2013 age pyramid, the district compared to New Zealand

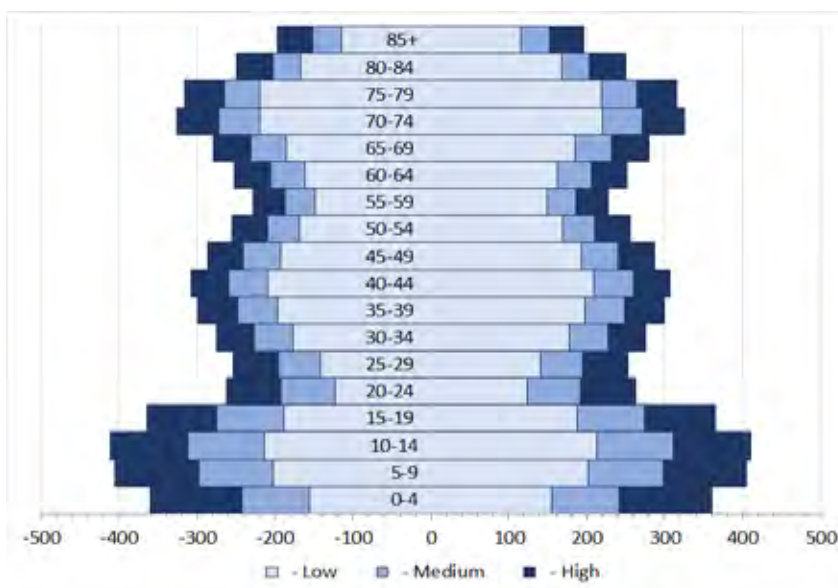
Pyramids 3, 4 and 5 below show the projected change in the district's age structure under each scenario and have been overlaid for ease of comparison. The light blue bars show the low growth scenario, darker blue the medium growth scenario and navy the high growth scenario (the widest bars). These pyramids below show the actual population numbers in each age group, rather than a percentage of the total population. The medium scenario is the one adopted by Council.



Pyramid three: District wide age pyramid projection for 2018



Pyramid four: District wide age pyramid projection for 2028



Pyramid five: District wide age pyramid projection for 2048

The key points are:

- The age pyramid shows a similar distribution of age groups for each scenario, with only the projected total population differing.
- The trend toward an aging population continues under all scenarios. The proportion of people aged 65+ is forecast to increase from 13% in 2013 to between 25% and 29% by 2048.
- The proportion of the population under 15 years of age is forecast to decline from around 24% in 2013 to between 17% and 23% in 2048.

The result of this changing age structure is that the proportion of people aged between 15 and 64 years of age is forecast to decline from 63% to around 53%. This results in a net decrease in the number of people in this age group under all scenarios. This may have a flow-on effect to the make-up of the work force in the district. Council considers these changes have been adequately catered for in its 2018-28 LTP. Any departure from this assumption can be addressed during the 3-yearly review of the Plan.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
9. The impacts of societal changes and population structure have been adequately provided for in the financial estimates.	Low	Low

### 10. Forecast return on investments

The annual return on Council's investment in ICL is assessed at zero for year 1, \$350,000 for year 2 and thereafter increasing by \$50,000 per annum over the remaining period. Surplus investment income will be utilised to accelerate retirement of term debt.

Planning for the 2018-28 period assumes that if the forecast income from Council's investment in ICL is not received, then of itself this factor will not have a material impact on the LTP.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
10. The annual return on investments is assessed at zero for year 1, \$350k for year 2 and thereafter increasing by \$50k per annum over the remaining period.	Medium	Low

### 11. Credit rating of investment organisations

The global recession of 2008 highlighted the vulnerability of lending institutions to slumps in the economy of major countries. An understandable reaction at an international level has been a tightening of lending provisions including more stringent assessment of the credit ratings of potential borrowers. In Council's case, its credit rating is secure through its ability to generate an income from rates.

In the case of its term investments, the risk is mitigated by investing with credit worthy counter parties having a Standards and Poors rating of AA- or better, in accordance with Council's Policy on Investments. The borrowing options available to Council now include the bank, funding options provided by Bancorp and obtaining funds from the Local Government Funding Agency. Council considers that the risk of its investment portfolio and inability to borrow is minimal.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
11. The risk of Council's investment portfolio and inability to borrow is minimal.	Low	Low

### 12. Resource Consents

Council has assumed that the resource consents it requires for its infrastructural activities will be obtained and/or renewed within the nominated time frames with conditions that can be met within expenditure estimates.

The expenditure estimates have been prepared based on experience and trends with past consent processes and standards. If the consent conditions are more stringent than the levels of rating, debt, capital and maintenance expenditures will be higher and may require compensating reallocation of other expenditure priorities. Similarly, consent application processes that take longer than estimated could result in additional costs due to the need to extend existing operational arrangements.



The financial impact of consent issues is considered to be minor with time delays required to complete consent processes more likely to be a greater issue than additional costs over what has already been allowed for in the financial estimates.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
12. Resource consent acquisition and compliance processes are within estimated timeframes and expenditure estimates.	Low	Low

### 13. Rating Base

Rationale Limited was engaged to review and develop growth projections for WDC to be used for the 2018-28 LTP planning purposes.

The impact on the ratings units is slightly lower than the dwelling growth, around 0.2% per year. Since the expected growth forecast is minimal the impact of increase or decrease in Councils rating base over the term of 2018-28 LTP is not considered material. This assumption minimises the risk of understating average prospective rate increases. Any actual increase in rating base will help to absorb average rate increases.

Year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rating Units	5,868	5,907	5,922	5,938	5,954	5,969	5,985	5,992	6,000	6,007	6,015

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
13. Any increase in the rating base will not be material.	Low	Low

### 14. Major users of water and trade waste services

There are two major users of Council services built into the financial forecasts. This is the Water billing revenue and Trade Waste revenue received from the two large meat companies within the district. The loss of one or both could have an impact on the forecasts contained in the LTP. The underlying assumption in Council's financial forecasts is that the companies will continue to operate within the District. There is no information to suggest that this will not occur during the life of the LTP.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
14. The two major users of water and trade waste services will continue to operate within the district.	Low	Low

### 15. Transfer of ownership of any significant assets

For the purpose of the 2018-28 LTP period, Council has assumed that there will be no transfer of ownership of significant assets, although Council intends to assess its investment portfolio for optimal use as part of its regular management practice.

The owners of the water and wastewater infrastructure at Waitomo Village are currently in the process of finalising their strategic position regarding the future ownership and operation of these assets. The Council is aware and continues to be part of the discussions between the affected parties. The option of Council ownership and operation of these assets is not without merit however a detailed and clear understanding of relevant issues including the future cost to the end users is fundamental to any such decision.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
15. Impact of transfer of significant assets will be minor.	Low	Low

### 16. Vesting or disposal of assets

The scope of Council's infrastructural assets is subject to change over time as a result of vesting of new assets in Council (through subdivision activity), and disposal of redundant assets that have become obsolete or are surplus to requirements.

As can be seen from the growth change factors above, the projected increase to Council's asset base due to growth is likely to be at best modest in comparison to the current asset inventory.

The additional Council assets arising from this level of development will be in new condition and are not likely to add materially to maintenance and renewal costs over the period of this LTP. Similarly, it is assumed that the level of planned asset disposal will be minor over the period of the 2018-28 LTP.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
16. Changes to the scale of Council's asset inventory will not be material.	Low	Low

### 17. Re-valuation of non-current assets

Non-current infrastructure assets and land and buildings are revalued by an independent valuer on a at least 3-yearly basis in accordance with the Accounting Policies. Roads and Solid Waste assets were revalued at 30 June 2017 and will be likely revalued 30 June 2020. Water, Wastewater, Stormwater infrastructure land and buildings were last revalued at 30 June 2015 and will be revalued at 30 June 2018.

It has been assumed that any change in valuation will be in line with the assumed rates of inflation.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
17. Change in value of assets due to periodic revaluation will be in line with inflation.	Low	Low

Investment properties and properties held for sale are valued for financial reporting purposes only. No provision has been made in the plan for changes in value as there will be no cash flow implications or any impact on the levels of service provided by the Council's groups of activities due to the valuation.

### 18. Useful lives of significant assets

Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is included in a note on depreciation of infrastructural assets in the Statement of Accounting Policies. The useful lives assumed in the 2018-28 LTP are consistent with the NZ Infrastructure Asset Valuation and Depreciation Guidelines prepared by the National Asset Management Steering (NAMS) Group and used by experienced asset valuers.

Variations between actual and assumed useful asset lives will impact on the relevant asset replacement programme, with the overall financial effect expected to be self-balancing. This will be reviewed on a 3-yearly basis in line with the LTP planning cycle to ensure depreciation funding is in line with asset renewal requirements and priorities adjusted accordingly.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
18. Assumed lives for Council's assets will have minimum impact on financial estimates.	Low	Low

### 19. Sources of funding for the future replacement of significant assets

The funding needed for the future replacement of significant assets is set by Council's Revenue and Financing Policy. Renewing an existing asset extends the lifetime of such asset and is therefore capital expenditure. The Revenue and Financing Policy for funding of capital expenditure states that the following sources are available for Council to fund capital expenditure:

- Grants and subsidies
- Loans
- Rates
- Proceeds from asset sales
- Depreciation Reserves
- Financial contributions under the Resource Management Act (able to be collected until 2022)
- Development Contributions under the Local Government Act
- Other

Loan funding (borrowing) is managed by the provisions of Council’s Treasury Policy. The prospective financial statements, including the Statement of Public Debt, provide a forecast of public debt levels associated with loan funding. Financial contributions (able to be collected until 2022) as detailed in Council’s District Plan do not apply to the funding of replacement expenditure.

Council has assumed that depreciation reserves and subsidies will generally be adequate to fund asset renewal expenditure.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
19. Depreciation reserves and subsidies will generally be adequate to fund asset renewal expenditure.	Low	Low

## 20. Development/Financial Contributions

Council will consider the applicability and development of a Development Contributions Policy as part the review of the District Plan. It has been assumed that capital outlay to cater for growth will not occur until there is evidence that the assumed growth is taking place. The growth projections indicate that there is likely to be a small amount of growth in dwellings and in rating units, despite a decrease in population. However, this is, over the 30 year projection, less than 0.5% change across these measures, therefore general stability can be anticipated and the impact of growth is assumed to be low.

The 2017 amendments to the Resource Management Act 1991 will remove Council’s ability to collect financial contributions from April 2022, therefore in order to offset growth related capital expenditure, Council will need to use development contributions from 2022.

ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
20. No material growth related capital expenditure is expected.	Low	Low



WAIKAWAU TUNNEL

# Governance: Leadership and Investments

## What we do

This group comprises the Leadership and Investments activities.

## LEADERSHIP

This activity includes the preparation of policies guiding strategic direction and strategic financial decisions. There are two functions under the Leadership activity:

- Representation
- Planning and Policy and Monitoring

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

## Representation

This function involves the provision of leadership and governance for the District through the Mayor's Office and the Council/Committee structure.

The key forum for collaborative working between Councils in the Waikato Region is the Waikato Mayoral Forum (WMF).

## Planning and Policy and Monitoring

Policy development arising from this function provides the framework for Council's strategic direction.

This involves carrying out long term and annual planning for the District and producing plans which reflect the Council's role and level of involvement in achieving the Community Outcomes.

After each financial year the Council is required to prepare an Annual Report setting out information on the level of achievement against the key financial and non-financial performance targets for the year ended 30 June. The

Annual Plan identifies what the Council plans to do over the next 12 months. The Annual Report explains what actually took place and the financial position at year end. This activity also involves our engagement with the District communities.

## INVESTMENTS

### Council Controlled Organisations

*Investment in Waikato Local Authority Shared Services (WLASS)*

The Council has an equal share with each of the 12 local authorities situated within the boundaries of the Waikato region, in WLASS Ltd. The principal objective for the Company is to provide 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 four of these being operational. The quarries are a major source of aggregate in supporting road construction and development within the District.

### Other Entities

*Investment in Civic Financial Services Ltd*

Civic Financial Services 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.

## Community Outcomes and Strategic Goals

### LEADERSHIP

#### Outcomes the Group contributes to:

*Effective leadership*



#### Strategic Goals

*To exercise good stewardship and leadership and ensure that community and stakeholder's views on key issues are considered as part of decision making processes.*

*Policies and plans are integrated and promote the principles of sustainable development.*

### INVESTMENTS

#### Outcomes the Group contributes to:

*Effective leadership*



#### Strategic Goals

*To ensure that the long term management of the Investment portfolio maximises returns and wherever possible increases economic value of the investment to the community.*

- Conduct its business in an open, transparent, and democratically accountable manner; and give effect to its identified priorities and desired outcomes in an efficient and effective manner.
- Seek and consider the views of its communities and their well-being in decision-making.
- Provide opportunities for Maori to contribute in decision making.
- Collaborate with other organisations to promote or achieve its priorities and desired outcomes, and make efficient use of resources.
- Ensure prudent financial and asset stewardship in accordance with sound business practice.
- Provide for the present and future needs of the District by considering the interests of the community.

The Investments rationale for service delivery is to promote economic and community interests by providing resources, to provide for growth in the community and affordable systems to enable Council to assist in creating a prosperous district.

#### The investments have two major purposes:

- To benefit the Community
- To generate income

## Guiding Legislation, Plans and Documents

LEGISLATION	PLANS AND DOCUMENTS
<b>LEADERSHIP</b>	
Local Government Act 2002	Delegations Manual
Local Government Official Information and Meetings Act 1987	
Local Electoral Act 2001	
Local Government Rating Act 2002	
<b>INVESTMENTS</b>	
Companies Act 1993	Annual Statements of Intent
Financial Reporting Act 2013	District Plan
Forests Act 1949	Treasury Policy
Local Government Act 2002	Significance and Engagement Policy
Reserves Act 1977	
Resource Management Act 1991	

## Why we do it

The Leadership rationale for service delivery is to promote the interests of the community by facilitating governance, democratic processes, and corporate planning in a sustainable development context.

Council's Leadership is guided by the role and principles of local government as stated in part two of the Local Government Act 2002 (LGA 2002).

#### The following provisions guide Council:

- Council's activities are to be exercised for the benefit of the District

## Significant Negative Effects

NEGATIVE EFFECTS	MITIGATION
<b>LEADERSHIP</b>	
It is possible that decisions made for the community sometimes have a negative impact on the well-being of some individuals and groups within the District.	<p>Council tries to ensure that it adequately weighs up the competing demands of the different interest groups and makes decisions that will be in the best interests of the District as a whole.</p> <p>Council also follows the guidance provided by the Local Government Act 2002 on conducting transparent consultation.</p>
<b>INVESTMENTS</b>	
Opportunities for private investors lessened through WDC company involvement.	The CCO operates as a separate entity and bids in the open market.
Quarrying operations impacting on the environment.	Quarrying activities are carried out in cognizance of environmental impact.

## Looking Ahead, Key Projects and Programmes

Council will continue to fulfil its statutory role in the District by preparing and consulting on the relevant plans. In fulfilling this obligation Council will pursue its vision to create a better future with vibrant communities and thriving business.

- Draft, consult and adopt the 2021-31 Long Term Plan.
- Draft, consult and adopt Annual Plans in interim years of LTP development.
- Prepare Annual Reports for each year demonstrating performance against the plans set in each Annual Plan.
- Conduct the Triennial Local Government elections every three years beginning October 2019.
- Prepare Triennial Agreements with Waikato and Manawatu – Wanganui Regional Councils no later than 1 March following each triennial election.
- Undertake a review and update of Council's Governance Statement by February following each triennial election.
- Undertake a review of Council's Code of Conduct by the end of November following each triennial election.
- 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.
- Review of Council's investments.



WAITOMO DISTRICT COUNCIL OFFICE

## 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					
		2016/17 Target/ Result	2017/18 Target	Year 1 Target 2018/19	Year 2 Target 2019/20	Year 3 Target 2020/21	Year 4-10 Target 2021-28
<b>GOVERNANCE: LEADERSHIP AND INVESTMENTS</b>							
Decision making in compliance with provisions of the Local Government Act 2002.	Number of successful challenges to the decision making process.	0 / Achieved (0)	0	0	0	0	0
Consultation is in accordance with the procedures outlined in LGA 2002. Depending on the nature of the consultation, the procedure will either be the Special Consultative Procedure or a process that gives effect to the requirements of section 82 of the LGA 2002.	Number of successful challenges to the decision making process.	0 / Achieved (0)	0	0	0	0	0
Effective communication with the community.	Percentage of residents satisfied with the effectiveness and usefulness of Council communications.	≥ 60% / Achieved (95%)	≥ 60%	90%	90%	90%	90%
Investments are managed prudently and in a manner that promotes the current and future interests of the community.	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 / Achieved (>2)	2 reports per year	2 reports per year	2 reports per year	2 reports per year	2 reports per year

## Activity Funding

This group will be funded from:

- General Rate
- Uniform Annual General Charge (UAGC)

*Details of, and the rationale for, the above funding method is contained in Council's Revenue and Financing Policy (see Section D).*



Te Tokanganui-A-Noho Meeting House, Te Kūiti.

## Estimated Cost of Service Statement for Leadership

(\$000's)	EAP 17/18	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
<b>Operating Income</b>											
Representation	479	431	439	448	458	468	478	489	501	513	527
Investments	103	77	408	459	510	561	613	664	716	767	819
Treasury Management and Over-head Accounts	10	12	12	12	13	13	13	14	14	14	15
<b>Total Operating Income</b>	<b>592</b>	<b>520</b>	<b>859</b>	<b>919</b>	<b>981</b>	<b>1,042</b>	<b>1,104</b>	<b>1,167</b>	<b>1,231</b>	<b>1,294</b>	<b>1,361</b>
<b>Operating Expenditure</b>											
Representation	734	767	761	777	805	806	840	881	873	900	932
Planning and Policy and Monitoring	1,114	920	943	1,047	974	1,020	1,123	1,071	1,098	1,215	1,134
District and Urban Development	928	0	0	0	0	0	0	0	0	0	0
Investments	686	583	521	497	527	500	496	477	495	484	504
Treasury Management and Over-head Accounts	10	12	12	12	13	13	13	14	14	14	15
<b>Total Operating Expenditure</b>	<b>3,472</b>	<b>2,282</b>	<b>2,237</b>	<b>2,333</b>	<b>2,319</b>	<b>2,339</b>	<b>2,472</b>	<b>2,443</b>	<b>2,480</b>	<b>2,613</b>	<b>2,585</b>
<b>Net Operating Cost/(Surplus)</b>	<b>2,880</b>	<b>1,762</b>	<b>1,378</b>	<b>1,414</b>	<b>1,338</b>	<b>1,297</b>	<b>1,368</b>	<b>1,276</b>	<b>1,249</b>	<b>1,319</b>	<b>1,224</b>
<b>Capital Expenditure</b>											
Investments	105	0	41	42	43	43	44	45	47	48	49
Treasury Management and Over-head Accounts	531	860	917	651	502	979	812	728	739	714	932
<b>Total Capital Expenditure</b>	<b>636</b>	<b>860</b>	<b>958</b>	<b>693</b>	<b>545</b>	<b>1,022</b>	<b>856</b>	<b>773</b>	<b>786</b>	<b>762</b>	<b>981</b>
<b>Net Expenditure for Activity</b>	<b>3,516</b>	<b>2,622</b>	<b>2,336</b>	<b>2,107</b>	<b>1,883</b>	<b>2,319</b>	<b>2,224</b>	<b>2,049</b>	<b>2,035</b>	<b>2,081</b>	<b>2,205</b>
<b>Funded By</b>											
External Loan Repayments	0	0	(350)	(400)	(450)	(500)	(550)	(600)	(650)	(700)	(750)
Internal Loans	1,033	0	0	0	0	0	0	0	0	0	0
Reserves	669	860	918	651	503	977	810	727	741	715	931
General Rates	908	994	884	928	915	921	982	961	972	1,033	1,012
UAGC	906	768	884	928	915	921	982	961	972	1,033	1,012
<b>Total Funding</b>	<b>3,516</b>	<b>2,622</b>	<b>2,336</b>	<b>2,107</b>	<b>1,883</b>	<b>2,319</b>	<b>2,224</b>	<b>2,049</b>	<b>2,035</b>	<b>2,081</b>	<b>2,205</b>
Depreciation and Amortisation Expense	495	489	534	499	540	598	736	829	841	755	790



# Community Services

## 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 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 of our communities. 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 to support and fulfill Council's role in promoting the interests of the community. Council provides some 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, WDC Depots, Quarries, Te Kuiti Railway Hub and General Property (includes miscellaneous and strategic land holdings).

### Recreation and Culture

This activity involves the provision of recreation and cultural opportunities to support the health and well-being of the community.

Facilities are provided for:

- sport and recreational events,
- low-cost visitor accommodation in the form of camping grounds; and
- key historic features are protected.

The different groups of recreation and cultural assets that provide leisure and recreational opportunities for residents and visitors are Waitomo District Aquatic Centre, Aerodrome, Reserve and Community facilities, Campgrounds, Les Munro Centre and the Waitomo District Library. Assisted voluntary community libraries are located in Awakino, Mokau, and Benneydale.

### Public Amenities

This activity involves the following functions:

- Cemeteries, that provide areas for burials in an appropriate manner.

- Public Toilets, that provide toilet facilities that are safe, hygienic and conveniently located.
- Public Car Parks, that provide convenient parking in the main towns for shoppers and users of Council facilities.
- Street Furniture/Amenity Areas – located in convenient locations and increase the amenity of towns and other areas.
- CCTV System - providing security to the central business area of Te Kuiti.

### Safety

This activity involves the administration of the Civil Defence function; to coordinate a response to an emergency, and to manage recovery in the District.

## Community Outcomes and Strategic Goals

**COMMUNITY SERVICES**

**Outcomes the Group contributes to:**

*Vibrant communities*



*Thriving business*



*Effective leadership*



*Sustainable Infrastructure*



**Strategic Goals**

*To ensure that Council's Community Facilities (comprising Recreation and Culture, Parks and Reserves, Public Amenities and Housing and Other Property) are provided and maintained to an acceptable standard for residents and visitors.*

Note: that the Community Services Group comprises five different activities, with each contributing in different ways to various Community Outcomes. The above table is an aggregate of the contribution the Group as a whole makes to the various Community Outcomes.

### Why we do it

#### Rationale for Service Delivery :

**Parks and Reserves Activity** - Provides 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.

**Housing and Other Property Activity** - Provides resources, places for community activities, affordable housing, preservation of history/culture and a place from which Council can undertake and support its functions.

**Recreation and Culture Activity** - Provides recreation and cultural facilities and opportunities in order to support the health, well-being and social interaction of the community.

**Public Amenities Activity** - Provides public amenities in order to support the health, security and well-being of the community.

**Safety** - Provides emergency management and rural fire services.

Council is involved in this activity in order to ensure that recreational and social housing facilities are available to protect and enhance the interests of the community.

The amenities provided can be grouped under:

- essential services, such as cemeteries
- recreational services, such as parks, reserves and District Aquatic Centre
- socio-cultural services, such as library and community halls, and Elderly Person’s Housing

The visitor industry makes a large contribution to the economy of the District and provision of recreational and socio-cultural amenities are essential to remain competitive in attracting visitors to the District.

The range of emergencies that occur in New Zealand are mostly related to flooding or earthquakes. Council must not only react to the immediate emergency to counteract the immediate effect of any disaster, but must also manage the medium and long term recovery in the District to help residents live their lives as normally as possible after an emergency.

## Guiding Legislation, Plans and Documents

LEGISLATION	PLANS AND DOCUMENTS
<b>COMMUNITY SERVICES</b>	
Local Government Act 2002	Parks and Reserves Activity Management Plan
Resource Management Act 1991	Housing and Other Property Activity Management Plan
Building Act 2004	Recreation and Culture Activity Management Plan
Burial and Cremation Act 1964	Public Amenities Activity Management Plan
Property Law Act 2007	Waitomo District Plan
Reserves Act 1977	Reserve Management Plans
Residential Tenancies Act 1986	
Health and Safety at Work Act 2015	
Airport Authorities Act 1966	
Public Works Act 1981	
Camp Ground Regulations 1985	
Land Transfer Act 1952	
Civil Defence Emergency Management Act 2002	



BENNEYDALE PUBLIC TOILETS

## Significant Negative Effects

NEGATIVE EFFECTS	MITIGATION
<b>COMMUNITY SERVICES</b>	
Increased demand on infrastructure due to visitor numbers.	A variety of reserves and open space areas are provided in each of our rural and township areas which offer opportunities and settings for physical activities.
Focus on the elderly whilst others with needs, such as people with disabilities, may be in greater need.	Provision of housing to meet the needs of the disadvantaged is addressed through Council policy regarding allocation of Council owned housing and by housing resources of Housing New Zealand.
Legislative constraints through the Public Works Act (1981) and Reserves Act (1977) can limit Council's ability to move quickly to maximise market opportunities during land dealings.	The relevant activity management plan provides the mechanism for forecasting future requirements ahead of need.
Discharge of chemicals for swimming pool water – impact on the environment.	Procedure and infrastructure in place to neutralise and safely dispose of potential contaminants.
Noise of the activity, e.g. the aerodrome.	Facilities have been located in appropriate planning zones, e.g. the airport is located in the rural zone, with sufficient buffer distance from the main population of Te Kuiti, is compatible with the nature of the operation and is protected by a designation in Council's District Plan.
Potential pollution from burial grounds.	Potential adverse effects from cemeteries are mitigated by locating cemeteries with sufficient separation distance from waterways and protecting the location and land use through an appropriate designation in Council's operative District Plan.

## Looking Ahead, Key Projects and Programmes

### Parks and Reserves

- Playground Upgrades
- Parks and Reserves Renewals
- Bridge/ Pontoon/ Jetty Renewals
- Development of Coastal Reserves
- Continued Development of Brook Park

### Housing and Other Property

- Elder Persons Housing Renewals
- Earthquake strengthening of the Queen Street Administrative and Civil Defence Building

### Recreation and Culture

- Waitomo District Library Upgrade
- Waitomo District Aquatic Centre renewals
- Aerodrome Runway Resurfacing
- Aerodrome review and upgrade

### Public Amenities Activity

- Piopio Cemetery Expansion
- Toilet Upgrades
- Te Kuiti Overbridge Renewals
- Queen Street Carpark



TE KUITI CEMETERY

## 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					
		2016/17 Target/ Result	2017/18 Target	Year 1 Target 2018/19	Year 2 Target 2019/20	Year 3 Target 2020/21	Year 4-10 Target 2021-28
High quality Parks and Reserves will be provided.	Percentage of residents satisfied with the quality of Parks and Reserves.	≥ 80% / Achieved (84%)	≥ 80%	≥ 80%	≥ 80%	≥ 80%	≥ 80%
Provision and maintenance of Elderly Persons Housing that meets the needs of the tenants.	Percentage of tenants satisfied with the provision and maintenance of Elderly Persons Housing.	> 65% / Achieved (80%)	> 65%	> 80%	>80%	> 80%	> 80%
Quality public amenities will be provided.	Percentage of residents satisfied with the quality of public amenities (Public Toilets and Cemeteries).	≥ 82% / Achieved (88%)	≥ 82%	≥ 85%	≥ 85%	≥ 85%	≥ 85%
Provision of effective pool facilities for the community.	Percentage of residents satisfied with the quality of the pool facilities and service.	≥ 75% / Achieved (88%)	≥ 77%	≥ 80%	≥ 80%	≥ 80%	≥ 80%
Provision of effective Arts and Culture facilities for the community.	Percentage of residents satisfied with the quality of the Arts and Culture facilities and service.	≥ 79% / Achieved (92%)	≥ 80%	≥ 80%	≥ 80%	≥ 80%	≥ 80%
Council's public facilities are provided to standards of fitness for use.	Current Building Warrant Of Fitness (BWOFF) for facilities with compliance schedules.	100% / Achieved (100%)	100%	100%	100%	100%	100%
Pool is safe for use of pool patrons at all times.	Pool accreditation in place.	100% / Achieved (100%)	100%	100%	100%	100%	100%
	Number of pool non complying water quality readings per year.	< 5 / Achieved (0)	< 5	< 2	< 2	< 2	< 2
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.	≥ 45% / Achieved (92%)	≥ 50%	≥ 75%	≥ 75%	≥ 75%	≥ 75%
WDC is resourced and staff trained to a level sufficient to efficiently operate the Civil Defence Headquarters during an emergency	One major training exercise involving Civil Defence HQ staff will be held per year	One exercise per year / Achieved (1)	One exercise per year	One exercise 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 / Achieved (Nil accidents)	Nil accidents	Nil accidents	Nil accidents	Nil accidents	Nil accidents

## Activity Funding

This Group will be funded from:

- General Rate
- Uniform Annual General Charge (UAGC)
- Targeted Fixed Rate (TFR)
- Fees and Charges

*Details of, and the rationale for, the above funding method is contained in Council's Revenue and Financing Policy (see Section D).*



SHEARER STATUE TE KUITI

## Estimated Cost of Service Statement for Community Service

(\$000's)	EAP 17/18	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
<b>Operating Income</b>											
Parks and Reserves	18	27	27	28	28	29	30	30	31	32	33
Housing and Other Property	290	303	309	316	323	330	337	345	353	361	371
Recreation and Culture	159	144	147	150	153	157	160	164	168	172	176
Public Amenities	56	214	218	56	57	58	60	61	63	64	66
<b>Total Operating Income</b>	<b>523</b>	<b>688</b>	<b>701</b>	<b>550</b>	<b>561</b>	<b>574</b>	<b>587</b>	<b>600</b>	<b>615</b>	<b>629</b>	<b>646</b>
<b>Operating Expenditure</b>											
Parks and Reserves	727	731	753	737	750	774	801	822	843	865	887
Housing and Other Property	1,208	1,138	1,154	984	986	1,002	1,021	1,031	1,001	1,011	1,016
Recreation and Culture	1,234	1,272	1,348	1,249	1,278	1,290	1,321	1,362	1,316	1,336	1,380
Public Amenities	1,003	1,067	1,070	1,121	1,172	1,225	1,260	1,288	1,312	1,322	1,326
Safety	144	150	153	156	160	163	167	171	176	180	184
<b>Total Operating Expenditure</b>	<b>4,316</b>	<b>4,358</b>	<b>4,478</b>	<b>4,247</b>	<b>4,346</b>	<b>4,454</b>	<b>4,570</b>	<b>4,674</b>	<b>4,648</b>	<b>4,714</b>	<b>4,793</b>
<b>Net Operating Cost/ (Surplus)</b>	<b>3,793</b>	<b>3,670</b>	<b>3,777</b>	<b>3,697</b>	<b>3,785</b>	<b>3,880</b>	<b>3,983</b>	<b>4,074</b>	<b>4,033</b>	<b>4,085</b>	<b>4,147</b>
<b>Capital Expenditure</b>											
Parks and Reserves	261	207	160	174	130	155	136	145	142	152	149
Housing and Other Property	89	51	50	39	42	40	43	42	46	44	48
Recreation and Culture	380	191	112	105	95	88	122	92	104	120	109
Public Amenities	96	519	616	347	209	37	60	38	39	40	41
Safety	5	0	0	0	0	0	0	0	0	0	0
<b>Total Capital Expenditure</b>	<b>831</b>	<b>968</b>	<b>938</b>	<b>665</b>	<b>476</b>	<b>320</b>	<b>361</b>	<b>317</b>	<b>331</b>	<b>356</b>	<b>347</b>
<b>Net Expenditure for Activity</b>	<b>4,624</b>	<b>4,638</b>	<b>4,715</b>	<b>4,362</b>	<b>4,261</b>	<b>4,200</b>	<b>4,344</b>	<b>4,391</b>	<b>4,364</b>	<b>4,441</b>	<b>4,494</b>
<b>Funded By</b>											
Internal Loans	386	402	463	365	223	51	52	53	55	56	57
Reserves	720	616	525	367	318	315	370	312	294	314	211
General Rates	1,505	1,541	1,578	1,546	1,583	1,634	1,674	1,711	1,700	1,722	1,788
UAGC	1,748	1,804	1,875	1,807	1,849	1,909	1,955	2,005	2,003	2,030	2,105
Targeted Rate - Marokopa Hall	4	4	4	4	4	0	0	0	0	0	0
Targeted Services Rate - Rural	79	81	81	82	86	88	88	93	94	96	100
Targeted Services Rate - Urban	182	190	189	191	198	203	205	217	218	223	233
<b>Total Funding</b>	<b>4,624</b>	<b>4,638</b>	<b>4,715</b>	<b>4,362</b>	<b>4,261</b>	<b>4,200</b>	<b>4,344</b>	<b>4,391</b>	<b>4,364</b>	<b>4,441</b>	<b>4,494</b>
Depreciation and Amortisation Expense	897	859	892	659	679	688	694	717	617	628	638

# Community Development

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, Tourism Development and District Promotion, District Development, Te Kuiti i-SITE Visitor Information Centre, Library Services and Customer Services. These activities form the foundation for engagement and the focus of work.

Council is focused on its vision for a vibrant and thriving Waitomo District through 'Place Making' and 'Place Shaping' initiatives.

One of Council's key 'Place Shaping' opportunities will be achieved through the Community Development portfolio. Partnership initiatives between Council and community members, community groups, organisations, businesses and others all have a common theme of promoting a better quality of life and living environment for the Waitomo District. Much can be achieved by working with others in a coordinated and collaborative way on joint activities and community projects that address our local needs and community well-being.

## What we do

The Community Development Group comprises of the following functions:

### *Community Support*

Community Support seeks to improve social outcomes within Waitomo District by working closely with the District community. The Community Support goals are to:

- Create a better quality of life for our community
- Create a better living environment for our community through community safety and appropriate infrastructure
- Encourage active engagement by improving communication and trust between Council and our community
- Help local groups with local opportunities and solutions

These goals are assisted through making grants to the community, Sister City Relationships and Youth initiatives.

### *Tourism Development and District Promotion*

Tourism is a partnership between central government, local government and the visitor industry. This activity includes; Cultural and Environmental Tourism, Regional Tourism, District Promotion and Events.

The Tourism Development and District Promotion goals are to:

- Recognise that economic, social, cultural and environmental outcomes must be mutually reinforcing
- Maintain a high quality environment
- Recognise the District's dependence on tourism, primary production and utilisation of the landscape and culture, as visitor attractions
- Provide an excellent visitor experience to those travelling to our district
- Make smart strategic decisions to support Regional Tourism outcomes within our District
- Grow the economy through visitor spend in our District

### *District Development*

District Development involves the facilitation and support of initiatives that will enhance the District's economic sustainability including:

- Supporting Regional and Economic Development opportunities and outcomes
- Supporting the implementation and ongoing operations of the Waikato Regional Economic Development Agency (WREDA)
- Support the development and implementation of the Sub-Regional (southern) Waikato Economic Action Plan
- Marketing Waitomo as a vibrant District where people want to live, work and play
- Identifying opportunities for economic development initiatives within the District
- Facilitating projects that benefit the District
- Promoting Waitomo as a visitor friendly destination where visitors can experience a variety of unique experiences
- Working with key stakeholders on urban infrastructure projects
- Identifying skill gaps and labour shortages within the District and working with training providers to better align training to business needs
- To support youth development opportunities in particular workforce related
- To ensure Council assets and provisions of services are appropriate for all ages of the community
- To maximise the benefit that visitors bring to our District

## Te Kuiti i-SITE Visitor Information Centre

The Te Kuiti i-SITE Visitor Information Centre prides itself on providing a free, friendly and objective information service to visitors and the local community. The i-SITE also plays a key role in the promotion of Te Kuiti, the community and the Waitomo District.

Our goal is to provide:

- A vibrant and customer focused information service that welcomes, informs and entertains the resident of, and visitors to the Waitomo District
- Skilled staff, trained to answer questions, give impartial advice and share information about what makes the District special with visitors and locals alike
- Promotion of the Waitomo District as a place to live, work and play

## Library Services

Public libraries provide connections to knowledge, ideas and works of the imagination, anytime, anywhere, enabling individuals to turn knowledge into value, participate as citizens and strengthen their communities.

The Waitomo District Library goals are to develop the library's vision in the following areas:

- **Balance** – Work towards finding balance within our services and resources to continue benefiting all patrons
- **Foster Lifelong Learning** – To provide the tools that will encourage growth through learning
- **Collaboration** – To collaborate with other local community groups and schools to improve patron services. This will result in resource sharing which enables the community to benefit from the more diverse and added value services available to them

## Customer Services

Customer Services involves service delivery and support to customers across three sites; Council's Administration Building (Queen Street), Waitomo District Library (Taupiri Street) and Te Kuiti i-SITE (Rora Street).

Our goals are to:

- Understand our customers and their needs
- Effectively communicate with our customers and the community
- Empower all employees to serve our customers
- Value customer satisfaction and simplify the customer experience
- Embrace technology to benefit our customers



WAITOMO DISTRICT LIBRARY

## Community Outcomes and Strategic Goals

### COMMUNITY DEVELOPMENT

Outcomes the Group contributes to:

*Vibrant communities*



*Thriving business*



*Effective leadership*



### Strategic Goals

- To support and foster a district that is caring and inclusive and provides a safe, healthy and friendly place to live, work or visit and raise a family.*
- To support the growth of economy through strategic sustainable partnerships.*
- To facilitate, advocate and promote sustainable economic development within the District.*
- To support youth development opportunities and initiatives.*



## Why we do it

### Rationale for Service Delivery:

The Community Development Group exists to provide a dedicated resource for collaborating with the community across elements of well-being. It facilitates access to many opportunities and resources available within and beyond the District in support of community outcomes.

### Guiding Legislation, Plans and Documents

LEGISLATION	PLANS AND DOCUMENTS
<b>COMMUNITY DEVELOPMENT</b>	
Local Government Act 2002	Community Development Activity Management Plan Community Development Fund Policy

- Support of the Waitomo District Youth Council and youth liaison.
- Administration of grant funding as per the Community Development Fund Policy and Rates Remission Policy.
- Promote and support an active and healthy community in partnership with Sport Waikato.
- Support the provision of strong heritage, visitor information, district promotion and public good services via the Waitomo Caves Discovery Centre and i-SITE.
- Support delivery of the Novice Driver Training Programme.
- Support the transition of community led events via an Events Fund Policy administered by WDC.
- Library system upgrade including migration to the Kotui Collaboration.
- Library book replacement programme.
- Library technology programme.
- Library carpet renewal and access improvements.
- i-SITE technology programme.
- i-SITE furniture and interior renewals.

### Significant Negative Effects

NEGATIVE EFFECTS	MITIGATION
<b>COMMUNITY DEVELOPMENT</b>	
Potential for groups to become reliant on Council funding support.	Encourage community groups to apply for funding from multiple sources.
Insufficient funding support could limit the support to community led initiatives.	



TE KUITI VISITOR INFORMATION CENTRE iSITE

### Looking Ahead, Key Projects and Programmes

- Promote and support sustainable economic development in the Waitomo District.
- Facilitate and support the Waitomo District Safe Community Programme.
- Involvement in the Waikato Regional Economic Development Agency (WREDA).
- Involvement in development and deployment of the Sub-Regional (southern) Waikato Economic Action Plan.
- Involvement in the Hamilton and Waikato Regional Tourism Organisation.

## 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					
		2016/17 Target/ Result	2017/18 Target	Year 1 Target 2018/19	Year 2 Target 2019/20	Year 3 Target 2020/21	Year 4-10 Target 2021- 28
Provide assistance for community support activities.	Advertisement and administration of all WDC Funding Rounds as per the Community Development Fund Policy.	100% Compliance / Achieved (100%)	100% Compliance	100% Compliance	100% Compliance	100% Compliance	100% Compliance
Support the positive development of youth within the District.	Youth Council meet with Council once per year.	1 per annum / Achieved (verbal submissions)	1 per annum	1 per annum	1 per annum	1 per annum	1 per annum
	Youth Council undertakes two youth related projects per year.	2 per annum / Achieved (2)	2 per annum	2 per annum	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.	Council provide support for major District events.	One Major event (the Muster) and one minor event (the Christmas Parade) / Achieved (1 major, 1 minor)	One Major event (the Muster) and one minor event (the Christmas Parade)	2 per annum	2 per annum	2 per annum	2 per annum
Provision of comprehensive library facilities for the community.	Percentage of residents satisfied with the quality of the library facilities and service.	≥ 85% / Achieved (94%)	≥ 85%	≥ 85%	≥ 85%	≥ 85%	≥ 85%
Council will encourage and support sustainable economic development opportunities within the District.	Enhance the promotion of the District with the support of Hamilton Waikato Tourism through taking up District promotion opportunities in key publications and industry events.	> 4 / Achieved (>9)	> 4	> 4 promotion opportunities taken up	> 4 promotion opportunities taken up	> 4 promotion opportunities taken up	> 4 promotion opportunities taken up
	Involvement in economic development initiatives alongside Waikato Means Business.	Actions implemented as per Economic Development Action Plan / Achieved	Actions implemented as per Economic Development Action Plan	1 initiative per annum	1 initiative per annum	1 initiative per annum	1 initiative per annum

## Activity Funding

This group will be funded from:

- General Rate
- Uniform Annual General Charge (UAGC)
- Targeted Fixed Rate (TFR)
- Targeted Rate (TR)

*Details of, and the rationale for, the above funding method is contained in Council's Revenue and Financing Policy (see Section D).*



WAITOMO DISTRICT CHRISTMAS PARADE

## Estimated Cost of Service Statement for Community Development

(\$000's)	EAP 17/18	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
<b>Operating Income</b>											
Community Support	2	2	2	2	2	2	2	2	2	2	2
Community Development	57	42	42	43	28	29	29	30	31	32	32
<b>Total Operating Income</b>	<b>59</b>	<b>44</b>	<b>44</b>	<b>45</b>	<b>30</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>33</b>	<b>34</b>	<b>34</b>
<b>Operating Expenditure</b>											
Community Support	693	1,873	1,462	1,035	1,099	1,127	1,156	1,175	1,199	1,223	1,229
Community Development	912	867	894	879	842	864	890	908	932	952	970
<b>Total Operating Expenditure</b>	<b>1,605</b>	<b>2,740</b>	<b>2,356</b>	<b>1,914</b>	<b>1,941</b>	<b>1,991</b>	<b>2,046</b>	<b>2,083</b>	<b>2,131</b>	<b>2,175</b>	<b>2,199</b>
<b>Net Operating Cost/(Surplus)</b>	<b>1,546</b>	<b>2,696</b>	<b>2,312</b>	<b>1,869</b>	<b>1,911</b>	<b>1,960</b>	<b>2,015</b>	<b>2,051</b>	<b>2,098</b>	<b>2,141</b>	<b>2,165</b>
<b>Capital Expenditure</b>											
Community Development	65	0	2	5	0	2	6	0	2	6	0
<b>Total Capital Expenditure</b>	<b>65</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>0</b>
<b>Net Expenditure for Activity</b>	<b>1,611</b>	<b>2,696</b>	<b>2,314</b>	<b>1,874</b>	<b>1,911</b>	<b>1,962</b>	<b>2,021</b>	<b>2,051</b>	<b>2,100</b>	<b>2,147</b>	<b>2,165</b>
<b>Funded By</b>											
Internal Loans	40	1,000	500	0	0	0	0	0	0	0	0
Reserves	115	(1)	(24)	(23)	(30)	(26)	(22)	(33)	(34)	(35)	(46)
General Rates	803	923	996	1,024	1,044	1,069	1,099	1,121	1,148	1,174	1,190
UAGC	308	428	485	523	556	568	583	594	608	622	627
Targeted Rate - Piopio Retirement	15	16	16	16	16	17	17	18	18	18	19
Targeted Rate - District Development	330	330	341	334	325	334	344	351	360	368	375
<b>Total Funding</b>	<b>1,611</b>	<b>2,696</b>	<b>2,314</b>	<b>1,874</b>	<b>1,911</b>	<b>1,962</b>	<b>2,021</b>	<b>2,051</b>	<b>2,100</b>	<b>2,147</b>	<b>2,165</b>
Depreciation and Amortisation Expense	7	17	17	17	18	18	14	15	14	14	15

## Compliance

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.

### What we do

The Compliance Group provides this service to promote and protect the health and safety of our communities and the general public.

Each of the functions have specific duties and powers that are mandated through the relevant Acts. WDC's role is to ensure that these statutory obligations are carried out efficiently and effectively within the required statutory timeframes. Apart from the processing of consent, licences, permits, and registrations etc.; this activity includes the investigation of complaints, and the monitoring and enforcement of legislation and regulations to contribute to the health, wellbeing and safety of the Waitomo community.

The functions are:

#### *Building Control*

Building control covers the processing and monitoring of building consents, and the issuing of Code of Compliance Certificates pursuant to the Building Act. This activity also covers the monitoring and enforcement of residential pools and earthquake-prone building requirements.

WDC is a member of the Waikato LASS Building Consent Group. This group is a collaboration of eight councils who work together to provide a consistent service to customers across the Waikato Region.

#### *Alcohol Licensing*

Oversees the administration of the Sale and Supply of Alcohol Act 2012 at a local level by way of the Waitomo District Licensing Committee on behalf of the Alcohol Regulatory and Licensing Authority; which encourages the responsible sale and use of alcohol through licensing, monitoring of premises and enforcement of the Act.

#### *Environmental Health*

Involves the provision of environmental health services. This includes general public health inspections, licensing and inspection of food premises and hairdressers; and responding to noise and public health complaints.

#### *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.

#### *Animal and Dog Control*

Involves the registration and impounding of dogs, owner education, and implementing and enforcing our Dog Control Policy and Bylaw. The activity also covers wandering stock.

### Community Outcomes and Strategic Goals

COMPLIANCE
<p><b>Outcomes the Group contributes to:</b></p> <p><i>Thriving business</i></p>  <p><i>Effective leadership</i></p> 
<p><b>Strategic Goals</b></p> <p><i>To ensure health and safety is protected by effectively and efficiently administering statutes, regulations and bylaws including environmental health, alcohol control and noise control.</i></p> <p><i>To protect the health and safety of building users by effectively and efficiently administering the provisions of the Building Act 2004.</i></p> <p><i>To ensure that animals, particularly dogs, are controlled so that people can enjoy the benefits of dog ownership without adversely affecting other members of the community.</i></p> <p><i>To resolve enforcement issues by providing education, warnings, and opportunities for compliance before formal enforcement action is taken</i></p>

## Why we do it

This Group exists to:

- Promote and improve human health, safety, comfort and wellbeing.
- Ensure buildings are safe and the necessary regulations and standards are met.
- Ensure animals are kept in a way that minimises danger, distress and nuisance to the public, that the public are kept safe and animal owners are educated about their responsibilities.

This helps to create a nuisance free, family and investment friendly environment.



DISTRICT PLAN REVIEW DEVELOPMENT

## Guiding Legislation, Plans and Documents

LEGISLATION	PLANS AND DOCUMENTS
<b>COMPLIANCE</b>	
Building Act 2004 Hazardous Substances and New Organisms Act 1996 Health Act 1956 Resource Management Act 1991 Sale and Supply of Alcohol Act 2012 Local Government Act 2002 Dog Control Act 1996 Litter Act 1979	Waitomo District Plan Council's Bylaws and Policies

## Significant Negative Effects

NEGATIVE EFFECTS	MITIGATION
<b>COMPLIANCE</b>	
Legislation, Bylaws and Policies may be seen by some members of the Community as restrictive.	Council endeavours to resolve enforcement issues by utilising the minimum enforcement necessary to achieve the required outcome where possible.

## Looking Ahead, Key Projects and Programmes

- Implementing Earthquake Prone Building legislation.
- Maintaining Building Accreditation as a Building Consent Authority.
- Waikato Local Authority Shared Services online building consenting project.
- Electronic document back-scanning WDC's building consent (and resource consent) records.
- Online dog registration.



DOG EXERCISE AREA - ESPLANADE TE KUITI

## 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					
		2016/17 Target/ Result	2017/18 Target	Year 1 Target 2018/19	Year 2 Target 2019/20	Year 3 Target 2020/21	Year 4-10 Target 2021-28
All food and alcohol retail premises are appropriately registered and licensed.	Percentage of food and alcohol premises that are licensed or registered.	100% / Achieved (100%)	100%	100%	100%	100%	100%
Provision of an effective environmental health service for the community.	Percentage of residents satisfied with the provision of the Environmental Health Service.	> 50% / Achieved (91%)	> 50%	> 85%	> 85%	> 85%	> 85%
Building consents and project information memoranda (PIMs) processed within 20 working days.	The percentage of building consents and PIMs processed within 20 working days.	90% / Achieved (100%)	90%	100%	100%	100%	100%
Council will process, inspect and certify building work in the Waitomo District.	WDC maintains building control systems and process to meet IANZ Audit requirements.	BCA accreditation achieved / Achieved	BCA accreditation maintained	BCA accreditation achieved	BCA accreditation maintained	BCA accreditation achieved	BCA accreditation maintained
Provision of an effective building control service to the community.	Percentage of users satisfied with the provision of the Building Control service.	> 50% / Achieved (88%)	> 50%	> 75%	> 75%	> 75%	> 75%
Council meets its obligations under the Dog Control Act 1996.	Percentage of Special Owner Status properties inspected per year.	Urban 100%, Rural 15% / Achieved (Urban 100%, Rural 5.7%) as per Council resolution	Urban 100%, Rural 20%	100%	100%	100%	100%
Provision of an effective Animal Control service.	Percentage of residents satisfied with the provision of the Animal Control service.	≥ 50% / Achieved (78%)	≥ 50%	≥ 75%	≥ 75%	≥ 75%	≥ 75%
Dog Owners are well informed of their responsibilities and WDC Support.	Number of Dog/ Owner Education initiatives.	≥ 2 / Achieved (2)	≥ 2	≥ 2	≥ 2	≥ 2	≥ 2

## Activity Funding

This Group will be funded from:

- General Rate
- Uniform Annual General Charge (UAGC)
- Fees and Charges

*Details of, and the rationale for, the above funding method is contained in Council's Revenue and Financing Policy (see Section D).*

## Estimated Cost of Service Statement for Compliance

(\$000's)	EAP 17/18	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
<b>Operating Income</b>											
Compliance	481	453	460	469	479	489	501	512	524	537	550
<b>Total Operating Income</b>	<b>481</b>	<b>453</b>	<b>460</b>	<b>469</b>	<b>479</b>	<b>489</b>	<b>501</b>	<b>512</b>	<b>524</b>	<b>537</b>	<b>550</b>
<b>Operating Expenditure</b>											
Compliance	938	1,014	1,056	1,032	1,078	1,082	1,371	1,376	1,441	1,437	1,498
<b>Total Operating Expenditure</b>	<b>938</b>	<b>1,014</b>	<b>1,056</b>	<b>1,032</b>	<b>1,078</b>	<b>1,082</b>	<b>1,371</b>	<b>1,376</b>	<b>1,441</b>	<b>1,437</b>	<b>1,498</b>
<b>Net Operating Cost/(Surplus)</b>	<b>457</b>	<b>561</b>	<b>596</b>	<b>563</b>	<b>599</b>	<b>593</b>	<b>870</b>	<b>864</b>	<b>917</b>	<b>900</b>	<b>948</b>
<b>Net Expenditure for Activity</b>	<b>457</b>	<b>561</b>	<b>596</b>	<b>563</b>	<b>599</b>	<b>593</b>	<b>870</b>	<b>864</b>	<b>917</b>	<b>900</b>	<b>948</b>
<b>Funded By</b>											
Reserves	14	0	0	0	0	1	237	50	(45)	(78)	(184)
General Rates	326	444	469	439	473	462	490	622	755	764	898
UAGC	117	117	127	124	126	130	143	192	207	214	234
<b>Total Funding</b>	<b>457</b>	<b>561</b>	<b>596</b>	<b>563</b>	<b>599</b>	<b>593</b>	<b>870</b>	<b>864</b>	<b>917</b>	<b>900</b>	<b>948</b>
Depreciation and Amortisation Expense	4	5	5	5	5	5	5	5	5	5	4



# 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.

There are four activities under this Group:

### Waste Minimisation

The focus of this activity is 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, Kinohaku and Mokau/Awakino. A fully consented District landfill is located at Te Kuiti.



WAITOMO DISTRICT LANDFILL

## Community Outcomes and Strategic Goals



### Why we do it

**Rationale for Service Delivery:** This Group exists to 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).

The Waste Minimisation Act 2008 requires Council to consider (in order of importance) the following methods for managing waste:

- Reduction
- Reuse
- Recycling
- Recovery

- Treatment
- Disposal
  - ensure that the collection, transport, and disposal of waste does not, or is not likely to, cause a nuisance
  - have regard to the New Zealand Waste Strategy, or any Government policy on waste management and minimisation that replaces the strategy
  - have regard to the most recent assessment undertaken by the Council under section 51
  - use the special consultative procedure set out in section 83 of the Local Government Act 2002 to adopt its Solid Waste Management and Minimisation Plan (SWaMMP)

Council reviewed its SWaMMP following this process in 2018.

## Guiding Legislation, Plans and Documents

LEGISLATION	PLANS AND DOCUMENTS
<b>SOLID WASTE MANAGEMENT</b>	
Waste Minimisation Act 2008	Solid Waste (Activity) Management and Minimisation Plan
Local Government Act 2002	District Plan
Health Act 1956	Public Health and Safety Bylaw
Health and Safety at Work Act 2015	Solid Waste Bylaw
Resource Management Act 1991	Revenue and Financing Policy
Climate Change Response Act 2002	Regional Policy Statement
	NZ Waste Strategy

## Significant Negative Effects

NEGATIVE EFFECTS	MITIGATION
<b>SOLID WASTE MANAGEMENT</b>	
Public health impacts are increased in the absence of a well managed and accessible waste collection and disposal system.	Maintain and improve public health and well-being by providing access to essential waste management services and facilities.
User charges can be a disincentive to responsible social behaviour, leading to fly-tipping.	Waste reduction promoted by various education programmes.

NEGATIVE EFFECTS	MITIGATION
<b>SOLID WASTE MANAGEMENT</b>	
High volumes of waste disposal shortens the life of landfills and minimises opportunity for resource recovery.	Good planning and design contributes to maximum resource recovery and minimises the impact of waste disposal on the environment energy resources. Encourage reduction in line with Waste Minimisation Act, could help mitigate this.
Cost of compliance with applicable standards.	Provide an effective and efficient collection and disposal service for residual solid wastes.
Malodour from landfill can impact on quality of life and amenity.	Daily processing and covering of landfill waste.
Leachate from landfills and transfer stations sewers has the potential for negative impact on the environment.	Leachate collections systems installed.
Additional costs of Emissions Trading Scheme will impact on viability of district landfill.	Extend the landfill life coincident with loan amortisation period.

## Looking Ahead, Key Projects and Programmes

- Assessment of solid waste issues in Mokau.
- Improvement of safety features and presentation and transfer stations
- Review and improve accessibility to transfer stations and recycling drop off centres
- Waste Minimisation promotion programmes between 2018 to 2021 covering:
  - Home composting schemes
  - Waste minimisation schemes
- The promotion of solid waste management at all events hosted on WDC property
- Extend capacity of Waitomo District Landfill which will require a new resource consent

## 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					
		2016/17 Target/ Result	2017/18 Target	Year 1 Target 2018/19	Year 2 Target 2019/20	Year 3 Target 2020/21	Year 4-10 Target 2021-28
Provision of safe solid waste facilities within the District.	Percentage of users that rate the safety of facilities (landfill and rural transfer stations) as satisfactory or better	75% / Achieved (95%)	75%	≥ 85%	≥ 85%	≥ 85%	≥ 85%
Provision of effective solid waste management services for the community.	Average number of complaints received per month regarding solid waste activities.	≤ 10 / Achieved (1.9)	≤ 10	≤ 10	≤ 10	≤ 10	≤ 10
	Percentage of users satisfied with the provision of waste management facilities (landfill and rural transfer stations).	60% / Achieved (88%)	60%	80%	80%	80%	80%
To work towards the waste minimisation outcome	Percentage reduction per annum in quantity of recyclables (like paper and plastics) in bag collection that goes to landfill.	2.0% / Not Achieved (1.57% reduction)	2.0%	1.0%	1.0%	1.0%	1.0%
	Percentage reduction per annum in quantity of organic waste (like food scraps) in bag collection that goes to landfill.	1.5% / Not Achieved (2.75% increase)	1.5%	1.0%	1.0%	1.0%	1.0%

## Activity Funding

This group will be funded from:

- General Rate
- Uniform Annual General Charge (UAGC)
- Targeted Fixed Rate (TFR)
- Grants and Subsidies
- Fees and Charges

*Details of, and the rationale for, the above funding method is contained in Council's Revenue and Financing Policy (see Section D).*

## Estimated Cost of Service Statement for Solid Waste Management

(\$000's)	EAP 17/18	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
<b>Operating Income</b>											
Collection	134	137	140	143	147	150	154	158	162	167	171
Management	864	983	1,007	1,030	1,054	1,080	1,107	1,135	1,165	1,198	1,231
<b>Total Operating Income</b>	<b>998</b>	<b>1,120</b>	<b>1,147</b>	<b>1,173</b>	<b>1,201</b>	<b>1,230</b>	<b>1,261</b>	<b>1,293</b>	<b>1,327</b>	<b>1,365</b>	<b>1,402</b>
<b>Operating Expenditure</b>											
Collection	339	334	343	351	359	368	378	387	398	408	419
Management	1,563	1,719	1,885	1,966	2,024	2,061	2,088	2,098	2,102	2,120	2,111
<b>Total Operating Expenditure</b>	<b>1,902</b>	<b>2,053</b>	<b>2,228</b>	<b>2,317</b>	<b>2,383</b>	<b>2,429</b>	<b>2,466</b>	<b>2,485</b>	<b>2,500</b>	<b>2,528</b>	<b>2,530</b>
<b>Net Operating Cost/(Surplus)</b>	<b>904</b>	<b>933</b>	<b>1,081</b>	<b>1,144</b>	<b>1,182</b>	<b>1,199</b>	<b>1,205</b>	<b>1,192</b>	<b>1,173</b>	<b>1,163</b>	<b>1,128</b>
<b>Capital Expenditure</b>											
Management	316	217	1,046	1,211	316	341	342	342	343	343	344
<b>Total Capital Expenditure</b>	<b>316</b>	<b>217</b>	<b>1,046</b>	<b>1,211</b>	<b>316</b>	<b>341</b>	<b>342</b>	<b>342</b>	<b>343</b>	<b>343</b>	<b>344</b>
<b>Net Expenditure for Activity</b>	<b>1,220</b>	<b>1,150</b>	<b>2,127</b>	<b>2,355</b>	<b>1,498</b>	<b>1,540</b>	<b>1,547</b>	<b>1,534</b>	<b>1,516</b>	<b>1,506</b>	<b>1,472</b>
<b>Funded By</b>											
Internal Loans	220	0	776	838	0	0	0	0	0	0	0
Reserves	242	161	171	339	281	307	305	279	256	230	205
General Rates	11	8	9	9	9	9	10	10	10	10	10
UAGC	11	8	9	9	9	9	10	10	10	10	10
Targeted Rate Collection - Mokau	40	37	38	39	40	41	42	43	44	45	46
Targeted Rate Collection - Piopio	28	27	27	28	29	29	30	31	32	33	33
Targeted Rate Collection - Te Kuiti	99	104	107	109	111	114	118	120	122	125	130
Targeted Rate Collection - Waitomo	38	38	39	39	40	41	42	43	45	46	47
Targeted Rate - Solid Waste Management	531	767	951	945	979	990	990	998	997	1,007	991
<b>Total Funding</b>	<b>1,220</b>	<b>1,150</b>	<b>2,127</b>	<b>2,355</b>	<b>1,498</b>	<b>1,540</b>	<b>1,547</b>	<b>1,534</b>	<b>1,516</b>	<b>1,506</b>	<b>1,472</b>
Depreciation and Amortisation Expense	64	91	93	108	126	120	120	121	121	121	122

# 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.

The main activity under this Group is stormwater reticulation and disposal and involves:

- Preparation of catchment assessments for each urban area over the next 10 years to identify open drains, ephemeral water courses, permanent water courses, stormwater and preliminary secondary flow paths
- Reporting on stream environmental impacts as demanded by a comprehensive discharge consent
- 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 significant activity)

### The main elements of this activity are:

#### *Maintenance*

Maintenance is the on-going day to day work activity required to keep assets serviceable and prevent premature deterioration or failure. It includes all actions necessary to retain an asset as near as practicable to its original condition, but excluding renewals and rehabilitation. This includes costs such as insurances, rates, energy and consumables associated with owning and using the asset.

Two categories of maintenance are carried out:

#### *Unplanned Maintenance:*

The majority of defects are notified by the public and a 24 hour call-out service is provided to attend problems. Contract documents specify the timeliness of the response and the actions to be taken. Priority is given to works impacting on safety over cosmetic type work.

#### *Planned Maintenance:*

Work carried out to a predetermined schedule or planned in association with other work.

#### *Renewals*

These are works to upgrade, refurbish or replace existing assets with assets of equivalent capacity or performance capability.

The renewals programme comprises an essential part of this activity. Maintaining levels of service is dependent on replacing assets at the end of their useful lives.

Within each 10 year block, as asset information improves, specific renewals will be individually assessed to verify that the renewal is actually needed before the work is done.

The asset management philosophy is that any identified shortfall in capacity will be addressed at the time of pipe replacement so that any existing undersized pipes will be replaced with larger diameter pipes. To do this, the information from the Catchment Assessment Plans will be used to move forward in an economic and sustainable manner.

#### *New Works / Augmentation*

This refers to works used to create new assets or to increase the capacity of existing assets beyond their original design capacity or service potential. Improvements increase the value of asset stock.

The capital works programme represents a modest forecast of minor improvement works over the next ten years.

Completion of urban catchment management plans may identify capacity shortfalls in the existing stormwater network. Similarly, concept design work proposed for Mokau-Awakino and structure planning for Mokau may result in new drainage works proposed for these areas. The capital development programme will be reviewed after these projects have been completed.

## Community Outcomes and Strategic Goals

The following table summarises Council's contribution to be made to furthering community outcomes as articulated by the strategic goals for this Group:

STORMWATER DRAINAGE	
<b>Outcomes the Group contributes to:</b>	
<i>Vibrant Communities</i>	
	
<i>Effective leadership</i>	
	
<i>Sustainable infrastructure</i>	
	
<b>Strategic Goals</b>	
<i>To protect public health and property.</i>	
<i>To protect the environment from the adverse effects of stormwater.</i>	
<i>To enable economic development.</i>	

### Why we do it

**Rationale for Service Delivery:** This Group exists to ensure that the natural environment and District community are protected from detrimental effects of stormwater.

Council is involved in this activity to fulfil its legal responsibilities for the control of its stormwater systems and to work towards the achievement of community outcomes.

Efficient, environmentally safe and sustainable urban stormwater services are essential to providing good quality local infrastructure to the community.

Stormwater services ensure the protection of public health

in urban areas through the collection, treatment and disposal of urban stormwater.

The Local Government Act 2002 empowers Council to be involved in the ownership and provision of stormwater assets.

## Guiding Legislation, Plans and Documents

LEGISLATION	PLANS AND DOCUMENTS
STORM WATER DRAINAGE	
Local Government Act 2002	Stormwater Activity Management Plan
Resource Management Act 1991	Council's Operative District Plan
Health Act 1956	Council's Revenue and Financing Policy
Health & Safety at Work Act 2015	Waikato Regional Council Regional Policy Statement and Regional Plan
Building Act 2004	Water Services Bylaw

## Significant Negative Effects

NEGATIVE EFFECTS	MITIGATION
STORM WATER DRAINAGE	
Open drains in urban areas can lead to infestations of insects and vermin, and can become a safety hazard	Maintaining / improving community health and wellbeing by providing effective surface drainage of urban land and property
Carbon emissions, dust and spillages of contaminants on urban roading carriageways can enter the drainage network and have an adverse effect on the receiving water	Good stormwater drainage planning and design mitigates the effects of the discharge on the environment
Road flooding and property inundation can result in delays to the supply of goods and daily access to places of employment	Effective drainage facilitates the use of land for commercial and industrial development

## Looking Ahead, Key Projects and Programmes

- Storm water rehabilitation as per catchment management plans
- Storm water renewals as per catchment management plans
- Rural storm water renewals
- Updating catchment management plans

## 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					
		2016/17 Target/ Result	2017/18 Target	Year 1 Target 2018/19	Year 2 Target 2019/20	Year 3 Target 2020/21	Year 4-10 Target 2021-28
Stormwater drainage system is adequate and is sufficiently maintained.	The number of flooding events* that occur in the district in a financial year.	Nil (for less than 1 in 2 year event) / Achieved (0)	Nil (for less than 1 in 2 year event)	0	0	0	0
	For each flooding event* the number of habitable floors affected in a financial year.	≤ 1 per 1000 properties / Achieved (0)	≤ 1 per 1000 properties	≤ 1 per 1000 properties	≤ 1 per 1000 properties	≤ 1 per 1000 properties	≤ 1 per 1000 properties
Compliance with resource consent conditions for discharge from the Council's urban stormwater system that relate to environmental effects	Compliance with resource consents for discharge from its Stormwater system, measured by the number of the following (received by Council within a financial year):						
	• abatement notices	0 / Achieved (0)	0	0	0	0	0
	• infringement notices	≤2 / Achieved (0)	≤2	≤2	≤2	≤2	≤2
	• enforcement orders	Nil Achieved (Nil)	Nil	0	0	0	0
• successful prosecutions	Nil / Achieved (Nil)	Nil	0	0	0	0	
The Council responds to failures and request for service in a prompt and efficient way	The median response time to attend a flooding event*, (measured from the time that the notification is received to the time that service personnel reach the site)	≤ 180 minutes (3hrs) / Achieved (0)	≤ 180 minutes (3hrs)	≤ 180 minutes (3hrs)	≤ 180 minutes (3hrs)	≤ 180 minutes (3hrs)	≤ 180 minutes (3hrs)
The Council provides a reliable stormwater collection service	The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	≤4 complaints per 1000 properties / Achieved (2.9)	≤4 complaints per 1000 properties	≤4 complaints per 1000 properties	≤4 complaints per 1000 properties	≤4 complaints per 1000 properties	≤4 complaints per 1000 properties

\* A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. Habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.

## Activity Funding

This group will be funded from:

- Targeted Fixed Rate (TFR)
- Targeted Rate (TR)

Details of, and the rationale for, the above funding method is contained in Council's Revenue and Financing Policy (see Section D).

## Estimated Cost of Service Statement for Stormwater

(\$000's)	EAP 17/18	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
<b>Operating Expenditure</b>											
Urban	365	355	357	370	369	376	398	393	401	417	417
Rural	43	38	39	40	40	42	43	44	45	46	47
<b>Total Operating Expenditure</b>	<b>408</b>	<b>393</b>	<b>396</b>	<b>410</b>	<b>409</b>	<b>418</b>	<b>441</b>	<b>437</b>	<b>446</b>	<b>463</b>	<b>464</b>
<b>Net Operating Cost/(Surplus)</b>	<b>408</b>	<b>393</b>	<b>396</b>	<b>410</b>	<b>409</b>	<b>418</b>	<b>441</b>	<b>437</b>	<b>446</b>	<b>463</b>	<b>464</b>
<b>Capital Expenditure</b>											
Urban	299	194	198	203	208	213	235	223	229	236	242
Rural	5	5	5	5	5	5	6	6	6	6	6
<b>Total Capital Expenditure</b>	<b>304</b>	<b>199</b>	<b>203</b>	<b>208</b>	<b>213</b>	<b>218</b>	<b>241</b>	<b>229</b>	<b>235</b>	<b>242</b>	<b>248</b>
<b>Net Expenditure for Activity</b>	<b>712</b>	<b>592</b>	<b>599</b>	<b>618</b>	<b>622</b>	<b>636</b>	<b>682</b>	<b>666</b>	<b>681</b>	<b>705</b>	<b>712</b>
<b>Funded By</b>											
Reserves	303	186	187	199	197	203	239	217	223	237	236
Targeted Rate - Stormwater (Urban)	366	368	373	379	385	391	400	405	413	422	429
Targeted Rate - Stormwater (Rural)	43	38	39	40	40	42	43	44	45	46	47
<b>Total Funding</b>	<b>712</b>	<b>592</b>	<b>599</b>	<b>618</b>	<b>622</b>	<b>636</b>	<b>682</b>	<b>666</b>	<b>681</b>	<b>705</b>	<b>712</b>
Depreciation and Amortisation Expense	172	180	183	185	188	191	193	198	201	204	207



# Resource Management

The Resource Management group of activities involves the development/review, administration, application and enforcement of the Waitomo District Plan provisions.

## What we do

### *District Plan Administration*

The District Plan Administration Activity covers the planning functions under the Resource Management Act 1991 (RMA), including the processing, issuing and monitoring of resource consents, designations and other application types. It also includes monitoring compliance with the Waitomo District Plan.

### *District Planning*

The District Planning Activity involves setting the direction, form and shape of our urban and rural communities to ensure growth and development is sustainably managed, while protecting our cultural and historic heritage, outstanding landscapes and significant natural features. District Plan reviews and structure planning are included in this activity.

## Community Outcomes and Strategic Goals

RESOURCE MANAGEMENT
<p><b>Outcomes the Group contributes to:</b></p> <p><i>Thriving business</i></p>  <p><i>Effective leadership</i></p>  <p><i>Sustainable infrastructure</i></p> 
<p><b>Strategic Goals</b></p> <p><i>To provide a safe and sustainable environment by effectively and efficiently administering and enforcing the provisions of the Resource Management Act 1991 and the Waitomo District Plan.</i></p>

## Why we do it

**Rationale for Service Delivery:** This Group exists to ensure the District can grow and develop in sustainable manner, in accordance with the principles contained in the RMA. The District Plan also contributes to making the district vibrant and prosperous.

The Resource Management Act 1991 (RMA) requires Council to review its District Plan every 10 years. The District Plan defines how resources and development will be managed in the district.

## Guiding Legislation, Plans and Documents

LEGISLATION	PLANS AND DOCUMENTS
<b>RESOURCE MANAGEMENT</b>	
Resource Management Act 1991	National Policy Statements National Environmental Standards Regional Plans and Policy Statements Waitomo District Plan



WAITOMO CAVES VILLAGE

## Significant Negative Effects

NEGATIVE EFFECTS	MITIGATION
<b>RESOURCE MANAGEMENT</b>	
Customers may have unreasonable expectations on levels of service provided, or cost of compliance with regulatory requirements.	Council will have adequate staff resources and where required resource management consultants will be engaged to meet additional resourcing demands.
Central Government could introduce additional legislative requirements which impose a further regulatory burden on Council.	Council endeavours to minimise costs by having effective and efficient systems and processes in place.
The conditions of resource consents approved may not be adhered to, leading to adverse environmental effects.	Council has a programme for the regular monitoring of resource consents.
The time taken to process resource consent and other applications may be considered excessive by applicants.	Council meets the timelines required by legislation. Processes are reviewed for continuous improvement opportunities.



WAITOMO FARMLAND

## Looking Ahead, Key Projects and Programmes

The single biggest project being undertaken within this Group is the review of the Waitomo District Plan. Public notification is anticipated to be in October 2019, with a fully operative plan in 2021/22, subject to appeals progress during that stage of the process.

It is anticipated that the District Plan Administration functions undertaken within this activity will remain relatively static over the next 10 years, however indications are that new legislative requirements will generate increasing demands on staff resources.

## 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					
		2016/17 Target/ Result	2017/18 Target	Year 1 Target 2018/19	Year 2 Target 2019/20	Year 3 Target 2020/21	Year 4-10 Target 2021- 28
Resource consents are processed consistently, efficiently and to a high standard.	The percentage of resource consent applications which are processed within statutory timeframes	90% / Achieved (no notified consents)	90%	100%	100%	100%	100%
Landuse consents are monitored to ensure they comply with the conditions of consent.	All landuse consents that require monitoring are monitored	50% / Achieved (100%)	50%	100%	100%	100%	100%

## Activity Funding

This group will be funded from:

- General Rate
- Uniform Annual General Charge (UAGC)
- Fees and Charges

*Details of, and the rationale for, the above funding method is contained in Council's Revenue and Financing Policy (see Section D).*

## Estimated Cost of Service Statement for Resource Management

(\$000's)	EAP 17/18	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
<b>Operating Income</b>											
District Plan Administration	59	85	87	89	91	92	95	97	99	101	104
<b>Total Operating Income</b>	<b>59</b>	<b>85</b>	<b>87</b>	<b>89</b>	<b>91</b>	<b>92</b>	<b>95</b>	<b>97</b>	<b>99</b>	<b>101</b>	<b>104</b>
<b>Operating Expenditure</b>											
District Plan Administration	245	298	305	312	302	310	467	474	488	500	507
District Planning	0	660	603	1,172	615	695	134	123	108	91	74
<b>Total Operating Expenditure</b>	<b>245</b>	<b>958</b>	<b>908</b>	<b>1,484</b>	<b>917</b>	<b>1,005</b>	<b>601</b>	<b>597</b>	<b>596</b>	<b>591</b>	<b>581</b>
<b>Net Operating Cost/(Surplus)</b>	<b>186</b>	<b>873</b>	<b>821</b>	<b>1,395</b>	<b>826</b>	<b>913</b>	<b>506</b>	<b>500</b>	<b>497</b>	<b>490</b>	<b>477</b>
<b>Net Expenditure for Activity</b>	<b>186</b>	<b>873</b>	<b>821</b>	<b>1,395</b>	<b>826</b>	<b>913</b>	<b>506</b>	<b>500</b>	<b>497</b>	<b>490</b>	<b>477</b>
<b>Funded By</b>											
Internal Loans	0	633	553	1,102	505	211	0	0	0	0	0
Reserves	0	(32)	(64)	(91)	(143)	160	(192)	(226)	(297)	(328)	(365)
General Rates	93	136	166	192	232	271	349	363	397	409	421
UAGC	93	136	166	192	232	271	349	363	397	409	421
<b>Total Funding</b>	<b>186</b>	<b>873</b>	<b>821</b>	<b>1,395</b>	<b>826</b>	<b>913</b>	<b>506</b>	<b>500</b>	<b>497</b>	<b>490</b>	<b>477</b>
Depreciation and Amortisation Expense	0	0	0	0	0	0	0	0	0	0	0

# 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

### Maintenance

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.

Operational and maintenance costs increase steadily across almost all schemes in line with inflation adjustments and higher environmental requirements and expectations.

### Renewals

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

This involves 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.

## Community Outcomes and Strategic Goals

SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE
<p><b>Outcomes the Group contributes to:</b></p> <p><i>Vibrant Communities</i></p>  <p><i>Effective leadership</i></p>  <p><i>Sustainable infrastructure</i></p> 
<p><b>Strategic Goals</b></p> <p>Wastewater is managed to preserve and protect the natural environment To meet the Community's needs by ensuring public health, social well-being and providing for economic growth</p>



SLUDGE PONDS - TE KUITI WASTEWATER TREATMENT PLANT

## Why we do it

**Rationale for Service Delivery:** This Group exists to ensure that the natural environment is protected from detrimental effects of sewage, and that the wastewater management needs of the District community are met.

Council is involved in this activity to fulfil its legal responsibilities for the control of its sewerage systems and to work towards the achievement of Community Outcomes.

Sewerage services are essential for the protection of public health and environment in urban areas through the collection, treatment and disposal of human and commercial/ industrial wastewater.

Efficient, environmentally safe and sustainable urban wastewater services are essential for the provision of good quality local infrastructure to the community.

The Local Government Act 2002 empowers Council to be involved in the ownership and provision of sewerage assets.

## Guiding Legislation, Plans and Documents

LEGISLATION	PLANS AND DOCUMENTS
<b>SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE</b>	
Local Government Act 2002	Wastewater Activity Management Plan
Health Act 1956	Council's Operative District Plan
Resource Management Act 1991	Council's Trade Waste Bylaw
Building Act 2004	Council's Revenue and Financing Policy
Health and Safety at Work Act 2015	Regional Policy Statement and Regional Plan
	NZ Waste Strategy



PIPE REPLACEMENT FORMING PART OF THE TAUPIRI STREET SEWER MAIN PROJECT

## Significant Negative Effects

NEGATIVE EFFECTS	MITIGATION
<b>SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE</b>	
Malodour from pumping stations and treatment plants can impact on quality of life and amenity.	Health and well-being maintained/improved through the provision of an effective wastewater collection, treatment and disposal system.
Sewage overflows from pumping stations or blocked sewers, and impacts of the final effluent quality at the point of discharge, have the potential for negative impact on the environment.	Robust wastewater planning and design avoids adverse effects on the environment and ensures efficient use of non-renewable energy resources.
Cost of compliance with applicable standards plus the cost of sewerage rates and fees can be a significant burden for local industry.	Council sewerage schemes provide an efficient and effective option for the disposal of trade wastes compared with individual, on-site treatment.
Discharges from sewage treatment plants can have a damaging effect on both the physical and cultural attributes of the receiving environment.	Adverse effects can be mitigated through careful design and operation of the treatment and disposal system.

## Looking Ahead, Key Projects and Programmes

- Investigation, Design & Specification
- Piopio SCADA Improvements
- Waste Water Treatment Plant Bulk Lime Silo
- Benneydale Sewerage Renewals
- Reticulation Renewal – Minor
- Treatment Plant Renewal – Minor (Te Kuiti)
- Te Kuiti Sewer Renewals
- Pump Station Renewals
- Renew and Extend Soakage Field
- Treatment Plant Renewal Minor (Benneydale)

## 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					
		2016/17 Target/ Result	2017/18 Target	Year 1 Target 2018/19	Year 2 Target 2019/20	Year 3 Target 2020/21	Year 4-10 Target 2021-28
Sewerage System is adequate and is sufficiently maintained.	Number of complaints received in a financial year about: <ul style="list-style-type: none"> <li>sewage odour</li> <li>sewage system faults</li> <li>sewage system blockages, and</li> <li>Council's response to issues with the sewage system.</li> </ul>	Total complaints per 1,000 connections ≤20 / Not achieved (47.5)	Total complaints per 1,000 connections ≤20	Total complaints per 1,000 connections ≤35	Total complaints per 1,000 connections ≤35	Total complaints per 1,000 connections ≤35	Total complaints per 1,000 connections ≤35
Environmental impacts of Sewerage systems will be managed effectively.	Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of the following: (received by Council in a financial year)						
	• abatement notices	Nil / Achieved (Nil)	Nil	0	0	0	0
	• infringement notices	Nil / Achieved (Nil)	Nil	0	0	0	0
	• enforcement orders	Nil / Achieved (Nil)	Nil	0	0	0	0
	• convictions received	Nil / Achieved (Nil)	Nil	0	0	0	0
Timely response and resolution for sewage overflows.	The median response times for attendance, in a year, measured from the time that the Council receives notification to the time that service personnel reach the site.	≤180 minutes (3hrs) / Achieved (<2 hours)	≤180 minutes (3hrs)	≤180 minutes (3hrs)	≤180 minutes (3hrs)	≤180 minutes (3hrs)	≤180 minutes (3hrs)
	The median response times for resolution, in a year, measured from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault	≤ 540 minutes (9hrs) / Achieved (<6 hours)	≤ 540 minutes (9hrs)	≤ 540 minutes (9hrs)	≤ 540 minutes (9hrs)	≤ 540 minutes (9hrs)	≤ 540 minutes (9hrs)
Provision of effective and reliable sewerage systems and service to the community.	Number of dry weather sewage overflows from the Council's sewerage system in a financial year.	Total complaints per 1,000 connections ≤ 5 / Not achieved (16)	Total complaints per 1,000 connections ≤ 5	Total complaints per 1,000 connections ≤ 15	Total complaints per 1,000 connections ≤ 15	Total complaints per 1,000 connections ≤ 10	Total complaints per 1,000 connections ≤ 10

## Activity Funding

This Group will be funded from:

- Targeted Fixed Rate (TFR)
- Targeted Rate (TR)
- Fees and Charges

*Details of, and the rationale for, the above funding method is contained in Council's Revenue and Financing Policy (see Section D).*

## Estimated Cost of Service Statement for Sewerage

(\$000's)	EAP 17/18	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
<b>Operating Income</b>											
Te Kuiti	860	850	871	865	858	879	902	924	949	975	1,002
Benneydale	1	1	1	1	1	1	1	1	1	1	1
Piopio	2	9	9	9	9	10	10	10	10	11	11
<b>Total Operating Income</b>	<b>863</b>	<b>860</b>	<b>881</b>	<b>875</b>	<b>868</b>	<b>890</b>	<b>913</b>	<b>935</b>	<b>960</b>	<b>987</b>	<b>1,014</b>
<b>Operating Expenditure</b>											
Te Kuiti	2,854	2,705	2,771	2,856	2,898	3,007	3,039	3,067	3,085	3,150	3,123
Te Waitere	56	54	55	57	58	59	61	62	64	65	66
Benneydale	183	168	172	176	178	182	187	190	194	197	200
Piopio	317	296	301	305	307	313	318	304	308	312	314
Waitomo	0	5	5	5	0	0	0	0	0	0	0
<b>Total Operating Expenditure</b>	<b>3,410</b>	<b>3,228</b>	<b>3,304</b>	<b>3,399</b>	<b>3,441</b>	<b>3,561</b>	<b>3,605</b>	<b>3,623</b>	<b>3,651</b>	<b>3,724</b>	<b>3,703</b>
<b>Net Operating Cost/(Surplus)</b>	<b>2,547</b>	<b>2,368</b>	<b>2,423</b>	<b>2,524</b>	<b>2,573</b>	<b>2,671</b>	<b>2,692</b>	<b>2,688</b>	<b>2,691</b>	<b>2,737</b>	<b>2,689</b>
<b>Capital Expenditure</b>											
Te Kuiti	536	622	488	605	528	475	487	309	317	326	335
Te Waitere	0	0	15	26	0	0	0	0	0	0	0
Benneydale	52	52	54	13	13	14	14	38	15	15	16
Piopio	31	19	30	31	32	32	33	22	23	24	49
<b>Total Capital Expenditure</b>	<b>619</b>	<b>693</b>	<b>587</b>	<b>675</b>	<b>573</b>	<b>521</b>	<b>534</b>	<b>369</b>	<b>355</b>	<b>365</b>	<b>400</b>
<b>Net Expenditure for Activity</b>	<b>3,166</b>	<b>3,061</b>	<b>3,010</b>	<b>3,199</b>	<b>3,146</b>	<b>3,192</b>	<b>3,226</b>	<b>3,057</b>	<b>3,046</b>	<b>3,102</b>	<b>3,089</b>
<b>Funded By</b>											
Internal Loans	211	622	488	605	528	475	487	309	317	326	335
Reserves	540	(64)	(21)	(2)	(129)	32	32	41	9	1	14
Targeted Rate - Te Kuiti	1,768	1,978	2,006	2,044	2,166	2,107	2,121	2,118	2,124	2,166	2,132
Targeted Rate - Trade Waste Contribution	166	163	169	176	184	190	194	197	201	207	209
Targeted Rate - Te Waitere	51	20	20	21	22	21	22	22	22	22	22
Targeted Rate - Benneydale	182	118	120	122	129	126	127	128	129	131	130
Targeted Rate - Piopio	248	224	228	233	246	241	243	242	244	249	247
<b>Total Funding</b>	<b>3,166</b>	<b>3,061</b>	<b>3,010</b>	<b>3,199</b>	<b>3,146</b>	<b>3,192</b>	<b>3,226</b>	<b>3,057</b>	<b>3,046</b>	<b>3,102</b>	<b>3,089</b>
Depreciation and Amortisation Expense	781	778	796	810	825	840	850	862	869	876	883



# 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
- Renewals and Replacements
- Improvements

## Maintenance

Maintenance 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, repairing and replacing water meters, hydrants and valves, operating the water treatment plants and intake systems.

Maintenance works are undertaken by external contractors in accordance with Council procurement procedures. The introduction of new processes to record work tasks and costs will improve knowledge of operations and maintenance needs and enhance the quality of decision-making.

Operation and maintenance costs are estimated to increase due to demand for higher level skills in operation and maintenance of treatment plant upgrade to meet the Health (Drinking Water) Amendment Act 2007 in addition to any other cost increase that may occur.

## Renewals

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.

The Council's strategy to maintain levels of service is linked to the asset type, value and criticality. Decisions are based on a case by case basis to ensure that optimum value is extracted from the assets.

Mechanical and electrical assets are serviced regularly and repaired as needed. Other assets are assessed annually.

Renewal funding requirements fluctuate year to year as assets reach the end of their useful lives and need renewing or replacing. This trend has been smoothed by applying sound engineering judgment to available asset information.

## 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.

Where practicable, any identified shortfall in existing pipe capacity will be addressed at the time of the main replacement so that any existing undersized pipes due for replacement will be replaced with larger diameter pipes.

## Community Outcomes and Strategic Goals

WATER SUPPLY	
<b>Outcomes the Group contributes to:</b>	
<i>Vibrant Communities</i>	
	
<i>Effective Leadership</i>	
	
<i>Sustainable Infrastructure</i>	
	
<b>Strategic Goals</b>	
<i>To deliver safe drinking water in accordance with the Drinking Water Standards for New Zealand 2005 (Revised 2008).</i>	
<i>To deliver reliable water supplies and adequate firefighting capabilities to meet the needs of the Community.</i>	

## Why we do it

**Rationale for Service Delivery:** This Group exists to provide a safe and reliable supply of potable water to support the needs of domestic, commercial and industrial users. It also exists to provide water supplies for fire-fighting capacity in urban areas.

Council is involved in this activity to fulfil its legal responsibilities for the supply of water to its communities and to work towards the achievement of community outcomes.

Efficient, safe and sustainable water supply services are essential for the provision of good quality local infrastructure.

The Local Government Act 2002 empowers Council to be involved in the ownership and provision of water supply assets and services.

## Guiding Legislation, Plans and Documents

LEGISLATION	PLANS AND DOCUMENTS
<b>WATER SUPPLY</b>	
Local Government Act 2002 Health Act 1956 Resource Management Act 1991 Health (Drinking Water) Amendment Act 2007 Building Act 2004 Health and Safety at Work Act 2015 Drinking Water Standards 2008	Water Supply Activity Management Plan Council's Operative District Plan Council's Water Supply Bylaw Council's Revenue and Financing Policy Regional Policy Statement and Regional Plan

## Significant Negative Effects

NEGATIVE EFFECTS	MITIGATION
<b>WATER SUPPLY</b>	
Inadvertent contamination of public water supplies from microbiological organisms can adversely impact on public health.	Public health protected from water borne diseases through the identification of risks and implementation of measures and monitoring systems to avoid, remedy or mitigate those risks.

NEGATIVE EFFECTS	MITIGATION
<b>WATER SUPPLY</b>	
Excessive abstraction of raw water at the point of intake has the potential for negative impact on the environment.	Robust assessment of effects carried out in support of resource consent application to take water.
Cost of compliance with applicable standards plus the cost of water supply rates and fees can be a significant burden for local industry.	Council water supply schemes provide an efficient and effective option for the provision and management of potable water supply systems.
Council provided water supplies can adversely affect the effluent disposal capacity of unsewered areas, leading to potentially damaging effects on both the physical and cultural attributes of the receiving environment.	Reticulated wastewater disposal systems should be developed in parallel with reticulated public water supply systems to ensure that onsite wastewater systems are not placed under unacceptable strain.
Accidental discharge.	Procedures in place to shut extraction down until contaminant has passed.

## Looking Ahead, Key Projects and Programmes

- Investigate raw storage dam
- Bulk reticulation monitoring
- Installation of backflow preventers (Te Kuiti, Mokau, and Piopio)
- Access easement or purchase of land(where applicable) to secure assets
- Te Kuiti SCADA
- Mokau water-main renewals
- New pumping line to reservoir (Piopio)
- Investigation into an additional new reservoir in Te Kuiti
- Additional monitoring and control - Benneydale
- Treatment plant monitoring renewals
- Mechanical renewals (Te Kuiti)
- Treatment plant renewals (Mokau)
- Mechanical renewals (Piopio)
- Reticulation renewals (Piopio, Te Kuiti)
- Seismic strengthening of WDC reservoirs

## 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					
		2016/17 Target/ Result	2017/18 Target	Year 1 Target 2018/19	Year 2 Target 2019/20	Year 3 Target 2020/21	Year 4-10 Target 2021- 28
Water supply system is adequate and sufficiently maintained for public health purposes.	The extent to which WDC's drinking water supplies comply with Part 4 of NZ Drinking-water Standards 2005 (revised 2008) (bacteria compliance criteria)	100% / Not achieved	100%	100%	100%	100%	100%
	The extent to which WDC's drinking water supplies comply with Part 5 of NZ Drinking-water Standards 2005 (revised 2008) (protozoal compliance criteria)	100%* / Not achieved	100%*	100%	100%	100%	100%
Water Supply networks are being maintained adequately.	Percentage of real water loss from the Council's networked reticulation system in a financial year in: <i>(‘Water Losses’ includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft. This does not include unauthorised consumption.)</i>						
	• Te Kuiti	≤ 25% / Achieved (20%)	≤ 25%	≤ 25%	≤ 25%	≤ 25%	≤ 25%
	• Mokau	≤ 25% / Achieved (20%)	≤ 25%	≤ 25%	≤ 25%	≤ 25%	≤ 25%
	• Piopio	≤ 25% / Achieved (25%)	≤ 25%	≤ 25%	≤ 25%	≤ 25%	≤ 25%
	• Benneydale	≤ 15% / Achieved (10%)	≤ 15%	≤ 15%	≤ 15%	≤ 15%	≤ 15%
Timely response and resolution of service requests.	The median response times for attendance for urgent call-outs in a financial year**	≤ 180 minutes (3 hrs) / Achieved (<2 hrs)	≤ 180 minutes (3 hrs)	≤ 180 minutes (3 hrs)	≤ 180 minutes (3 hrs)	≤ 180 minutes (3 hrs)	≤ 180 minutes (3 hrs)
	The median resolution time of urgent call-outs in a financial year***	≤ 540 minutes (9hrs) / Achieved (<6 hrs)	≤ 540 minutes (9hrs)	≤ 540 minutes (9hrs)	≤ 540 minutes (9hrs)	≤ 540 minutes (9hrs)	≤ 540 minutes (9hrs)
	The median response times for attendance for non-urgent call outs in a financial year**	≤ 660 Minutes (11hrs) / Achieved (<8 hrs)	≤ 660 Minutes (11hrs)	≤ 660 Minutes (11hrs)	≤ 660 Minutes (11hrs)	≤ 660 Minutes (11hrs)	≤ 660 Minutes (11hrs)
	The median resolution time of non-urgent call outs in a financial year***	≤ 850 minutes (14.1hrs) / Not achieved (<72 hrs)	≤ 850 minutes (14.1hrs)	≤ 96hrs (4 days)	≤ 96hrs (4 days)	≤ 96hrs (4 days)	≤ 96hrs (4 days)

WHAT WE DO (Level of Service)	HOW WE MEASURE SUCCESS (Performance Measure)	OUR TARGETS					
		2016/17 Target/ Result	2017/18 Target	Year 1 Target 2018/19	Year 2 Target 2019/20	Year 3 Target 2020/21	Year 4-10 Target 2021- 28
Provision of effective and reliable water supply system to the community.	The total number of complaints received by Council in a year for:						
	• drinking water clarity	≤ 5 per 1000 connections / Achieved (3.2)	≤ 5 per 1000 connections	≤ 5 per 1000 connections	≤ 5 per 1000 connections	≤ 5 per 1000 connections	≤ 5 per 1000 connections
	• drinking water taste	≤ 5 per 1000 connections / Achieved (0.9)	≤ 5 per 1000 connections	≤ 5 per 1000 connections	≤ 5 per 1000 connections	≤ 5 per 1000 connections	≤ 5 per 1000 connections
	• drinking water odour	≤ 5 per 1000 connections / Achieved (0.9)	≤ 5 per 1000 connections	≤ 5 per 1000 connections	≤ 5 per 1000 connections	≤ 5 per 1000 connections	≤ 5 per 1000 connections
	• drinking water pressure flow	≤ 5 per 1000 connections / Not achieved (47)	≤ 5 per 1000 connections	≤ 30 per 1000 connections	≤ 30 per 1000 connections	≤ 25 per 1000 connections	≤ 25 per 1000 connections
	• continuity of supply	≤ 5 per 1000 connections / Not achieved (37)	≤ 5 per 1000 connections	≤ 30 per 1000 connections	≤ 30 per 1000 connections	≤ 25 per 1000 connections	≤ 25 per 1000 connections
	Median response time to any of these issues within a year.	≤ 180 minutes / Not achieved (<360)	≤ 180 minutes	≤ 540 minutes (9hrs)	≤ 540 minutes (9hrs)	≤ 540 minutes (9hrs)	≤ 540 minutes (9hrs)
Efficient management of demand for water for the community.	Average consumption of drinking water per day per resident within the district.	≤ 400 litres per person per day / Achieved (276 litres)	≤ 400 litres per person per day	≤ 400 litres per person per day	≤ 400 litres per person per day	≤ 400 litres per person per day	≤ 400 litres per person per day

\* Achievement will be based on timing of completion of the Te Kuiti Water Treatment Plant upgrade which is being carried out primarily to ensure compliance with New Zealand Drinking Water Standards requirements.

\*\* from the time that the Council receives notification to the time that the service personnel reach the site.

\*\*\* from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption.

## Activity Funding

This Group will be funded from:

- Targeted Fixed Rate (TFR)
- Targeted Rate (TR)

Details of, and the rationale for, the above funding method is contained in Council's Revenue and Financing Policy (see Section D).

## Estimated Cost of Service Statement for Water Supply

(\$000's)	EAP 17/18	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
<b>Operating Expenditure</b>											
Te Kuiti	2,034	2,031	2,089	2,163	2,170	2,248	2,294	2,298	2,302	2,329	2,282
Mokau	395	377	388	398	399	408	414	414	415	420	421
Piopio	394	368	396	423	422	433	452	464	461	465	479
Benneydale	165	182	185	190	189	196	201	225	205	211	210
Waitomo	0	5	5	5	0	0	0	0	0	0	0
<b>Total Operating Expenditure</b>	<b>2,988</b>	<b>2,963</b>	<b>3,063</b>	<b>3,179</b>	<b>3,180</b>	<b>3,285</b>	<b>3,361</b>	<b>3,401</b>	<b>3,383</b>	<b>3,425</b>	<b>3,392</b>
<b>Net Operating Cost/(Surplus)</b>	<b>2,988</b>	<b>2,963</b>	<b>3,063</b>	<b>3,179</b>	<b>3,180</b>	<b>3,285</b>	<b>3,361</b>	<b>3,401</b>	<b>3,383</b>	<b>3,425</b>	<b>3,392</b>
<b>Capital Expenditure</b>											
Te Kuiti	1,098	406	381	358	420	320	304	311	270	277	285
Mokau	145	115	76	11	11	11	6	6	108	97	132
Piopio	114	339	216	69	44	119	46	47	48	108	51
Benneydale	7	4	4	4	31	31	4	4	4	4	11
<b>Total Capital Expenditure</b>	<b>1,364</b>	<b>864</b>	<b>677</b>	<b>442</b>	<b>506</b>	<b>481</b>	<b>360</b>	<b>368</b>	<b>430</b>	<b>486</b>	<b>479</b>
<b>Net Expenditure for Activity</b>	<b>4,352</b>	<b>3,827</b>	<b>3,740</b>	<b>3,621</b>	<b>3,686</b>	<b>3,766</b>	<b>3,721</b>	<b>3,769</b>	<b>3,813</b>	<b>3,911</b>	<b>3,871</b>
<b>Funded By</b>											
Internal Loans	1,128	859	673	369	431	130	6	6	108	205	132
Reserves	674	270	280	270	196	390	289	187	25	(55)	76
Targeted Rate - Te Kuiti	1,030	1,181	1,272	1,492	1,653	1,789	1,930	2,033	2,117	2,180	2,086
Targeted Rate - Mokau	321	288	270	238	199	212	226	236	244	250	242
Targeted Rate - Piopio	307	322	300	266	222	238	255	269	278	286	279
Targeted Rate - Benneydale	180	157	146	128	107	114	122	129	132	136	132
Metered Water Rates	712	750	799	858	878	893	893	909	909	909	924
<b>Total Funding</b>	<b>4,352</b>	<b>3,827</b>	<b>3,740</b>	<b>3,621</b>	<b>3,686</b>	<b>3,766</b>	<b>3,721</b>	<b>3,769</b>	<b>3,813</b>	<b>3,911</b>	<b>3,871</b>
Depreciation and Amortisation Expense	627	638	658	676	686	697	710	719	727	735	746

# Roads and Footpaths

## What we do

The scope of the activities forming part of the Roads and Footpaths Group in the Waitomo District is almost entirely related to the roading assets. This includes:

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

## Road Network

We maintain 461km of sealed roads and 553km of un-sealed roads.

The nature of Council's roading activities is:

- Managing and maintaining the District's road network
- Identifying the need for and undertaking maintenance, operations and renewals of the roading network and footpaths and ancillary systems such as signs and road markings

## Subsidised Roding

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

- Sealed Pavement Maintenance
- Unsealed Pavement Maintenance
- Footpaths maintenance and renewals
- Routine Drainage Maintenance
- Structures Maintenance
- Environmental Maintenance
- Traffic Services Maintenance
- Level Crossing Warning Devices
- Emergency Reinstatement
- Network and Asset Management
- Professional Services
- Street Lighting

## Unsubsidised Roding

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

The Council has sole financial responsibility for this activity.

The functions include:

- Amenity Lights
- Unsubsidised miscellaneous work
- Street Cleaning

- Carpark Maintenance (other than kerbside parking)

## Community Outcomes and Strategic Goals



## Why we do it

**Rationale for Service Delivery:** This Group exists to provide safe and reliable transport infrastructure (including footpaths) to facilitate the movement of people and goods.

An efficient, safe and sustainable road network is essential for the provision of good quality local infrastructure in our District. Roads provide access to properties, passage of through traffic, and transportation of goods and services.

Council has the option of owning roading assets or supporting private sector developers/landowners in the provision of roading through development of private access roads and rights of way.

## Guiding Legislation, Plans and Documents

LEGISLATION	PLANS AND DOCUMENTS
<b>ROADS AND FOOTPATHS</b>	
Local Government Act 2002	Land Transport Asset Management Plan
Government Roding Powers Act 1989	Regional Land Transport Programme*
Land Transport Act 1998	Waitomo District Plan
Land Transport Management Act 2003	
Land Transport Management Amendment Act 2008	

\*Note: The Waikato Regional Transport Committee has separately prepared a Regional Land Transport Programme (RTLTP). This document is important to the Waitomo District Council as it establishes the regional priority for many District transport activities including all state highway activities and some of the local road improvements included in this LTP.

## Significant Negative Effects

NEGATIVE EFFECTS	MITIGATION
<b>ROADS AND FOOTPATHS</b>	
Road safety related impacts include loss of life and serious injury and associated financial costs. Road blockages and slips impact on everyday movements of people between home and schools, work and recreation.	Provision of a safe and efficient roading network.
Carbon emissions, noise, dust and consumption of non-renewable energy resources.	Good transport planning and design contributes to efficient use of non-renewable energy resources.
Cost of compliance with applicable standards.	Increased efficiencies through improved design and construction techniques offset the costs of compliance.
Road blockages and damage can result in delays to the supply of goods and daily access to places of employment.	Responding to damage and blockages in a timely and appropriate manner.

NEGATIVE EFFECTS	MITIGATION
<b>ROADS AND FOOTPATHS</b>	
The reverse effect of an efficient land transport network is the regionalisation of employment related opportunities.	Promotion and marketing of District as a desirable place to live, work and for recreation.  Advocate the roll-out of high speed broad band into the District.

## Looking Ahead, Key Projects and Programmes

This group of activities represents the major portion of Council's overall operational expenditure. Council utilises its ability to seek alternative central government funding sources when planning our forward programme of work.

### Operational and maintenance

- Costs are expected to rise gradually based on construction cost indices. This applies to all road maintenance activities.
- Increased Falling Weight Displacement programme to test the sealed network.
- Road safety programmes to address interventions to over-represented crash factors as identified in RAMM and in the NZTA Crash Analysis System (CAS).

### Renewals

- Renewals are increasing in line with condition assessment data, movements in construction cost indices and rates of deterioration pavement and surfacings.
- Reseals of the district sealed roading network at a targeted rate of 38km/year for the next three years.
- Pavement rehabilitation is targeted at 4km/year.
- The network has 39 bridges forecast for replacement over the next 30-years, with 11 due in the next 10 years, because of their age and condition.

### New works (improvements)

- The seal extension category includes provision for the road upgrading project supporting the Omya limestone mining development proposal.
- Smoothing road geometry at bends.
- Footpath renewals and extensions include some minor lengths of new footpaths near schools and retirement villages.

## 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					
		2016/17 Target/ Result	2017/18 Target	Year 1 Target 2018/19	Year 2 Target 2019/20	Year 3 Target 2020/21	Year 4-10 Target 2021-28
Monitor safety of local roads to assist in planning and prioritising works required to upgrade, maintain or change the condition of the roading environment in order to reach and maintain a specified level of safety.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	1 (or maintain at 0) / Achieved (5 crashes, change of 1)	1 (or maintain at 0)	1 (or maintain at 0)	1 (or maintain at 0)	1 (or maintain at 0)	1 (or maintain at 0)
Maintain the overall condition of local roads to a specified adequate standard <i>*NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort</i>	The average quality of ride on a sealed local road network, measured by smooth travel exposure, in a financial year.  (Percentage of measured sealed road lane kilometres not exceeding a NAASRA* roughness count rating of 150 to be at least 90%)	90% / Achieved (94%)	90%	90%	90%	90%	90%
Maintain the overall condition of the unsealed roads to a specified adequate standard	Percentage of unsealed road metalled each year.	15% (of total) / Not achieved (7%)	15% (of total)	10% (of total)	10% (of total)	10% (of total)	10% (of total)
Maintain the overall condition of sealed roads to a specified adequate standard	Percentage of the sealed local road network that is resurfaced each year	7% (of total) / Achieved (8%)	7% (of total)	7% (of total)	7% (of total)	7% (of total)	7% (of total)
Maintain the overall condition of footpaths to a specified adequate standard	The percentage of footpath network that falls within a condition rating of 3.	90% / Achieved (91%)	90%	90%	90%	90%	90%
Manage the timeliness and appropriateness of responses to problems and service requests.	The percentage of customer service requests relating to roads and foot paths responded to within 10 working days.	95% / Not Achieved (71%)	95%	80%	80%	85%	85%

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

## Activity Funding

This group will be funded from:

- Uniform Annual General Charge (UAGC)
- Targeted Fixed Rate (TFR)
- Targeted Rate (TR)
- Subsidies
- Fees and Charges

Details of, and the rationale for, the above funding method is contained in Council's Revenue and Financing Policy (see Section D).



## Estimated Cost of Service Statement for Roads and Footpaths

(\$000's)	EAP 17/18	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
<b>Operating Income</b>											
Subsidised Roads	7,562	9,237	9,717	10,160	10,528	10,696	10,899	11,213	11,599	11,882	12,308
Unsubsidised Roads	90	97	99	101	103	105	108	111	114	117	120
<b>Total Operating Income</b>	<b>7,652</b>	<b>9,334</b>	<b>9,816</b>	<b>10,261</b>	<b>10,631</b>	<b>10,801</b>	<b>11,007</b>	<b>11,324</b>	<b>11,713</b>	<b>11,999</b>	<b>12,428</b>
<b>Operating Expenditure</b>											
Subsidised Roads	9,678	9,728	9,797	10,098	10,278	10,579	10,925	11,170	11,503	11,910	12,188
Unsubsidised Roads	418	203	218	234	252	271	290	308	324	339	351
<b>Total Operating Expenditure</b>	<b>10,096</b>	<b>9,931</b>	<b>10,015</b>	<b>10,332</b>	<b>10,530</b>	<b>10,850</b>	<b>11,215</b>	<b>11,478</b>	<b>11,827</b>	<b>12,249</b>	<b>12,539</b>
<b>Net Operating Cost/(Surplus)</b>	<b>2,444</b>	<b>597</b>	<b>199</b>	<b>71</b>	<b>(101)</b>	<b>49</b>	<b>208</b>	<b>154</b>	<b>114</b>	<b>250</b>	<b>111</b>
<b>Capital Expenditure</b>											
Subsidised Roads	5,680	6,293	6,794	7,112	7,515	7,575	7,608	7,912	8,240	8,383	8,816
Unsubsidised Roads	335	160	164	193	198	202	207	212	218	224	230
<b>Total Capital Expenditure</b>	<b>6,015</b>	<b>6,453</b>	<b>6,958</b>	<b>7,305</b>	<b>7,713</b>	<b>7,777</b>	<b>7,815</b>	<b>8,124</b>	<b>8,458</b>	<b>8,607</b>	<b>9,046</b>
<b>Net Expenditure for Activity</b>	<b>8,459</b>	<b>7,050</b>	<b>7,157</b>	<b>7,376</b>	<b>7,612</b>	<b>7,826</b>	<b>8,023</b>	<b>8,278</b>	<b>8,572</b>	<b>8,857</b>	<b>9,157</b>
<b>Funded By</b>											
Internal Loans	152	418	424	452	445	448	474	478	489	502	513
External Loan Repayments	0	(779)	(789)	(720)	(676)	(550)	(420)	(288)	(298)	(306)	(317)
Reserves	2,285	1,863	2,031	2,021	2,086	2,041	1,960	1,942	2,015	2,043	2,129
UAGC	85	94	93	95	97	99	100	103	106	110	113
Targeted Services Rate - Rural	29	8	11	13	16	18	19	21	24	26	28
Targeted Services Rate - Urban	242	66	89	110	133	148	163	176	197	216	235
Targeted Rate - District Roading Rate	5,666	5,380	5,298	5,405	5,511	5,622	5,727	5,846	6,039	6,266	6,456
<b>Total Funding</b>	<b>8,459</b>	<b>7,050</b>	<b>7,157</b>	<b>7,376</b>	<b>7,612</b>	<b>7,826</b>	<b>8,023</b>	<b>8,278</b>	<b>8,572</b>	<b>8,857</b>	<b>9,157</b>
Depreciation and Amortisation Expense	2,958	2,848	2,812	2,890	3,037	3,193	3,368	3,560	3,783	4,034	4,254



*The Timber Trail*

# Section C: Financial Information

This section provides the Financial Strategy, details on the financial implications of the Plan, including estimated expenditure, revenue and public debt over the ten year term, and the Funding Impact Statements.

*Creating a better future with vibrant communities and thriving business.*



# Financial Strategy

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## 1.0 PURPOSE

The purpose of the Financial Strategy (FS) is to set out Council's strategic financial direction over the horizon of the 2018-28 Long Term Plan (LTP) period and how it plans to manage its financial performance over this ten year period. The financial strategy provides some defined parameters to guide the Council in its planned journey.

The Financial Strategy is an essential element of the LTP. Council must be financially sustainable to continue delivering quality services while keeping rates affordable, ensuring equity between current and future generations and sharing the costs of services across users in a fair and equitable manner.

This financial strategy is designed to provide an understanding of the main factors influencing the cost and demand for Council services, the financial challenges Council is likely to face and Council's proposed financial direction.

### 1.1 Guiding Principles

The Financial Strategy needs to consider financial health and robustness, the requirements of moving towards Council's vision and the needs of the community. All of these considerations are important from a sustainability perspective.

The guiding principles underpinning the Financial Strategy are that Council will strive to:

- a) Provide amenities, facilities and services to the

District community that contribute to and align with Council's vision

- b) Undertake good asset stewardship and management to ensure all community and infrastructure assets are fit for purpose and available for future generations
- c) Maintain affordable rates increases
- d) Ensure financial sustainability - by ensuring that our revenue is sufficient to cover an efficient operating expense base, all funding sources are being used optimally and financial management is prudent

## 2.0 STRATEGIC CONSIDERATIONS

### 2.1 Population and land use changes

Planning Assumptions for the 2018-28 period show that the annualised population of Waitomo District as a whole will decline by -0.3% per year over the 2018-2048 period, from an estimated 9,810 in 2018 to 9,650 in 2028. Regarding the population structure, the district has a similar age profile to the rest of New Zealand. The proportion of people aged over 65 is projected to increase from 13% in 2013 to over 25% in 2048 and the number of people aged between 15 and 64 years of age is projected to decrease. This may have a flow-on effect to the make-up of the work force in the district. Factors such as the aging population contribute to a decline in the average household size, decreasing from around 2.6 residents per household in 2013 to under 2.3 in 2048.

In terms of geographic spread of growth, the Te Kuiti Ward is expected to experience a small growth in dwellings. The population and number of dwellings is projected to grow in the Waitomo Rural Ward. Population and dwelling growth flows through to rating units. The district's rating units are predominantly Residential and Residential Lifestyle, with nearly two thirds of the total rating units falling under these two categories. Therefore, any rating unit growth is heavily dependent on dwelling growth. The number of Commercial and Industry rating units is projected to increase in Mokauiti, Piopio, and Te Kuiti with no growth elsewhere. No significant land use changes are expected over the 10 year planning horizon.

Population and development projections are important in the context of rating and rates affordability. Whilst a static or declining population does not necessarily translate to a reduction in the number of rateable properties (the number of rateable properties in the Waitomo District has increased despite a declining population) it can impact on a community's ability to pay and affordability concerns which Council will need to carefully manage.

It is also projected that the current pattern of limited subdivision and building development will continue over the 10 year period. Overall there is projected to be little change in demand for Council provided services through population

or land use changes.

## 2.2 External Influencers

It is important to note that projections are an indication of the future characteristics of a population, and are based on an assessment of past trends and assumptions (e.g. fertility, mortality, migration). Projections are models based on input data, available knowledge and expert assumptions. The projections represent only one possible, albeit plausible, future. Demographics and economies are complex systems characterised by multi-scale dynamic feedbacks which cannot be predicted. For this reason, it is not possible to fully quantify the uncertainty associated with the projections. The projected decline in population does not consider other factors that may well influence the future look and feel of the Waitomo Community (like Central Government policy, global and national trends) and the effective delivery of Councils own strategies can and will influence the make-up of the Waitomo Community over time.

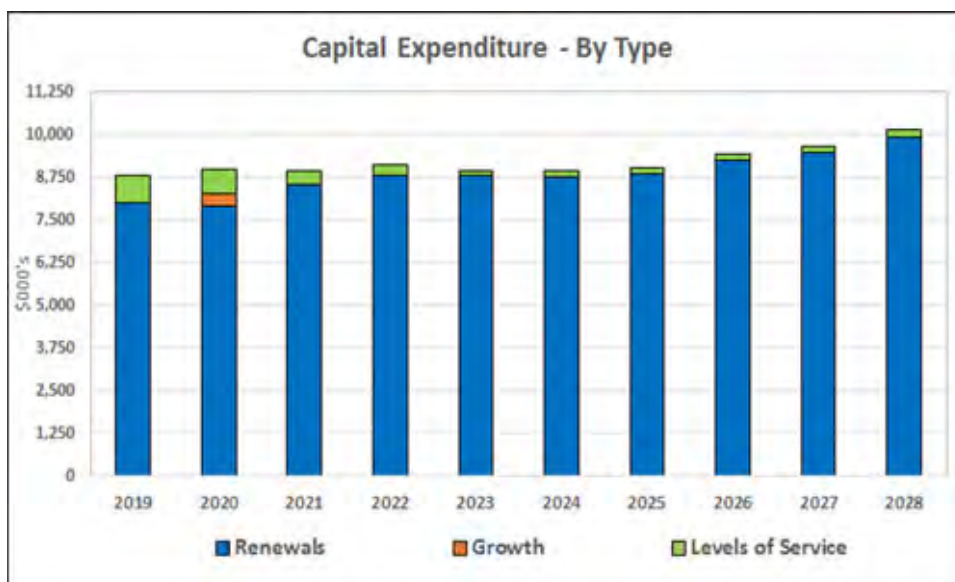
Factors such as housing affordability in metropolitan areas, an improved national State Highway network, public transport, central government strategies around regional development and local government's efforts in the provision of networked and community services and community development could well see the smaller regions becoming more desirable places to live and work. All other factors detailed in the Planning Assumptions for the 2018-28 LTP have been considered in the development of this Financial Strategy.

## 2.3 Infrastructure Strategy

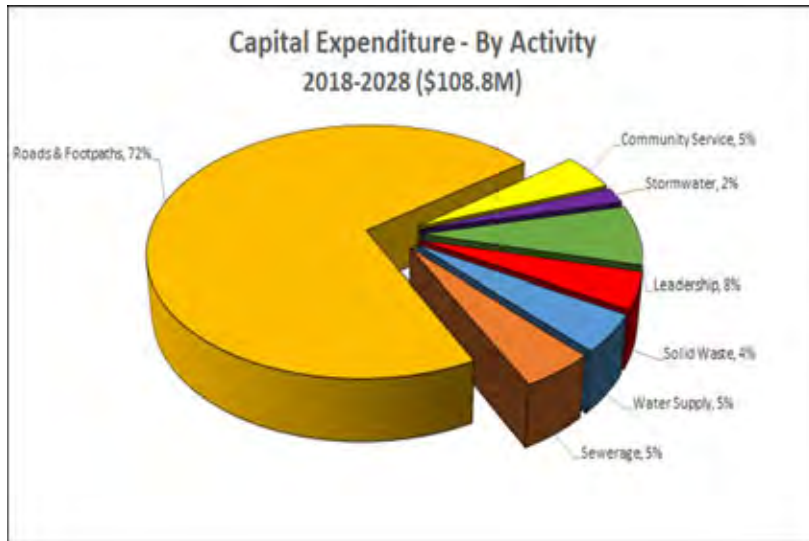
In the last 10 years, Council has made a concerted effort to invest in core infrastructure upgrades where it was essential for reasons of future proofing, for achieving public health outcomes or for reasons of environmental management. As a result, most of Council's core (above ground) assets are now in good condition. Council's piped networks, however (except for the Piopio wastewater scheme and the Benneydale water supply scheme) are characterised by ageing reticulation infrastructure. Long term asset renewal strategies take account of this aspect and respond accordingly.

A planned for by-product of Council's investment in its core infrastructure over the past few years is that there is currently enough capacity in the network infrastructure for nominal growth in areas where it should occur. Council's Infrastructure Strategy (IS) covering a planning period of 30 years (2018-48) notes that the focus over the next 30 years for infrastructure is expected to be on maintaining it at current standards. The upgrades required are mostly related to risk mitigation and environmental reasons. The strategy asserts that asset maintenance and essential elements of prudent asset management will continue to form a vital part of Council's future planning.

The inflated 10 year capital expenditure planned for 2018-28 period includes \$108.8 million (mostly renewals). The following graph differentiates the capital expenditure by the 'drivers'.



Over the 10 years the total planned capital expenditure by activity is shown in the following graph:



## 2.4 Maintaining and delivering services (Levels of service) and affordability

Council is clear in its vision and wants to invest in place making and place shaping initiatives; in community development and growth opportunities and also wants to deliver services that meet the current needs of the community with an eye to the future. It has been the intention of Council for some time to turn its attention to community well-being aspects and to enhance the 'liveability' of the District, once a stable and sustainable core infrastructure and financial platform was in place.

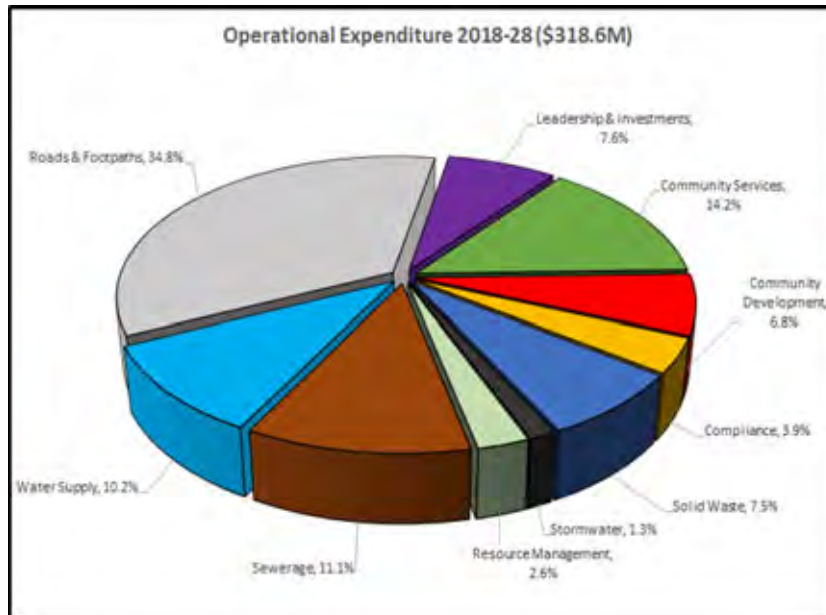
In the 2018-28 LTP, Council is proposing a change to the way it supports the development of the District community. Council proposes to take a partnership approach alongside other key stakeholders in initiatives involving community support and development (Safe Communities initiative).

Council is also clear that all this has to be done in a financially prudent and affordable manner. This is one of the guiding principles that the LTP proposals will be assessed against. Council's view is to take a 'crawl, walk, run' approach in this direction and therefore this realignment does not mean a substantial overall increase in investment in financial terms. It represents the next step in Council's journey and Council intends to make incremental gains.

The following graph shows Council's forecast levels of operating expenditure over the 2018 - 2028 period and compares it with the total operating expenditure forecast in the 2015-25 LTP.



The following graph shows the overall forecast operational expenditure over the 10 years by activity.



The service levels for all other services including core infrastructure is not expected to change over the 2018-28 period. The sealed and unsealed road network (which is the largest expenditure area for Council) is currently in reasonable condition because of current investment in maintenance, rehabilitation and reseals. Current levels of service are a minimum in terms of an effective, efficient, and safe local roading network.

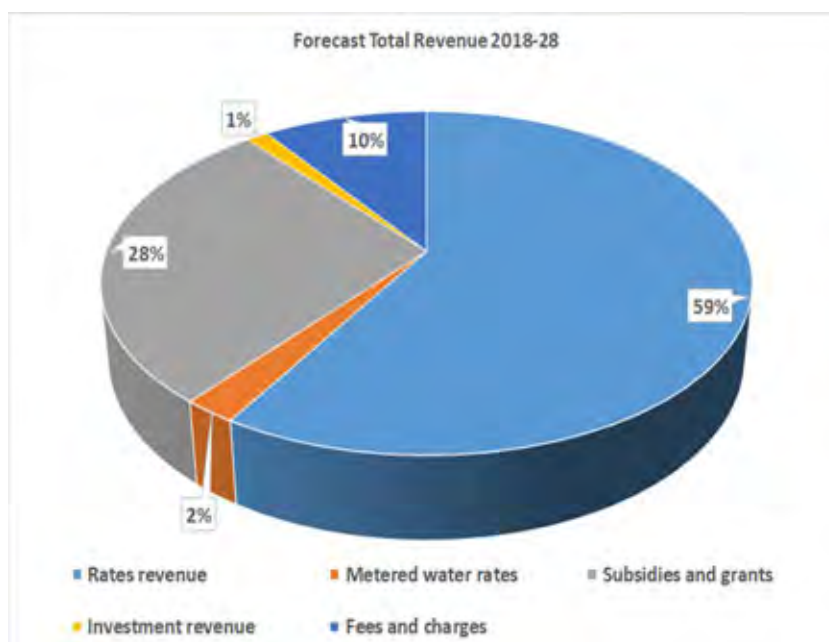
Council has been careful to invest in infrastructure upgrades for Waters where essential to comply with to public health and environmental standards. Whilst a projected decline in population is of concern in terms of affordability, there is little or perhaps no scope to scale back Council's involvement in the provision of this infrastructure. The water supply and sewerage networks have been designed to what can be termed the minimal standards required for a municipal supply in New Zealand under current legislation and regulation.

Many of the other public services provided by Council (particularly in the areas of regulation, resource management and solid waste) are also governed by legislation, regulation, and industry standards and as a result there are limited options for changes to scale and scope in response to changes in population and development.

The provision of community services such as parks and reserves, recreation and culture, community development and other public amenities are the very services that make communities desirable in terms of a place to work, live and play. Throughout the period of this LTP, Council aims to focus on community and economic development to attract more residents and visitors to the District. In short, a retraction or reduction in scope of desirable public services would work against the Council's vision of 'Creating a better future with vibrant communities and thriving business'.

## 2.5 Revenue Streams

The total revenue forecast over the 2018-28 period is \$373.08 million. Sources of funding for the planned services and operations in the 2018-2028 period are shown in the graph below. In the 2018-28 LTP, 59% of the revenue is forecast from rates and 41% from other sources.



### 3.0 COUNCIL'S PLANNED FINANCIAL FUTURE

#### 3.1 Rates

Council recognises the need to keep rates sustainable and increases in rates affordable over time and will endeavour to keep the income required from rates steady. Council's direction for achieving affordability of rates are:

- Limiting the level of rates income to a percentage of operating expenditure
- Managing costs through efficiency gains and increasing other revenue sources e.g. user fees and charges, subsidies
- Specific considerations for funding of depreciation (detailed in the following section)

#### Funding of Depreciation

Council funds depreciation to allow for the replacement of Council's capital assets. Over the life of the Long Term Plan we are forecasting \$66.12 million of depreciation. The cost of depreciation is a substantial part of the total rates requirement over the LTP. In keeping with Council's focus on prudent financial management and ensuring that rates are affordable and sustainable, Council will apply the following regarding funding depreciation:

- To fund depreciation for Community Halls and Housing for Elderly only to the extent required for minor renewals. This is because Council considers that future renewals would be from community sources and/or grants and subsidies. These facilities are community occupied, have a life in excess of 50 years and renewals would be dependent on future choices.
- To defer depreciation or fund only to the level required to meet annual loan repayments on some newly built assets for the first 4-5 years of the asset life and fully recovering that unfunded depreciation over the life of these assets. Council does not intend to build up surplus depreciation reserves in the initial years because of the assets being brand new meaning they have extended lives and low risk of failure. Council has primarily considered this from an affordability perspective for the current ratepayers and considers this fair and equitable since the current ratepayers are carrying the debt servicing costs anyway.

Council considers that the above approach to depreciation is not likely to lead to a deferred burden on future rates caused by deferred depreciation funding as is evident from the forecast rates increase over the LTP (which is consistent).

In making these proposals (pursuant to section 100(2) of the Local Government Act 2002), Council has considered the overall impact of its financial management policies, levels of service and ensured the cash flow is positive over the life of the plan (excluding major projects).

#### Limits on Rates



Council has set the following limits on rates revenue and rates increases for the 2018-28 period.

- Rates revenue will be limited to an average of 75% of total operating expenditure
- Rate increases will be limited to no more than forecast LGCI for that year + 2%

The limit on annual rate increases will not apply where there is an increase in the existing level(s) of service (LoS) of any activity in consultation with the community. This exclusion includes unforeseen events that may occur during the period of the plan.

The following table illustrates the forecast rates increases over the 2018-28 period and tests these against the rates limit set by Council. The table shows that Council's forecast rate increases are substantially lower than previous forecasts.

Forecast Rates Increase	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
Rates increase limit	4%	4%	4%	4%	4%	4%	4%	5%	5%	5%
Forecast rates increases	2.48%	3.08%	2.20%	2.99%	2.40%	3.61%	2.68%	2.65%	2.79%	1.60%

The following table shows the planned total rates revenue is within the quantified limit that total rates revenue will be limited to an average of 75% of total operating expenditure.

Forecast Rates Revenue	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
Rates revenue limit	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Forecast rates revenue	67%	69%	69%	71%	71%	72%	73%	74%	74%	74%

### 3.2 Balanced Budget

Over the life of the LTP, Council's objective is to set total operating income at a level that meets or is greater than total operating expenditure. This is to ensure that there is access to enough funding to enable the services to continue to be provided long term.

However, there are activities where this approach may not be practical or prudent on a year-by-year basis due to the activity's long term nature, e.g. wastewater, roads and footpaths, water supplies. Over the next ten years Council intends to:

- Temporarily run activity deficits/ surpluses in order to avoid large variations in rates increases
- Use operational reserves and/or activity balances to fund some specific operational expenditure where appropriate.

Council considers this to be a 'prudent' approach to financial management in that it provides for assets to be maintained and renewed, debt levels kept reasonably conservative, and rate increases limited to an affordable level now and in future.

The following table illustrates that Council's planned expenditure as a proportion of planned operating expenses has met the balanced budget benchmark as planned revenue is greater than planned operating expenses.

Balanced Budget	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
Total operating expenditure	29,920	30,041	30,647	30,544	31,414	32,148	32,597	33,103	33,919	34,284
Total operating revenue	33,160	34,669	35,509	36,601	37,431	38,586	39,665	40,835	41,959	42,952
Revenue/ expenditure	111%	115%	116%	120%	119%	120%	122%	123%	124%	125%

### 3.3 Borrowing

External borrowing (public debt) is used by Council to fund assets or services that will provide benefit well into the future. This is in accordance with the principle of intergenerational equity. However, the use of borrowing has to be prudent and sustainable and limited to the ability to service and repay the debt. Council approves borrowing by resolution through the Annual Plan or the LTP process.

Council recognises the need to manage its finances in a sustainable and affordable manner and has therefore established borrowing parameters to ensure that investment priorities are carefully managed and affordable for the District community. Council has set the **following borrowing limits**:

- Total borrowing costs will not exceed 10% of total revenue
- The ratio of net interest to total revenue will not exceed 20%
- Total borrowings must not exceed 20% of total assets
- The ratio of net debt to total [cash] revenue will not exceed 170%
- Net interest will not exceed 20% of annual rates

The following table illustrate that Council is well within these limits in the 2018-28 period.

Forecast performance against borrowing limits	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
Total interest/ Total revenue	7.8%	7.6%	7.5%	7.4%	7.5%	6.9%	6.3%	5.6%	4.8%	4.0%
Net interest / Total revenue	7.7%	7.6%	7.5%	7.3%	7.4%	6.9%	6.3%	5.5%	4.8%	4.0%
Total borrowing/ Total assets	13.2%	13.0%	12.7%	12.1%	11.0%	10.0%	9.0%	7.5%	6.4%	5.3%
Net borrowings/ Total cash revenue	79.7%	79.4%	73.0%	69.9%	66.9%	59.5%	71.5%	56.8%	49.0%	43.8%
Net interest/ Annual rates	12.8%	12.7%	12.5%	12.4%	12.5%	11.5%	10.5%	9.3%	8.0%	6.8%

### 3.4 Debt Reduction

Council is committed to reducing external debt over the duration of the 2018-28 LTP, in order to reduce the debt servicing burden on the District community and make headroom for investing in increasing the 'liveability' of the Waitomo district. Council's financial performance has progressed significantly over the last 5-6 years. This is despite a significant

investment programme of \$98 million (since 2008) having been undertaken. This has been the result of Council's multi-pronged approach of increasing operating income where possible (particularly from grants and subsidies), improving its reserves balance, efficiency in spending and a focus on reducing cost of borrowing.

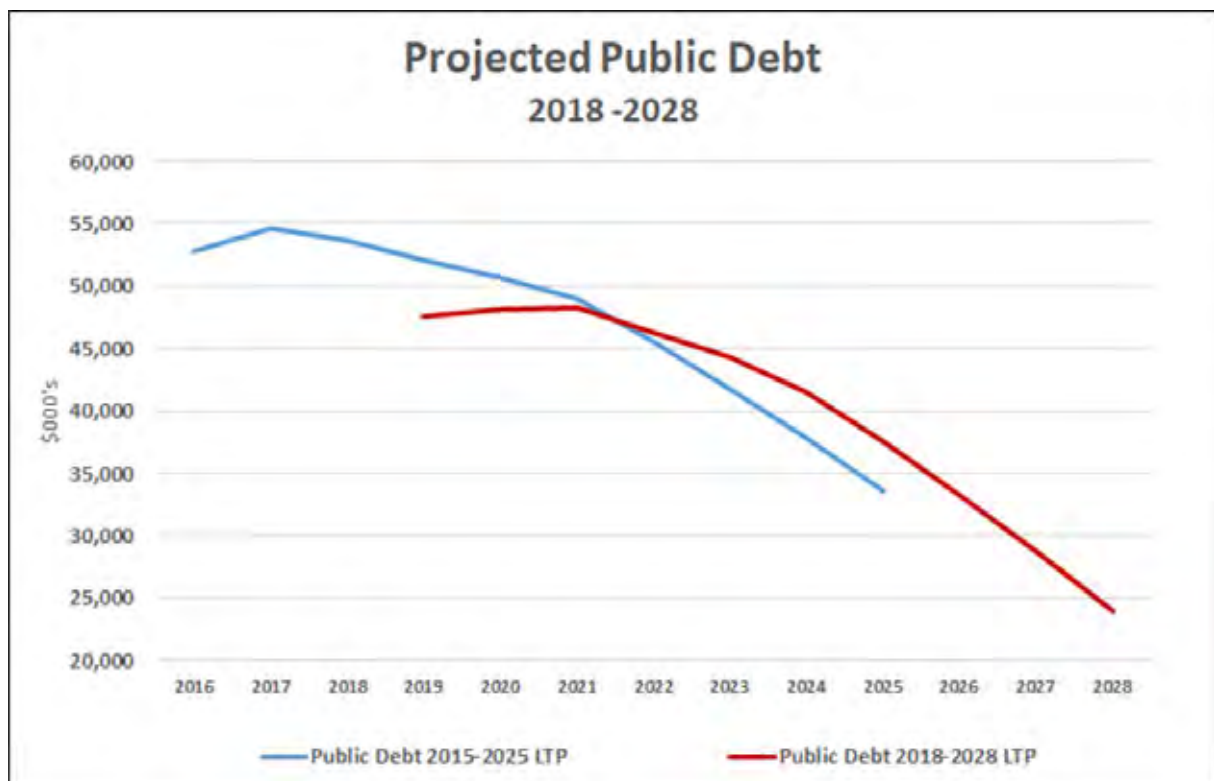
Council became a member of the Local Government Funding Agency (LGFA) in 2016 which is a big endorsement of Council's financial sustainability (Council had not been able to meet the LGFA covenants previously). Joining the LGFA has allowed Council to borrow at much lower interest rates and have easier access to long term borrowing, thereby reducing overall borrowing costs.

Changes to Council's total equity and debt levels is shown in the following table. Since 2012 Council has reduced debt by \$3.6 million and increased equity by \$29.8 million.

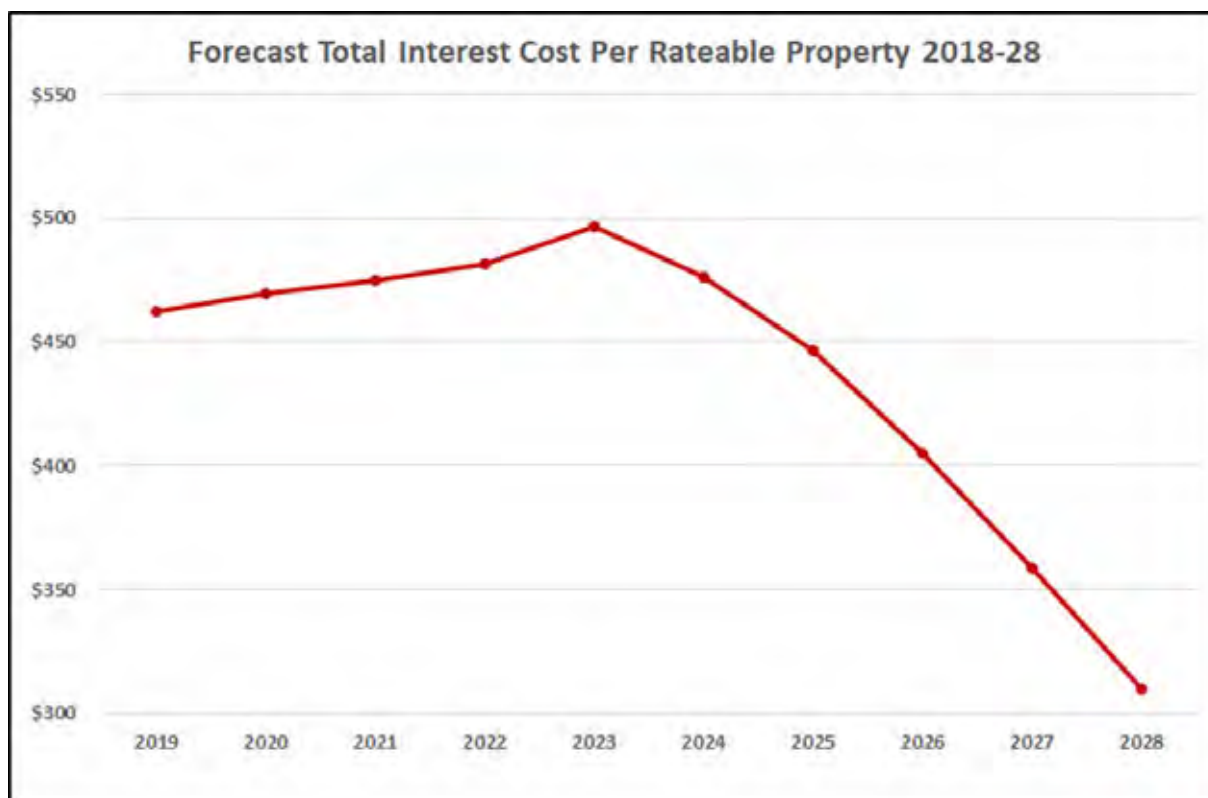
	30 June					
	2012	2013	2014	2015	2016	2017
<b>Actual Public Debt</b>	47,005	45,182	44,865	46,139	44,786	43,419
<b>Decrease</b>		-1,823	-317	1,274	-1,353	-1,367
<b>% Decrease</b>		-3.9%	-0.7%	2.8%	-2.9%	-3.1%
<b>Actual Equity</b>	264,378	270,525	277,412	287,081	289,174	294,190
<b>Increase</b>		6,147	6,887	9,669	2,093	5,016
<b>% Increase</b>		2.3%	2.5%	3.5%	0.7%	1.7%

Over the 2018-28 period Council will utilise all dividend and/or subvention income from its shareholding investment to repay debt. This income will not be used to offset rates required in any year of the 2018-2028 LTP.

Council was notified by the New Zealand Transport Agency that the subsidy rate for Waitomo District Council would be increased to 73%, which will mean additional revenue from subsidy. Council has agreed to utilise the additional subsidy to further reduce its debt. Over the term of the 2018-28 LTP public debt is forecast to reduce from \$46.8 million in 2018 to \$24 million by the end of 2028, a reduction of 49%.



The borrowings cost per rateable property are forecast to reduce by 33% over this period from \$462 in 2018 to \$309 in 2028.



#### 4.0 COUNCIL'S POLICIES ON GIVING SECURITIES ON ITS BORROWING

Council borrowings are secured over annual rates on every rateable property within the Waitomo District as per section 115 of the Local Government Act 2002. From time to time, security may be offered over specific assets with Council approval or infrastructural assets where special rating provisions apply.

Council will not borrow, underwrite or guarantee loans on behalf of any other person, association or organisation except the LGFA for which, under various Deeds and a guarantee and indemnity Council guarantees the indebtedness of the LGFA and other guarantors (a requirement of joining the LGFA) and Council offers deemed rates as security for general borrowing programmes.

The 2008 amendment of the Securities Act 1978 (sections 5A to 5D) enabled Council to issue debt securities to raise funds for Capital Investment. Any issue of debt securities must be approved by Council and will be in compliance with the Securities Act 1978. Securities are not provided for Councils own internal borrowing.

#### 4.1 Financial investments and equity securities

Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to achieve an acceptable rate of return on all its investments but recognises that as a responsible local authority any investments that it does hold will be low risk and that generally lower risk means lower returns and also that sometimes investments will need to be held for purposes other than financial returns.

Council's objectives for holding investments or making any new strategic or equity investments Council are/will be (one or all of):

- a) The expected financial return
- b) Contribution of the investment in furthering the Waitomo District's community outcomes as documented in the LTP
- c) How the investment 'fits' within the existing investment portfolio in terms of Council's preference to spread and minimise risk
- d) Contribution towards the good of the local government sector either nationally, regionally or within a sub group of Councils.

The following table lists Council's shareholding investments, the objectives these align with and the target rate of return.

Investment	Objective of Holding Equity	Target rate of return
Inframax Construction Limited	<ul style="list-style-type: none"> <li>• Expected financial return</li> <li>• Economic benefits like job creation thereby furthering community outcomes</li> </ul>	>=7.5%
Waikato Local Authority Shared Services	To ensure WLASS remains viable as a provider of shared services within the Waikato region	0%
Civic Financial Services Ltd	Contribution towards the local government sector	0%

# Financial Reporting and Prudence Benchmarks

Long-term plan disclosure statement for period commencing 1 July 2018.

## What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

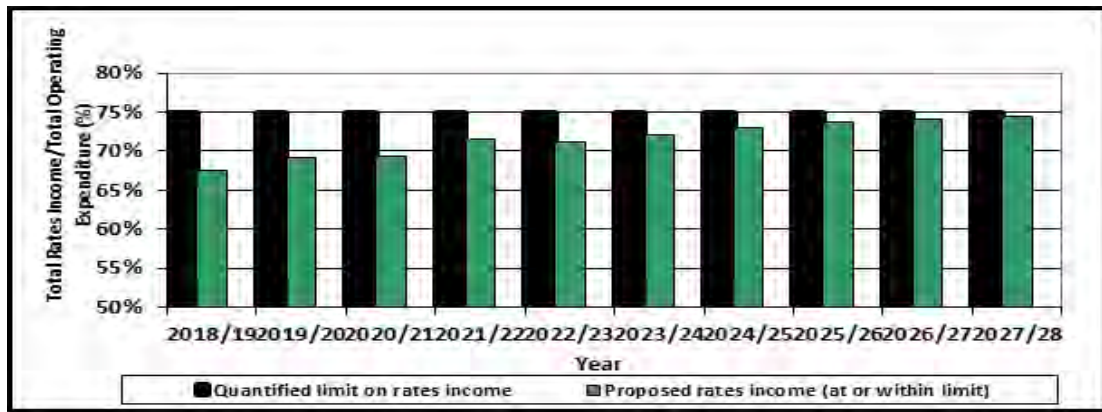
## Rates affordability benchmark

The council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

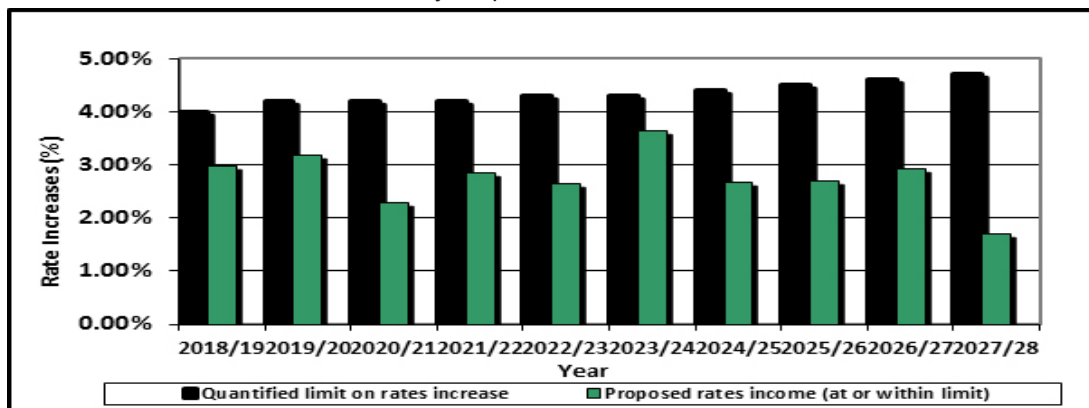
## Rates (income) affordability

The following graph compares the council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is total rates revenue will be limited to an average of 75% of total operating expenditure.



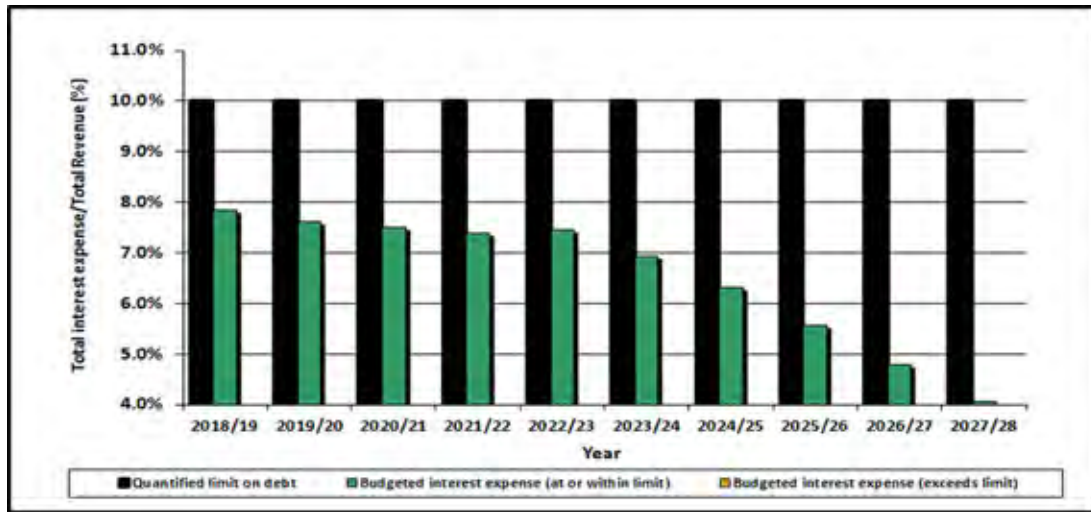
## Rates (increases) affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is total rate increases will be limited to a cap of the forecast Local Government Cost Index for that year plus 2%.

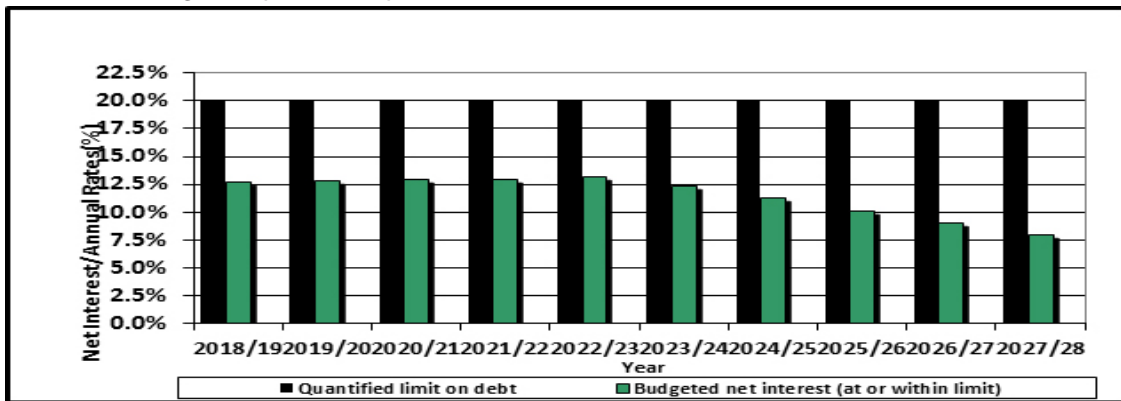


## Debt affordability benchmark

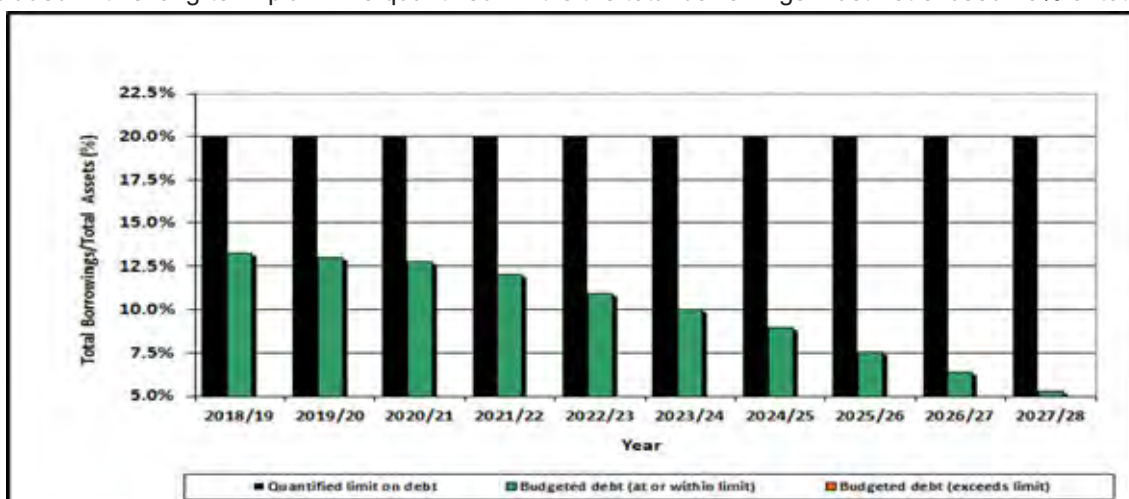
The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is total borrowing cost will not exceed 10% of total revenue.



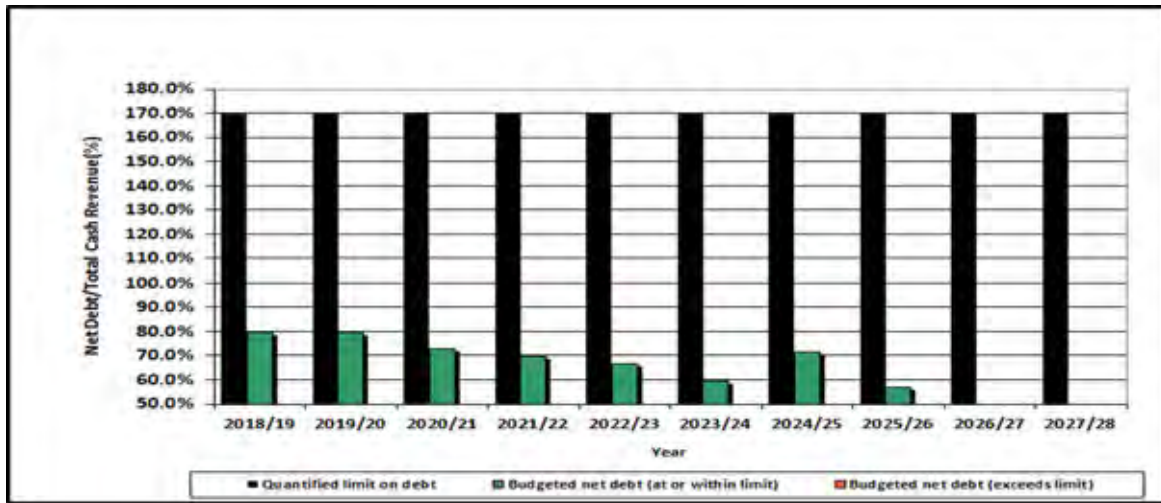
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is the ratio of net interest to total revenue will not exceed 20%.



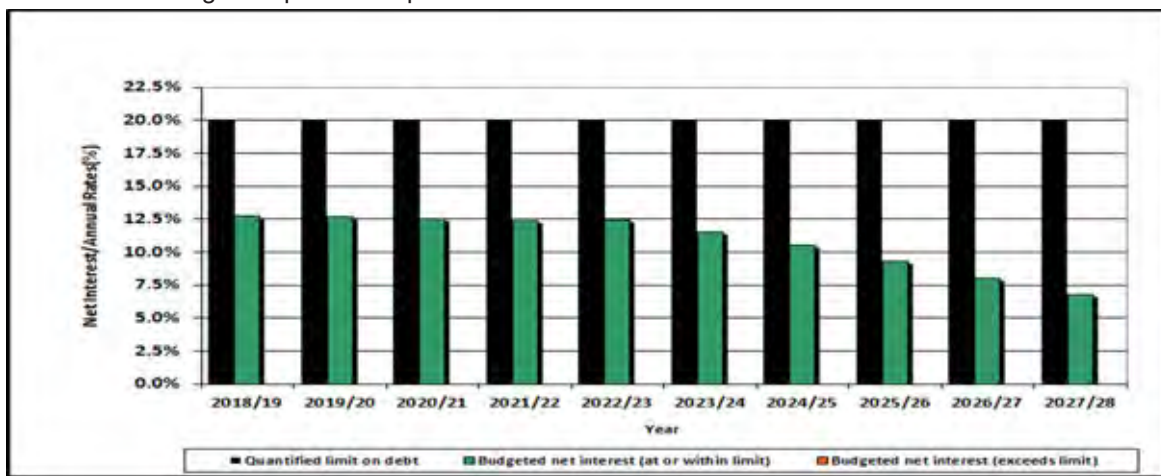
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is the total borrowings must not exceed 20% of total assets



The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is net debt will not exceed 170% of total (cash) revenue.



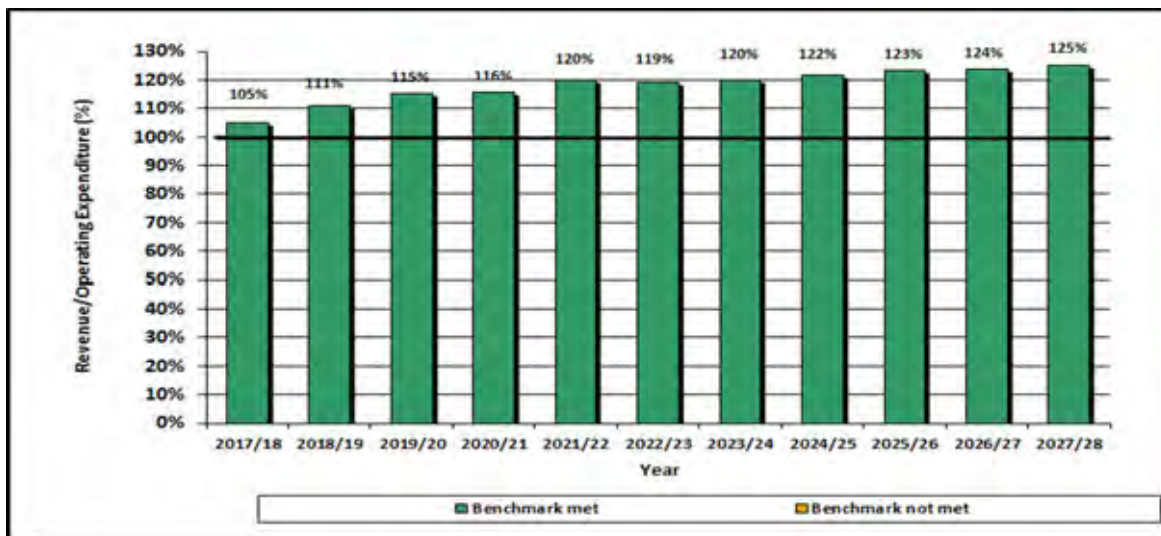
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is net interest will not exceed 20% of annual rates.



### Balanced budget benchmark

The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

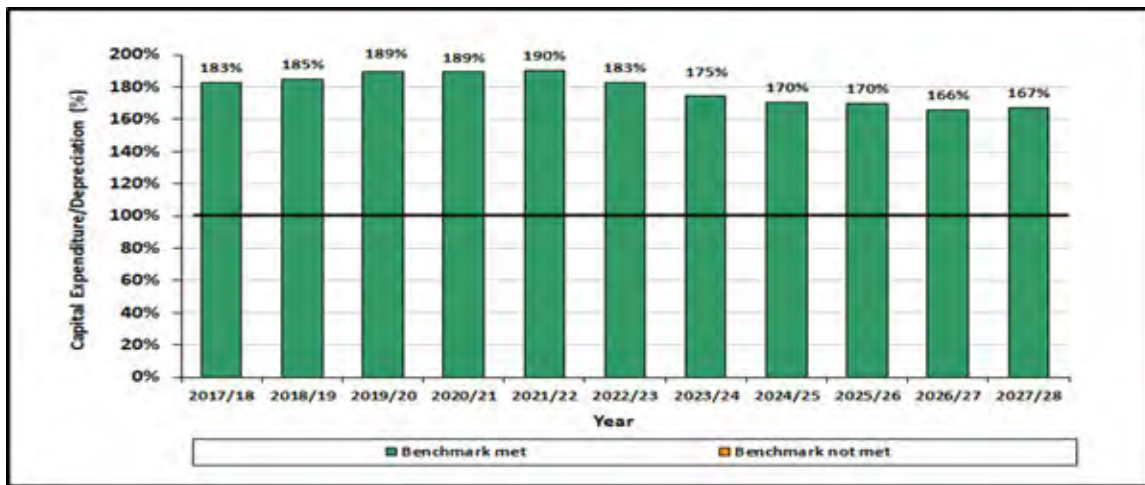
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.





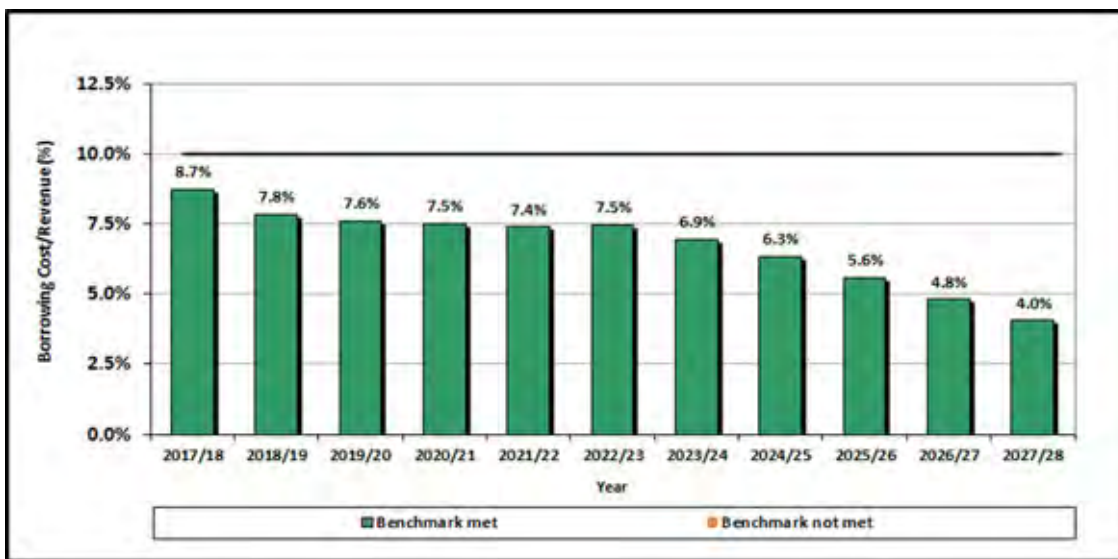
### Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services. The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



### Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



## Summary Cost of Service Statement for All of Council

	EAP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
(\$000's)	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Operating Income</b>											
Leadership	592	520	859	919	981	1,042	1,104	1,167	1,231	1,294	1,361
Community Service	523	688	701	550	561	574	587	600	615	629	646
Community Development	59	44	44	45	30	31	31	32	33	34	34
Compliance	481	453	460	469	479	489	501	512	524	537	550
Solid Waste Management	998	1,120	1,147	1,173	1,201	1,230	1,261	1,293	1,327	1,365	1,402
Stormwater	0	0	0	0	0	0	0	0	0	0	0
Resource Management	59	85	87	89	91	92	95	97	99	101	104
Sewerage	863	860	881	875	868	890	913	935	960	987	1,014
Water Supply	0	0	0	0	0	0	0	0	0	0	0
Roads and Footpaths	7,652	9,334	9,816	10,261	10,631	10,801	11,007	11,324	11,713	11,999	12,428
<b>Total Operating Income</b>	<b>11,227</b>	<b>13,104</b>	<b>13,995</b>	<b>14,381</b>	<b>14,842</b>	<b>15,149</b>	<b>15,499</b>	<b>15,960</b>	<b>16,502</b>	<b>16,946</b>	<b>17,539</b>
<b>Operating Expenditure</b>											
Leadership	3,472	2,282	2,237	2,333	2,319	2,339	2,472	2,443	2,480	2,613	2,585
Community Service	4,316	4,358	4,478	4,247	4,346	4,454	4,570	4,674	4,648	4,714	4,793
Community Development	1,605	2,740	2,356	1,914	1,941	1,991	2,046	2,083	2,131	2,175	2,199
Compliance	938	1,014	1,056	1,032	1,078	1,082	1,371	1,376	1,441	1,437	1,498
Solid Waste Management	1,902	2,053	2,228	2,317	2,383	2,429	2,466	2,485	2,500	2,528	2,530
Stormwater	408	393	396	410	409	418	441	437	446	463	464
Resource Management	245	958	908	1,484	917	1,005	601	597	596	591	581
Sewerage	3,410	3,228	3,304	3,399	3,441	3,561	3,605	3,623	3,651	3,724	3,703
Water Supply	2,988	2,963	3,063	3,179	3,180	3,285	3,361	3,401	3,383	3,425	3,392
Roads and Footpaths	10,096	9,931	10,015	10,332	10,530	10,850	11,215	11,478	11,827	12,249	12,539
<b>Total Operating Expenditure</b>	<b>29,380</b>	<b>29,920</b>	<b>30,041</b>	<b>30,647</b>	<b>30,544</b>	<b>31,414</b>	<b>32,148</b>	<b>32,597</b>	<b>33,103</b>	<b>33,919</b>	<b>34,284</b>
<b>Net Operating Cost/(Surplus)</b>	<b>18,153</b>	<b>16,816</b>	<b>16,046</b>	<b>16,266</b>	<b>15,702</b>	<b>16,265</b>	<b>16,649</b>	<b>16,637</b>	<b>16,601</b>	<b>16,973</b>	<b>16,745</b>
<b>Capital Expenditure</b>											
Leadership	636	860	958	693	545	1,022	856	773	786	762	981
Community Service	831	968	938	665	476	320	361	317	331	356	347
Community Development	65	0	2	5	0	2	6	0	2	6	0
Compliance	0	0	0	0	0	0	0	0	0	0	0
Solid Waste Management	316	217	1,046	1,211	316	341	342	342	343	343	344
Stormwater	304	199	203	208	213	218	241	229	235	242	248
Resource Management	0	0	0	0	0	0	0	0	0	0	0
Sewerage	619	693	587	675	573	521	534	369	355	365	400
Water Supply	1,364	864	677	442	506	481	360	368	430	486	479
Roads and Footpaths	6,015	6,453	6,958	7,305	7,713	7,777	7,815	8,124	8,458	8,607	9,046
<b>Total Capital Expenditure</b>	<b>10,150</b>	<b>10,254</b>	<b>11,369</b>	<b>11,204</b>	<b>10,342</b>	<b>10,682</b>	<b>10,515</b>	<b>10,522</b>	<b>10,940</b>	<b>11,167</b>	<b>11,845</b>
<b>Net Expenditure for Activity</b>	<b>28,303</b>	<b>27,070</b>	<b>27,415</b>	<b>27,470</b>	<b>26,044</b>	<b>26,947</b>	<b>27,164</b>	<b>27,159</b>	<b>27,541</b>	<b>28,140</b>	<b>28,590</b>
<b>Funded By</b>											
Internal Loans	3,170	3,934	3,877	3,731	2,132	1,315	1,019	846	969	1,089	1,037
External Loan Repayments	0	(779)	(1,139)	(1,120)	(1,126)	(1,050)	(970)	(888)	(948)	(1,006)	(1,067)
Reserves	5,562	3,859	4,003	3,731	3,279	4,400	4,028	3,496	3,187	3,044	3,207
General Rates	3,646	4,046	4,102	4,138	4,256	4,366	4,604	4,788	4,982	5,112	5,319
UAGC	3,268	3,355	3,639	3,678	3,784	3,907	4,122	4,228	4,303	4,428	4,522
Targeted Rates	12,657	12,655	12,933	13,312	13,719	14,009	14,361	14,689	15,048	15,473	15,572
<b>Total Funding</b>	<b>28,303</b>	<b>27,070</b>	<b>27,415</b>	<b>27,470</b>	<b>26,044</b>	<b>26,947</b>	<b>27,164</b>	<b>27,159</b>	<b>27,541</b>	<b>28,140</b>	<b>28,590</b>
Depreciation and Amortisation Expense	6,005	5,905	5,990	5,849	6,104	6,350	6,690	7,026	7,178	7,372	7,659

## Prospective Statement of Comprehensive Revenue and Expense for the years ending 30 June

	EAP	LTP Yr 1	LTP Yr 2	LTP Yr 3	LTP Yr 4	LTP Yr 5	LTP Yr 6	LTP Yr 7	LTP Yr 8	LTP Yr 9	LTP Yr 10
(\$000's)	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Revenue</b>											
Rates revenue excluding metered water rates	19,319	19,725	20,303	20,709	21,326	21,847	22,661	23,274	23,912	24,608	25,002
Metered water rates from non exchange transactions	712	750	799	858	878	893	893	909	909	909	924
Subsidies and grants	7,424	9,266	9,741	10,017	10,381	10,546	10,746	11,056	11,438	11,717	12,136
Investment Income	0	0	350	400	450	500	550	600	650	700	750
Interest revenue from exchange transactions	31	35	14	15	15	15	16	16	16	17	17
Fees and charges	3,283	3,186	3,260	3,303	3,355	3,430	3,515	3,600	3,694	3,787	3,895
Other revenue including gains/ (losses)	29	198	202	207	196	200	205	210	216	221	228
<b>Total Revenue and Gains/ (Losses)</b>	<b>30,798</b>	<b>33,160</b>	<b>34,669</b>	<b>35,509</b>	<b>36,601</b>	<b>37,431</b>	<b>38,586</b>	<b>39,665</b>	<b>40,835</b>	<b>41,959</b>	<b>42,952</b>
<b>Expenditure</b>											
Employee benefit expenses	5,211	5,499	5,609	5,724	5,845	5,972	6,037	6,179	6,331	6,483	6,652
Depreciation and amortisation expense	6,005	5,905	5,990	5,849	6,104	6,350	6,690	7,026	7,178	7,372	7,659
Finance costs	2,690	2,597	2,638	2,665	2,704	2,790	2,672	2,505	2,272	2,013	1,738
Other expenses	15,474	15,919	15,804	16,409	15,891	16,302	16,749	16,887	17,322	18,051	18,235
<b>Total Expenditure</b>	<b>29,380</b>	<b>29,920</b>	<b>30,041</b>	<b>30,647</b>	<b>30,544</b>	<b>31,414</b>	<b>32,148</b>	<b>32,597</b>	<b>33,103</b>	<b>33,919</b>	<b>34,284</b>
<b>Surplus/(Deficit)</b>	<b>1,418</b>	<b>3,240</b>	<b>4,628</b>	<b>4,862</b>	<b>6,057</b>	<b>6,017</b>	<b>6,438</b>	<b>7,068</b>	<b>7,732</b>	<b>8,040</b>	<b>8,668</b>
<b>Other Comprehensive Revenue and Expense</b>											
Gains/(Losses) on revaluation of property, plant and equipment	4,620	0	5,222	3,732	0	16,823	6,139	0	20,132	7,165	0
<b>Total Other Comprehensive Revenue and Expense</b>	<b>4,620</b>	<b>0</b>	<b>5,222</b>	<b>3,732</b>	<b>0</b>	<b>16,823</b>	<b>6,139</b>	<b>0</b>	<b>20,132</b>	<b>7,165</b>	<b>0</b>
<b>Total Comprehensive Revenue and Expense for the year</b>	<b>6,038</b>	<b>3,240</b>	<b>9,850</b>	<b>8,594</b>	<b>6,057</b>	<b>22,840</b>	<b>12,577</b>	<b>7,068</b>	<b>27,864</b>	<b>15,205</b>	<b>8,668</b>

## Prospective Statement of Changes in Equity

	EAP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	17/18	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
(\$000's)	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Total Equity</b>											
Opening Balance at 1 July	292,995	301,503	304,743	314,593	323,187	329,244	352,084	364,661	371,729	399,593	414,798
Revaluation of Property, plant and equipment	4,620	0	5,222	3,732	0	16,823	6,139	0	20,132	7,165	0
<b>Net Income Recognised Directly in Equity</b>	<b>4,620</b>	<b>0</b>	<b>5,222</b>	<b>3,732</b>	<b>0</b>	<b>16,823</b>	<b>6,139</b>	<b>0</b>	<b>20,132</b>	<b>7,165</b>	<b>0</b>
Net Surplus/(Deficit) for the year	1,418	3,240	4,628	4,862	6,057	6,017	6,438	7,068	7,732	8,040	8,668
<b>Total Recognised Income for the years ended 30 June</b>	<b>1,418</b>	<b>3,240</b>	<b>4,628</b>	<b>4,862</b>	<b>6,057</b>	<b>6,017</b>	<b>6,438</b>	<b>7,068</b>	<b>7,732</b>	<b>8,040</b>	<b>8,668</b>
<b>Total Comprehensive Revenue and Expense for the year</b>	<b>6,038</b>	<b>3,240</b>	<b>9,850</b>	<b>8,594</b>	<b>6,057</b>	<b>22,840</b>	<b>12,577</b>	<b>7,068</b>	<b>27,864</b>	<b>15,205</b>	<b>8,668</b>
<b>Balance at 30 June</b>	<b>299,033</b>	<b>304,743</b>	<b>314,593</b>	<b>323,187</b>	<b>329,244</b>	<b>352,084</b>	<b>364,661</b>	<b>371,729</b>	<b>399,593</b>	<b>414,798</b>	<b>423,466</b>

## Prospective Statement of Financial Position as at 30 June

	EAP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
(\$000's)	17/18	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Equity</b>											
Accumulated Funds	214,879	215,202	220,052	225,150	230,943	237,773	244,187	250,219	256,634	263,082	270,113
Council Created Reserves	4,921	12,065	11,842	11,606	11,870	11,058	11,081	12,117	13,434	15,026	16,663
Available for Sale Reserves	4,504	4,504	4,504	4,504	4,504	4,504	4,504	4,504	4,504	4,504	4,504
Hedging Reserves	(2,684)	(1,563)	(1,563)	(1,563)	(1,563)	(1,563)	(1,563)	(1,563)	(1,563)	(1,563)	(1,563)
Revaluation Reserve	77,413	74,535	79,758	83,490	83,490	100,312	106,452	106,452	126,584	133,749	133,749
<b>Total Equity</b>	<b>299,033</b>	<b>304,743</b>	<b>314,593</b>	<b>323,187</b>	<b>329,244</b>	<b>352,084</b>	<b>364,661</b>	<b>371,729</b>	<b>399,593</b>	<b>414,798</b>	<b>423,466</b>
<b>Current Assets</b>											
Cash and Cash Equivalents	100	298	373	448	523	646	671	696	721	746	771
Other Financial Assets	3	3	3	3	1	0	0	0	0	0	0
Inventory	38	49	50	51	52	53	55	56	57	59	60
Receivables under Exchange Transactions	357	395	403	412	421	431	441	451	463	475	488
Receivables under Non Exchange Transactions	5,690	5,966	6,091	6,225	6,362	6,509	6,658	6,818	6,989	7,170	7,364
Assets Held for Sale	9	0	0	0	0	0	0	0	0	0	0
<b>Total Current Assets</b>	<b>6,197</b>	<b>6,711</b>	<b>6,920</b>	<b>7,139</b>	<b>7,359</b>	<b>7,639</b>	<b>7,825</b>	<b>8,021</b>	<b>8,230</b>	<b>8,450</b>	<b>8,683</b>
<b>Current Liabilities</b>											
Payables and Deferred Revenue under Exchange Transactions	2,811	4,109	4,194	4,288	4,381	4,485	4,588	4,698	4,818	4,947	5,078
Payables and Deferred Revenue under Non Exchange Transactions	719	526	540	555	571	588	605	624	643	664	686
Current Portion of Borrowings	5,200	15,000	20,000	21,000	20,000	23,000	11,000	16,000	15,000	10,000	10,000
Provisions	20	26	27	27	28	28	29	30	30	31	32
Employee Entitlements	514	549	561	573	585	599	613	627	643	660	678
Derivative Financial Instruments	561	608	608	608	608	608	608	608	608	608	608
<b>Total Current Liabilities</b>	<b>9,825</b>	<b>20,818</b>	<b>25,930</b>	<b>27,051</b>	<b>26,173</b>	<b>29,308</b>	<b>17,443</b>	<b>22,587</b>	<b>21,742</b>	<b>16,910</b>	<b>17,082</b>
<b>Net Working Capital</b>	<b>(3,628)</b>	<b>(14,107)</b>	<b>(19,010)</b>	<b>(19,912)</b>	<b>(18,814)</b>	<b>(21,669)</b>	<b>(9,618)</b>	<b>(14,566)</b>	<b>(13,512)</b>	<b>(8,460)</b>	<b>(8,399)</b>
<b>Non Current Assets</b>											
Property, Plant and Equipment	345,685	347,181	357,552	366,249	370,203	391,062	400,405	403,508	427,069	437,629	441,640
Intangible Assets	733	525	438	505	465	437	734	805	814	890	740
Investment Property	742	750	750	750	750	750	750	750	750	750	750
Other Financial Assets	5	407	404	401	400	400	400	400	400	400	400
Investment in CCO and Civic Financial Services Ltd	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520
<b>Total Non Current Assets</b>	<b>351,685</b>	<b>353,383</b>	<b>363,664</b>	<b>372,425</b>	<b>376,338</b>	<b>397,169</b>	<b>406,809</b>	<b>409,983</b>	<b>433,553</b>	<b>444,189</b>	<b>448,050</b>
<b>Non Current Liabilities</b>											
Borrowings	45,936	32,565	28,073	27,317	26,250	21,363	30,453	21,586	18,319	18,773	13,997
Provisions	933	940	960	981	1,002	1,025	1,049	1,074	1,101	1,130	1,160
Derivative Financial Instruments	2,155	1,028	1,028	1,028	1,028	1,028	1,028	1,028	1,028	1,028	1,028
<b>Total Non Current Liabilities</b>	<b>49,024</b>	<b>34,533</b>	<b>30,061</b>	<b>29,326</b>	<b>28,280</b>	<b>23,416</b>	<b>32,530</b>	<b>23,688</b>	<b>20,448</b>	<b>20,931</b>	<b>16,185</b>
<b>Net Assets</b>	<b>299,033</b>	<b>304,743</b>	<b>314,593</b>	<b>323,187</b>	<b>329,244</b>	<b>352,084</b>	<b>364,661</b>	<b>371,729</b>	<b>399,593</b>	<b>414,798</b>	<b>423,466</b>

## Prospective Cashflow Statement for the years ending 30 June

	EAP	LTP Yr 1	LTP Yr 2	LTP Yr 3	LTP Yr 4	LTP Yr 5	LTP Yr 6	LTP Yr 7	LTP Yr 8	LTP Yr 9	LTP Yr 10
(\$000's)	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Cash flows from Operating Activities</b>											
<b>Cash was provided from:</b>											
Rates Revenue (including penalties)	22,966	19,803	20,323	20,765	21,385	21,897	22,691	23,292	23,902	24,568	24,944
Subsidies and Grants	8,537	9,266	9,741	10,017	10,381	10,546	10,746	11,056	11,438	11,717	12,136
Investment Income	0	0	350	400	450	500	550	600	650	700	750
Property Rentals	547	542	512	523	534	545	557	570	584	598	614
Petroleum Tax	125	130	133	136	139	142	146	149	153	157	162
Interest from Investments	31	35	14	15	15	15	16	16	16	17	17
Receipts from Other Revenue	3,176	3,383	3,462	3,510	3,549	3,634	3,721	3,811	3,912	4,013	4,122
	<b>35,382</b>	<b>33,159</b>	<b>34,535</b>	<b>35,366</b>	<b>36,453</b>	<b>37,279</b>	<b>38,427</b>	<b>39,494</b>	<b>40,655</b>	<b>41,770</b>	<b>42,745</b>
<b>Cash was applied to:</b>											
Payments to Suppliers and Employees	22,793	21,151	20,727	21,427	21,021	21,545	22,046	22,311	22,879	23,742	24,075
Elected Members	249	233	237	242	247	253	258	264	271	277	285
Interest Paid on Borrowings	2,690	2,597	2,638	2,665	2,704	2,790	2,672	2,505	2,272	2,013	1,738
GST Received/(Paid) (net)	885	0	0	0	0	0	0	0	0	0	0
	<b>26,617</b>	<b>23,981</b>	<b>23,602</b>	<b>24,334</b>	<b>23,972</b>	<b>24,588</b>	<b>24,976</b>	<b>25,080</b>	<b>25,422</b>	<b>26,032</b>	<b>26,098</b>
<b>Net Cash Inflow from Operating Activities</b>	<b>8,765</b>	<b>9,178</b>	<b>10,933</b>	<b>11,032</b>	<b>12,481</b>	<b>12,691</b>	<b>13,451</b>	<b>14,414</b>	<b>15,233</b>	<b>15,738</b>	<b>16,647</b>
<b>Cash flows from Investing Activities</b>											
<b>Cash was provided from:</b>											
Proceeds from Sale of Assets Held for Sale	1,024	0	0	0	0	0	0	0	0	0	0
Repayment of Advance	750	375	0	0	0	0	0	0	0	0	0
Repayment from Advance to Community Groups	4	3	3	3	3	1	0	0	0	0	0
	<b>1,778</b>	<b>378</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash was applied to:</b>											
Purchase and Development of Property, Plant and Equipment	11,399	9,937	11,067	10,742	9,957	10,279	9,779	9,955	10,406	10,586	11,462
Purchase of Intangible Assets	262	317	302	462	385	403	737	567	535	581	384
	<b>11,661</b>	<b>10,254</b>	<b>11,369</b>	<b>11,204</b>	<b>10,342</b>	<b>10,682</b>	<b>10,516</b>	<b>10,522</b>	<b>10,941</b>	<b>11,167</b>	<b>11,846</b>
<b>Net Cash outflow from Investing Activities</b>	<b>(9,883)</b>	<b>(9,876)</b>	<b>(11,366)</b>	<b>(11,201)</b>	<b>(10,339)</b>	<b>(10,681)</b>	<b>(10,516)</b>	<b>(10,522)</b>	<b>(10,941)</b>	<b>(11,167)</b>	<b>(11,846)</b>

	EAP	LTP Yr 1	LTP Yr 2	LTP Yr 3	LTP Yr 4	LTP Yr 5	LTP Yr 6	LTP Yr 7	LTP Yr 8	LTP Yr 9	LTP Yr 10
(\$000's)	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Cash flows from Financing Activities</b>											
<b>Cash was provided from:</b>											
Cash was provided from Borrowings	6,318	25,773	25,508	30,244	28,933	28,113	30,090	12,133	16,733	15,454	10,224
	<b>6,318</b>	<b>25,773</b>	<b>25,508</b>	<b>30,244</b>	<b>28,933</b>	<b>28,113</b>	<b>30,090</b>	<b>12,133</b>	<b>16,733</b>	<b>15,454</b>	<b>10,224</b>
<b>Cash was applied to:</b>											
Repayment of Borrowings	5,200	25,000	25,000	30,000	31,000	30,000	33,000	16,000	21,000	20,000	15,000
	<b>5,200</b>	<b>25,000</b>	<b>25,000</b>	<b>30,000</b>	<b>31,000</b>	<b>30,000</b>	<b>33,000</b>	<b>16,000</b>	<b>21,000</b>	<b>20,000</b>	<b>15,000</b>
<b>Net Cash Inflow/(outflow) from Financing Activities</b>	<b>1,118</b>	<b>773</b>	<b>508</b>	<b>244</b>	<b>(2,067)</b>	<b>(1,887)</b>	<b>(2,910)</b>	<b>(3,867)</b>	<b>(4,267)</b>	<b>(4,546)</b>	<b>(4,776)</b>
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	0	75	75	75	75	123	25	25	25	25	25
Cash, cash equivalents and bank overdrafts at the beginning of the year	100	223	298	373	448	523	646	671	696	721	746
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>100</b>	<b>298</b>	<b>373</b>	<b>448</b>	<b>523</b>	<b>646</b>	<b>671</b>	<b>696</b>	<b>721</b>	<b>746</b>	<b>771</b>
<b>Balance at end of year represented by:</b>											
<b>Cash at Bank and In Hand</b>	<b>100</b>	<b>298</b>	<b>373</b>	<b>448</b>	<b>523</b>	<b>646</b>	<b>671</b>	<b>696</b>	<b>721</b>	<b>746</b>	<b>771</b>

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

	EAP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
(\$'000's)	17/18	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
Opening Balance	7,101	12,270	12,065	11,842	11,605	11,869	11,057	11,081	12,117	13,433	15,025
Transfers To/(From) Reserve	(2,180)	(205)	(223)	(237)	264	(812)	24	1,036	1,316	1,592	1,638
<b>Closing Balance</b>	<b>4,921</b>	<b>12,065</b>	<b>11,842</b>	<b>11,605</b>	<b>11,869</b>	<b>11,057</b>	<b>11,081</b>	<b>12,117</b>	<b>13,433</b>	<b>15,025</b>	<b>16,663</b>
Net movement in Council created reserves over ten years											4,393

## Prospective Statement of Public Debt for the years ending 30 June

	EAP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
(\$'000's)	17/18	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
Opening Balance	50,018	46,792	47,565	48,073	48,317	46,250	44,363	41,453	37,586	33,319	28,773
Loans Raised	6,318	25,773	25,508	30,244	28,933	28,113	30,090	12,133	16,733	15,454	10,224
Loans Repaid	(5,200)	(25,000)	(25,000)	(30,000)	(31,000)	(30,000)	(33,000)	(16,000)	(21,000)	(20,000)	(15,000)
<b>Closing Balance</b>	<b>51,136</b>	<b>47,565</b>	<b>48,073</b>	<b>48,317</b>	<b>46,250</b>	<b>44,363</b>	<b>41,453</b>	<b>37,586</b>	<b>33,319</b>	<b>28,773</b>	<b>23,997</b>

## Reconciliation of Summary Cost of Service Statement to Prospective Comprehensive Revenue and Expense

	EAP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
(\$'000's)	17/18	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
Net Surplus from Prospective Statement of Comprehensive Revenue and Expense	1,418	3,240	4,628	4,862	6,057	6,017	6,438	7,068	7,732	8,040	8,668
Net Operating Cost from the Summary Cost of Service Statement for All Council Activities	18,153	16,816	16,046	16,266	15,702	16,265	16,649	16,637	16,601	16,973	16,745
Plus Rates Revenue											
General Rates	3,646	4,046	4,102	4,138	4,256	4,366	4,604	4,788	4,982	5,112	5,319
UAGC	3,268	3,355	3,639	3,678	3,784	3,907	4,122	4,228	4,303	4,428	4,522
Targeted Rate	12,657	12,655	12,933	13,312	13,719	14,009	14,361	14,689	15,048	15,473	15,572
<b>Net (Surplus)/Deficit</b>	<b>1,418</b>	<b>3,240</b>	<b>4,628</b>	<b>4,862</b>	<b>6,057</b>	<b>6,017</b>	<b>6,438</b>	<b>7,068</b>	<b>7,732</b>	<b>8,040</b>	<b>8,668</b>
<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Funding Impact Statement

## Introduction

Council is required under clause 15 of Schedule 10 of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement in relation to each year covered by the plan. Pages 117 - 127 of this Plan show Council's Funding Impact Statement.

The Funding Impact Statement provides a summary of Council's funding sources and how the funds are to be applied, as well as the detailed rate requirement for the 2018/19 financial year.

The Funding Impact Statement represents the fiscal outcome from the Revenue and Financing Policy. The Revenue and Financing Policy is on page 158 of this Plan and available on Council's website - [www.waitomo.govt.nz](http://www.waitomo.govt.nz)

## Rates Remissions and Postponements

### Remissions

Council has developed a rates remissions policy as per LGA (section 102(3)(a), 108 and 109) and Local Government (Rating) Act 2002 (Section 85). Remissions categories include Properties Used Jointly as a Single Unit, Community Organisations, Penalties, Financial Hardship, Organisations Providing Care for the Elderly, Clubs and Societies, New Subdivisions, Council Properties, Maori Freehold Land, Cases of Land Effected by Natural Calamity, New Businesses and Rates and/or penalties following a rating sale or abandoned land sale. The value of these rates remissions is \$295,500 for the 2018/19 year.

### Postponements

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

## Separately Used or Inhabited Part of a Rating Unit (SUIP)

The Council has resolved that the basis of calculating liability for the Uniform Annual General Charge (UAGC) and for certain targeted fixed rates (TFRs), will be the number of 'separately used or inhabited parts' (SUIPs) of rating units.

Council sets TFRs 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
- Aquatic Centre
- Marokopa Community Centre
- Rural Stormwater

## Definition of SUIP

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. This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

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 the 2018/19 year. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecasts. The table is produced on a GST exclusive basis.

The Statement of Funding Sources and the associated Funding Impact Statement provide 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 to the 2018/2019 financial year. This adjustment results in the transfer of \$113,404\* 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. The above adjustment is reflected in the Estimated Cost of Service Statements.

## Explanation of Rates Adjustment between General Rate and UAGC 2018/19

	General Rate	UAGC
	\$000's	\$000's
Rate Requirement before application of Section 101(3)(b) Adjustment	3,933	3,468
*Section 101(3)(b) Adjustment	113	(113)
<b>Subtotal</b>	<b>4,046</b>	<b>3,355</b>
<b>Add – GST@15%</b>	<b>607</b>	<b>503</b>
<b>Total Requirement (incl GST) (as per Sections 3 and 4 – Funding Impact Statement)</b>	<b>4,653</b>	<b>3,858</b>

## 2. Funding Cap For Uniform Charges

Section 21 of the Local Government (Rating) Act 2002 requires that revenue from certain rates must not exceed 30% of total rates revenue. Those rates include Uniform Annual General Charges and Targeted Rates that are set on a uniform basis.

Council is not in breach of the Funding Cap over the life of the LTP. The uniform charges for 2018/19 are 23% of the total rates revenue (23% before Section 101(3)(b) adjustment). For the remaining 9 years of the long term plan the funding cap is an average of 24%.

### Statement of Funding Sources

	EAP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
Statement of Funding Sources (\$000's)	17/18	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Targeted Rates and Service Charges</b>											
Sewerage	2,415	2,503	2,543	2,596	2,747	2,685	2,707	2,707	2,720	2,775	2,740
Water Supply	1,838	1,948	1,988	2,124	2,181	2,353	2,533	2,667	2,771	2,852	2,739
Metered Water Rate	712	750	799	858	878	893	893	909	909	909	924
Targeted Services Rate	532	345	370	396	433	457	475	507	533	561	596
District Development Rate	330	330	341	334	325	334	344	351	360	368	375
Piopia Retirement Village Contribution	15	16	16	16	16	17	17	18	18	18	19
District Rooding Rate	5,666	5,380	5,298	5,405	5,511	5,622	5,727	5,846	6,039	6,266	6,456
Solid Waste Management	531	767	951	945	979	990	990	998	997	1,007	991
Solid Waste Collection	205	206	211	215	220	225	232	237	243	249	256
Stormwater	409	406	412	419	425	433	443	449	458	468	476
Marokopa Community Centre	4	4	4	4	4	0	0	0	0	0	0
<b>Total Targeted Rates and Service Charges</b>	<b>12,657</b>	<b>12,655</b>	<b>12,933</b>	<b>13,312</b>	<b>13,719</b>	<b>14,009</b>	<b>14,361</b>	<b>14,689</b>	<b>15,048</b>	<b>15,473</b>	<b>15,572</b>
<b>Other Revenue Sources</b>											
UAGC	3,268	3,355	3,639	3,678	3,784	3,907	4,122	4,228	4,303	4,428	4,522
General Rates	3,646	4,046	4,102	4,138	4,256	4,366	4,604	4,788	4,982	5,112	5,319
<b>Forecast Total Rates Requirement</b>	<b>19,571</b>	<b>20,056</b>	<b>20,674</b>	<b>21,128</b>	<b>21,759</b>	<b>22,282</b>	<b>23,087</b>	<b>23,705</b>	<b>24,333</b>	<b>25,013</b>	<b>25,413</b>
<i>Percentage Rates Increase</i>		2.48%	3.08%	2.20%	2.99%	2.40%	3.61%	2.68%	2.65%	2.79%	1.60%
<b>Other Revenue Sources</b>											
Subsidies	7,424	9,266	9,741	10,017	10,381	10,546	10,746	11,056	11,438	11,717	12,136
Investment Income	0	0	350	400	450	500	550	600	650	700	750
Interest Revenue	31	35	14	15	15	15	16	16	16	17	17
Rates Penalties Revenue	460	420	428	437	446	456	466	477	489	501	514
Fees and Charges	3,312	3,383	3,462	3,512	3,550	3,632	3,721	3,811	3,909	4,013	4,122
<b>Total Other Revenue</b>	<b>11,227</b>	<b>13,104</b>	<b>13,995</b>	<b>14,381</b>	<b>14,842</b>	<b>15,149</b>	<b>15,499</b>	<b>15,960</b>	<b>16,502</b>	<b>16,948</b>	<b>17,539</b>
<b>Other Funding Sources</b>											
Internal Loans Raised	3,170	3,935	3,876	3,731	2,134	1,315	1,020	846	970	1,089	1,037
<b>Total Other Funding</b>	<b>3,170</b>	<b>3,935</b>	<b>3,876</b>	<b>3,731</b>	<b>2,134</b>	<b>1,315</b>	<b>1,020</b>	<b>846</b>	<b>970</b>	<b>1,089</b>	<b>1,037</b>
<b>Total Funding Sources</b>	<b>33,968</b>	<b>37,095</b>	<b>38,545</b>	<b>39,240</b>	<b>38,735</b>	<b>38,746</b>	<b>39,606</b>	<b>40,511</b>	<b>41,805</b>	<b>43,050</b>	<b>43,989</b>
<b>Total Funding Used</b>											
Operating Expenditure	29,380	29,920	30,041	30,647	30,544	31,414	32,148	32,597	33,103	33,919	34,284
Capital Expenditure	10,150	10,254	11,369	11,204	10,342	10,682	10,515	10,522	10,940	11,167	11,845
Internal Loan Repayments	2,467	3,206	3,315	3,399	3,561	3,638	3,384	3,106	3,297	3,371	3,454
External Loan Repayments	0	779	1,139	1,120	1,126	1,050	970	888	948	1,006	1,067
Reserve Transfers	(8,029)	(7,064)	(7,319)	(7,130)	(6,838)	(8,038)	(7,411)	(6,602)	(6,483)	(6,413)	(6,661)
<b>Total Funding Used</b>	<b>33,968</b>	<b>37,095</b>	<b>38,545</b>	<b>39,240</b>	<b>38,735</b>	<b>38,746</b>	<b>39,606</b>	<b>40,511</b>	<b>41,805</b>	<b>43,050</b>	<b>43,989</b>

### 3.0 GENERAL RATE

#### Description and Use

The General Rate set on every rating unit across the District is assessed as a rate per \$100 of capital value. 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
- Other Land and Buildings
- District Libraries
- Aquatic Centre
- Arts Culture and Heritage
- Aerodrome
- Public Amenities
- Parks and Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Community Support
- District Development
- Emergency Management
- Compliance
- Waste Minimisation
- Resource Management

#### Requirement in 2018/19 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the District	0.15862	4,653

### 4.0 UNIFORM ANNUAL GENERAL CHARGE

#### Description and Use

Council will set a Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit across the District under Section 15(1)(b) of the LGRA. 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
- Aquatic Centre
- Arts, Culture and Heritage
- Other Land and Buildings
- Public Amenities
- Leased Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries

- Aerodrome
- Community Support
- Emergency Management
- Compliance
- Resource Management
- Waste Minimisation
- Subsidised Rooding

#### Requirement in 2018/19 (incl. GST)

Uniform Annual General Charge	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district.	\$687	3,858

### 5.0 TARGETED RATES

#### Description and Use

Targeted Rates are set on categories of land defined by some factor, such as geographic location or provision of service. The titles of 'Targeted Rate' ('TR') and Targeted Fixed Rate (TFR) are used by this Council.

Targeted Fixed Rates are based on a uniform amount set per separately used or inhabited part of a rating unit (SUIP) or set per rating unit. Targeted Rates are assessed based on capital value or water consumption.

#### 5.1 Targeted Rates Differentiated on Location

Council will use location (Schedule 2(6) LGRA) to define the land liable for the Targeted Services TFR, Piopio Sewerage TFR, Piopio Retirement Village Contribution TFR, Rural Stormwater TFR, Te Kuiti Urban Stormwater TFR and targeted rate, and the Marokopa Community Centre TFR.

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

Te Kuiti Urban Rating Area	<i>All rating units situated within the Te Kuiti Urban Ward. (Refer to Revenue and Financing Policy for further details)</i>
Te Kuiti Urban and Periphery Rating Area	<i>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 to Revenue and Financing Policy for further details)</i>
Rural Rating Area	<i>All rating units situated within the Rural Ward (Refer to Revenue and Financing Policy for further details)</i>

Piopio Township	<i>All rating units connected or with the ability to connect to the Piopio Sewerage System. (Refer to Revenue and Financing Policy for further details)</i>
Piopio Wider Benefit Rating Area	<i>All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIPS connected or with the ability to connect to the Piopio Sewerage System) that are deemed to indirectly benefit from the Piopio Sewerage reticulation network. (Refer to Revenue and Financing Policy for further details)</i>
Marokopa Community Centre Rating Area	<i>Any separately used or inhabited part of a rating unit within the defined Marokopa Community Centre area (as contained in the Revenue and Financing Policy)</i>

**(a) Targeted Services TFR**

Description and Use

Council will set a Targeted Services TFR per separately used or inhabited part of a rating unit in the District, to part fund the Unsubsidised Rooding Activity and part fund the Aquatic Centre Activity. The rating areas for the purpose of assessing the Targeted Services TFR will be the Te Kuiti Urban and Periphery Rating Area and Rating Units in the District not in the Te Kuiti Urban and Periphery Rating area.

**Requirement in 2018/19 (incl. GST)**

Targeted Services (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti Urban and Periphery Rating Area	\$124	293
Rating Units in the District not in the Te Kuiti Urban and Periphery Rating Area	\$32	103

**(b) Piopio Retirement Village Contribution - TFR**

Description and Use

Council will set a TFR per 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 2018/19 (incl. GST)**

Piopio Retirement Village Contribution (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$23	18

**(c) Rural Stormwater TFR**

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit in the Rural Rating Area of the District to fund the Rural Stormwater Activity.

**Requirement in 2018/19 (incl. GST)**

Rural Stormwater (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$12	44

**(d) Te Kuiti Urban Stormwater TFR and Targeted Rate.**

Description and Use

Council will set a TFR per rating unit in the Te Kuiti Urban Rating Area to partly fund the Urban Stormwater Activity.

Council will set a Targeted Rate to partly fund the Urban Stormwater Activity, to be assessed as a rate per \$100 of Capital value on every rating unit in the Te Kuiti Urban Rating Area excluding those in respect of which there is a current resource consent to discharge stormwater into the Mangaokewa Stream, and so are not using any part of the urban reticulated stormwater or drainage network.

**Requirement in 2018/19 (incl. GST)**

Urban Stormwater (TFR)	Charge per rating unit	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area	\$159	285

Urban Stormwater Targeted Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area (excluding rating units not using network)	0.04569	138

**5.2 Marokopa Community Centre TFR**

Description and Use

Council will set a TFR assessed per separately used or inhabited part of a rating unit within the defined Marokopa Community Centre Rating Area. (As contained in the Revenue and Financing Policy).

**Requirement in 2018/19 (incl. GST)**

Marokopa Community Centre (TFR)	Charge Per SUIP	Total Revenue Requirement (\$000)
Marokopa Community Centre Rating Area	\$22	5

### 5.3 Water Rates

#### Description and Use

Council will set a TFR for Water Supply differentiated on the basis of supply area.

The TFR is set per separately used or inhabited part of a rating unit within Te Kuiti and Rural Communities (Piopio, Benneydale and Mokau), with liability calculated based on whether the SUIP is connected, or merely serviceable (Serviceable means the rating unit is within 100m of water main and practicably serviceable in the opinion of Council).

#### Requirement in 2018/19 (incl. GST)

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti	\$586	\$293	1,231
Piopio	\$1,340	\$670	334
Benneydale	\$1,340	\$670	160
Mokau	\$1,340	\$670	293

Council will set a TR per cubic metre of water consumed over and above an annual consumption of 292m<sup>3</sup> per SUIP differentiated by supply area, that has been fitted with a water meter and/ or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw).

#### Requirement in 2018/19 (incl. GST)

Water Supply Rate (TR)	2018/19 Charge per cubic metre (including GST) above 292m <sup>3</sup>
Te Kuiti	\$2.31
Piopio	\$4.43
Benneydale	\$6.90
Mokau	\$9.30
<b>Total Revenue Requirement (\$000)</b>	862

### Metered Water Supply Due Dates

	Reading Period	Due Date
Te Kuiti Meat Companies	Monthly	15th of the month following invoice
Te Kuiti, Piopio, Mokau and Benneydale	July – Dec 2018 Jan – June 2019	15th of the month following invoice

### 5.4 District Wide Benefit Rate for Water Supply

#### Description and Use

Council will set a TFR on every rating unit within the District to part fund the water supply activities. The rationale for use of this rate is contained in the Revenue and Financing Policy.

#### Requirement in 2018/19 (incl. GST)

District Wide Benefit Rate Water Supply (TFR)	Charge per rating unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$48	224

### 5.5 Sewerage Rates

#### Description and Use

Council will set a TFR to provide for the collection and disposal of sewage. The TFR is set per separately used or inhabited part of a rating unit within the District, with liability calculated based on whether the SUIP is connected to the sewerage network, or merely serviceable (Serviceable means the rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council).

#### Requirement in 2018/19 (incl. GST)

Sewerage (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Benneydale	\$1,039	\$519	115
Te Waitere	\$1,039	\$519	17
Te Kuiti	\$1,039	\$519	1,763
Piopio	\$1,039	\$519	227

## Sewerage rates for non-residential properties in Te Kuiti

### Description and Use

For all non-residential properties in Te Kuiti, Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the following categories:

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

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold on the following basis:

### Requirement in 2018/19 (incl. GST)

#### Base Charge:

Non-Residential Targeted Rate (TFR)	Base Charge per SUIP (up to 4 pans)	Per serviceable SUIP	Total Revenue Requirement (\$000)
Category 1	\$519	\$519	106
Category 2	\$519	\$519	23
Category 3	\$1,039	\$519	19

#### Pan Charge:

Non-Residential Targeted Rate (TFR)	Number of pans	Charge per pan (pan charge)	Total Revenue Requirement (\$000)
Category 1	5th pan and over	\$727	80
Category 2	5-10 Pans	\$312	3
	Over 10 Pans	\$208	25
Category 3	5th pan and over	\$727	43

The rationale for the use of this rate is contained in the Revenue and Financing Policy.

## 5.6 Trade Waste Contribution - TFR

### Description and Use

A Trade Waste Contribution TFR will be set per 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.

### Requirement in 2018/19 (incl. GST)

Trade Waste Contribution (TFR)	Charge Per rating unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$40	187

## 5.7 District Wide Benefit Rate for Sewerage

### Description and Use

Council will set a TFR on every rating unit within the District to part fund the sewerage activities. The rationale for use of this rate is contained in the Revenue and Financing Policy.

### Requirement in 2018/19 (incl. GST)

District Wide Benefit Rate Sewerage (TFR)	Charge per rating unit	Total Revenue Requirement (\$000)
All rating units in the District	\$57	269

## 5.8 District Rooding Rate

### Description and Use

Council will set a District Rooding targeted rate as a rate per \$100 of capital value on every rating unit across the District to part fund Subsidised Rooding (part of Roads and Footpaths Activity). The Rationale for use of the rate is contained in the Revenue and Financing Policy.

### Requirement in 2018/19 (incl. GST)

District Rooding Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
All rating units in the District	0.21091	6,187

## 5.9 Solid Waste Collection Rate

### Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service differentiated by service areas where Council operates kerbside collection and kerbside recycling services (Te Kuiti, Piopio, Mokau, (including Awakino) communities and Waitomo Village and some surrounding parts).

### Requirement in 2018/19 (incl. GST)

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti	\$59	120
Waitomo	\$68	43

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Piopio	\$132	31
Mokau	\$139	43

### 5.10 Solid Waste Management Rate

#### Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit District wide to part fund the activity of solid waste management.

#### Requirement in 2018/19 (incl. GST)

Solid Waste Management (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the District	\$158	882

### 5.11 District Development Rate

#### Description and Use

Council will set a District Development Targeted Rate as a rate per \$100 of capital value differentiated between Commercial and Industrial Businesses, and Rural Businesses, to part fund Economic Development, Visitor Information Centre, District and Regional Promotion and Event Co-ordination activities. Refer to the Revenue and Financing Policy for details.

#### Requirement in 2018/19 (incl. GST)

District Development Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Commercial and Industrial Businesses	0.05691	190
Rural Businesses	0.00967	190

## 6.0 RATES PAYMENTS

Pursuant to Section 24 of the Local Government (Rating) Act 2002, rates for the financial year commencing **1 July 2018** will be payable in four equal instalments with the due dates for payment being:

1st Instalment	31 August 2018 (Friday)
2nd Instalment	30 November 2018 (Friday)
3rd Instalment	28 February 2019 (Thursday)
4th instalment	31 May 2019 (Friday)

#### Note

The due date for payment of each instalment is the last working day in each of the months specified above.

Rates payments will be allocated to the oldest debt first.

#### Penalties

Pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, Council may apply penalties as follows:

- (a) A penalty charge of 10 percent (10%) on any part of an instalment that has been assessed for the financial year commencing 1 July 2018 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

Instalment 1	4 September 2018
Instalment 2	4 December 2018
Instalment 3	4 March 2019
Instalment 4	4 June 2019
- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2018 that remains unpaid on 3 July 2018, to be added on 5 July 2018.
- (c) No penalties will be charged where a ratepayer is paying rates by direct debit or where there is an approved payment arrangement in place.

## Rates Examples

### 2017/18 (Including GST)

Capital Value \$ as at September 2015

	Te Kuiti Residential \$170,000	Te Kuiti Commercial \$275,000 3 pans	Te Kuiti Wider Rating Area \$630,000	Waitomo Commercial \$1,100,000 (2 parts)	Benneydale Residential \$40,000	Piopio Residential \$130,000	Piopio Wider Rating Area \$385,000	Mokau Residential \$350,000	Drystock Rural \$3,070,000	Dairy Farm Rural \$5,400,000 (3 parts)	Te Waitere Residential \$270,000
Uniform Annual General Charge (UAGC)	674	674	674	1,348	674	674	674	674	674	2,022	674
General Rate	244	395	904	1,578	57	187	552	502	4,405	7,748	387
Roads and Footpaths Rate	379	613	1,405	2,453	89	290	859	780	6,846	12,041	602
Targeted Services Rate (Urban)	208	208	208	0	0	0	0	0	0	0	0
Targeted Services Rate (Rural)	0	0	0	76	38	38	38	38	38	114	38
District Development Rate - Commercial	0	158	0	631	0	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	298	525	0
Subsidy Rate for Te Waitere Sewerage	9	9	9	9	9	9	9	9	9	9	9
Subsidy Rate for Benneydale Sewerage	19	19	19	19	19	19	19	19	19	19	19
Subsidy Rate for Benneydale Water	7	7	7	7	7	7	7	7	7	7	7
Subsidy Rate for Mokau Water	11	11	11	11	11	11	11	11	11	11	11
Stormwater Urban Fixed Charge	156	156	0	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	80	130	0	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	14	28	14	14	14	14	14	42	14
Water Supply	567	567	0	0	1,454	1,414	0	1,454	0	0	0
Sewerage	1,029	514	0	0	1,100	1,100	0	0	0	0	1,100
Piopio Wider Benefit Rating Area - Sewerage	0	0	0	0	0	0	78	0	0	0	0
Piopio Retirement Village Contribution	0	0	0	0	0	23	23	0	0	0	0
Te Kuiti Trade Waste Contribution	41	41	41	41	41	41	41	41	41	41	41
Solid Waste Management - District	110	110	110	220	110	110	110	110	110	330	110
Solid Waste Collection & Recycling	57	57	79	0	0	140	0	163	0	237	0
Marokopa Community Centre	0	0	0	0	0	0	0	0	22	0	0
<b>Total Rates (Actual) 2017/18</b>	<b>3,591</b>	<b>3,669</b>	<b>3,481</b>	<b>6,421</b>	<b>3,623</b>	<b>4,077</b>	<b>2,435</b>	<b>3,822</b>	<b>12,494</b>	<b>23,146</b>	<b>3,012</b>



## Rates Examples

<b>2018/19 (Including GST)</b> Capital Value \$ as at September 2015											
	Te Kuiti Residential \$170,000	Te Kuiti Commercial \$275,000 3 pans	Te Kuiti Wider Rating Area \$630,000	Waitomo Commercial \$1,100,000 (2 parts)	Benneydale Residential \$40,000	Piopio Residential \$130,000	Piopio Wider Rating Area \$385,000	Mokau Residential \$350,000	Drystock Rural \$3,070,000	Dairy Farm Rural \$5,400,000 (3 parts)	Te Waitere Residential \$270,000
Uniform Annual General Charge (UAGC)	687	687	687	1,374	687	687	687	687	687	2,061	687
General Rate	270	436	999	1,745	63	206	611	555	4,870	8,565	428
District Roading Rate	359	580	1,329	2,320	84	274	812	738	6,475	11,389	569
Targeted Services Rate (Urban)	124	124	124	0	0	0	0	0	0	0	0
Targeted Services Rate (Rural)	0	0	0	64	32	32	32	32	32	96	32
District Development Rate - Commercial	0	157	0	626	0	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	297	522	0
District Wide Benefit Rate - Water	48	48	48	48	48	48	48	48	48	48	48
District Wide Benefit Rate - Sewerage	57	57	57	57	57	57	57	57	57	57	57
Stormwater Urban Fixed Charge	159	159	0	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	78	126	0	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	12	24	12	12	12	12	12	36	12
Water Supply (Te Kuiti and Rural Communities)	586	586	0	0	1,340	1,340	0	1,340	0	0	0
Sewerage (Uniform)	1,039	519	0	0	1,039	1,039	0	0	0	0	1,039
Piopio Retirement Village Contribution	0	0	0	0	0	23	23	0	0	0	0
Te Kuiti Trade Waste Contribution	40	40	40	40	40	40	40	40	40	40	40
Solid Waste Management - District	158	158	158	316	158	158	158	158	158	474	158
Solid Waste Collection & Recycling	59	59	68	0	0	132	0	139	0	204	0
Marokopa Community Centre	0	0	0	0	0	0	0	0	22	0	0
<b>Proposed Total Rates 2018/19</b>	<b>3,664</b>	<b>3,736</b>	<b>3,522</b>	<b>6,614</b>	<b>3,560</b>	<b>4,048</b>	<b>2,480</b>	<b>3,806</b>	<b>12,698</b>	<b>23,492</b>	<b>3,070</b>
<b>Total Rates (Actual) 2017/18</b>	<b>3,591</b>	<b>3,669</b>	<b>3,481</b>	<b>6,421</b>	<b>3,623</b>	<b>4,077</b>	<b>2,435</b>	<b>3,822</b>	<b>12,494</b>	<b>23,146</b>	<b>3,012</b>
<b>Change (%)</b>	<b>2.0%</b>	<b>1.8%</b>	<b>1.2%</b>	<b>3.0%</b>	<b>-1.7%</b>	<b>-0.7%</b>	<b>1.8%</b>	<b>-0.4%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.9%</b>

## Funding Impact Statements

### Local Government (Financial Reporting and Prudence) Regulations 2014

The following information is presented for compliance with the Local Government (Financial Reporting and Prudence) Regulations 2014 and should not be relied upon for any other purpose other than compliance with the Regulations. It is incomplete (in particular, the information presented does not include depreciation and internal transactions such as overheads) and is not prepared in compliance with generally accepted accounting practice.

Waitomo District Council Funding Impact Statement for 2018 - 28 - Leadership and Investments (\$000's)	EAP	LTP Yr 1	LTP Yr 2	LTP Yr 3	LTP Yr 4	LTP Yr 5	LTP Yr 6	LTP Yr 7	LTP Yr 8	LTP Yr 9	LTP Yr 10
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	2,274	2,183	2,197	2,292	2,276	2,297	2,430	2,399	2,433	2,567	2,537
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	72	65	26	26	27	27	28	29	29	30	31
Internal charges and overheads recovered	18,388	19,372	19,902	20,315	20,576	21,214	21,789	22,011	22,332	22,500	22,574
Local authorities fuel tax, fines, infringement fees and other receipts	31	35	364	415	465	515	566	616	666	717	767
<b>Total operating funding (A)</b>	<b>20,765</b>	<b>21,655</b>	<b>22,489</b>	<b>23,048</b>	<b>23,344</b>	<b>24,053</b>	<b>24,813</b>	<b>25,055</b>	<b>25,460</b>	<b>25,814</b>	<b>25,909</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	8,972	8,618	8,759	9,079	9,118	9,340	9,628	9,678	9,940	10,343	10,417
Finance costs	2,690	2,572	2,613	2,640	2,679	2,765	2,647	2,480	2,247	1,988	1,713
Internal charges and overheads applied	9,703	9,975	10,232	10,430	10,557	10,851	11,252	11,468	11,783	12,028	12,238
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>21,365</b>	<b>21,165</b>	<b>21,604</b>	<b>22,149</b>	<b>22,354</b>	<b>22,956</b>	<b>23,527</b>	<b>23,626</b>	<b>23,970</b>	<b>24,359</b>	<b>24,368</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(600)</b>	<b>490</b>	<b>885</b>	<b>899</b>	<b>990</b>	<b>1,097</b>	<b>1,286</b>	<b>1,429</b>	<b>1,490</b>	<b>1,455</b>	<b>1,541</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	41	42	43	43	44	45	47	48	49
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	1,033	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	1,024	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>2,057</b>	<b>0</b>	<b>41</b>	<b>42</b>	<b>43</b>	<b>43</b>	<b>44</b>	<b>45</b>	<b>47</b>	<b>48</b>	<b>49</b>
<b>Applications of capital funding</b>											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	30	245	297	9	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	606	615	661	683	544	1,022	856	773	786	761	981
Increase (decrease) in reserves	821	(370)	(32)	249	489	118	474	701	751	742	609
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>1,457</b>	<b>490</b>	<b>926</b>	<b>941</b>	<b>1,033</b>	<b>1,140</b>	<b>1,330</b>	<b>1,474</b>	<b>1,537</b>	<b>1,503</b>	<b>1,590</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>600</b>	<b>(490)</b>	<b>(885)</b>	<b>(899)</b>	<b>(990)</b>	<b>(1,097)</b>	<b>(1,286)</b>	<b>(1,429)</b>	<b>(1,490)</b>	<b>(1,455)</b>	<b>(1,541)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Waitomo District Council Funding Impact Statement for 2018 - 28 Community Service (\$000's)	EAP 17/18	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	3,253	3,344	3,454	3,354	3,434	3,543	3,630	3,718	3,704	3,752	3,892
Targeted rates	265	274	274	277	288	291	293	310	312	319	332
Subsidies and grants for operating purposes	1	1	1	1	1	1	1	1	2	2	2
Fees and charges	522	526	537	548	560	572	585	598	613	627	644
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>4,041</b>	<b>4,145</b>	<b>4,266</b>	<b>4,180</b>	<b>4,283</b>	<b>4,407</b>	<b>4,509</b>	<b>4,627</b>	<b>4,631</b>	<b>4,700</b>	<b>4,870</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,642	1,599	1,661	1,605	1,639	1,665	1,702	1,747	1,783	1,826	1,879
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	1,777	1,899	1,925	1,983	2,027	2,101	2,174	2,210	2,247	2,260	2,276
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,419</b>	<b>3,498</b>	<b>3,586</b>	<b>3,588</b>	<b>3,666</b>	<b>3,766</b>	<b>3,876</b>	<b>3,957</b>	<b>4,030</b>	<b>4,086</b>	<b>4,155</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>622</b>	<b>647</b>	<b>680</b>	<b>592</b>	<b>617</b>	<b>641</b>	<b>633</b>	<b>670</b>	<b>601</b>	<b>614</b>	<b>715</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	160	163	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	386	402	463	365	223	51	52	53	55	56	57
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>386</b>	<b>562</b>	<b>626</b>	<b>365</b>	<b>223</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>55</b>	<b>56</b>	<b>57</b>
<b>Applications of capital funding</b>											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	182	172	87	191	29	20	30	21	31	22	33
Capital expenditure - to replace existing assets	649	797	851	473	447	299	330	296	300	334	315
Increase (decrease) in reserves	177	240	368	293	364	373	325	406	325	314	424
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>1,008</b>	<b>1,209</b>	<b>1,306</b>	<b>957</b>	<b>840</b>	<b>692</b>	<b>685</b>	<b>723</b>	<b>656</b>	<b>670</b>	<b>772</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(622)</b>	<b>(647)</b>	<b>(680)</b>	<b>(592)</b>	<b>(617)</b>	<b>(641)</b>	<b>(633)</b>	<b>(670)</b>	<b>(601)</b>	<b>(614)</b>	<b>(715)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Waitomo District Council Funding Impact Statement for 2018 - 28 Community Development (\$000's)	EAP	LTP Yr 1	LTP Yr 2	LTP Yr 3	LTP Yr 4	LTP Yr 5	LTP Yr 6	LTP Yr 7	LTP Yr 8	LTP Yr 9	LTP Yr 10
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	1,111	1,351	1,481	1,547	1,599	1,637	1,682	1,714	1,756	1,796	1,818
Targeted rates	345	346	357	350	342	351	361	369	378	387	394
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	59	42	42	43	28	29	29	30	31	32	32
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	2	2	2	2	2	2	2	2	2	2
<b>Total operating funding (A)</b>	<b>1,515</b>	<b>1,741</b>	<b>1,882</b>	<b>1,942</b>	<b>1,971</b>	<b>2,019</b>	<b>2,074</b>	<b>2,115</b>	<b>2,167</b>	<b>2,217</b>	<b>2,246</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	908	1,968	1,524	1,039	1,056	1,079	1,103	1,129	1,155	1,183	1,202
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	690	755	815	857	866	894	929	940	961	978	983
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>1,598</b>	<b>2,723</b>	<b>2,339</b>	<b>1,896</b>	<b>1,922</b>	<b>1,973</b>	<b>2,032</b>	<b>2,069</b>	<b>2,116</b>	<b>2,161</b>	<b>2,185</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(83)</b>	<b>(982)</b>	<b>(457)</b>	<b>46</b>	<b>49</b>	<b>46</b>	<b>42</b>	<b>46</b>	<b>51</b>	<b>56</b>	<b>61</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	40	1,000	500	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>40</b>	<b>1,000</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	40	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	25	0	2	5	0	2	6	0	2	6	0
Increase (decrease) in reserves	(108)	18	41	41	49	44	36	46	49	50	61
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>(43)</b>	<b>18</b>	<b>43</b>	<b>46</b>	<b>49</b>	<b>46</b>	<b>42</b>	<b>46</b>	<b>51</b>	<b>56</b>	<b>61</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>83</b>	<b>982</b>	<b>457</b>	<b>(46)</b>	<b>(49)</b>	<b>(46)</b>	<b>(42)</b>	<b>(46)</b>	<b>(51)</b>	<b>(56)</b>	<b>(61)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Waitomo District Council Funding Impact Statement for 2018 - 28 Compliance (\$000's)	EAP 17/18	LTP Yr 1 18/19	LTP Yr 2 19/20	LTP Yr 3 20/21	LTP Yr 4 21/22	LTP Yr 5 22/23	LTP Yr 6 23/24	LTP Yr 7 24/25	LTP Yr 8 25/26	LTP Yr 9 26/27	LTP Yr 10 27/28
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	443	561	596	563	600	593	633	814	962	978	1,132
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	3	1	0	0	0	0	0	0	0	0
Fees and charges	465	433	442	451	461	471	482	493	505	517	530
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	16	17	17	18	18	18	19	19	20	20	21
<b>Total operating funding (A)</b>	<b>924</b>	<b>1,014</b>	<b>1,056</b>	<b>1,032</b>	<b>1,079</b>	<b>1,082</b>	<b>1,134</b>	<b>1,326</b>	<b>1,487</b>	<b>1,515</b>	<b>1,683</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	201	238	260	223	255	233	267	244	279	256	293
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	733	771	791	803	819	844	1,100	1,127	1,157	1,176	1,200
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>934</b>	<b>1,009</b>	<b>1,051</b>	<b>1,026</b>	<b>1,074</b>	<b>1,077</b>	<b>1,367</b>	<b>1,371</b>	<b>1,436</b>	<b>1,432</b>	<b>1,493</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(10)</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>(233)</b>	<b>(45)</b>	<b>51</b>	<b>83</b>	<b>190</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(10)	5	5	6	5	5	(233)	(45)	51	83	190
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>(10)</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>(233)</b>	<b>(45)</b>	<b>51</b>	<b>83</b>	<b>190</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>10</b>	<b>(5)</b>	<b>(5)</b>	<b>(6)</b>	<b>(5)</b>	<b>(5)</b>	<b>233</b>	<b>45</b>	<b>(51)</b>	<b>(83)</b>	<b>(190)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Waitomo District Council Funding Impact Statement for 2018 - 28 Solid Waste Management (\$000's)	EAP	LTP Yr 1	LTP Yr 2	LTP Yr 3	LTP Yr 4	LTP Yr 5	LTP Yr 6	LTP Yr 7	LTP Yr 8	LTP Yr 9	LTP Yr 10
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	22	17	17	17	18	18	19	20	20	20	21
Targeted rates	736	972	1,162	1,160	1,199	1,216	1,221	1,235	1,240	1,256	1,246
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	998	1,083	1,110	1,135	1,162	1,191	1,221	1,251	1,285	1,321	1,357
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	36	37	38	39	40	41	42	43	44	45
<b>Total operating funding (A)</b>	<b>1,756</b>	<b>2,108</b>	<b>2,326</b>	<b>2,350</b>	<b>2,418</b>	<b>2,465</b>	<b>2,502</b>	<b>2,548</b>	<b>2,588</b>	<b>2,641</b>	<b>2,669</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,219	1,315	1,480	1,525	1,541	1,575	1,612	1,639	1,670	1,722	1,746
Finance costs	0	25	25	25	25	25	25	25	25	25	25
Internal charges and overheads applied	619	623	630	659	691	709	709	700	684	659	638
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>1,838</b>	<b>1,963</b>	<b>2,135</b>	<b>2,209</b>	<b>2,257</b>	<b>2,309</b>	<b>2,346</b>	<b>2,364</b>	<b>2,379</b>	<b>2,406</b>	<b>2,409</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(82)</b>	<b>145</b>	<b>191</b>	<b>141</b>	<b>161</b>	<b>156</b>	<b>156</b>	<b>184</b>	<b>209</b>	<b>235</b>	<b>260</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	220	0	776	838	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>220</b>	<b>0</b>	<b>776</b>	<b>838</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	0	0	0	52	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	316	217	1,046	1,159	316	341	342	342	343	343	344
Increase (decrease) in reserves	(178)	(72)	(79)	(232)	(155)	(185)	(186)	(158)	(134)	(108)	(84)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>138</b>	<b>145</b>	<b>967</b>	<b>979</b>	<b>161</b>	<b>155</b>	<b>156</b>	<b>184</b>	<b>209</b>	<b>235</b>	<b>261</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>82</b>	<b>(145)</b>	<b>(191)</b>	<b>(141)</b>	<b>(161)</b>	<b>(156)</b>	<b>(156)</b>	<b>(184)</b>	<b>(209)</b>	<b>(235)</b>	<b>(260)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Waitomo District Council Funding Impact Statement for 2018 - 28 Stormwater Drainage (\$000's)	EAP	LTP Yr 1	LTP Yr 2	LTP Yr 3	LTP Yr 4	LTP Yr 5	LTP Yr 6	LTP Yr 7	LTP Yr 8	LTP Yr 9	LTP Yr 10
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	409	406	412	419	425	433	443	449	458	468	476
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>409</b>	<b>406</b>	<b>412</b>	<b>419</b>	<b>425</b>	<b>433</b>	<b>443</b>	<b>449</b>	<b>458</b>	<b>468</b>	<b>476</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	136	120	119	129	125	128	145	134	138	150	145
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	100	92	94	96	96	99	102	105	108	109	111
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>236</b>	<b>212</b>	<b>213</b>	<b>225</b>	<b>221</b>	<b>227</b>	<b>247</b>	<b>239</b>	<b>246</b>	<b>259</b>	<b>256</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>173</b>	<b>194</b>	<b>199</b>	<b>194</b>	<b>204</b>	<b>206</b>	<b>196</b>	<b>210</b>	<b>212</b>	<b>209</b>	<b>220</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	304	199	204	208	213	218	240	229	235	242	248
Increase (decrease) in reserves	(131)	(5)	(5)	(14)	(9)	(12)	(44)	(19)	(23)	(33)	(28)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>173</b>	<b>194</b>	<b>199</b>	<b>194</b>	<b>204</b>	<b>206</b>	<b>196</b>	<b>210</b>	<b>212</b>	<b>209</b>	<b>220</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(173)</b>	<b>(194)</b>	<b>(199)</b>	<b>(194)</b>	<b>(204)</b>	<b>(206)</b>	<b>(196)</b>	<b>(210)</b>	<b>(212)</b>	<b>(209)</b>	<b>(220)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Waitomo District Council Funding Impact Statement for 2018 - 28 Resource Management (\$000's)	EAP	LTP Yr 1	LTP Yr 2	LTP Yr 3	LTP Yr 4	LTP Yr 5	LTP Yr 6	LTP Yr 7	LTP Yr 8	LTP Yr 9	LTP Yr 10
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	186	272	332	384	464	542	698	726	794	817	842
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	59	85	87	89	91	92	95	97	99	101	104
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>245</b>	<b>357</b>	<b>419</b>	<b>473</b>	<b>555</b>	<b>634</b>	<b>793</b>	<b>823</b>	<b>893</b>	<b>918</b>	<b>946</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	61	321	230	772	155	202	62	63	65	66	68
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	184	638	678	713	761	802	539	534	531	525	513
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>245</b>	<b>959</b>	<b>908</b>	<b>1,485</b>	<b>916</b>	<b>1,004</b>	<b>601</b>	<b>597</b>	<b>596</b>	<b>591</b>	<b>581</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>0</b>	<b>(602)</b>	<b>(489)</b>	<b>(1,012)</b>	<b>(361)</b>	<b>(370)</b>	<b>192</b>	<b>226</b>	<b>297</b>	<b>327</b>	<b>365</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	633	553	1,102	505	211	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>633</b>	<b>553</b>	<b>1,102</b>	<b>505</b>	<b>211</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	31	64	90	144	(159)	192	226	297	327	365
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>0</b>	<b>31</b>	<b>64</b>	<b>90</b>	<b>144</b>	<b>(159)</b>	<b>192</b>	<b>226</b>	<b>297</b>	<b>327</b>	<b>365</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>0</b>	<b>602</b>	<b>489</b>	<b>1,012</b>	<b>361</b>	<b>370</b>	<b>(192)</b>	<b>(226)</b>	<b>(297)</b>	<b>(327)</b>	<b>(365)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



Waitomo District Council Funding Impact Statement for 2018 - 28 Sewerage (\$000's)	EAP	LTP Yr 1	LTP Yr 2	LTP Yr 3	LTP Yr 4	LTP Yr 5	LTP Yr 6	LTP Yr 7	LTP Yr 8	LTP Yr 9	LTP Yr 10
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,415	2,503	2,543	2,596	2,746	2,686	2,707	2,706	2,719	2,777	2,740
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	863	860	881	875	869	890	913	935	960	987	1,015
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>3,278</b>	<b>3,363</b>	<b>3,424</b>	<b>3,471</b>	<b>3,615</b>	<b>3,576</b>	<b>3,620</b>	<b>3,641</b>	<b>3,679</b>	<b>3,764</b>	<b>3,755</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,396	1,291	1,313	1,372	1,388	1,440	1,447	1,456	1,495	1,592	1,607
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	1,233	1,160	1,196	1,216	1,228	1,281	1,308	1,306	1,287	1,255	1,213
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>2,629</b>	<b>2,451</b>	<b>2,509</b>	<b>2,588</b>	<b>2,616</b>	<b>2,721</b>	<b>2,755</b>	<b>2,762</b>	<b>2,782</b>	<b>2,847</b>	<b>2,820</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>649</b>	<b>912</b>	<b>915</b>	<b>883</b>	<b>999</b>	<b>855</b>	<b>865</b>	<b>879</b>	<b>897</b>	<b>917</b>	<b>935</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	211	622	488	605	528	475	487	309	317	326	335
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>211</b>	<b>622</b>	<b>488</b>	<b>605</b>	<b>528</b>	<b>475</b>	<b>487</b>	<b>309</b>	<b>317</b>	<b>326</b>	<b>335</b>
<b>Applications of capital funding</b>											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	25
Capital expenditure - to improve the level of service	196	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	423	694	587	675	573	521	535	369	355	365	375
Increase (decrease) in reserves	241	840	816	813	954	809	817	819	859	878	870
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>860</b>	<b>1,534</b>	<b>1,403</b>	<b>1,488</b>	<b>1,527</b>	<b>1,330</b>	<b>1,352</b>	<b>1,188</b>	<b>1,214</b>	<b>1,243</b>	<b>1,270</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(649)</b>	<b>(912)</b>	<b>(915)</b>	<b>(883)</b>	<b>(999)</b>	<b>(855)</b>	<b>(865)</b>	<b>(879)</b>	<b>(897)</b>	<b>(917)</b>	<b>(935)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Waitomo District Council Funding Impact Statement for 2018 - 28 Water Supply (\$000's)</b>	<b>EAP</b>	<b>LTP Yr 1</b>	<b>LTP Yr 2</b>	<b>LTP Yr 3</b>	<b>LTP Yr 4</b>	<b>LTP Yr 5</b>	<b>LTP Yr 6</b>	<b>LTP Yr 7</b>	<b>LTP Yr 8</b>	<b>LTP Yr 9</b>	<b>LTP Yr 10</b>
	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,550	2,699	2,787	2,982	3,058	3,247	3,426	3,576	3,679	3,762	3,664
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>2,550</b>	<b>2,699</b>	<b>2,787</b>	<b>2,982</b>	<b>3,058</b>	<b>3,247</b>	<b>3,426</b>	<b>3,576</b>	<b>3,679</b>	<b>3,762</b>	<b>3,664</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,149	1,058	1,084	1,147	1,130	1,157	1,197	1,247	1,248	1,320	1,324
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	1,212	1,267	1,320	1,356	1,365	1,430	1,453	1,437	1,408	1,370	1,322
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>2,361</b>	<b>2,325</b>	<b>2,404</b>	<b>2,503</b>	<b>2,495</b>	<b>2,587</b>	<b>2,650</b>	<b>2,684</b>	<b>2,656</b>	<b>2,690</b>	<b>2,646</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>189</b>	<b>374</b>	<b>383</b>	<b>479</b>	<b>563</b>	<b>660</b>	<b>776</b>	<b>892</b>	<b>1,023</b>	<b>1,072</b>	<b>1,018</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	1,128	859	673	369	431	130	6	6	108	205	132
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>1,128</b>	<b>859</b>	<b>673</b>	<b>369</b>	<b>431</b>	<b>130</b>	<b>6</b>	<b>6</b>	<b>108</b>	<b>205</b>	<b>132</b>
<b>Applications of capital funding</b>											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	874	382	285	87	170	36	37	38	39	40	41
Capital expenditure - to replace existing assets	490	480	392	354	336	446	322	330	391	447	438
Increase (decrease) in reserves	(47)	371	379	407	488	308	423	530	701	790	671
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>1,317</b>	<b>1,233</b>	<b>1,056</b>	<b>848</b>	<b>994</b>	<b>790</b>	<b>782</b>	<b>898</b>	<b>1,131</b>	<b>1,277</b>	<b>1,150</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(189)</b>	<b>(374)</b>	<b>(383)</b>	<b>(479)</b>	<b>(563)</b>	<b>(660)</b>	<b>(776)</b>	<b>(892)</b>	<b>(1,023)</b>	<b>(1,072)</b>	<b>(1,018)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Waitomo District Council Funding Impact Statement for 2018 - 28 Roads and Footpaths (\$000's)</b>	<b>EAP</b>	<b>LTP Yr 1</b>	<b>LTP Yr 2</b>	<b>LTP Yr 3</b>	<b>LTP Yr 4</b>	<b>LTP Yr 5</b>	<b>LTP Yr 6</b>	<b>LTP Yr 7</b>	<b>LTP Yr 8</b>	<b>LTP Yr 9</b>	<b>LTP Yr 10</b>
	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	85	94	93	95	97	99	100	103	106	110	113
Targeted rates	5,937	5,454	5,397	5,529	5,659	5,788	5,910	6,044	6,260	6,509	6,719
Subsidies and grants for operating purposes	3,787	4,507	4,615	4,823	4,892	5,016	5,189	5,279	5,422	5,596	5,698
Fees and charges	105	105	107	109	112	114	117	120	123	127	130
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	125	130	133	136	139	142	146	149	153	157	162
<b>Total operating funding (A)</b>	<b>10,039</b>	<b>10,290</b>	<b>10,345</b>	<b>10,692</b>	<b>10,899</b>	<b>11,159</b>	<b>11,462</b>	<b>11,695</b>	<b>12,064</b>	<b>12,499</b>	<b>12,822</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	5,035	4,952	5,061	5,306	5,396	5,522	5,692	5,800	5,951	6,149	6,280
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	2,003	2,131	2,141	2,139	2,100	2,137	2,155	2,115	2,094	2,065	2,004
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>7,038</b>	<b>7,083</b>	<b>7,202</b>	<b>7,445</b>	<b>7,496</b>	<b>7,659</b>	<b>7,847</b>	<b>7,915</b>	<b>8,045</b>	<b>8,214</b>	<b>8,284</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3,001</b>	<b>3,207</b>	<b>3,143</b>	<b>3,247</b>	<b>3,403</b>	<b>3,500</b>	<b>3,615</b>	<b>3,780</b>	<b>4,019</b>	<b>4,285</b>	<b>4,538</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	3,635	4,594	4,960	5,193	5,487	5,528	5,555	5,775	6,015	6,120	6,436
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	152	418	424	452	445	448	474	478	489	502	513
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>3,787</b>	<b>5,012</b>	<b>5,384</b>	<b>5,645</b>	<b>5,932</b>	<b>5,976</b>	<b>6,029</b>	<b>6,253</b>	<b>6,504</b>	<b>6,622</b>	<b>6,949</b>
<b>Applications of capital funding</b>											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	102	213	229	232	202	204	292	296	301	306	305
Capital expenditure - to replace existing assets	5,913	6,240	6,729	7,074	7,513	7,571	7,524	7,827	8,157	8,302	8,741
Increase (decrease) in reserves	773	1,766	1,569	1,586	1,620	1,701	1,828	1,910	2,065	2,299	2,441
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>6,788</b>	<b>8,219</b>	<b>8,527</b>	<b>8,892</b>	<b>9,335</b>	<b>9,476</b>	<b>9,644</b>	<b>10,033</b>	<b>10,523</b>	<b>10,907</b>	<b>11,487</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3,001)</b>	<b>(3,207)</b>	<b>(3,143)</b>	<b>(3,247)</b>	<b>(3,403)</b>	<b>(3,500)</b>	<b>(3,615)</b>	<b>(3,780)</b>	<b>(4,019)</b>	<b>(4,285)</b>	<b>(4,538)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Waitomo District Council Funding Impact Statement for 2018 - 28 Whole of Council (\$000's)</b>	<b>EAP</b>	<b>LTP Yr 1</b>	<b>LTP Yr 2</b>	<b>LTP Yr 3</b>	<b>LTP Yr 4</b>	<b>LTP Yr 5</b>	<b>LTP Yr 6</b>	<b>LTP Yr 7</b>	<b>LTP Yr 8</b>	<b>LTP Yr 9</b>	<b>LTP Yr 10</b>
<b>(17/18)</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	7,374	7,822	8,170	8,252	8,488	8,729	9,192	9,494	9,775	10,040	10,355
Targeted rates	12,657	12,654	12,932	13,313	13,717	14,012	14,361	14,689	15,046	15,478	15,571
Subsidies and grants for operating purposes	3,788	4,510	4,616	4,823	4,892	5,016	5,189	5,279	5,422	5,596	5,698
Fees and charges	3,143	3,199	3,232	3,276	3,310	3,386	3,470	3,553	3,645	3,742	3,843
Interest and Dividends from Investments	31	35	364	414	464	515	566	616	666	716	767
Local authorities fuel tax, fines, infringement fees and other receipts	141	186	190	196	200	203	209	213	220	226	232
<b>Total operating funding (A)</b>	<b>27,134</b>	<b>28,406</b>	<b>29,504</b>	<b>30,274</b>	<b>31,071</b>	<b>31,861</b>	<b>32,987</b>	<b>33,844</b>	<b>34,774</b>	<b>35,798</b>	<b>36,466</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	20,719	21,480	21,491	22,197	21,803	22,341	22,855	23,137	23,724	24,607	24,961
Finance costs	2,690	2,597	2,638	2,665	2,704	2,790	2,672	2,505	2,272	2,013	1,738
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>23,409</b>	<b>24,077</b>	<b>24,129</b>	<b>24,862</b>	<b>24,507</b>	<b>25,131</b>	<b>25,527</b>	<b>25,642</b>	<b>25,996</b>	<b>26,620</b>	<b>26,699</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3,725</b>	<b>4,329</b>	<b>5,375</b>	<b>5,412</b>	<b>6,564</b>	<b>6,730</b>	<b>7,460</b>	<b>8,202</b>	<b>8,778</b>	<b>9,178</b>	<b>9,767</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	3,635	4,754	5,164	5,235	5,530	5,571	5,599	5,820	6,062	6,168	6,485
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	3,170	3,934	3,877	3,731	2,132	1,315	1,019	846	969	1,089	1,037
Gross proceeds from sale of assets	1,024	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>7,829</b>	<b>8,688</b>	<b>9,041</b>	<b>8,966</b>	<b>7,662</b>	<b>6,886</b>	<b>6,618</b>	<b>6,666</b>	<b>7,031</b>	<b>7,257</b>	<b>7,522</b>
<b>Applications of capital funding</b>											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	25
Capital expenditure - to improve the level of service	1,424	1,012	898	571	401	260	359	355	371	368	379
Capital expenditure - to replace existing assets	8,726	9,242	10,472	10,631	9,942	10,420	10,155	10,166	10,569	10,800	11,442
Increase (decrease) in reserves	1,404	2,763	3,046	3,176	3,883	2,936	3,564	4,347	4,869	5,267	5,443
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>11,554</b>	<b>13,017</b>	<b>14,416</b>	<b>14,378</b>	<b>14,226</b>	<b>13,616</b>	<b>14,078</b>	<b>14,868</b>	<b>15,809</b>	<b>16,435</b>	<b>17,289</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3,725)</b>	<b>(4,329)</b>	<b>(5,375)</b>	<b>(5,412)</b>	<b>(6,564)</b>	<b>(6,730)</b>	<b>(7,460)</b>	<b>(8,202)</b>	<b>(8,778)</b>	<b>(9,178)</b>	<b>(9,767)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# 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 Long-Term 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 first year to which the Long Term Plan relates; and
  - the end of the last year to which the Long Term Plan relates; and
  - the amount expected to be deposited in the fund in the period to which the Long Term Plan relates; and
- the amount expected to be withdrawn from the fund in the period to which the Long Term Plan relates.

## 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), 22 quarries throughout the District and Housing and Other Property .

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 Statement of Financial Position. 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 surplus or deficit should Council ever resolve to dispose of a particular investment.

## 4. SPECIAL PURPOSE RESERVES

There are two special purpose reserves:

- **District Development Special Purpose Reserve:** Funds were received from the Development King Country Trust in April 2012 with the intention of setting up a Waitomo District Economic Development Board (or similar entity) to assist with a more integrated strategic focus on sustainable delivery of economic development initiatives within the District.
- **Waste Minimisation Special Purpose Reserve:** Funds received from the Ministry for the Environment under Section 31 of the Waste Minimisation Act 2008 can only be spent on activities that promote or achieve waste minimisation and in accordance with Council's waste management and minimisation plan. This special purpose reserve is a net accumulation of levy monies received and expenditure on waste minimisation activities that meet the aforementioned purpose and Council approval.

Statement of Reserve Funds (\$000's)	Projected Reserve Balance 30 June 2018	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2028
<b>Operational Reserves (1)</b>				
<b>Governance: Leadership and Investments</b>				
Leadership	(55)	0	0	(55)
Investments	359	0	0	359
	<b>304</b>	<b>0</b>	<b>0</b>	<b>304</b>
<b>Community Service</b>				
Parks and Reserves	(509)	(100)	0	(609)
Housing and Other Property	(770)	0	0	(770)
Recreation and Culture - Library	202	(52)	0	150
Recreation and Culture - Aquatic Centre	121	(29)	0	92
Recreation and Culture - Arts and Culture	(258)	0	0	(258)
Recreation and Culture - Aerodrome	(138)	0	0	(138)
Public Amenities	(283)	0	61	(222)
Safety	(371)	0	0	(371)
	<b>(2,006)</b>	<b>(181)</b>	<b>61</b>	<b>(2,126)</b>
<b>Community Development</b>				
Community Development	(10)	(29)	0	(39)
	<b>(10)</b>	<b>(29)</b>	<b>0</b>	<b>(39)</b>
<b>Compliance</b>				
Compliance	319	(108)	88	299
	<b>319</b>	<b>(108)</b>	<b>88</b>	<b>299</b>
<b>Solid Waste Management</b>				
Collection	(94)	(80)	0	(174)
Management - Landfill and Transfer Stations	13	(86)	0	(73)
Waste Minimisation	39	0	0	39
	<b>(42)</b>	<b>(166)</b>	<b>0</b>	<b>(208)</b>
<b>Stormwater Drainage</b>				
Te Kuiti Stormwater	(23)	(113)	0	(136)
Rural Stormwater	(173)	0	0	(173)
	<b>(196)</b>	<b>(113)</b>	<b>0</b>	<b>(309)</b>
<b>Resource Management</b>				
Resource Management	(40)	(1,575)	1,575	(40)
	<b>(40)</b>	<b>(1,575)</b>	<b>1,575</b>	<b>(40)</b>
<b>Sewerage and Treatment and Disposal of Sewage</b>				
Waitomo Sewerage	15	0	15	30
Te Kuiti Sewerage	(2,720)	(2,228)	0	(4,948)
Te Waitere Sewerage	(49)	0	387	338
Benneydale Sewerage	216	0	574	790
Piopio Sewerage	(366)	0	582	216
	<b>(2,904)</b>	<b>(2,228)</b>	<b>1,558</b>	<b>(3,574)</b>
<b>Water Supply</b>				
Te Kuiti Water	606	(3,905)	0	(3,299)
Mokau Water	620	0	1,532	2,152
Piopio Water	687	0	1,440	2,127
Benneydale Water	85	0	669	754
Waitomo Water	16	0	15	31
	<b>2,014</b>	<b>(3,905)</b>	<b>3,656</b>	<b>1,765</b>
<b>Roads and Footpaths</b>				
Subsidised Roads	865	(575)	0	290
Unsubsidised Roads	(455)	0	0	(455)
	<b>410</b>	<b>(575)</b>	<b>0</b>	<b>(165)</b>
<b>Corporate Support</b>				
Gratuities	(83)	0	0	(83)
Long Service Leave	(26)	0	0	(26)
Natural Disaster	(426)	0	0	(426)
	<b>(535)</b>	<b>0</b>	<b>0</b>	<b>(535)</b>
<b>Total Operational Reserves</b>	<b>(2,686)</b>	<b>(8,880)</b>	<b>6,938</b>	<b>(4,628)</b>

	Projected Reserve Balance 30 June 2018	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2028
<b>Depreciation Reserves (2)</b>				
<b>Governance: Leadership and Investments</b>				
Investments	360	(71)	0	289
	<b>360</b>	<b>(71)</b>	<b>0</b>	<b>289</b>
<b>Community Service</b>				
Parks and Reserves	110	(877)	1,412	645
Housing and Other Property - Housing	(211)	(150)	150	(211)
Housing and Other Property - Community Halls	(809)	(34)	34	(809)
Housing and Other Property - Other Land and Buildings	(427)	(353)	653	(127)
Housing and Other Property - Railway Station Buildings	63	(659)	663	67
Recreation and Culture - Library	(566)	(684)	644	(606)
Recreation and Culture - Aquatic Centre	54	(354)	381	81
Recreation and Culture - Arts and Culture	50	(1,290)	272	(968)
Recreation and Culture - Aerodrome	(68)	(262)	73	(257)
Public Amenities	(132)	(1,579)	919	(792)
	<b>(1,936)</b>	<b>(6,242)</b>	<b>5,201</b>	<b>(2,977)</b>
<b>Community Development</b>				
I-site	(15)	(202)	37	(180)
	<b>(15)</b>	<b>(202)</b>	<b>37</b>	<b>(180)</b>
<b>Compliance</b>				
Animal Control	41	(48)	17	10
	<b>41</b>	<b>(48)</b>	<b>17</b>	<b>10</b>
<b>Solid Waste Management</b>				
Management - Landfill and Transfer Stations	428	(1,393)	3,506	2,541
	<b>428</b>	<b>(1,393)</b>	<b>3,506</b>	<b>2,541</b>
<b>Stormwater Drainage</b>				
Te Kuiti Stormwater	(479)	(1,881)	2,269	(91)
Rural Stormwater	(11)	(48)	62	3
	<b>(490)</b>	<b>(1,929)</b>	<b>2,331</b>	<b>(88)</b>
<b>Sewerage and Treatment and Disposal of Sewage</b>				
Te Kuiti Sewerage	(284)	(6,781)	5,391	(1,674)
Te Waitere Sewerage	15	(81)	42	(24)
Benneydale Sewerage	(163)	(400)	373	(190)
Piopia Sewerage	(59)	(1,127)	772	(414)
	<b>(491)</b>	<b>(8,389)</b>	<b>6,578</b>	<b>(2,302)</b>
<b>Water Supply</b>				
Te Kuiti Water	(472)	(5,102)	4,980	(594)
Mokau Water	107	(726)	863	244
Piopia Water	(60)	(779)	685	(154)
Benneydale Water	(157)	(384)	290	(251)
	<b>(582)</b>	<b>(6,991)</b>	<b>6,818</b>	<b>(755)</b>
<b>Roads and Footpaths</b>				
Subsidised Roads	(5,908)	(32,909)	30,919	(7,898)
Unsubsidised Roads	(91)	(871)	142	(820)
	<b>(5,999)</b>	<b>(33,780)</b>	<b>31,061</b>	<b>(8,718)</b>
<b>Corporate Support</b>				
Corporate Support	(247)	(4,172)	5,092	673
Plant	(116)	(2,367)	2,741	258
	<b>(363)</b>	<b>(6,539)</b>	<b>7,833</b>	<b>931</b>
<b>Total Depreciation Reserves</b>	<b>(9,047)</b>	<b>(65,584)</b>	<b>63,382</b>	<b>(11,249)</b>

	Projected Reserve Balance 30 June 2018	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2028
<b>Investment Revaluation Reserves (3)</b>				
<b>Governance: Leadership and Investments</b>				
Investment Property	(156)	0	0	(156)
	<b>(156)</b>	<b>0</b>	<b>0</b>	<b>(156)</b>
<b>Community Service</b>				
Housing and Other Property - Other Land and Buildings	(288)	0	0	(288)
	<b>(288)</b>	<b>0</b>	<b>0</b>	<b>(288)</b>
<b>Total Investment Revaluation Reserves</b>	<b>(444)</b>	<b>0</b>	<b>0</b>	<b>(444)</b>
<b>Special Purpose Reserves (4)</b>				
<b>Community Development</b>				
District Development	(16)	0	0	(16)
	<b>(16)</b>	<b>0</b>	<b>0</b>	<b>(16)</b>
<b>Solid Waste Management</b>				
Carbon Credits Reserve	11	(3,087)	3,066	(10)
Waste Minimisation Reserve	(88)	(280)	52	(316)
	<b>(77)</b>	<b>(3,367)</b>	<b>3,118</b>	<b>(326)</b>
<b>Total Special Purpose Reserves</b>	<b>(93)</b>	<b>(3,367)</b>	<b>3,118</b>	<b>(342)</b>
<b>Total Reserves</b>	<b>(12,270)</b>	<b>(77,831)</b>	<b>73,438</b>	<b>(16,663)</b>

Activity	Estimated Cost of Service Statements								Statement of Reserve Funds	
	Total Movement (To)/From Reserves	Plus Depreciation and Amortisation Charged to Retained Earnings	Plus Carbon Credits Surrendered Charged to Retained Earnings	Less External Loan Repayments	Less Internal Loan Repayments	Transfer to Corporate Support Reserves	Total Net Movement	Opening Reserve Balance at 30 June 2018	Closing Reserve Balance at 30 June 2028	Total Net Movement in Reserves for Ten Years
Leadership	(7,833)	6,610				1,294	71	508	437	(71)
Community Service	(3,642)	7,071			(2,268)		1,161	(4,230)	(5,391)	(1,161)
Community Development	274	159			(239)		194	(41)	(235)	(194)
Compliance	19	49			(17)		51	360	309	(51)
Solid Waste Management	(2,534)	1,143	3,087		(3,394)		(1,698)	309	2,007	1,698
Stormwater Drainage	(2,124)	1,930			(95)		(289)	(686)	(397)	289
Resource Management	1,578	0			(1,578)		0	(40)	(40)	0
Sewerage	85	8,389			(5,993)		2,481	(3,395)	(5,876)	(2,481)
Water Supply	(1,920)	6,992			(4,650)		422	1,432	1,010	(422)
Roads and Footpaths	(20,131)	33,779		5,143	(15,497)		3,294	(5,589)	(8,883)	(3,294)
Corporate Support [Reserves]						(1,294)	(1,294)	(898)	396	1,294
	<b>(36,228)</b>	<b>66,122</b>	<b>3,087</b>	<b>5,143</b>	<b>(33,731)</b>	<b>0</b>	<b>4,393</b>	<b>(12,270)</b>	<b>(16,663)</b>	<b>(4,393)</b>



# Accounting Policies

## Statement of Responsibility

The Long Term Plan 2018-28 was adopted by Council on 26 June 2018.

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 PBE 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 ten year plan on 26 June 2018.

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

## Statement of Accounting Policies

### Reporting Entity

Waitomo District Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's activities is the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The prospective financial statements may not be appropriate for purposes other than those described.

### Basis of Preparation

The prospective financial statements are for Waitomo District Council (the Council) as a separate legal entity. Consolidated prospective financial statements comprising the Council and its controlled entities and associates have not been prepared.

### Statement of Compliance

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 (LGA), which includes the requirement to comply with generally accepted accounting

practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

### Presentation Currency and Rounding

The reporting period for these draft prospective financial statements is the 10 year period ending 30 June 2028. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000's), unless otherwise stated.

### Measurement Basis

The measurement basis applied is historical cost, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments and investment property. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

### Revenue

Revenue comprises rates, revenue from operating activities, grant revenue, interest revenue, and other revenue and is measured at the fair value of consideration received or receivable.

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Council and the revenue can be reliably measured.

Revenue may be derived from either exchange or non-exchange transactions. These are defined as:

#### *Exchange transactions*

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

## *Non-exchange transactions*

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

The following specific recognition criteria must also be met before revenue is recognised.

### **Rates Revenue**

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates arising from late payment penalties are recognised when rates become overdue. Rates revenue is classified as non-exchange revenue.

### **New Zealand Transport Agency (NZTA) roading subsidies**

The Council receives funding assistance from NZTA, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled. NZTA subsidies are classified as non-exchange revenue.

### **Other Subsidies and Grants received**

Other Subsidies and grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grants are satisfied. Other grants received classified as non-exchange revenue.

### **Fees, Levies & Charges**

Other fees, 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. Fees, levies and charges are classified as non-exchange revenue.

## **Interest revenue**

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

### **Sale of Goods**

The sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer. This revenue is classified as exchange revenue.

### **Property Rental Revenue**

Rental revenue arising on property owned by the Council is accounted for on a straight-line basis over the lease term. Property rental revenue is generally classified as non-exchange with the exception of certain market based lease rentals.

### **Donated, subsidised or vested assets**

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised when the control of the asset is transferred to Council. The fair value of this asset is recognised as revenue, unless there is a use or return condition attached to the asset and is classified as non-exchange revenue.

### **Expenditure**

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

### **Grant Expenditure**

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

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

### **Borrowing Costs**

Borrowing costs are recognised in the period in which they are incurred.

## Depreciation and Amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

## Income Tax

Income tax expense includes components relating to both current tax and deferred tax.

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 tax rates (and tax laws) 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 Statement of Financial Position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised 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 or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly into equity .

## 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.

## Inventory

Inventory held for use in the provision 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 surplus or deficit in the period of the write down.

## Financial Assets

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

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 .

Financial assets are classified into the following categories for the purpose of measurement:

- financial assets at fair value through surplus or deficit,
- 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.

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 three categories of financial assets are:

1. *Financial Assets at Fair Value Through Surplus or deficit*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit 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 surplus or deficit.

Derivative financial instrument assets are included in this class.

## 2. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified as Receivables in the draft prospective statement of financial position.

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 surplus or deficit.

Loans made 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. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit. The loans are subsequently measured at amortised cost using the effective interest method.

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

## 3. Available for Sale

Available for sale financial assets are those that are designated into the category at initial inception and are not classified in any of the other categories above. They are included in non current assets unless management intends to dispose of or realise the investment within 12 months of balance date. The council includes the following in this category:

- 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 through surplus or deficit.

Gains and losses arising from changes in fair value are recognised in other comprehensive revenue and expenses and accumulated as a separate component of equity in the available-for-sale revaluation reserve with the exception of impairment losses, which are recognised directly in surplus or deficit. 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 the surplus or deficit (as a reclassification adjustment).

## Impairment of Financial Assets

Financial assets are assessed for any evidence of impairment at each balance date. Any impairment losses are recognised in the surplus or deficit.

### Loans and receivables

Impairment is established when there is evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the assets carrying value and the present value of estimated future cash flows, discounted using the original effective interest rate.

### Available for sale

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. If impairment evidence exists for available for sale assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset already recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

## 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 surplus or deficit.

The Council designates certain derivatives as either:

- hedges of highly probable forecast transactions (cash flow hedge) or
- 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.

### **Cashflow 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 revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit 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 revenue and expenses are classified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

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 revenue and expense 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 revenue and expense from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

### **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 surplus or deficit.

### **Payables**

Payables are recognised at their face value when the Council becomes obligated to make future payments resulting from the purchase of goods or services.

Payables may be derived from either exchange or non-exchange transactions. These are defined as:

#### *Exchange transactions*

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Payables from exchange transactions include payables to suppliers, retention monies and payables for elected members and directors fees.

#### *Non-exchange transactions*

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Non exchange payables include payables for GST,

deposits and bonds held and deferred grant revenue.

## **Borrowings**

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.

Borrowings are classified as current liabilities unless Council has unconditional right to defer settlement of the liability for at least 12 months after balance date.

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

All items in the draft prospective financial statements 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 net amount of GST recoverable from, or prospective to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the prospective statement of financial position

Commitments and contingencies are disclosed exclusive of GST.

## **Provisions**

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 an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation .

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 and is included in finance costs.

## **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.

## **Employee Entitlements**

### *Short-Term Employee Entitlements*

Employee benefits expected to be settled within 12 months after the end of the period which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

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

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.

## **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, finance leases recognised as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

A finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 consists of operational assets, infrastructural assets and restricted assets.

### 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, motor vehicles, and finance leases for office equipment.

### Infrastructural assets

Infrastructural assets are the fixed utility systems providing an ongoing service to the community, but are not generally regarded as tradeable. They include infrastructural land, roads, water reticulation systems, refuse systems, 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.

### 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.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, 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 surplus or deficit. When revalued assets are sold, the amounts included in the property revaluation reserves in

respect of those assets are transferred to accumulated funds.

### 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.

The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

## Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and land under roads and work in progress 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	2-28 years
Base course	25-120 years
Sub base	115 years Or not depreciated
Formation and running course	Not depreciated
Culverts – timber and other	30-100 years
Signs	15-30 years
Street Lights and poles	15-60 years
Bridges	70-100 years

Footpath surface and base	13-78 years
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#### Water Reticulation

Pipes, hydrant, valves	30-120 years
Pump station, reservoirs	25-100 years

#### Sewerage Reticulation

Pipes, hydrant, valves	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	30 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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#### **Revaluations**

Land and buildings (operational and restricted) and infrastructural assets (except for land under roads) are revalued with sufficient regularity to ensure that their carrying value does not materially differ from fair value and at least every three years. The carrying values of revalued items are assessed annually to ensure that they do not differ materially from fair value. If there is a material difference, then the off cycle asset class is revalued.

Revaluations of property, plant and equipment are on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to a property revaluation reserve in equity for that class of asset. Where this should result in a debit balance in the revaluation reserve, this balance is not

recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then in other comprehensive revenue and expense.

#### **Revaluation of Restricted Assets**

Land and buildings in restricted assets are subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings under a bequest or donation that restricts the purpose for which the assets can be used).

#### **Intangible Assets**

##### *Computer Software*

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

##### *Carbon Credits*

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

##### *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life for software. 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 surplus or deficit.

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

Computer software      2 to 5 years      20% to 50%

#### **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 surplus or deficit.

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

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

### **Investment in Unlisted Shares**

Council has an interest (1.6%) in a Council Controlled Organisation (CCO), Waikato 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.

### **Investment Property**

Investment property consists of miscellaneous housing properties. Investment property are held primarily for capital growth, rental or similar revenue. 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, it is measured at fair value, determined annually by an independent valuer. Gains or losses arising from a change in fair value are recognised within surplus or deficit.

### **Cost Allocation**

The Council has derived the cost of service for each significant activity. Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These costs

are allocated to Council activities using appropriate cost drivers such as resource use, staff numbers and floor area. All overhead costs have been allocated to significant activities.

### **Impairment of Property, Plant and Equipment and Intangible assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Property, plant and equipment and intangible assets that have a finite useful life are reviewed annually for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable amount the asset is regarded as 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 surplus or deficit.

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

#### *Value in use for non-cash generating assets*

Non cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

#### *Value in use cash generating assets*

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

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

## Equity

Equity is the community's interest in the Council, and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated funds,
- other reserves and
- property revaluation reserves.

### *Other Reserves*

Restricted reserves are a component of equity generally representing a particular use to which various parts of net assets or 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 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 consists of valuation gains associated with Council's investments, classified as available for sale.

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*

Property revaluation reserves relates to the revaluation of property, plant and equipment to fair value.

## Emissions Trading Scheme (ETS)

The regulations for landfill methane emissions under the New Zealand Emissions Trading Scheme (NZ ETS) require waste disposal facility operators to surrender New Zealand Units (NZU's) by 31 May of each year to match the remission from 1 January to 31 December of the preceding calendar year. The cost of meeting ETS obligations is mandatory and Council is required

to surrender NZU's for the landfill methane emissions associated with Rangitoto Landfill. NZU's that are purchased to meet these liabilities are recognised at cost and subsequently recognised at cost subject to impairment. Where there is an obligation to return units the expense and liability are recognised and are measured at the carrying value of units on hand plus the fair value of any additional units required.

## Critical Accounting Estimates and Judgements

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy. The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates. Further information around assumptions used in the prospective financial statements can be found under the section called Planning/Forecasting assumptions.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

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*

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

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

### *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 situated 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 surplus or deficit.

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.

Infrastructural assets are revalued on a 3 yearly basis by an independent valuer.

#### *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 surplus or deficit, and carrying amount of the asset in the statement of financial position. The Council minimises the risk of this estimation uncertainty with:

- physical inspection of assets;
- asset replacement programs;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.

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

#### *Valuation of Investment in Inframax Construction Limited*

The value of the investment of Inframax Construction Ltd was recognised at 30 June 2017 at \$4.5 million. It has been assumed that there has been no change in the value of the investment in Inframax Construction Ltd over the life of the long term plan.

#### **Comparatives**

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods;
- where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy.

#### **Public Benefit Entity Financial Reporting Standard 42 Prospective Financial Statements (PBE FRS 42)**

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

- (i) Description of the nature of the entity's current operation and its principal activities

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within the long term plan.

- (ii) Purpose for which the prospective financial statements are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 10 years and include them within the long term plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

- (iii) Bases for assumptions, risks and uncertainties

The prospective financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the draft prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within the long term plan.

(iv) Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented and the variations may be material.

(v) Other Disclosures

The prospective financial statements were authorised for issue on 26 June 2018 by Waitomo District Council.

The Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The information in the long term plan is prospective and as such contains no actual operating results.





Marokopa

# Section D: Policies and Strategies

This section contains:

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

*Creating a better future with vibrant communities and thriving business.*

# Policy Statement on Council Controlled Organisations

## Inframax Construction Ltd

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

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

ICL's corporate purpose is to operate as a provider of roading construction, roading maintenance, aggregate quarrying and crushing and maintenance and construction of utilities and infrastructure assets.

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

### Performance Targets for 2018 - 2021

Measure	Targets		
	2018/19	2019/20	2020/21
<b>Financial performance measures</b>			
Equity ratio (shareholders' funds as a % of total assets)	53%	63%	68%
Current ratio (current assets as a % of current liabilities)	Positive	Positive	Positive
EBITDA (earnings before interest, tax, depreciation and amortisation)	\$4.8m	\$5.2m	\$5.6m
Revenue targets	\$43.0m	\$48.0m	\$50.0m
Closing bank & shareholders loan	\$1.3m	Nil	Nil
Bank covenants	Unconditionally met	Unconditionally met	Unconditionally met
<b>Non-financial performance measures</b>			
Lost Time Injury (LTI) frequency rate	Zero	Zero	Zero
ACC Weekly Compensation Days	30	30	30
ISO 2015 Accreditation	Standard Achieved	Standard Achieved	Standard Achieved
Environmental Consent Compliance	Full Compliance	Full Compliance	Full Compliance
Number of local events supported	10	12	15

## Waikato Local Authority Shared Services (WLASS) Limited

### Background

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

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

The Council has an equal share, with each of the 12 local authorities situated within the boundaries of the Waikato region, in WLASS Ltd. The objectives of WLASS Ltd are to:

- enable the Waikato councils to collectively be more effective as a region on the national stage
- contribute to building central government's confidence in the Waikato region, and to encourage central government investment
- achieve effectiveness and efficiency gains

- reduce duplication of effort and eliminate waste through repetition
- make it easier for customers to engage with councils in the Waikato region
- promote and contribute to the development of best practice
- promote business transformation to improve customers' experiences.

## Shareholders

WLASS Ltd is jointly owned by 12 local authorities:

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

## Council Policies and Objectives relating to Council Controlled Organisations

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

### Nature and Scope of Current Activities

There are currently 12 major initiatives operating under the WLASS umbrella, plus a support role for the collaborative work streams of the Waikato Mayoral Forum.

**1 Shared Valuation Data Service (SVDS).** This service provides timely and accurate valuation data to the 10 member Councils (Waikato Regional, Hamilton City, Hauraki, Matamata Piako, Rotorua, South Waikato, Thames Coromandel, Waikato, Waipa and Waitomo District Councils). The SVDS has become the accepted valuation database for the region. Data sales significantly reduce costs to the participating councils.

**2 Road Asset Technical Accord (RATA).** RATA was initially established as a centre of excellence for road asset planning in 2014, as a work stream under the Mayoral Forum. The activity transferred to WLASS on 1 July 2016. The aim of RATA is to achieve best practice in road asset management by improving capability, capacity and outcomes through effective collaboration. By leading asset management best practice, RATA delivers better decision making through the effective collection and use of good quality data, and the implementation of good practice processes and systems for data collection, analysis and management.

Waipa District Council currently acts as the host council for RATA, providing accommodation and overheads (which are fully recovered from the participating councils), and managing the employment agreements/relationships with the three staff members. This activity is fully funded by the nine participating councils (Hamilton City, Hauraki, Matamata Piako, Otorohanga, South Waikato, Thames Coromandel, Waikato, Waipa and Waitomo District Councils, supported by the NZ Transport Agency) and operates as a separate cost centre.

**3 Waikato Regional Transportation Model (WRTM).** This model became fully operational in February 2010. It provides accurate information to Councils and to external users (for a charge) for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region, and is jointly funded by the NZ Transport Agency. WRTM is making a significant contribution to strategic planning of land use and infrastructure within the region, and has been involved in regionally and nationally significant investigations including: the Waikato Expressway Network Plan; the Waikato Regional Land Transport Strategy and Regional Policy Statement; and transport impact assessments in relation to the development of Ruakura. The activity is



fully funded by the seven participating councils (Waikato Regional, Hamilton City, Matamata Piako, Taupo, Thames Coromandel, Waikato, and Waipa District Councils, supported by the NZ Transport Agency), and operates as a separate cost centre. The WRTM has been managed by RATA since 1 July 2016.

- 4 Waikato Building Consent Group (WBCG).** The WBCG was initially set up by five Waikato local authorities in 2004 to foster co-operation, collaboration and consistency in building functions, legislative interpretation and process documentation across the partnering councils. The Group now comprises eight councils (Hamilton City, Hauraki, Matamata Piako, Otorohanga, Thames Coromandel, Waikato, Waipa and Waitomo Districts). The WBCG has developed a common quality assurance system with associated supporting documentation and media that meet the legislative requirements of the Building Act 2004 and the Building (Accreditation of Building Consent Authorities) Regulations 2006. These regulations cover all aspects of the operational management and compliance of a Building Consent Authority (BCA).

Waikato District Council currently acts as the host council for the WBCG, providing accommodation and overheads (which are fully recovered from the WBCG members), and managing the employment agreements/relationships with the two staff members and any contractors. The activity is fully funded by the participating councils, and operates as a separate cost centre. The activity transferred to WLASS on 1 July 2016.

- 5 Future Proof.** This is a collaborative partnership between Hamilton City, Waikato and Waipa Districts, Waikato Regional Council and Tāngata whenua, with assistance from the New Zealand Transport Agency. The partners have jointly developed the Future Proof Growth Strategy and Implementation Plan – a 50-year vision and implementation plan specific to the Hamilton, Waipa and Waikato sub-region (Future Proof sub-region), which was adopted by the partners on 30 June 2009.

The accommodation, overhead and employment arrangements of the Future Proof Planner are managed by Hamilton City Council. The activity is fully funded by the participating councils, and operates as a separate cost centre. Future Proof transferred to WLASS on 1 July 2016.

- 6 Energy Management.** WLASS entered into a Collaboration Agreement with the Energy Efficiency Conservation Authority (EECA) in February 2016. This arrangement is estimated to bring in up to \$210,000 in revenue from EECA over three years, subject to meeting specific energy saving targets. The activity is fully funded by the 11 participating councils (Matamata Piako was not eligible, as it has previously received EECA funding), and operates as a separate cost centre.

- 7 Joint Procurement Initiatives.** WLASS is a party to numerous joint procurement contracts between the company, shareholding Councils and suppliers. Some contracts (e.g. insurance brokerage services; various collective insurance policies; courier and postal services; historic aerial photography) involve all of the shareholding councils. Other joint procurement contracts have been negotiated, but only some of the shareholding councils have chosen to participate (e.g. the Professional Services Panel; computer-generated print, mail house and e-services; IT Professional Services Panel; Internal Audit Services). A part-time procurement specialist was engaged in February 2018 for a period of one year, to:

- Assist all councils to utilise the existing WLASS contracts, AoG contracts and syndicated contracts that are appropriate for each council, to ensure that opportunities for savings are being maximised
- Develop standard regional procurement policies, templates and procedures and provide training in each council
- Manage the existing WLASS contracts to improve relationship management and ensure that their value is being maximised.

The contractor is working directly with staff in each council to ensure that contract savings are being maximised and that good procurement systems and processes are in place.

- 8 Historic Aerial Photos.** In May 2015, WLASS entered into a Memorandum of Understanding with LINZ to scan the Waikato Historic Aerial Photos archive. The LINZ Crown archive contains over 500,000 historic aerial photo negatives captured by surveys flown over New Zealand between 1936 and 2005. All of the shareholding councils are participating in this 4-year project, which includes a subsidy of \$56,000 from LINZ. The project is running ahead of schedule and is now expected to be completed by the end of 2018. The information is now freely available to the public on a website (<http://www.retrolens.nz/map/>), which acknowledges the participation of WLASS.

- 9 Waikato Regional Aerial Photography Service (WRAPS).** WRAPS was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. So far, there have been five WRAPS contracts – 2002, 2007, 2012, and 2016. The current WRAPS contract is scheduled for completion by June 2018. Consideration is currently being given to changing the frequency of coverage to 4-yearly. WRAPS became a WLASS project in December 2014 and is fully funded by the 12 participating councils.
- 10 Aligned Resource Consent Planning.** The toolkit developed last financial year to provide regional consistency and best practice processes in the administration of resource consenting has now been implemented, and is being used by 10 councils (Taupo and Otorohanga are not participating). WLASS controls the documentation on the WLASS website, and a Steering Group manages the process for making updates and amendments to the templates and documents in the toolkit.
- 11 Regional Infrastructure Technical Specifications (RITS).** The RITS document sets out how to design and construct transportation, water supply, wastewater, stormwater and landscaping infrastructure in the eight participating councils' areas (Hamilton City, Hauraki, Waikato, Waipa, Matamata-Piako, Otorohanga, Waitomo, and South Waikato District Councils). Prior to developing RITS, each council had its own Infrastructure Technical Specifications, which resulted in different standards having to be met across the Waikato region. The purpose of RITS is to provide a single regional guide and specifications for building public infrastructure.
- The RITS is published on the WLASS website (<http://www.waikatolass.co.nz/>), and ongoing maintenance of the document is the responsibility of a Project Coordinator, managed by WLASS.
- 12 Local Government Contractor Health & Safety Pre-qualification Scheme.** The contract with SHE Assure to manage the Local Government Health & Safety Contractor Pre-qualification Scheme, which was developed by WLASS, continues to operate well. Twenty councils and one CCO are now using the scheme and over 1,500 contractors have registered, which enables them to be pre-qualified to work for any of the participating councils.

#### Performance Targets for 2018-2021

TARGET	METHOD	MEASURE
<b>Procurement</b> Joint procurement initiatives for goods and services for WLASS councils will be investigated and implemented.	Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for integration.	The Procurement Specialist has developed standard regional procurement policies, templates and procedures and provided training in each council by the end of the financial year.  New suppliers are awarded contracts through a competitive tender process.
<b>Collaborative Projects</b> Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.	The focus is on shared services which will benefit all councils.	A minimum of three priority projects for collaboration are identified per annum.  If considered of value, business cases are developed for approval by the Board, and the projects are implemented.
<b>Existing WLASS Contracts</b> Existing contracts are managed and renegotiated as required.	Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.	The WLASS Contracts Register is maintained and managed.  Contracts which are due for renewal are tested for competitiveness and either renegotiated or tendered through a competitive process.
<b>Cashflow</b> The company shall maintain a positive cashflow position.	The Financial Accountant reviews cashflow monthly, and the WLASS Board reviews the financial statements quarterly.	The WLASS Board reviews the financial statements at least quarterly.

TARGET	METHOD	MEASURE
<p><b>Cost Control</b> Administration expenditure shall be managed and monitored.</p>	<p>The Financial Accountant and Chief Executive review expenditure monthly.</p>	<p>Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.</p>
<p><b>Reporting</b> Six monthly reports provided to Shareholders.</p>	<p>The Chief Executive prepares a written report for the WLASS Board every meeting.</p> <p>One 6-monthly and one Annual Report are prepared for shareholders.</p>	<p>The Board shall provide a written report on the business operations and financial position of WLASS to the Shareholders every six months.</p> <p>Every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the WLASS are being adhered to.</p>
<p><b>Waikato Mayoral Forum</b> The company shall provide administrative support to the Mayoral Forum workstreams and to the Mayoral Forum.</p>	<p>Mayoral Forum projects shall be managed financially through the WLASS.</p>	<p>Approved invoices for Mayoral Forum projects are paid by the 20th of the month following their receipt.</p>
<p><b>Shared Valuation Data Services (SVDS)</b> The SVDS is reliable, well maintained and available to all users.</p>	<p>A Contract Manager is appointed for SVDS.</p> <p>The Contract Manager monitors performance of the contractors and reports quarterly to the SVDS Advisory Group.</p> <p>Risks associated with the SVDS are well managed.</p> <p>The long-term provision of SVDS services is achieved.</p>	<p>The SVDS is available to users at least 99% of normal working hours.</p> <p>The SVDS Advisory Group meets at least 6-monthly.</p> <p>The Annual Business Plan is accepted by the Advisory Group by 31 March 2019, and includes consideration of strategic and operational risks, a disaster recovery plan, and a business continuity plan.</p> <p>The timetable and milestones for implementing the long-term provision of SVDS Services (as agreed by the Board), are being achieved.</p>
<p><b>Insurance</b> Achieve the relevant KPIs in Appendix 4 of the Insurance Brokerage contract with Aon.</p>	<p>The Insurance Broker delivers on the terms of their contract and provides value to the participating councils.</p>	<p>Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.</p> <p>The day-to-day service provided by Aon is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.</p>

TARGET	METHOD	MEASURE
<p><b>RATA</b> Deliver better data for decision making across the Waikato Region, enabling more consistent best practice</p> <p>Lead engagement and increase capability within the sector</p>	<p>Quarterly update reports are provided to all stakeholders participating in the Data Collection contracts.</p> <p>Data supplied by contractors is of good quality and meets all of the participating councils' requirements.</p> <p>Innovation: Identify opportunities to modify standard approaches and/ or develop new approaches that will lead to optimal asset management.</p> <p>Leadership: Lead engagement and increase capability within the sector.</p>	<p>Reports are presented to stakeholders in October/January/April and July each year.</p> <p>Reports on progress presented to WCLASS Board as at 30 December and 30 June.</p> <p>All data are reviewed for compliance and all good practice requirements are met.</p> <p>Procurement of services complies with WCLASS and NZTA's procurement requirements.</p> <p>Present to a national conference on RATA innovations at least once per year.</p> <p>At least two RATA guidance documents detailing good practice are produced each year.</p> <p>RATA Forums are held 2-monthly to share learnings and experience.</p>
<p><b>Waikato Regional Transport Model (WRTM)</b> The WRTM is reliable, well maintained and available to all users.</p>	<p>RATA manages the WRTM on behalf of the participating councils, and monitors the performance of the model supplier (currently Traffic Design Group).</p> <p>RATA reports quarterly to the WRTM Project Advisory Group.</p>	<p>All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget.</p> <p>A report from RATA on any new developments and on the status of the model is provided to the WCLASS Board at least every six months.</p> <p>The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual), and is independently peer reviewed each time the model is updated.</p>

TARGET	METHOD	MEASURE
<p><b>Waikato Building Consent Group</b> Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.</p>	<p>Implement the strategic priorities detailed in the “Build Waikato” May 2017 strategic review document.</p> <p>Fulfil the roles and responsibilities set out in clause 9 of the WBCG’s Memorandum of Understanding, 2016.</p>	<p>Milestones for the five strategic review work streams are achieved for:</p> <ul style="list-style-type: none"> <li>• Digital experience and technology: a common online customer experience. Success is defined as user friendly, convenient, quick, end-to end management and communication, measured by customer surveys and systems comparisons.</li> <li>• People capability. Success is defined as a successful recruitment and training programme, measured by compliance with BCA Reg. 8 -11.</li> <li>• Quality assurance. Success is defined as continued accreditation and increased service consistency, measured by accreditation outcomes, BCA annual audits, and customer surveys.</li> <li>• Lift industry competency and compliance. Success is measured by increased industry compliance, with reduced RFIs, and reducing percentages of application or building consent rejection.</li> <li>• Central government: engagement and legislative influence. Success is measured by legislative submissions and outcomes.</li> </ul> <p>There is a common understanding and buy-in by all BCAs for the WBCG vision and actions that are taken to achieve this vision, measured by:</p> <ul style="list-style-type: none"> <li>• Full participation in WBCG projects and programmes</li> <li>• Audits demonstrating implementation and compliance with the agreed QA systems</li> <li>• Consistency in service delivery, measured by customer surveys.</li> </ul> <p>Risk management is visible through regular reviews of the Risk Register. All funding requirements are met by each of the participating councils. Minimum of two reports presented to the WLASS Board on the Group’s activities.</p>

TARGET	METHOD	MEASURE
<p><b>Future Proof</b> Planning for growth in the sub-region is co-ordinated and collaborative.</p> <p>The Future Proof budget is well managed and monitored.</p> <p>Future Proof influences and inputs into District Plan, Regional Plan, growth strategy and any other planning processes which manage growth within the sub-region and neighbouring regions.</p>	<p>Joint preparation and input into Phase 2 of the Strategy update.</p> <p>Bi-monthly reports presented to Waikato Plan and Future Proof Chief Executive Group, and six monthly and annual reports to WLASS Board.</p> <p>Future Proof works collaboratively and provides input into the planning work undertaken by all FP partners and any other relevant planning authorities.</p>	<p>Phase 2 of the Future Proof Strategy is adopted by the Future Proof Implementation Committee no later than December 2018.</p> <p>The overall Future Proof work programme is delivered within the approved budget.</p> <p>Future Proof makes submissions (using RMA and Local Government processes), on District Plans, LTPs, growth management planning documents, and any central government initiatives which have the potential to impact growth management planning in the sub-region.</p>
<p><b>Shareholder Survey</b> Shareholders are satisfied with the performance of LASS.</p>	<p>An annual survey of shareholders is undertaken to assess satisfaction levels with WLASS.</p>	<p>A survey of shareholders is undertaken each year, and the results are reported to all shareholders.</p>
<p><b>Review of Benefits</b> Shareholders are informed of the benefits being provided to shareholding councils by WLASS.</p>	<p>The benefits of WLASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.</p>	<p>Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders.</p> <p>The WLASS website is regularly maintained and updated.</p>

# Policy on Appointment of Directors to Council Controlled Organisations

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## 1.0 PURPOSE AND SCOPE

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

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

1.2 This policy will:

- (a) Comply with section 57 of the Local Government Act 2002.

- (b) Disclose the process and criteria Council will apply to the appointment, removal and setting of remuneration for directors of Council organisations.

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

## 2.0 DEFINITIONS

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

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

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

### 2.4 Meaning of "Council organisation"

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

### 2.5 Meaning of "Council-controlled organisation"

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

### 2.6 Meaning of "Council-controlled trading organisation"

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

### 2.7 Meaning of "Investment Representative Committee"

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

### 3.0 POLICY

### 4.0 CRITERIA FOR SELECTING DIRECTORS (GENERAL)

#### 4.1 General Criteria

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

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

#### 4.2 Skill Criteria

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

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

#### 4.3 Specific Exclusions from Directorship of a Council Controlled Organisation

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

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

### 5.0 PROCEDURES FOR APPOINTMENT OF DIRECTORS (GENERAL)

#### 5.1 Appointment Process

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

a) Council will decide whether to advertise a particular vacancy or make an appointment without advertisement, and outline the process for appointment and setting of remuneration including:

- Recruiting of candidates,
- Contract development and negotiation,
- Ongoing performance monitoring.

b) When taking a decision on this matter, Council will consider:

- The costs and benefits of any advertisement,
- The availability of qualified candidates,
- The urgency of the appointment,
- The degree of public interest in the issue.

c) Council will consider applications and resolve an appointment in committee (this protecting the privacy of natural persons). Public notice of the appointment will be made as soon as practicable after Council has made its decision.

d) An elected member who is under consideration to fill a particular vacancy may not be present in the discussion or vote on that appointment.

#### 5.2 Length of Tenure

Council will decide length of tenure prior to appointment.

#### 5.3 Remuneration

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

#### 5.4 Removal of Directors

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

#### 5.5 General

Council expects that directors appointed to CCO's and CCTO's will avoid situations where



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

## 6.0 PROCEDURES FOR APPOINTMENT OF DIRECTORS TO INFRAMAX CONSTRUCTION LIMITED

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

### 6.1 Appointment Process

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

- a) Whether to advertise a particular vacancy or make an appointment without advertisement, and outline the process for appointment and setting of remuneration including:
  - Recruiting of candidates,
  - Contract development and negotiation,
  - Ongoing performance monitoring.
- b) In preparation of this advice the Investment Representative Committee will consider:
  - The costs and benefits of any advertisement,
  - The availability of qualified candidates,
  - The urgency of the appointment,
  - The degree of public interest in the issue.
- c) The Investment Representative Committee will select and interview a shortlist of candidates, undertake a structured evaluation and make recommendation to Council for final approval. Council may consider applications and resolve an appointment in committee (this protecting the privacy of natural persons). Public notice of the

appointment will be made as soon as practicable after Council has made its decision.

- d) An elected member who is under consideration to fill a particular vacancy may not be present in the discussion or vote on that appointment and may not continue to be an elected member if appointed as a director of ICL.

### 6.2 Appointment of Temporary Directors

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

### 6.3 Remuneration

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

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

### 6.4 Removal of Directors

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

## 7.0 WAITOMO DISTRICT COUNCIL CONTROLLED ORGANISATIONS

### 7.1 Companies in which Waitomo District Council directly owns the shares

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

### 7.2 Council Controlled Trading Organisations in which Waitomo District Council holds shares

- Waikato Local Authority Shared Services Ltd (WLASS).

### 7.3 Other Entities

- NZ Local Government Insurance Corporation.

**8.0 CCOS AND CCTOS IN WHICH  
COUNCIL HAS A MINORITY INTEREST**

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

# Revenue and Financing Policy

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## 1.0 INTRODUCTION

### 1.1 BACKGROUND

1.1.1 Under Section 102 of the Local Government Act 2002 (LGA 2002), all local authorities are required to adopt a Revenue and Financing Policy (RFP).

1.1.2 The RFP provides details of Council's policies in respect of funding operating and capital expenditure, including how the policy was developed and what sources are used to fund the different activities. Total funding comprises a funding mix of rates, fees and charges, debt and other income.

1.1.3 The application of the Revenue and Financing Policy is reflected in the Funding Impact Statement for a particular financial year. To understand the rating impact of the policy it needs to be read in conjunction with the Funding Impact Statement.

### 1.2 Policy Intent

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

## 2.0 LEGAL REQUIREMENTS

### 2.1 Local Government Act 2002

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

2.2 Section 103 LGA 2002:

- (1) *A policy adopted under section 102(1) must state –*
- (a) *the local authority's policies in respect of the funding of operating expenses from the sources listed in subsection (2)*
  - (b) *the local authority's policies in respect of the funding of capital expenditure from the sources listed in subsection (2).*

(2) *The sources referred to in subsection (1) are as follows:*

- (a) *general rates, including –*
  - (i) *choice of valuation system*
  - (ii) *differential rating*
  - (iii) *uniform annual general charges;*
- (b) *targeted rates;*
  - (ba) *lump sum contributions;*

- (c) *fees and charges;*
- (d) *interest and dividends from investments;*
- (e) *borrowing;*
- (f) *proceeds from asset sales;*
- (g) *development contributions;*
- (h) *financial contributions under the Resource Management Act 1991;*
- (i) *grants and subsidies;*
- (j) *any other source.*

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

### **2.3 Section 101(3) states:**

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

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

### **2.4 Section 14 Principles relating to Local Authorities**

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

- Open, transparent and accountable.
- Efficient and effective.
- Aware of and pay regard to the views of its communities.
- Focused on meeting Community Outcomes.
- Responsive to diverse community interests

including future generations.

- Collaborate actively with other local authorities.
- Inclusive of Maori.
- Based on sound business practices in the case of commercial transactions.
- Assess the expected returns of investments and assess if they are likely to outweigh the risks inherent in the investment.
- Demonstrative of prudent stewardship of resources, including planning effectively for the future management of its assets.
- Based on a sustainable approach reflecting the social, economic, environmental and cultural interests of future generations.

### **2.5 Other Legal Requirements**

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

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

2.6.1 The Local Government Rating Act 2002 sets out all the legal requirements for rating. It covers who is liable to pay rates, what land is rateable, what kind of rates may be set and how those rates are set, the valuation systems which may be used and the various rating mechanisms available (such as targeted rates). It also sets a number of limits on local government. For example, total uniform charges (excluding any targeted fixed rate charges for water or wastewater) may not exceed 30% of total rates revenue.

#### **2.7 Building Act, Sale of Alcohol, etc**

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

#### **2.8 Resource Management Act 1991**

2.8.1 The Resource Management Act 1991 (RMA 1991) sets out Council’s responsibilities in terms of the environment. It also specifies the circumstances in which local authorities may require financial contributions from developers to meet the costs of their impact on the environment, including their impact on the

demand for infrastructure. Alternatively, under the LGA 2002, local authorities are allowed to seek development contributions or a combination of development and financial contributions under the respective Acts.

- Proceeds from Asset Sales
- Depreciation Reserves
- Financial Contributions under the Resource Management Act
- Development Contributions under the Local Government Act
- Other

### **3.0 POLICY STATEMENT**

#### **3.1 Funding Of Operating Expenditure**

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

3.1.2 Council funds operating expenditure from the following sources:

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

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

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

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

#### **3.2 Funding Of Capital Expenditure**

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

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

- Grants and Subsidies
- Loans
- Rates

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

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

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

### **4.0 POLICY DEVELOPMENT PROCESS**

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

#### **4.1 Community Outcomes (COs)**

4.1.1 These are the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infra-

structure, local public services, and performance of regulatory functions. Section 101(3)(a)(i) of the LGA 2002 requires that in determining the funding sources, Council identify the community outcomes to which each activity primarily contributes.

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

## 4.2 Distribution of Benefits

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

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

### Definition of Terms

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

## 4.3 Period of Benefits (Intergenerational Equity)

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

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

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

## 4.4 Exacerbator Pays

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

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

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

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

## 4.5 Costs and Benefits

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

4.5.2 Transparency and accountability are most evident when an activity is totally distinctly funded. This allows rate-payers, or payers of user charges as the case may be, to see exactly how much money is being raised for and spent on the activity. However, funding every activity on such a distinct basis would be extremely administratively complex. The administrative costs and lack of materiality has led Council to fund a number of activities collectively. The individual Activity

Analysis section of this policy does not repeat this argument for each activity.

#### 4.6 Overall Impact of the Funding Mechanisms Selected

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

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

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

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

#### 4.7 Benefits Allocation and Funding Mechanism

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

#### 4.8 Use of Funding Mechanisms

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

#### (a) General Rate

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

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

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

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

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

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

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

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

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

Council may consider 'capping' the amount of the UAGC at a certain value or that any increase in

UAGC will be limited to a maximum of the Local Government Cost Indicator (LGCI) for that year (to be determined by Council through the annual rates setting process).

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

**(c) Targeted Rates**

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

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

- Council considers that a Targeted Rate would enable a higher level of transparency in funding allocation; or
- Council considers that a Targeted Rate is fairer than the use of other existing rating tools for the service funded, in consideration of the benefit derived from the service.

The percentage of benefit is determined by Council's Revenue and Financing Policy.

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

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

Te Kuiti Urban Rating Area	All rating units shown as shaded blue on the map attached in Appendix One.
Te Kuiti Urban and Periphery Rating Area	All rating units situated within a 5km radius, all around, from the Information Centre (deemed to be the centre of town) in Te Kuiti, shaded in grey and purple on the map attached in Appendix Two. Council considers this boundary of Te Kuiti Urban and Periphery Rating Area (for the purpose of assessing the Targeted Services Fixed Rate to be fair in consideration that the benefit derived from the services funded by this Targeted Fixed Rate are accrued equally by those living within the 5km radius.)
Rural Rating Area	All rating units shaded green on the map attached as Appendix Three in the district (excluding those rating units shaded blue on the map attached in Appendix One.)
Piopio Township	All rating units connected to the Piopio Sewerage System.
Piopio Wider Benefit Rating Area/ PWBRA	The area shown as yellow on the map attached as Appendix Four, but excludes all SUIPs / rating units connected to the Piopio Sewerage system.
Marokopa Community Centre Rating Area	Any SUIP or part of a SUIP shaded blue on the map attached as Appendix Five.

**(d) Targeted Services Fixed Rate**

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

**(e) Fees and Charges**

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

- It is assessed that the level of benefit to identified beneficiary/exacerbator groups justifies the seeking of user charges
- There are identifiable and distinct user groups/exacerbators identified by Council's Revenue and Financing Policy



- User fees represent the fairest method to seek a contribution from identified beneficiaries or exacerbators

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

**(f) Interest, Subventions and Dividends**

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

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

**(g) Borrowing**

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

**(h) Proceeds from Asset Sales**

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

**(i) Development Contributions**

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

**(j) Grants and Subsidies**

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

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

**4.9 Definition of SUIP**

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

**5.0 ANALYSIS OF ACTIVITIES AND FUNDING CONCLUSIONS**

Council's functions are arranged under ten Groups of Activities.

- Governance: Leadership and Investments
- Solid Waste Management
- Water Supply
- Community Service
- Stormwater Drainage
- Roads and Footpaths
- Community Development
- Resource Management
- Compliance
- Sewerage and Treatment and Disposal of Sewage

**5.1 Summary of Funding Sources**

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

Activity	Fees and Charges	Grants and Subsidies	General Rate (GR)	UAGC	Targeted Fixed Rate (TFR)	Targeted Rate (TR)	Rate Type	Assessment basis: Capital Value (CV)/Rating Unit/SUIP
<b>Governance: Leadership and Investments</b>								
<b>Leadership</b>								
Representation			50%	50%			GR UAGC	CV SUIP
Planning & Policy & Monitoring			50%	50%			GR UAGC UAGC	CV SUIP SUIP
<b>Investments</b>								
Local Authority Shared Services			50%	50%			GR UAGC	CV SUIP
Inframax Construction Limited			50%	50%			GR UAGC	CV SUIP
Council Owned Quarries	100%							
<b>Community Development</b>								
Community Support			48%	48%	4%		GR UAGC TFR (Piopio Retirement Village)	CV SUIP Rating Unit – within Piopio Township and the Piopio Wider Benefit Rating Area
District Development			60%			20% Commercial and Industrial Businesses 20% Rural Businesses	TR	CV

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

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

Activity	Fees and Charges	Grants and Subsidies	General Rate (GR)	UAGC	Targeted Fixed Rate (TFR)	Targeted Rate (TR)	Rate Type	Assessment basis: Capital Value (CV)/Rating Unit/SUIP
Rural Stormwater Reticulation and Disposal					100% (rural areas)		TFR	SUIP
<b>Resource Management</b>								
District Plan Administration	35%		32.5%	32.5%			GR UAGC	CV SUIP
District and Urban Development			50%	50%			GR UAGC	CV SUIP
<b>Sewerage and Treatment and Disposal of Sewage</b>								
Te Kuiti Sewage Extraction, Treatment and Disposal	25%				75%		TFR	Residential properties per SUIP –connected/ serviceable – District TFR
							TFR - Base charge	Non-residential Per SUIP
							TFR – Pan Charge	Non –Residential Per Pan
							TFR - Trade Waste Contribution	Rating Unit – District Wide
							TFR - District wide benefit allocation	Rating Unit – District Wide
Te Waitere, Piopio, Benneydale Sewage Extraction, Treatment and Disposal					100%		TFR - District wide benefit allocation	Rating Unit – District Wide
							TFR – collection and disposal	SUIP – connected/ serviceable – District TFR

Activity	Fees and Charges	Grants and Subsidies	General Rate (GR)	UAGC	Targeted Fixed Rate (TFR)	Targeted Rate (TR)	Rate Type	Assessment basis: Capital Value (CV)/Rating Unit/SUIP
<b>Water Supply</b>								
Te Kuiti, Mokau, Piopio, Benneydale Water Extraction, Treatment and Reticulation					60%+10%	30%	TFR	SUIP –connected/serviceable – District TFR (transition rate)
							TR	Water meter / consumption
							TFR - District-wide benefit allocation	Rating Unit – District Wide
<b>Roads and Footpaths</b>								
Subsidised Roothing	2%	40%		1%		57%	TR	CV - Rating Unit
Unsubsidised Roothing	25%				67% (Te Kuiti Urban and Periphery Rating Area) 8% (Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area)		TFR	SUIP

## 6.0 GOVERNANCE: LEADERSHIP AND INVESTMENTS

### Leadership

#### 6.1 Description

The Leadership Activity provides for:

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

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

#### 6.2 Functions

There are two functions under this activity –

1. Representation
2. Planning & Policy & Monitoring

#### 6.3 Community Outcomes

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

<b>Vibrant Communities</b>
CO1 A place where the multicultural values of all its people and, in particular, Maori heritage and culture is recognised and valued.
<b>Thriving Business</b>
CO6 A place that attracts more people who want to live, work and play, and raise a family.
CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
<b>Effective Leadership</b>
CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
CO9 A place where the governance actively seeks to participate and take a leadership role in regional and national initiatives aimed at the development of the District.

## 6.4 Costs and Benefits

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

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

## 6.5 Activity analysis and funding mechanisms

### 6.5.1 Representation

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

<b>Attributable Benefit</b>		<b>Funding</b>	
<b>Benefit Group</b>	<b>% of Benefit</b>	<b>%</b>	<b>Method</b>
District Benefit	100%	50%	General Rate
		50%	UAGC

#### a. Distribution of Benefits

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

#### b. Funding Mechanism

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

## 6.5.2 Planning and Policy and Monitoring

This function includes:

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

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

### a. Distribution of Benefits

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

### b. Funding Mechanism

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

## Investments

## 6.6 Description

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

## 6.7 Functions

The functions comprising this activity are:

1. Waikato Local Authority Shared Services (WLASS)
2. Council Owned Quarries
3. Inframax Construction Limited

## 6.8 Community Outcomes

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

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

## 6.9 Period Of Benefit (Intergenerational Equity)

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

## 6.10 Costs and Benefits

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

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



## 6.11 Activity Analysis and Funding Mechanisms

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

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

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

#### a. Distribution of Benefits

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

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

#### b. Funding

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

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

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

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

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

#### a. Distribution of Benefits

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

#### b. Funding

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

Any surplus generated through this investment will be used to accelerate the repayment of term debt which benefits the wider community by enhancing the financial sustainability of the Waitomo District Council.

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

### 6.11.3 Council Owned Quarries

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

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

a. Distribution of Benefits

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

b. Funding

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

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

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

**7.0 COMMUNITY DEVELOPMENT**

**7.1 Description**

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

**7.2 Functions**

There are two functions under this significant activity:

1. Community Support
2. District Development

**7.3 Community Outcomes**

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

**7.4 Costs and Benefits**

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

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

## 7.5 Activity Analysis and Funding Mechanisms

### 7.5.1 Community Support

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

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

#### a. Distribution of Benefits

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

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

#### b. Funding

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

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

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

the Piopio Township and the Piopio Wider Benefit Rating Area.

### 7.5.2 District Development

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

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

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

a. Distribution of Benefits

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

**District Benefit:** The Visitor Industry is considered to have a District wide benefit as the activity gives effect to the economic development and employment within the District as a whole. There are numerous examples that demonstrate tourism can contribute immensely to the whole economy in terms of increased employment, revenue generation and the like and that benefit will accrue to the overall District.

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

b. Funding

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

**District/Community Allocation:** Council considered that the overall District benefits to an extent from District Development Activities but also that specific beneficiaries can be identified (businesses) and therefore resolved a targeted

District Development rate is the most efficient, effective and transparent method for funding this allocation. Council resolved that funding should be a rate per \$100 of capital value apportioned on the basis of 60% General rate, 20% Commercial and industrial businesses (categorised as Commercial, Industrial and Utilities in the Rating Information Database) and 20% Rural Businesses (categorised as Dairy, Pastoral, Specialist, Forestry, Minerals and Horticulture in the Rating Information Database).

**8.0 COMPLIANCE**

**8.1 Description**

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

**8.2 Functions**

The functions under this activity are:

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

**8.3 Community Outcomes**

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

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

**8.4 Costs and Benefits**

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

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community
- (b) Greater opportunity for the Waitomo

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

## 8.5 Activity Analysis and Funding Mechanisms

### 8.5.1 Environmental Health

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

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

#### a. Distribution of Benefits

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

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

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

#### b. Funding

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

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

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

### 8.5.2 Animal and Dog Control

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

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

#### a. Distribution of Benefits

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

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

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

#### b. Funding

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

funding this allocation.

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

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

### 8.5.3 Building Control Services

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

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

#### a. Distribution of Benefits

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

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

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

#### b. Funding

District Allocation: Council resolved that the most efficient, effective and transparent method for funding this allocation would be General Rate since any investment in and development of the

District will have more positive economic impact on larger property owners.

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

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

### 8.5.4 Alcohol Licensing

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

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

#### a. Distribution of Benefits

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

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

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

8. Arts Culture and Heritage
9. Aerodrome
10. Cemeteries
11. Public Amenities
12. Emergency Management

b. Funding

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

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

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

## 9.0 COMMUNITY SERVICES

### 9.1 Description

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

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

Community safety is provided for by the Emergency Management function.

### 9.2 Functions

The functions comprising this activity are:

1. Parks and Reserves
2. Leased Reserves
3. Elder Persons Housing
4. Community Halls
5. Other Land and Buildings
6. District Libraries
7. District Aquatic Centre

## 9.3 Community Outcomes

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

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

## 9.4 Costs and Benefits

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

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

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

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

## 9.5 Activity Analysis and Funding Mechanisms

### 9.5.1 Parks and Reserves

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

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

#### a. Distribution of Benefits

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

#### b. Funding

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

### 9.5.2 Leased Reserves

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

#### a. Distribution of Benefits

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

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

#### b. Funding

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

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

### 9.5.3 Elderly Persons Housing

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

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

#### a. Distribution of Benefits

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

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



b. Funding

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

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

9.5.4 Community Halls

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

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

a. Distribution of Benefits

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

b. Funding

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

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

towards operating costs.

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

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

9.5.5 Other Land and Buildings

This function involves the maintenance and management of other miscellaneous Council owned properties.

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

a. Distribution of Benefits

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

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

b. Funding

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

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

### 9.5.6 District Libraries

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

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

#### a. Distribution of Benefits

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

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

#### b. Funding

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

**User Allocation:** Council resolved that although the user benefit for this service is high, funding this allocation totally through Fees and Charges would be detrimental to usage as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC. Since libraries provide intangible benefits of promoting social and cultural development of the general population and also contribute to increasing literacy, it would be to the advantage of the District to promote their usage. It was resolved that 10% of the user benefit allocation be funded through Fees and Charges and the remaining be reallocated to District allocation.

### 9.5.7 District Aquatic Centre

This function involves the provision and maintenance of the Waitomo District Aquatic

Centre for leisure and competitive recreation opportunities for the community. Council's current aquatic asset is the public swimming pool in Te Kuiti.

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

#### a. Distribution of Benefits

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

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

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

#### b. Funding

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

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

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

### 9.5.8 Arts, Culture and Heritage

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

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

#### a. Distribution of Benefits

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

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

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

#### b. Funding

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

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

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

for this allocation.

### 9.5.9 Aerodrome

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

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

#### a. Distribution of Benefits

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

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

#### b. Funding

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

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

### 9.5.10 Public Amenities

This function involves the provision of:

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

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

a. Distribution of Benefits

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

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

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

b. Funding

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

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

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

### 9.5.11 Cemeteries

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

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

a. Distribution of Benefits

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

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

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

b. Funding

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

Community Allocation: It was resolved that this allocation be reallocated to District Allocation as it was difficult to draw boundaries around the area serviced by a cemetery. Also, allocating the exact users of the cemeteries on a per community basis would be fraught with difficulties.

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

### 9.5.12 Emergency Management

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

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

a. Distribution of Benefits

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

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

b. Funding

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

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

10.0 SOLID WASTE MANAGEMENT

10.1 Description

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

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

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

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

10.2 Functions

The functions comprising this activity are:

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

10.3 Community Outcomes

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

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

10.4 Period Of Benefit (Intergenerational Equity)

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

10.5 Costs and Benefits

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

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

## 10.6 Activity Analysis and Funding Mechanisms

### 10.6.1 Kerbside Collection and Recycling

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

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Community/ User Benefit	100%	40%	Fees and Charges
		60%	TFR Per community where service is provided

#### a. Distribution of Benefits

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

#### b. Funding

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

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

### 10.6.2 Landfill and Transfer Stations Management

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

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	45%	40%	Solid Waste TFR District wide
Community/User Benefit	100%	100%	Fees and Charges

#### a. Distribution of Benefits

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

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

#### b. Funding

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

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

### 10.6.3 Waste Minimisation

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

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

#### a. Distribution of Benefits

National Benefit: Effective Waste Minimisation provides not only environmental, but economic benefits as well, that accrue to the nation as a

whole. Effective and appropriate disposal of solid waste helps protect public health and the environment for all New Zealanders.

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

b. Funding

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

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

**11.0 STORMWATER DRAINAGE**

**11.1 Description**

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

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

**11.2 Community Outcomes**

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

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

**11.3 Period of Benefit (Intergenerational Equity)**

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

**11.4 Costs and Benefits**

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

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

**11.5 Activity Analysis and Funding Mechanisms**

**11.5.1 Urban areas**

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

## 11.5.2 Rural areas

Attributable Benefit - rural areas		Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	90%	100%	TFR
User Benefit	10%	0%	Fees and Charges

### a. Distribution of Benefits

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

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

### b. Funding

#### Community Allocation

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

#### Te Kuiti Urban Rating Area

A combination of:

- (a) a Targeted Fixed Rate assessed on a per rating unit basis (which will fund the standing charges associated with the provision of the service). This charge will be increased no more than annually to a maximum of the Local Government Cost Index for that year.
- (b) the residual funding requirement will be met from a targeted rate assessed on a rate per \$100 of capital value per rating unit in the Te Kuiti Urban Rating Area.

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

to the public good element of an urban Stormwater service. Therefore, the TFR will be assessed on all properties in the Te Kuiti Urban Rating Area.

#### Rural Rating Area

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

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

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

## 12.0 RESOURCE MANAGEMENT

### 12.1 Description

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

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

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

### 12.2 Functions

There are two functions under this activity –

1. District Plan Administration
2. District and Urban Development

### 12.3 Community Outcomes

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



<b>Vibrant Communities</b>
CO1 A place where the multicultural values of all its people and, in particular, Maori heritage and culture is recognised and valued.
<b>Thriving Business</b>
CO6 A place that attracts more people who want to live, work and play, and raise a family.
CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
<b>Vibrant Communities</b>
CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
<b>Sustainable Infrastructure</b>
CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

## 12.4 Costs and Benefits

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

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

## 12.5 Activity Analysis and Funding Mechanisms

### 12.5.1 District Plan Administration

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

### a. Distribution of Benefits

**District Benefit:** There is a district wide benefit to this activity as ensuring that the sustainable management of physical and natural resources in the District are developed in a planned and orderly manner is beneficial to the entire District.

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

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

### b. Funding

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

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

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

### 12.5.2 District Planning

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

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

### a. Distribution of Benefits

**District Benefit:** District and Urban Development

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

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

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

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

### 13.0 SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE

#### 13.1 Description

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

#### 13.2 Schemes

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

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

### 13.3 Community Outcomes

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

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

### 13.4 Period of Benefit (Intergenerational Equity)

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

### 13.5 Costs and Benefits

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

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

## 13.6 Activity Analysis and Funding Mechanisms

### 13.6.1 Te Kuiti

Attributable Benefit - Te Kuiti		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	TFR - District Benefit
Community Benefit	65%	65%	TFR – residential TFR – Non residential Base Charge TFR – Non residential pan charge
User/Applicant Benefit	25%	25%	Fees and Charges

#### a. Distribution of Benefits

**District Benefit:** Wastewater services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative. Council recognises that there is a District-wide benefit from provision of adequate wastewater services in preventing environmental pollution and achieving public health outcomes.

Council notes that the social, economic and environmental benefits of communities in the District having sustainable wastewater services accrue to the entire District and not just to those communities connected to a scheme.

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

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

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

#### b. Funding

**District Allocation:** Given the District wide benefit assessed from the service, Council resolved a Targeted Fixed Rate assessed on each rating unit including those connected to an existing

wastewater scheme to be the most efficient, effective and transparent method for funding this allocation. This allocation is assessed to be 10% of the total funding requirement.

**Community Allocation:** Council resolved a uniform (harmonised) Targeted Fixed Rate (TFR) across all scheme areas in the district and assessed on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation.

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

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

#### Te Kuiti – Non Residential

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

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

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

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

### Trade Waste Charges

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

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

Council will continue with the 'exacerbator pays' principle for the large industrial meat processing companies as users of the Sewerage Network in Te Kuiti through the continued implementation of the Trade Waste Bylaw as it relates to Trade Waste Charges. However, Council will recognise the public good attached to the contribution these industries make to the social and economic well-being of the District Wide Community. This public good component is considered to be enjoyed

by all in the community. By having such a large combined demand for a labour force means that these industries attract people to our community for work and lifestyle reasons. Having these people living and working in the community provides economies of scale for infrastructure and services that are then enjoyed by all in the District. Further, these industries not only provide employment opportunities but also largely exist to add value to products produced by primary industry within the Waitomo District.

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

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

### 13.6.2 District

Attributable Benefit - Pio-pio, Te Waitere, Benneydale		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	TFR -District Benefit
Community Benefit	65%	65%	TFR - residential
User/Applicant Benefit	25%	25%	Fees and Charges

#### a. Distribution of Benefits

District Benefit: Wastewater services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative. Council recognises that there is a District-wide benefit from provision of adequate wastewater services in preventing environmental pollution and achieving public health outcomes.

Community benefit: Sewer Collection and Treatment reduces the possibility of health problems like spread of communicable diseases resulting from open sewer or inadequate septic tank facilities the benefits of which can be attributed to the community as a whole.

Inadequate sewer disposal facilities can also detract from the aesthetic nature of the community and impact on receiving waterways.

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

b. Funding

District Allocation: Given the District wide benefit assessed from the service, Council resolved a Targeted Fixed Rate assessed on each rating unit including those connected to an existing wastewater scheme to be the most efficient, effective and transparent method for funding this allocation. This allocation is assessed to be 10% of the total funding requirement.

Community Allocation: Council resolved a uniform (harmonised) Targeted Fixed Rate (TFR) across all scheme areas in the district and assessed on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation.

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

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

**14.0 WATER SUPPLY**

**14.1 Description**

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

**14.2 Supply Areas**

Council provides water supply in the following

communities:

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

**14.3 Community Outcomes**

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

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

**14.4 Period of Benefit (Intergenerational Equity)**

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

**14.5 Costs and Benefits**

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

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

## 14.6 Activity Analysis and Funding Mechanisms

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	TFR
Community Benefit	60%	60%	TFR
User/Applicant Benefit	30%	30%	Targeted Metered Water Rate

### a. Distribution of Benefits

**District Benefit:** Council has assessed that there is a District-wide benefit from provision of adequate water supply services in its communities. Council notes that the social, economic and environmental benefits of communities in the District having sustainable Water Supply services accrue to the entire District and not just to those communities connected to services and assesses this district wide benefit to be 10%.

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

Provision of water supply ensures the maintenance of fire-fighting capability, the benefits of which accrue to the entire community. Factors such as the sensitivity of the surrounding environment on the availability of water at source are outside of a community's control.

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

### b. Funding

**District Allocation:** Council resolved that a Targeted Fixed Rate assessed on all rating units in the District including those connected to an existing Water supply scheme is the most transparent, equitable and appropriate method of funding this benefit allocation, as well as reflect the that the provision of adequate water supply services benefits the whole District as it is essential for maintaining public health and safety and protection of property from fire.

**Community Allocation:** Council resolved that a uniform (harmonised) Targeted Fixed Rate across all supply areas in the district and assessed on each separately used or inhabited part of a

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

This approach is a change from Council's previous community allocation approach, and moves to a district-wide uniform rate for water supply. For implementation, Council intends to transition this change to uniform TFR across the District over a period of 4 years (starting from 2018/19).

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

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

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

## 15.0 ROADS AND FOOTPATHS

### 15.1 Description

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

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

### 15.2 Functions

The functions comprising this activity are:

1. Subsidised Roothing
2. Unsubsidised Roothing

### 15.3 Community Outcomes

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

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

7. Environmental Maintenance
8. Traffic Services Maintenance
9. Level Crossing Warning Devices
10. Emergency Reinstatement
11. Network and Asset Management
12. Professional Services.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	58%	40%	Subsidy
District Benefit	42%	57%	Targeted Rate (rate per \$100 of capital value)
		1%	UAGC
		2%	Petroleum Tax Rebates and Contributions

#### 15.4 Period Of Benefit (Intergenerational Equity)

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

#### 15.5 Costs and Benefits

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

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

#### 15.6 Activity Analysis and Funding Mechanisms

##### 15.6.1 Subsidised Roading

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

1. Sealed Pavement Maintenance
2. Unsealed Pavement Maintenance
3. Footpath Maintenance
4. Footpath Renewals
5. Routine Drainage Maintenance
6. Structures Maintenance

#### a. Distribution of Benefits

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

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

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

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

#### b. Funding

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

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

**District Allocation:** Council resolved that a combination of a Targeted Rate (rate per \$100 of capital value) assessed on all rating units, a UAGC, Petroleum Tax Rebates and

contributions to works would be the most efficient and transparently lawful method of funding this allocation.

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

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

### 15.6.2 Unsubsidised Roading

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

These include:

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

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

#### a Distribution of Benefits

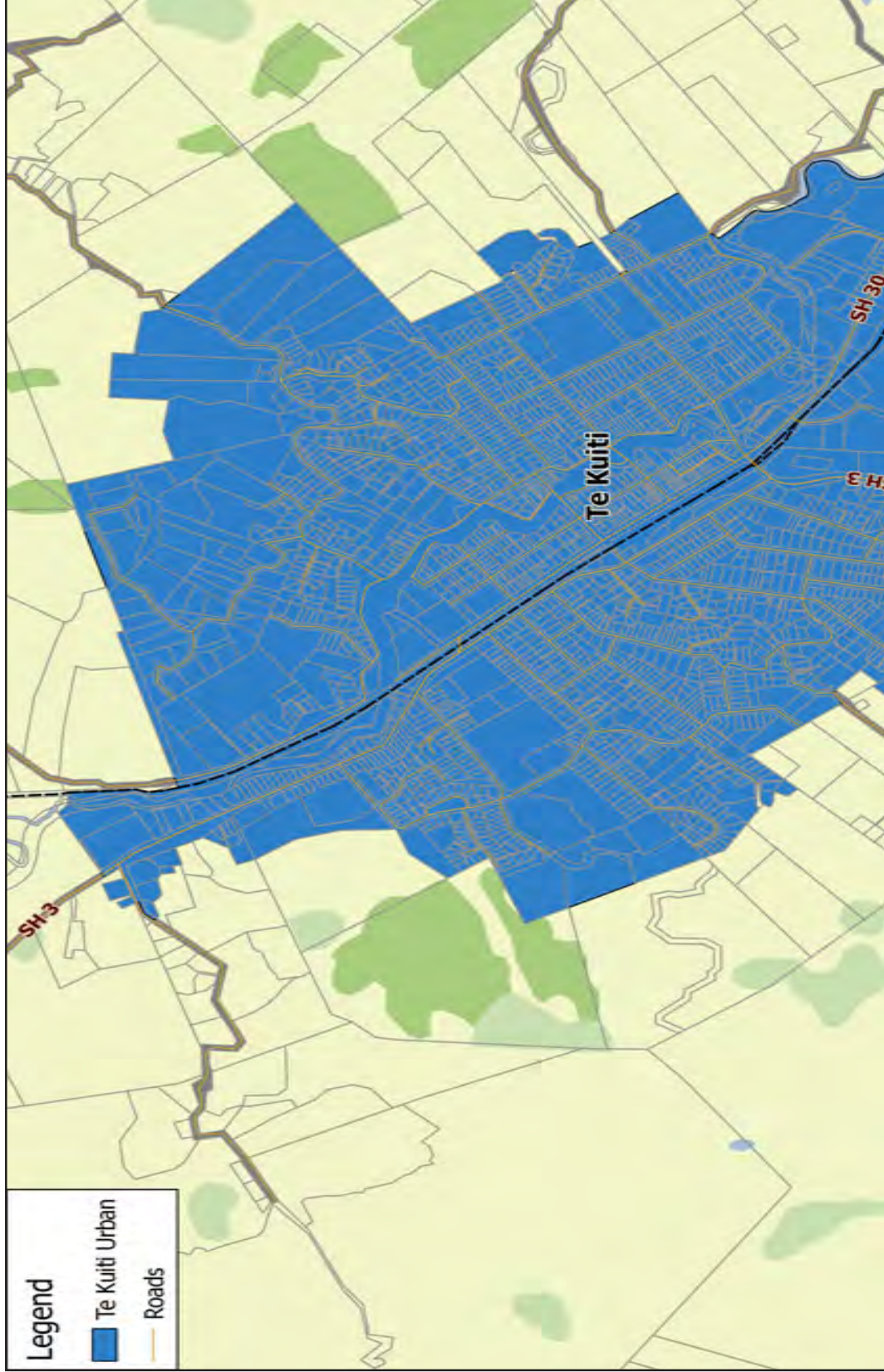
District Benefit: Maintenance of transport services to provide for pedestrian safety and convenience has a District wide benefit in that all residents use or visit the urban centres.

#### b Funding

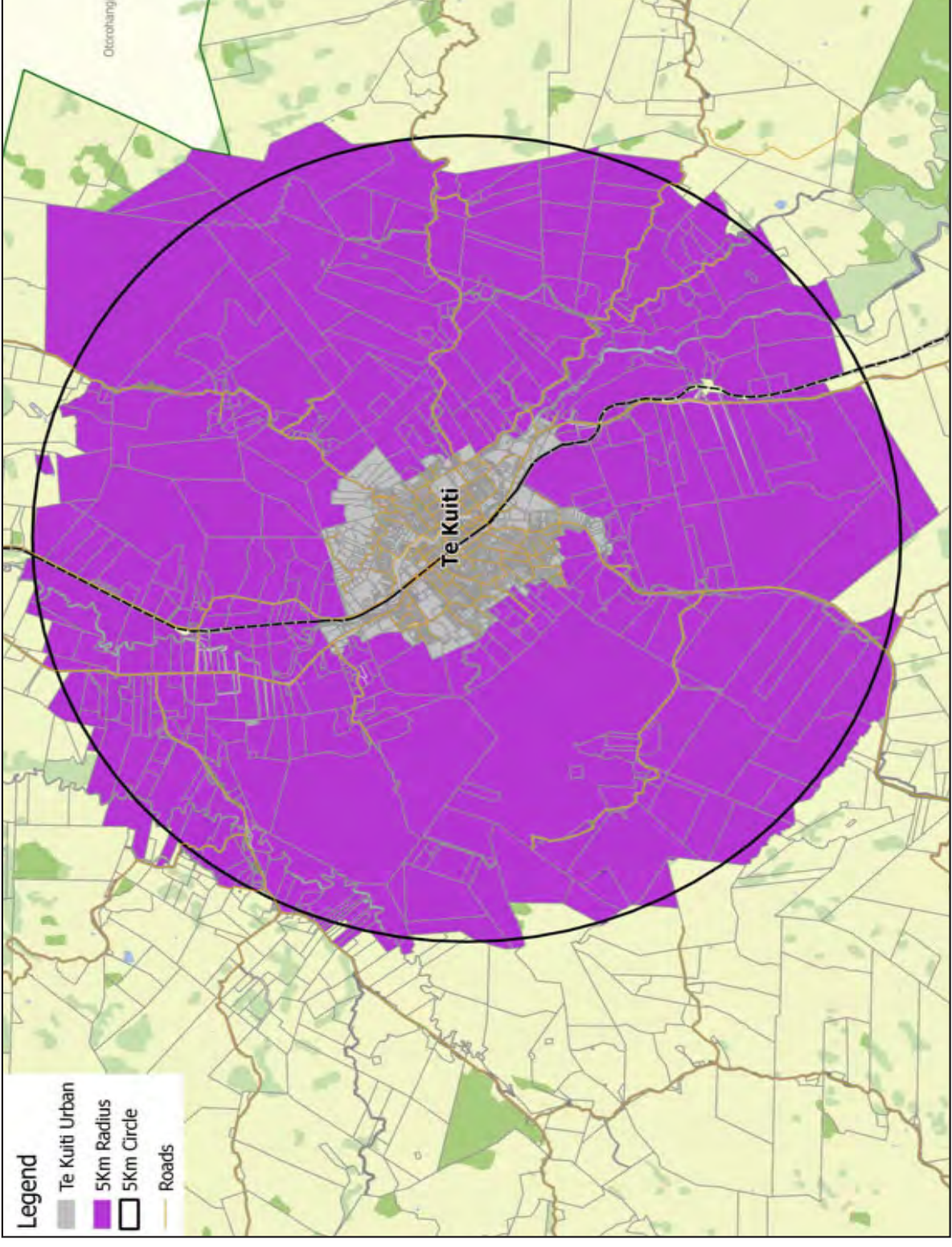
District Allocation: Council resolved that it would be most equitable to ring fence the costs of the activity as they fall in terms of the Te Kuiti Urban and Periphery rating area (TKUPRA) and Rural area (consisting of all properties not in the TKUPRA)Wards, and therefore a Targeted Fixed Rate differentiated by rating area set per SUIP would be the most efficient method of funding this allocation.



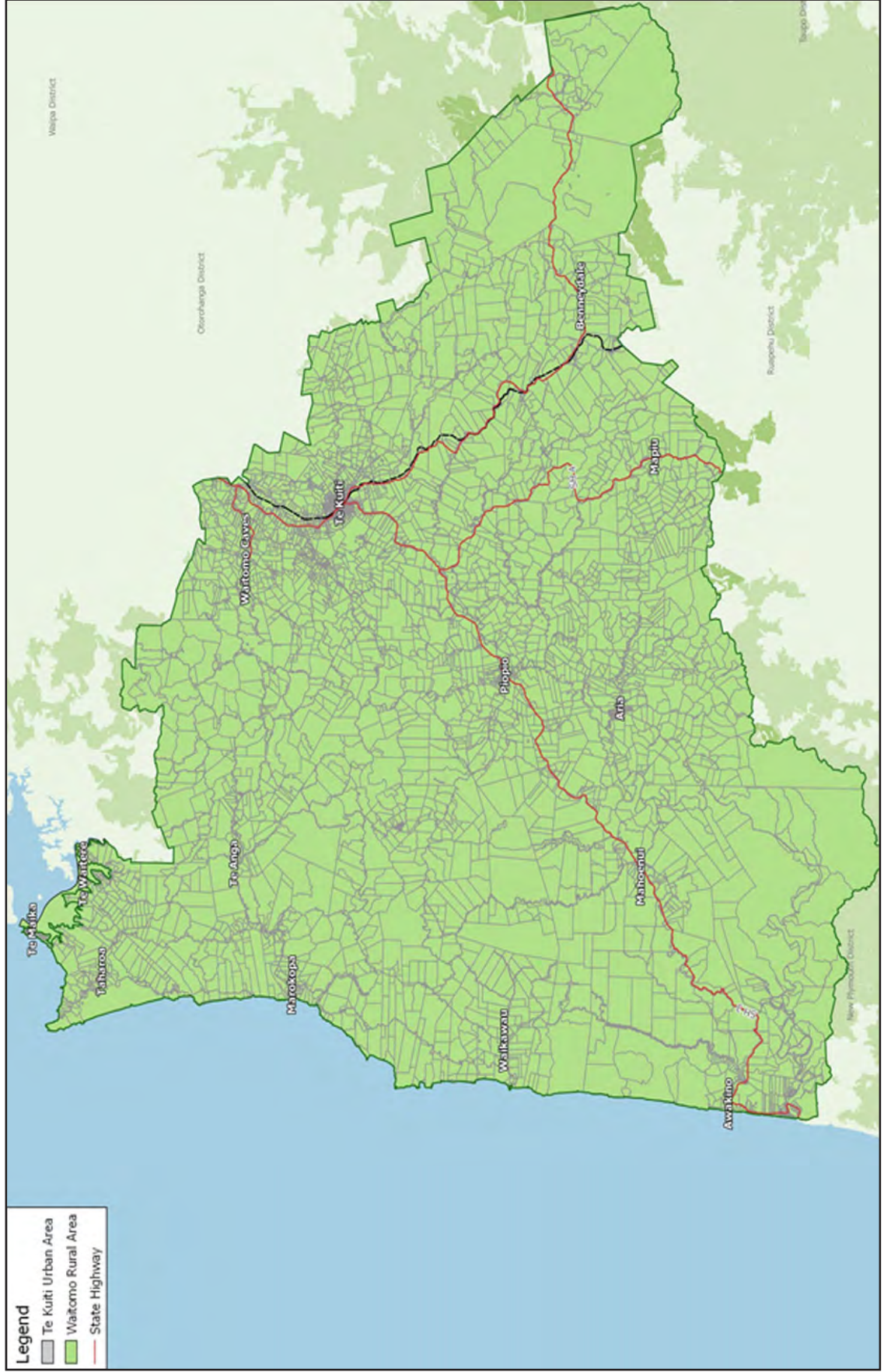
APPENDIX ONE: TE KUITI URBAN RATING AREA



APPENDIX TWO: TE KUITI URBAN AND PERIPHERY RATING AREA

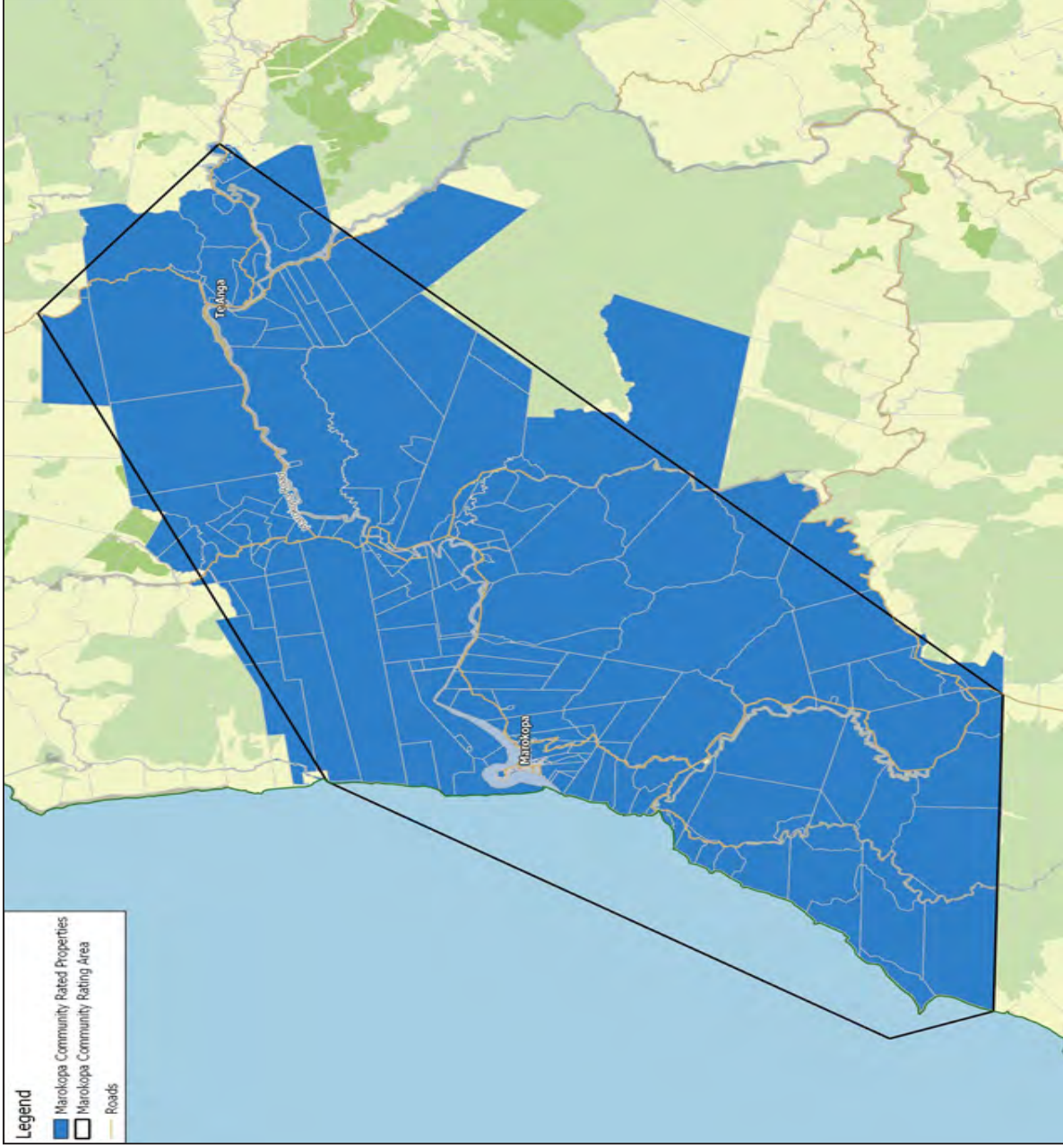


**APPENDIX THREE: RURAL RATING AREA**





**APPENDIX FIVE: MAROKOPA COMMUNITY CENTRE RATING AREA**



# Summary of Significance and Engagement Policy

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

## Purpose and Scope

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

## Policy

1. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.
2. The Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:
  - The level of financial consequences of the proposal or decision
  - Whether the proposal or decision will affect a large portion of the community
  - Whether the impact or consequences of the decision or proposal on the affected persons (being a number of persons) will, in Council's view, be substantial
  - The likely impact on present and future interests of the community
  - The likely impact on Māori cultural values and their relationship to land and water
  - Whether the proposal affects the level of service of a significant activity
  - Whether community interest is high
  - Whether the likely consequences are controversial
  - Whether community views are already known, including the community's preferences about the form of engagement
  - The form of engagement used in the past for similar proposals and decisions
  - There is a legal requirement to engage with the community.
3. If the financial consequences of the proposal or decision exceed the following thresholds the

proposal or decision will be considered significant:

A possible increase in funding requirement in excess of:

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

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

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

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

4. If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.
5. Engagement with the community is needed to understand the views and preferences of people likely to be affected by or interested in, a proposal or decision that is being considered by Council.
6. In general, the more significant an issue, the greater the need for community engagement.

## Engagement and Consultation

7. The Council will apply a consistent and transparent approach to engagement.
8. Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002, or to carry out consultation in accordance with or giving effect to Section 82 of the Local Government Act 2002 on certain matters (regardless of whether they are considered significant as part of this policy). There are also other pieces of legislation like the Resource Management Act 1991 and Reserves Act 1977, which have their own requirements with regard to engagement which will be taken into account when determining the extent of community engagement.
9. For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.
10. The Community Engagement Guide (attached to

the full Policy) identifies the form of engagement Council may use to seek feedback on some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision making process.

11. Where Joint Management Agreements (JMAs), Memorandum of Understanding (MOU) or any other similar high level agreements exist, these be considered as a starting point when engaging with Māori who are a party to the particular JMAs or MOU on matters relevant to that agreement.
12. When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

# Infrastructure Strategy

## 1.0 Purpose

- 1.1 The purpose of this Infrastructure Strategy (IS) is:
- To identify significant infrastructure issues for Waitomo District Council (WDC) over the period covered by the strategy, and
  - To identify the principal options for managing those issues and the implications of those options.

This IS addresses the above purpose by outlining how WDC intends to manage its assets for the 30 year period 2018-2048, in the following four groups of activities:

- Water Supply
- Sewerage (Wastewater)
- Stormwater
- Roads and Footpaths

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

For the first 10 years of the planning period, this strategy represents a culmination of the asset management planning underpinning WDC's 2018-28 Long Term Plan.

## 2.0 Strategic Context

### 2.1 Formation of Waitomo District Council

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

## 2.2 Geography

Waitomo District encompasses 354,649 hectares of predominantly rural land on the west coast of the Central North Island. The western boundary is the Tasman Sea. It is adjacent to the Otorohanga District to the north, Taupo District to the east and Ruapehu and New Plymouth Districts to the south.

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

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

## 2.3 Population Projections

Rationale Limited was engaged to review and develop growth projections for WDC in June 2017. The purpose of the review was to provide population, dwelling and rating unit projections out to 2048. The projections consider elements such as historical and current trends, relevant land-use policies, and relevant national, regional and local level drivers. Council adopted the medium growth scenario from these growth projections.

Regarding the population structure, the district has a similar age profile to the rest of New Zealand. In 2013 the proportion of people aged 20 to 44 was lower than the rest of New Zealand however the proportion of people aged below 15 was higher. The proportion of people aged over 65 is projected to increase from 13% in 2013 to over 25% in 2048 and the number of people aged between 15 and 64 years of age is projected to decrease. This may have a flow-on effect to the make-up of the work force in the district. Factors such as the aging population contribute to a decline in the average household size, decreasing from around 2.6 residents per household in 2013 to under 2.3 in 2048.

In terms of geographic spread of growth, the Te Kuiti Ward is expected to experience a population decline and only small growth in dwellings. The population and number of dwellings is projected



to grow in the Waitomo Rural Ward. The number of unoccupied dwellings increases significantly in Te Kuiti due to the declining population.

Population and dwelling growth flows through to rating units. The district's rating units are predominantly Residential and Residential Lifestyle, with nearly two thirds of the total rating units falling under these two categories. Therefore, any rating unit growth is heavily dependent on dwelling growth. The number of Commercial and Industry rating units is projected to increase in Mokauiti, Piopio, and Te Kuiti with no growth elsewhere.

### Medium growth scenario

Under this scenario, the district's population decreases at a lower rate than over the past 12 years, around 26 people or -0.3% per year. The population is projected to peak in 2018 but decline from there at increasingly greater rates. The population in the Waitomo Rural Ward increases by 2 people per year with the population in the Te Kuiti Ward declining by 28 people or -0.7% per year.

- Dwellings -The dwelling growth that flows from the above population is approximately double the dwelling growth under the low scenario. It is also 20% higher than the historical growth rate. The proportion of occupied dwellings decrease from 82% in 2013 to 74% in 2048. The number of dwellings in the Waitomo Rural Ward is projected to increase at a higher rate than the Te Kuiti Ward, at 16 and 2 dwellings per year respectively.
- Rating units -The impact on the rating units is again slightly lower than the dwelling growth, around 0.2% per year. While most of this is due to residential related rating unit growth, Commercial and Industry rating units increase by six units by 2048 or 0.1% per year. Most of this business-related rating unit growth occurs in the Waitomo Rural Ward.
- Overall -This scenario is the closest to recent trends and is therefore considered to be the most realistic. It provides a conservatively optimistic midpoint between the construction boom of the mid 2000s and the general economic uncertainty following the global financial crisis.

A summary of the key results is shown in Table 1 below for the medium growth scenario. The change to 2048, average annual change and average annual growth rate is included. These cover the period from 2013 to 2048 for resident population and dwellings. For total rating units, these cover the period from 2018 to 2048.

**Table 1 – Waitomo district population and dwelling forecasts 2013-48**

Output	2013	2018	2028	2038	2048	Change (to 2048)	Average annual change	Annual average growth rate
<b>Resident Population</b>	9,340	9,810	9,650	9,120	8,420	-920	-26	-0.3%
<b>Total Dwellings</b>	4,224	4,377	4,522	4,644	4,863	639	18	0.4%
<b>Total Rating Units</b>	n/a	5,907	6,022	6,118	6,289	382	13	0.2%

The projected dwelling and rating unit growth rate is higher than for population due to flow-on effects of changes in population structure. Most of the growth is forecast to occur in the first ten to fifteen years before the rate of growth slows down towards 2038.

### Current Pattern of Building and Subdivisional Development

The population growth for the District is projected to be in decline, while the dwelling and rating units is projected to grow slightly. Historic trends of pockets of sub divisional and building activity in the form of modest lifestyle development around Te Kuiti, Waitomo Village, Mokau, and Awakino are slowing. The sub divisional activity that was occurring in and around the Te Waitere area has also slowed in recent years.

### Future Development Activity

The graph below shows the projected growth in rating units within the district sorted by category. As mentioned above, this shows the district's reliance on residential rating units - nearly two thirds of the total rating units are in the Residential or Residential Lifestyle category. Rural Industry rating units are around 20% of the total rating units. The remainder is spread between Commercial and Industry, Mixed Use, and Other rating units, each making up less than 10% of the total.



Figure 1 – Projected growth in rating units sorted by category

The demographic and development trends show that there is no demand for growth related infrastructure at the present time or in the foreseeable future.

Previous (pre 2015) trends of pockets of sub divisional and building activity in the form of modest lifestyle development around Te Kuiti, Waitomo Village, Mokau, Te Waitere and Awakino have slowed.

From a recent, informal, desktop planning exercise, drawing from development proposals which are known to officers and/or are in the early stages of consent processing, it has been identified that further growth is unlikely to place pressure on the provision of Council services. Indications are the recent trends of relatively slow development are likely to continue into the foreseeable future. An indication of that is the modest number of building consents issued for new dwellings in the district over that past three years (i.e. since 2014) – a total of 33. While the majority of these (approx. 10) were located in and around Te Kuiti, the distribution is otherwise diffuse. Figure 2 below illustrates this.

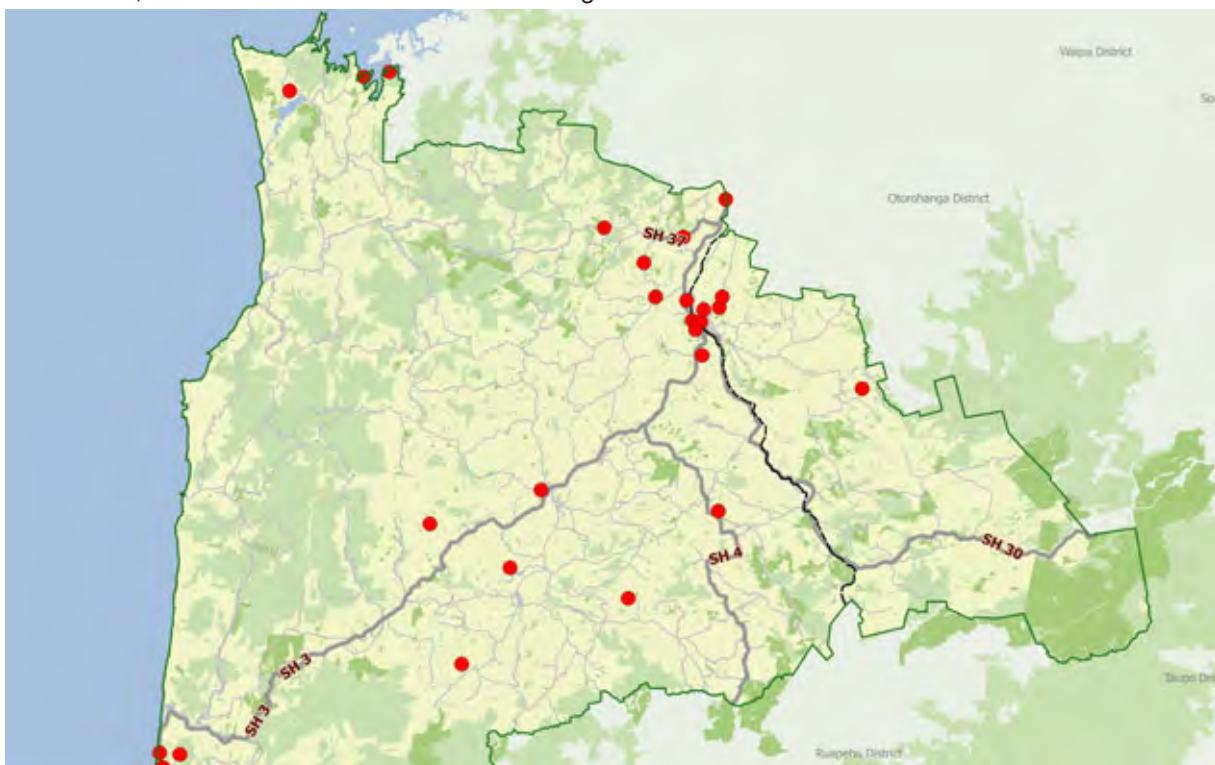


Figure 2 – Waitomo district distribution of building consents 2014-17

## 2.4 Infrastructure Context

Council's asset management strategy over the past 10 years, particularly in respect of WDC's water supply and wastewater infrastructure, has been to focus on improving asset condition and performance in support of the community's public health and environmental outcomes, whilst at the same time taking a prudent approach to financial management. The declining demographic trend projected for the next 30-years will continue to impose pressure on the financial sustainability of levels of service beyond the minimum required to meet its resource consent and other legislative requirements.

In the 10-year period since 2007/08, WDC has invested approximately \$80 million on various capital projects within the four groups of activities covered by this IS in meeting the infrastructure needs consistent with the above approach. Some of the key projects completed over this period include:

- Construction of raw water storage dam at Mokau
- Disinfection upgrades completed for Mokau and Benneydale water supplies
- Te Kuiti Wastewater Treatment Plant re-build
- Te Kuiti Wastewater Treatment Plant upgrade
- Benneydale water and wastewater treatment plants upgrade
- Piopio sewerage system installation
- Critical renewal work to Stormwater network system (Ngati Street, George Street and Duke Street)
- 4000 linear metres of Stormwater reticulation system cleaned and surveyed
- Three Rora Street Upgrades
- Structural metal placed on unsealed roads
- Road safety improvements
- Bridge replacements
- Footpath replacements
- Upgrading Waitomo Caves Road.

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

In summary, the projected reduction in population, and static new development, is forecast to have minimal or no impact on Council's delivery of core infrastructure over time. Within that, however, is the need to focus on managing

core infrastructure in a manner that ensures compliance with minimum standards and provides early identification of future investment needs so that all options can be carefully considered.

## 3.0 Strategic Approach to Managing Infrastructure Assets

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

### 3.1 Asset Renewal

Asset renewal is a key driver in respect of the infrastructural assets within this IS, as the majority of Council's significant infrastructure has been upgraded to minimum service levels legislatively required in recent years. Council's approach is largely based on the need for timely and effective asset renewal over time, especially for reticulation assets.

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

### 3.2 Managing Growth and Demand

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

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

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

Planning assumptions for growth and demand will be monitored on a regular basis so to ensure that any changes are reflected in the IS as and when they occur.

### 3.3 Levels of Service

Levels of service for both the current and future are largely dominated by regulatory and technical considerations. Generally, service levels have been improved in recent times, but only to maintain alignment with those considerations and are expected to be continued over the strategy period. Customer service levels are more discretionary and are considered in the context of the current planning assumptions which project a static or declining population, and the impact of that on ratepayer affordability.

Recent upgrades of WDC’s infrastructural assets have been designed to address issues regarding public health and environmental protection. Council’s long term approach is to maintain and improve its infrastructural assets as required to ensure compliance with the appropriate standards wherever possible. This also means ensuring that all infrastructural assets perform to current resource consent standards at all times.

### 3.4 Risk and Resilience

The main natural hazards potentially impacting on WDC’s infrastructure assets include earthquake, flooding and the effects of climate change. The district is characterised by significant variations in climatic condition, from sub-alpine to coastal. The terrain is dominated by soft volcanic sediments prone to instability in wet conditions. River and coastal environments are sensitive to erosion.

Critical assets are those having the highest consequence of failure. The strategy identifies mitigation actions including risk assessments, establishing the required level of resilience, and programme implementation of identified risk mitigation to increase the resilience of critical assets to natural hazards.

In general a pragmatic approach is taken to risk management in individual asset management plans, with identified risk events grouped into:

- Natural events, where there is no real control over the timing or extent of the event, although probabilities may be understood, e.g. floods, lightning strikes, earthquakes
- External impacts, where other service providers are providing services which impact on WDC, e.g. power supply failures, material supply failures
- Physical failure risks, where the condition of the asset or third party damage could lead to failure.
- Operational risks, where maintenance and/or management of the asset or asset management activities may impact adversely on the service

## 4.0 Significant Infrastructure Issues for Waitomo District

The tables on the following pages summarise the significant wastewater, water supply, stormwater drainage and roads and footpaths infrastructure issues facing WDC, the proposed response to those issues, and the implications of taking or not taking the action proposed by the response. In many instances, the same principal response option is capable of addressing several infrastructure issues.

### 4.1 WDC Wastewater Schemes

WDC owns and manages four separate wastewater schemes in the district; at Te Kuiti, Piopio, Benneydale, and Te Waitere. The largest of these is at Te Kuiti. All schemes have been upgraded over the past nine years and re-consented. The Piopio wastewater scheme is the most recently constructed, commissioned in 2012.

Scheme	Consent expiry date
Te Kuiti	2040
Piopio	30 June 2028
Benneydale	1 May 2025
Te Waitere	31 July 2042

#### 4.1.1 Te Kuiti Wastewater Scheme

The Te Kuiti wastewater scheme comprises approximately 52km of reticulation of varying pipe diameters and materials, four secondary pump stations, a terminal pump station and a tertiary treatment plant. Features of the treatment plant include a stormwater bypass, clarifier,

reactor, oxidation pond, sludge processing, sand filtration and UV disinfection. The final treated effluent is discharged to Mangaokewa Stream above Te Kuiti airfield.

Infrastructure management issues include:

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	<p>Much of the pipe assets are now dated. High infiltration rates entering pipe network indicate poor asset condition.</p> <p>SCADA and electrical assets due for renewal at least once every 30 years.</p> <p>Certain treatment plant mechanical and material components will require renewal/replacement within the 30 year period.</p>	<p>Condition assessment of pipe network followed by prioritised repair and renewal programme.</p> <p>Replacement expenditure “smoothed” to avoid significant variations in expenditure from one year to the next.</p> <p>SCADA replacement scheduled for 2029-2033 (\$900k). Electrical assets scheduled for replacement 2034-38 (\$1.8M).</p> <p>Treatment plant reactor liner scheduled for replacement in 2032/33.</p>	<p>The financial impacts of deferred maintenance and renewals have been balanced against levels of service, consent compliance and ratepayer affordability. High inflow during storm events can result in surcharge of raw sewage onto residential property, with potential for serious health impacts.</p>
Response to demand	<p>Recent treatment (2014) upgrade provides for up to 4,500m<sup>3</sup>/day average, peak 7,000m<sup>3</sup>/day. Current average flow is 2,850m<sup>3</sup>/day, peak 8,500m<sup>3</sup>/day. Includes inflow from two major wet industries. The population projection for Te Kuiti is for a decline over the term of this IS.</p> <p>Future capacity increase will be necessary to limiting treatment process before additional demand can be accommodated.</p>	<p>On-going I &amp; I investigation and prevention programmes targeted to worst areas of reticulation will effect reduction to peak inflow and average wet weather flows.</p> <p>Plant treatment capacity can be increased through increasing power supply and duplication of the clarifier/reactor process stream. The latter is scheduled for 2033/34 at an estimated cost of \$550k.</p> <p>Monitoring and enforcement of trade waste discharges.</p>	<p>Deferring further investment aimed at increasing plant capacity can be realised by reducing unnecessary inflow sourced from groundwater infiltration and direct inflow.</p> <p>Control of industrial discharges is critical to managing capacity and performance of WWTP.</p>
Levels of service (LoS)	<p>LoS is dominated by resource consent compliance for all discharges from treatment plant – air, water, groundwater etc. Customer LoS principally relate to sewer blockages, overflows, odour, and responsiveness to service requests. The resident satisfaction survey in 2017 identified that 94% of respondents were satisfied with current LoS.</p>	<p>Continuation of current LoS achieves an effective balance between regulatory compliance, resident satisfaction, and cost. Modest increases in technical LoS are necessary to improve effectiveness of sludge handling and chemical dosing at the treatment plant.</p>	<p>Increasing current technical LoS will improve consent compliance and operational performance of treatment plant.</p>

Issue	Description	Principal options for response	Implications
Public Health and Environment	The upgraded treatment plant (circa 2014) has improved the effects of the activity on the receiving environment.	Routine monitoring and interpretation of plant operation and performance, followed by timely interventions, will ensure public health and environmental outcomes are maintained. The effects of the activity on the environment are controlled through the resource consent. Consent renewal is due in 2040 (estimated cost \$1.1M).	Managing the complete wastewater system from reticulation to disposal is fundamental to mitigation of adverse effects on public health and environmental outcomes. The resource consent provides the legal right to operate the Te Kuiti WW treatment plant.
Risk and Resilience <sup>1</sup>	Wastewater service continuity and public health is threatened by the poor condition of sections of the wastewater network. Older pipes are brittle and prone to breakages and leaks with natural ground movement, or in the event of ground movement caused by a seismic event.	Rolling replacement of wastewater pipes in poor condition and at the end of their effective life with new, flexible, pipe materials.	Failure to complete this work will increase the risk of overloading the treatment plant during flood events, and the risk of pipe failure due to end of lifecycle or following an earthquake event. Such failures have the potential to breach the discharge consent and contaminate surrounding groundwater with untreated waste. The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the consequences are high.

<sup>1</sup>Note: The risk management processes used by the Waitomo District Council are consistent with Australian/New Zealand Standard AS/NZ 4360 which defines risk assessment and management. A fuller description of the risks identified in the tables can be found in Waitomo District Council asset management plans for each activity area.

#### 4.1.2 Piopio Wastewater Scheme

The Piopio wastewater scheme was installed in 2012 and comprises approximately 10.8km of reticulation of varying pipe diameters, 207 domestic pumps, one community pump station, and a packed-bed reactor treatment plant. A feature of the scheme is the use of small diameter, MDPE pipes to collect effluent from individual septic tanks from where it is pumped to the treatment plant. The final treated effluent is discharged to Mokau Stream via a rock filter.

Infrastructure management issues include:

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	<p>The infiltration rates entering pipe network are low, corresponding to the recent construction of the scheme (in 2012).</p> <p>Inflow during heavy rain occurs due to surface flooding entering through tank access covers.</p> <p>SCADA and electrical assets due for renewal at least once every 30 years.</p>	<p>Condition monitoring of pipe network followed by prioritised repair and renewal programme.</p> <p>Extension of discharge structure</p> <p>Replacement expenditure “smoothed” to avoid significant variations in expenditure from one year to the next.</p>	<p>Scheme capacity and consent compliance relies on condition of network. The current scheme has been operating for only 5 years so remaining life of assets is high. Routine condition assessments are an effective method of monitoring the rate of condition decay, and to inform planning processes.</p>
Response to demand	<p>Scheme designed for 250 residential units equivalent. Residual capacity is 23 units.</p> <p>Residential population projection for Piopio is for a decline in the medium to long term.</p>	<p>Increased capacity could be achieved by adding the maximum number of treatment modules to the existing plant to accommodate an additional 50 residential units, or construct an additional treatment plant on a separate site to give capacity for a further 180 residential units. Monitoring of plant load and performance over time will provide earliest indication of the need for additional capacity.</p> <p>Monitoring and enforcement of trade waste discharges.</p>	<p>The cost of increasing capacity by 50 residential units would be in the order of \$2.7M.</p> <p>The cost of increasing capacity by 180 residential units would be in the order of \$5M, including land purchase.</p> <p>There is no projected need for either option at the present time, but will form part of the consent renewal in 2028.</p> <p>Control of industrial discharges is critical to managing capacity and performance of WWTP.</p>
Levels of service (LoS)	<p>LoS is dominated by resource consent compliance for all discharges from treatment plant – air, water, groundwater etc. Customer LoS principally relate to sewer blockages, overflows, odour, and responsiveness to service requests. Customer service requests indicate dissatisfaction with the frequency of system blockages.</p>	<p>The need for increased routine maintenance of individual tanks and the treatment plant has been identified. Also, regular education of scheme users to encourage avoidance of disposal of fats and other wastes that have been a contributing factor to pipe blockages.</p>	<p>Increased levels of service in the form of increased routine maintenance of the scheme will be necessary to achieve improved customer satisfaction and consent compliance.</p>

Issue	Description	Principal options for response	Implications
Public Health and Environment	The Piopio WW scheme has addressed previous public health and environmental issues associated with high groundwater during winter months adversely impacting on ground soakage of effluent from the original private septic tanks.	Increased routine maintenance of the scheme and monitoring of plant operation and performance will ensure public health and environmental outcomes are maintained. The effects of the activity on the environment are controlled through the resource consent. Consent renewal is due in 2028	Failure to achieve improved scheme performance could compromise the 2028 consent renewal.  The resource consent provides the legal right to operate the Piopio WW treatment plant. Extension of discharge consent has been allowed in 2027/28 at a cost of \$283k
Risk and Resilience	Wastewater service continuity and community health is protected by the modern age and type of construction of the network.	The network is already designed to provide high resilience to natural hazards through the use of small diameter, flexible pipes.	The probability of system failure occurring due to natural hazards is considered to be low within the term of this strategy.

#### 4.1.3 Benneydale Wastewater Scheme

The Benneydale scheme comprises approximately 2.2 km of reticulation, predominantly AC pipe, and one pump station. The treatment plant consists of an old Imhoff tank and trickling filter, followed by a small constructed wetlands from where the final effluent discharges to a soakage field during November – April, and the Mangapehi Stream during the wetter months of the year.

Infrastructure management issues include:

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	Approximately 50% of the reticulation has reached its theoretical design life. Condition assessment of the pipes comprising this portion of the network indicates that there is approximately 15 years of effective life remaining. The treatment plant was upgraded in 2009 and is now in good condition. A small wetland system was added. SCADA and electrical assets due for renewal at least once every 30 years.	Condition assessment of pipe network followed by prioritised repair and renewal programme. Replacement expenditure “smoothed” to avoid significant variations in expenditure from one year to the next.	The financial impacts of renewals have been balanced against condition assessment, levels of service, consent compliance and ratepayer affordability. Current LoS will be maintained.



Issue	Description	Principal options for response	Implications
Response to demand	The scheme has spare capacity for an additional 27 residential connections, or the equivalent thereof. The population projection for Benneydale is for a decline in the medium to long term.	Monitoring of actual demand on the Benneydale scheme over time will provide the basis for future capacity upgrade decisions. In the meantime, current capacity is expected to be sufficient over term of this IS.  Monitoring and enforcement of trade waste discharges.	While there are no apparent demand related implications for the Benneydale wastewater scheme in the foreseeable future, routine monitoring of actual demand will provide early indication of the need to respond to any change to that assumption.  Control of industrial discharges is critical to managing capacity and performance of WWTP.
Levels of service (LoS)	LoS is dominated by resource consent compliance for all discharges from the treatment plant – air, water, groundwater etc. Customer LoS principally relate to sewer blockages, overflows, odour, and responsiveness to service requests. The resident satisfaction survey in 2017 identified that 94% of respondents were satisfied with current LoS.	Continuation of current LoS achieves an effective balance between regulatory compliance, resident satisfaction, and cost.	Maintaining current levels of service will achieve high customer satisfaction and consent compliance. The scheme is sensitive to increased expenditure
Public Health and Environment	The upgraded treatment plant (circa 2009) has improved the effects of the activity on the receiving environment.	Continuation of routine maintenance of the scheme and monitoring of plant operation and performance will ensure public health and environmental outcomes are maintained. The effects of the activity on the environment are controlled through the resource consent. Consent renewal is due in 2025.	Failure to continue current routine maintenance levels could result in consent non-compliance. The resource consent provides the legal right to operate the Benneydale WW treatment plant.

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

#### 4.1.4 Te Waitere Wastewater Scheme

The scheme involves collection of septic tank effluent from approximately 11 properties through a reticulated system comprising approximately 500m of small diameter pipe, from where it is pumped to a community soakage field located on private land. The rising main from terminal pumping station was recently renewed.

Infrastructure management issues include:

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	The community soakage field is showing signs of failure. Most of the reticulation has been replaced over the past 3-years, including the rising main. SCADA and electrical assets due for renewal at least once every 30 years.	Replacement or refurbishment of the soakage field with an expanded facility is required.	An amount of \$15,000 has been allowed in 2019/20 of the LTP for investigating or upgrading the soakage field.
Response to Demand	While the population projection for Te Waitere is for static growth, the wastewater discharge from the current population already takes up most of the capacity of the existing soakage field	Replacement or refurbishment of the soakage field with an upgraded and extended facility with capacity for modest additional demand	While there are no growth related implications for the Te Waitere wastewater scheme, current demand already takes up the existing capacity.
Levels of Service	Levels of service focus on reliability of service, capacity, public health and environmental protection.	Environmental and public health protection consistent with the operative resource consent.	Current levels of service relating to system capacity and environmental protection will potentially need to be enhanced early in the strategy period.

Issue	Description	Principal options for response	Implications
Public Health and Environment	The extended reticulation has addressed previous public health and environmental concerns associated with the scheme.	Replacement or refurbishment of the soakage field with an upgraded facility is required. Renewal of the resource consent for the Te Waitere discharge was completed in 2017. Consent renewal is due in 2042.	Environmental and public health protection will probably need to be enhanced consequent to the imminent resource consent renewal process in 2017. The resource consent is fundamental to the legal right to operate the Te Waitere WW treatment plant.
Risk and Resilience	Wastewater service continuity and protection of the environment is threatened by the condition and capacity of the current soakage field.	Replacement or refurbishment of the soakage field with an upgraded facility is required.	Failure to complete this work will increase the risk of overloading the soakage field during normal operating conditions. Such system failure has the potential to breach the discharge consent and contaminate the surrounding environment with treated waste. The probability of this risk occurring is high and the consequences are significant in the context of the imminent consent renewal process.

#### 4.1.5 Waitomo Village Wastewater Scheme

The wastewater infrastructure at Waitomo Village is privately owned and operated. WDC has extensively investigated options for future WDC ownership/management of the Village wastewater (and water supply) services. Discussion with representatives of the two ownership trusts and private owners of this infrastructure has been inconclusive. The potential for a possible pathway forward is unknown at the present time, due to land tenure, asset ownership and funding issues remaining unresolved.

Given the level of uncertainty around the timing of resolution of these issues, this IS does not include any financial provision for WDC assuming responsibility for managing these assets.

#### 4.1.6 Mokau

There is currently no wastewater scheme at Mokau, with individual properties fitted with privately owned and maintained septic tanks. The risk of cross-contamination between septic tanks and groundwater used for drinking water is alleviated through the existence of WDC’s reticulated water supply. The impact of increased hydraulic loading consequential to the impact of the reticulated water supply on the performance of individual septic tanks may, however, need to be addressed in the future through the provision of a reticulated wastewater scheme for Mokau/Awakino. Protection of public health and the environment are the main drivers for this proposal.

There are four parts to the project; the treatment plant, reticulation of Mokau village, reticulation of Awakino village and reticulation of the residential area upriver from Mokau. The total cost of the project is estimated to be \$23,600,000.

The next step entails design investigations, leading to a preliminary design report on options and costings. This has been scheduled for 2030-32 at a budgeted cost over the two years of \$110,000.

### 4.2 WDC Water Supply Schemes

WDC owns and manages four water supply schemes, at Te Kuiti, Piopio, Benneydale and Mokau. The largest supply is at Te Kuiti. Higher levels of service, driven by the Public Health (Drinking Water) Amendment Act and security of supply, have been the key areas of focus over the past five years across all schemes. Resource consents to take water are critical to maintaining adequate, all year, supply quantities for domestic and commercial/ industrial use. Table 7 below summarises current consent expiry dates:

Scheme	Key Consent Expiry Dates
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Te Kuiti	30 September 2040
Piopio	1 August 2023
Benneydale	7 April 2031
Mokau	September 2026

#### 4.2.1 Te Kuiti Water Supply Scheme

The Te Kuiti water supply scheme comprises a surface take from the Mangaokewa Stream from where raw water is treated and disinfected following a process of coagulation/flocculation, carbon dosing, sand filtration, pH correction and chlorine disinfection. Treated water is simultaneously pumped to five storage reservoirs and the reticulation network, i.e. there is no separate rising main to the reservoir, resulting in pressure surges within the network. The network totals some 49.5km of pipework of varying diameters, and is predominantly older asbestos cement and PVC material type. There are three pumping stations – at Tonga Street, Rata Street and Awakino Road.

Over the past three years, the focus has been on reconsenting the water take and upgrading the treatment plant to mitigate the risks of contamination from pathogenic organisms commonly found in stream water sourced from an open catchment where the predominant land use is agricultural.

With the current supply relying on a single stream source, its vulnerability to declining minimum stream flows due to climate change, the consequential increasingly adverse effects of the take on stream habitat, and an unstable upstream catchment, are high. The next phase will therefore address the resilience of the supply. Seismic strengthening of the existing storage reservoirs, a supplementary water source and/or raw water storage, and increased treated water capacity, all form part of this strategy.

The strategy entails, firstly, undertaking investigations into availability of a suitable groundwater source, followed by a reassessment of future supply arrangements aimed at mitigating the above risks. The final configuration may well involve a combination of all three components – the existing surface take supplemented by an alternative source and raw water storage.

Specific infrastructure management issues include:

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	Large parts of reticulation are near the end of their useful lives. Increasing incidence of mains failure, leaks, etc.	Accelerated mains replacement programme based on actual pipe condition.	Replacement programme of \$120,000 per year over the next 10 years.
	SCADA and electrical assets due for renewal at least once every 30 years.	Replacement expenditure "smoothed" to avoid significant variations in expenditure from one year to the next.	Delaying the pipe replacement programme would leave the network vulnerable to failure or complete severance in the event of earthquakes or other ground movement. The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the severity of the consequences are expected to be high.
Response to demand	<p>Treatment plant design capacity has been increased to 6,600m<sup>3</sup>/day. Average demand is 3,035 m<sup>3</sup>/day.</p> <p>Peak demand is 4,700 m<sup>3</sup>/day.</p> <p>New (2015) consent limit is 4,800 m<sup>3</sup>/day.</p> <p>The long term population projection for Te Kuiti is for decline.</p>	Monitoring of actual demand on the Te Kuiti scheme over time will provide the basis for future capacity upgrade decisions. In the meantime, current capacity is expected to be sufficient over the term of this IS. Demand management techniques can be applied to curb peak summer demand. On-going leak detection and mains replacement programmes will help reduce water losses.	While there are no apparent demand related implications for the Te Kuiti water supply in the foreseeable future, routine monitoring of actual demand will provide early indication of the need to respond to any change to that assumption. Failure to monitor and plan could lead to consent non-compliance and/or imposition of water restrictions.
Levels of Service	Levels of service for colour, taste and odour are not met due to presence of residual iron and manganese in reticulation and algal growth on rocks during low flow stream conditions. Iron and manganese concentrations are in part due to corrosion inside old steel pipes in the reticulation. Protection of public health remains a higher priority over taste and odour issues.	Upgrade of treatment plant to include a flow proportional, carbon dosing system to remove "taste" from source water.	There will be additional costs of water treatment to improve the taste and odour characteristics of the supply. These are included in the LTP budget forecasts.
	Direct pumping to the reticulation results in pressure fluctuations, leading to premature mains failure and damage to water fittings, particularly in the low lying commercial area of Te Kuiti.	Construction of a dedicated rising main from the treatment plant to reservoirs would eliminate pressure fluctuations.	No budget provision has been made for construction of a dedicated rising main because of the cost implications.

Issue	Description	Principal options for response	Implications
Public Health & Environment	<p>The Te Kuiti supply will soon (2018/19) be fully compliant with NZ Drinking Water Standards for protection against potentially pathogenic giardia and protozoa.</p>	<p>Implementation of a 3-stage upgrade of the water treatment plant including sterilisation, relocation and reconfiguration of the raw water intake, and a new clarifier, is due for completion in 2018/19, with additional treated water storage to come later. This has addressed previous deficiencies in public health risk management for the supply.</p> <p>The current backflow prevention programme will be extended through to 2023/24 to remove the risk of cross-contamination of the potable supply from household appliances.</p>	<p>The potential risks to public health from pathogenic organisms in the raw water supply will be mitigated following completion of the current improvements to the Te Kuiti water treatment plant.</p>
	<p>The current take represents nearly 25 % of stream flow during low flow conditions, with potential impacts on in-stream habitats. This is significant.</p> <p>The effects of the take on Mangaokewa Stream Stream are allowed for in the resource consent.</p>	<p>Renewal of the resource consent is due in 2040.</p>	<p>Renewal of the resource consent is fundamental to the legal right to take water for the Te Kuiti community supply.</p>

Issue	Description	Principal options for response	Implications
Risk and Resilience Issues	<p>The supply relies on a single source that is currently under pressure during low flow conditions, when demand is typically greatest. Climate change predictions suggest a worsening of these conditions. Also, parts of catchment have been shown to be unstable, with risk of supply being cut-off due to slips.</p>	<p>Raw water storage, involving harvesting of winter stream flows, has been identified as a potential means of mitigating these risks.</p> <p>Alternatively, a supplementary supply from groundwater resource is a possibility. If the programmed groundwater investigations are successful, the raw water storage volume requirement may be reduced or substituted by an alternative groundwater supply.</p> <p>The next step is to investigate options for an alternative source or construct raw water storage.</p> <p>Construction of a new treated water reservoir to improve storage capacity across the network.</p>	<p>The preliminary estimate of a raw water storage reservoir is \$30-50M. Investigations into potential sites have been programmed for 2018/19. Construction of a large raw water storage reservoir has been provisionally programmed for 2040-42 at an estimated budget of \$30M.</p> <p>Groundwater supply investigations have been programmed over three years beginning in 2018/19. If successful, a production bore has been programmed for completion in 2021/22 at a preliminary budget estimate of \$100,000.</p> <p>Construction of a new 3,000 m<sup>3</sup> treated water reservoir is programmed for 2029/30 at an estimated cost of \$1.5M. This will increase the current storage volume available within individual zones and assist supply continuity during treatment plant shutdown.</p>
	<p>The four water storage reservoirs are critical assets, each approximately 40-years old. Resilience of these reservoirs to a major seismic event is key to the integrity of the supply.</p>	<p>Assessment and implementation of seismic strengthening of the existing reservoirs is scheduled to take place over 2018/19 - 2019/20</p>	<p>Seismic strengthening of the four treated water reservoirs is critical to the resilience of the water supply.</p>

#### 4.2.2 Piopio Water Supply Scheme

The Piopio water supply is sourced from the Kurutahi Stream, to the west of SH3. During 2012/13, the treatment plant was rebuilt. It now consists of the floating intake pump that pumps into a horizontal flow concrete clarifier from where it is gravitationally piped through two 400 micron roughing filters. The settled water is then forced through a membrane ultra-filtration filter to five 25,000 litre plastic tanks. The treated water is chlorinated and pumped to the existing reservoir.

The reticulation comprises some 6.5km of various diameters and is predominantly asbestos cement. Water is pumped to a 450m<sup>3</sup> concrete reservoir located above the treatment plant via the reticulation i.e. there is no separate rising main to the reservoir, resulting in pressure surges within the network.

Infrastructure management issues include:

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	<p>Large sections of the reticulation is nearing the end of its useful life. The age-based renewal profile is misleading, suggesting a longer residual life than has been evidenced by actual operational experience, the latter indicative of poor pipe condition.</p> <p>SCADA and electrical assets due for renewal at least once every 30 years.</p>	<p>Accelerated mains replacement programme based on actual pipe condition, using modern pipe materials with flexible joints, with expenditure “smoothed” to avoid significant variations in expenditure from one year to the next.</p> <p>Replacement of old treated water storage reservoir is programmed – see Risk and Resilience issues.</p>	<p>Regular annual replacement programme continued over the next 30 years.</p> <p>An extended renewal programme would result in reduced levels of service due to increased mains failure, loss of water pressure and potential loss of supply, with associated higher maintenance costs.</p>
Response to demand	<p>The treatment plant has a design capacity of 600m<sup>3</sup>/d. Current demand is approx. 307m<sup>3</sup>/d. Peak demand is 527m<sup>3</sup>/d.</p> <p>Consented take is 450m<sup>3</sup>/d.</p> <p>The long term population projection for Piopio is for decline.</p>	<p>Monitoring of actual demand on the Piopio scheme over time will provide the basis for future capacity upgrade decisions. In the meantime, current capacity is expected to be sufficient over the term of this IS. Demand management techniques can be applied to curb peak summer demand. On-going leak detection and mains replacement programmes will help reduce water losses.</p>	<p>Close match between current demand and consent limit reinforces need for efficient use of water.</p>
Levels of Service	<p>Levels of service for colour, taste and odour are acceptable to most residents.</p> <p>Pressure fluctuations in lower lying areas is a cause of pipe failure.</p> <p>Current supply copes with demand. Water supply safety protection measures are in place and maintained.</p>	<p>Construction of a dedicated rising main from treatment plant to town reservoir is scheduled for 2019/20.</p>	<p>A dedicated rising main will address water pressure spikes and help protect ageing pipes from premature failure. Estimated cost is \$135,000.</p>



Issue	Description	Principal options for response	Implications
Public Health & Environment	<p>The absence of back-flow preventers is a potential health risk for Piopio water supply consumers.</p> <p>Effects of take on Kurutahi Stream are allowed for in resource consent.</p>	<p>Provision of back-flow prevention devices is scheduled as an annual programme.</p> <p>Resource consent expires in 2023. Allowable take will be addressed then.</p>	<p>The estimated cost of a back-flow prevention programme is \$5,000 per year for the next 10 years.</p> <p>The absence of back-flow preventers exposes water consumers to the risk of cross contamination between the water supply and “greywater” from automatic household appliances.</p> <p>Renewal of the resource consent is fundamental to the legal right to take water for Piopio community supply.</p>
Risk and Resilience Issues	<p>In Piopio, the old concrete treated water reservoir and asbestos cement reticulation are at risk of damage from a major seismic event.</p>	<p>Replacement of the old concrete supply reservoir with a modern structure.</p> <p>Use of flexible pipes and joints for mains replacements will reduce the risk of pipe failure in the event of earthquakes or other ground movement. The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the severity of the consequences would be high .</p>	<p>The existing reservoir has been assessed and a replacement scheduled for 2020/21 at an estimated cost of \$250,000.</p> <p>Provision for increased resilience of the Piopio water supply reticulation has been built into LTP replacement programmes.</p>

#### 4.2.3 Benneydale Water Supply Scheme

The Benneydale water supply treatment plant is located to the east of Benneydale township. The whole system was replaced in 2008, including an upgrade of the intake and treatment plant and the addition of automation. Benneydale now has a modern water supply system. Earlier work done on the system was embedded into the new system which now meets the requirements of the Health (Drinking Water) Amendment Act 2007 (amending the Health Act 1956). The supply is sourced from a surface take and a groundwater bore. The latter can be used as a back-up during dry stream conditions.

The head works for the surface take comprise a weir across an unnamed tributary of Mangapehi Stream and a new overflow. Water feeds through a uPVC gravity main 100m long to the water treatment plant. The water then gravitates through coarse settling tanks to an adsorption clarifier and on into a concrete sump from where it is pumped by a submersible pump through a diatomaceous earth (DE) filter to a contact tank. From the contact tank it is pumped to a 100m<sup>3</sup> reservoir at the top of a nearby hill, from where it is gravity fed to the reticulation. Disinfection is by hypochlorite solution which is injected into the pump line between the DE filter and the contact tank.

The reticulation was totally replaced in 2008 apart from about 800m of MDPE installed in 2003. It consists of 5.8km of uPVC, PE and MDPE materials with an expected remaining life of 100 plus years. All connections have backflow preventers and are metered.

A SCADA and telemetry system allows remote monitoring and limited control to further improve the service at this comparatively remote location.

Infrastructure management issues include:

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	<p>The treatment and reticulation has been renewed and upgraded since 2008.</p> <p>SCADA and electrical assets due for renewal at least once every 30 years.</p>	<p>Future replacement expenditure “smoothed” to avoid significant variations in expenditure from one year to the next.</p>	<p>Apart from normal operation and maintenance and renewal of mechanical and electrical components, this scheme should not require further capital investment over the next 10-15 years. Beyond that, an increased requirement for pipe renewals can be expected.</p>
Response to demand	<p>The water treatment plant has a design capacity of 140m<sup>3</sup>/day. Current average demand is 68m<sup>3</sup>/day.</p> <p>Peak demand is 132m<sup>3</sup>/day.</p> <p>Consent limit is 360m<sup>3</sup> per day split equally between the bore and surface takes.</p> <p>The long term population projection for Benneydale is for decline.</p>	<p>Monitoring of actual demand on the Benneydale scheme over time will provide the basis for future capacity upgrade decisions. In the meantime, current capacity is expected to be sufficient over the term of this IS.</p> <p>Demand management techniques can be applied to curb peak summer demand.</p> <p>On-going leak detection and mains replacement programmes will help reduce water losses.</p>	<p>The close match between current peak demand and the surface water consent limit reinforces need for efficient use of water.</p>
Levels of Service	<p>Levels of service for colour, taste and odour are acceptable to most residents.</p> <p>Automated control allows remote monitoring of treatment plant 24x7.</p> <p>Current supply copes with demand. Water supply safety protection measures are in place and maintained.</p>	<p>Continuation of routine monitoring and maintenance plan.</p>	<p>Regular monitoring and routine preventative maintenance is key to the on-going success of the Benneydale scheme.</p>
Public Health & Environment	<p>Effects of take on the stream and groundwater are allowed for in resource consents.</p>	<p>Back-flow prevention devices are in place.</p> <p>Groundwater bore consent expires on 15 May 2022. Allowable take will be addressed then.</p> <p>Consent renewal due in 2031.</p>	<p>The existence of back-flow prevention units safeguards water consumers from the risk of cross contamination between the water supply and “greywater” from automatic household appliances.</p> <p>Renewal of resource consent is fundamental to legal right to take water for Benneydale community supply.</p>

Issue	Description	Principal options for response	Implications
Risk and Resilience Issues	The Benneydale water supply scheme has been renewed and upgraded since 2008. The issues regarding security of supply, health protection, reticulation condition i.e. loss of water and cross -contamination, have been addressed.	Maintain monitoring and routine maintenance and inspections of assets.  Strengthening of the old concrete reservoir.	Seismic strengthening of the old concrete reservoir, has been scheduled for 2039/40 at an estimated cost of \$300,000.

#### 4.2.4 Mokau Water Supply Scheme

The Mokau urban water supply collects water from two earth dams located on an escarpment above the township fed by two small springs. One is within the front dam basin itself and one at the top end of the catchment. This is supplemented by local runoff off from private farmland property. Storage was doubled to 20,000m<sup>3</sup> when an 11,000m<sup>3</sup> raw water storage reservoir was completed in early 2014. The water is treated by an absorption clarifier and diatomaceous earth filter and was built in 2003/04. In 1996/97 a timber reservoir was added to the system and installed in town with a booster pump station to maintain pressure at about 650kPa.

The reticulation comprises approximately 11 km's of pipe work of various sizes and materials. The predominant pipe material in the urban area is asbestos cement pipe most of which was laid in 1972. Most of this has been replaced over the last three years. There is also an "alkathene" pipe to Awakino supplying water to some of the properties along the way, including the Marae and a few properties in Awakino.

Infrastructure management issues for the Mokau scheme include:

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	Most (90%) of the Mokau water supply reticulation has been replaced since 2015 due to a high incidence of mains failures in recent times, in part due to the increased hydraulic pressure now available following construction of elevated treated water reservoirs, and the then predominance of brittle AC pipes.  The existing treatment plant building will require replacement within the next 10 years due to its deteriorating structural condition. There is no SCADA available at the Mokau scheme.	Future replacement expenditure has been "smoothed" to avoid significant variations in expenditure from one year to the next.  Use of modern pipe materials with flexible joints for all pipe replacements.	Replacement programme of \$96,000 in 2018/19 to complete the remaining Mokau pipes. Replacement of the Awakino water main (2025/26) and miscellaneous pipes is scheduled from 2025/26 to 2031/32.  Replacement of the treatment plant building has been scheduled for 2027/28 at a budget of \$50,000.
Response to demand	Treatment plant design capacity is 400m <sup>3</sup> /day. Current average demand is 120 m <sup>3</sup> /day. Peak demand is 350m <sup>3</sup> /day. Consented take is 1,000m <sup>3</sup> /day. The long term population projection for Mokau is for decline.		

Issue	Description	Principal options for response	Implications
Levels of Service	<p>Levels of service for colour, taste and odour are acceptable to most residents.</p> <p>Current supply comfortably meets demand.</p> <p>Water supply safety protection measures are in place and maintained.</p> <p>Distance factor negatively impacts on response times and servicing costs.</p>	<p>Continuation of routine monitoring and maintenance plan.</p> <p>Implementation of remote monitoring technology, namely SCADA, would improve control over storage, treatment and supply enhance responsiveness, and reduce servicing costs.</p>	<p>Regular monitoring and routine preventative maintenance is key to the on-going success of the Mokau scheme.</p> <p>Investigation of proposed SCADA for the scheme has been scheduled for 2019/20 at a cost estimate of \$5,000, with installation scheduled for 2019/20 at an estimated cost of \$55,000.</p>
Public Health & Environment	<p>Effects of take on the natural resource are allowed for in resource consents.</p> <p>The absence of back-flow preventers is a potential health risk for Mokau water supply consumers.</p>	<p>Resource consent to take water expires in 2026. Allowable take will be addressed then.</p> <p>Annual programme for installation of back-flow prevention devices has been scheduled to continue on a steady basis.</p>	<p>Back-flow preventers will remove the risk of cross contamination between the water supply and “greywater” from automatic household appliances. An annual installation programme of \$2,420 per year for 2018-28 has been provided in the LTP.</p> <p>Renewal of resource consent is fundamental to legal right to take water for Mokau community supply. Consent renewal is scheduled for 2025/26 at an estimated cost of \$20,000.</p>
Risk and Resilience Issues	<p>Asbestos water mains are vulnerable to breakage or complete severance in the event of earthquakes or other ground movement.</p> <p>The recent-past issues of water shortage and quality during summer drought conditions, have largely been addressed. The construction of additional raw water storage in 2014 and treatment plant improvements, have improved security of the supply and water quality since 2015. Seismic strengthening required.</p>	<p>Continue to replace remaining water mains with flexible pipe materials and pipe joints.</p> <p>Increased raw water storage was completed during 2015/16.</p> <p>Seismic strengthening of the reservoir.</p>	<p>The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the severity of the consequences are expected to be high.</p> <p>The risk of water shortage during drought conditions has been addressed.</p> <p>Seismic strengthening of the reservoir has been scheduled for 2038/39 at a cost of \$300k.</p>

#### 4.2.5 Waitomo Village Water Supply

Refer to Clause 4.1.5 above.

#### 4.3 WDC Stormwater Drainage

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

district wide comprehensive consent. The consent expires in July 2024.

Infrastructure issues include:

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	Ageing pipe assets some of which are in poor condition. Information on pipe condition is mostly anecdotal. Approx. 4km of pipe has been inspected. A large section of pipe network in Te Kuiti is partially silted up.	Implement stormwater pipe condition assessment programme.  Undertake renewals on a prioritised basis, “smoothed” across the 30 year planning period to avoid peaks and troughs in expenditure.	Continued stormwater renewal programme of \$110k per year.
Response to demand	The current network provides a modest response to SW drainage requirements, principally in the Te Kuiti urban area. Future land development in the urban area would impose greater pressure on the existing capacity, particularly the downstream sections of the network.  The long term population and land subdivision projection for the district is for decline.	Preparation of catchment management plans, initially for Te Kuiti, are required to develop an understanding of primary and secondary flow paths.	Future planning of SW management is required to understand and prioritise future demand and service levels.
Levels of Service	The SW reticulation has been designed to cope with a very modest, 1 in 2 year storm event. Beyond that, the SW system relies on secondary, overland flow paths to drain excess surface water.  Current LoS include reducing the threat of flooding of property, high responsiveness to customer services during flood events and managing the adverse effects of SW on the quality of the receiving water.	Continuation of CCTV inspection and repair programmes to restore capacity of existing network.	Budget provision for annual inspection and clearing and repair of SW pipes.
Public Health & Environment	Public health issues can arise in residential areas of Te Kuiti where there is no reticulated SW network. The impact of that can be overloading of the sewerage network due to surface run-off.  WDC holds a comprehensive SW Discharge Consent to capture the numerous SW point discharges. There is no SW treatment provided.	Extension of drainage network to unserved urban areas to mitigate the risk of SW inflow to sewerage network.  Effects of SW discharge on the natural resource are controlled via resource consents.  Make application to renew current SW discharge consent by 1 January 2024	The current SW discharge consent expires on 1 July 2024 – half way through the 2018-28 LTP planning period. Renewal of the resource consent is fundamental to the legal right to discharge urban SW to the environment.  Provision has been made for pre-treatment of stormwater prior to discharge at an estimated cost of \$110,000 per year over six years beginning 2026/27, precede by a catchment assessments in 2018/19 and 2023/24 (ie prior to consent renewal).

Issue	Description	Principal options for response	Implications
Risk and Resilience Issues	<p>Current risks include pipe failure, flooding of property due to impaired stormwater capacity and blocked secondary flow paths. A major flood event could overtop the banks of Mangaokewa Stream with consequential flooding of property.</p> <p>The increased frequency of high rainfall events, over time, exacerbated by the very limited capacity of the existing network, will potentially increase resident expectations for an effective stormwater drainage system.</p> <p>There is an overlap between SW and wastewater services. It is not unusual for roofwater downpipes to be connected to sewer laterals, or gully traps to be used as sumps on residential properties, especially where ponding is a problem. Rising sea level could impact negatively on the district's beach communities, mainly through impeded stormwater drainage due to rising sea levels and surcharging of stormwater outlets.</p>	<p>Identification and protection of secondary flow paths through catchment management plans.</p> <p>A prioritised programme of works to address any identified capacity/protection shortfall, including protection of secondary flow paths and environmental protection works to mitigate adverse effects at the points of discharge, would be derived from this work</p> <p>Repair and replacement of damaged stormwater pipes using seismic resistant pipe materials and flexible joints, sized to future demand projections.</p> <p>Extension of drainage network to unserved urban areas to mitigate the risk of SW inflow to sewerage network.</p>	<p>Failure to complete catchment management plans will increase the risk of flooding and damage to property.</p>

#### 4.4 Roads and Footpaths

WDC's road and footpath infrastructure assets comprise 1,014km of roads of which approximately 461km are sealed and 553 are unsealed. In addition, there are 159 bridges including large culvert structures, and 50 km of footpaths.

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

Relevant factors impacting on the network management strategy include:

- The nature and influence of local geology on road subgrade strength and performance
- The severe nature of the operating environment including localised variations in climatic conditions, and the susceptibility of network to storm damage
- Modest to declining population growth
- High community deprivation and the associated constraints on affordability
- The high proportion of low strength pavement construction on sealed roads
- Increased vehicle dimensions and loads
- The high proportion of rural road carriageways constructed to less than minimum widths
- The high incidence of rural corner geometry that does not meet the access needs of modern vehicle truck and trailer configurations
- The impact of increased HCVs on pavement capacity of haulage routes due to the forecast forestry harvest over the next 12 years
- The impacts of increasing tourism based travel and quarry operations on road capacity and safety
- Contributing factors to road accident incidence and trends – loss of control, rear end/obstruction collisions, poor handling, excessive speed, fail to keep left, etc.

Infrastructure issues include:

Issue	Description	Principal options for response	Implications
Asset Renewal or Replacements	<p>Bridge stock is in generally good condition. There are 39 bridges identified for renewal in next 30 year period with a replacement value of \$10.75M. 11 of those bridges fall in the 2018 – 2028 period (value \$2.8M).</p> <p>Additional rehabilitation and resurfacing required to achieve sustainable asset condition.</p>	<p>Monitoring of bridge condition and programme renewal of structural components.</p> <p>Increased length of sealed road rehabilitated to an average length of 4.5 km per year equivalent to a pavement life of 100 years.</p> <p>Increased length of road resurfaced to an average of 40 km each year consistent with a seal life of 10 years.</p>	<p>Bridges are a critical roading asset. Regular inspections, maintenance and structural repair/renewal is vital to protecting public safety.</p> <p>The sealed road rehabilitation budget will increase from \$1.4M per year to \$1.75M per year.</p> <p>The sealed road resurfacing budget will increase from \$1.4M to \$1.45M per year.</p> <p>At current funding levels, the network can be expected to deteriorate at a greater rate than repair work, and levels of service will decline. Deferred rehabilitation and resurfacing costs will exceed timely treatment costs.</p>

Issue	Description	Principal options for response	Implications
Response to demand	<p>A recent survey of forestry owners in the district has identified an intense period of forest harvest operations scheduled to take place over the 2022-29, coincident with much of the 2018-28 LTP period. That together with the increasing incidence of 50MAX vehicles now accessing the network, suggests a consequential increased demand for expenditure on road maintenance and strengthening/rehabilitation programmes.</p> <p>The new maximum legal heavy vehicle gross weight increased from 44 tonnes to 45/46 tonnes from 1 February 2017, and this can be expected to place further stress on already under-strength pavements. The scale of this has yet to be determined.</p> <p>Demand from population growth is projected to decline in the medium term.</p> <p>Demand from mineral extraction operations.</p>	<p>Planning and prioritising of road rehabilitation projects to ensure construction works are aligned with demand.</p> <p>Establishment of agreements with high impact road users for reimbursement of additional road maintenance and rehabilitation costs associated with road use activity.</p> <p>Restricting the use of roads not suitable or susceptible to excessive damage from high impact vehicle categories.</p>	<p>Additional demand in the form of increased numbers of HCV's on specified haulage routes will shorten pavement lives and advance the need for rehabilitation of some routes. Road widening and geometry will be addressed at the same time. See asset renewals response above.</p>



## 5.0 Infrastructure Investment Programme - The Most Likely Scenario

### 5.1 Total Expenditure

In addressing the issues identified in the previous sections of this strategy, the Waitomo District Council expects to spend \$325 million on new or replacement infrastructure between 2018 and 2048. Over the same period, \$595 million is expected to be spent on operating costs, labour, depreciation, materials and maintenance. These figures are anticipated to be spread across the four infrastructures asset activity areas as shown below.

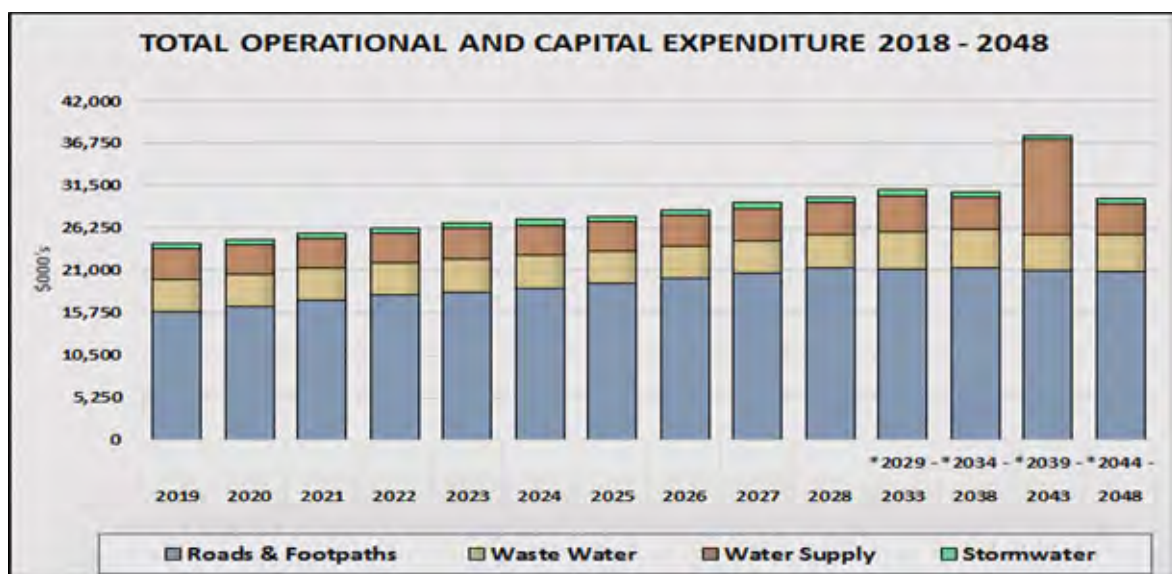
Infrastructure Activity	Capital Expenditure (new and replacements) <i>Inflated figures</i>	Operational Expenditure <i>Inflated figures</i>	Total <i>Inflated figures</i>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Waste Water	15,559	117,575	133,134
Water Supply	55,654	102,411	158,065
Stormwater Drainage	5,750	13,676	19,426
Roading and Footpaths	248,317	361,289	609,606
<b>Total</b>	<b>325,280</b>	<b>594,951</b>	<b>920,231</b>

Table 14 above shows that expenditure across the four infrastructure activity areas will continue to be dominated by operational requirements (operating costs, labour, depreciation, materials and maintenance) between 2018 and 2048. The tables below show the indicative estimates of operational and capital expenditure up to 2045, by infrastructure asset type. The estimates are shown on an annual basis for the first 10 years, followed by annual average expenditure for the next 20 years in 5 year blocks:

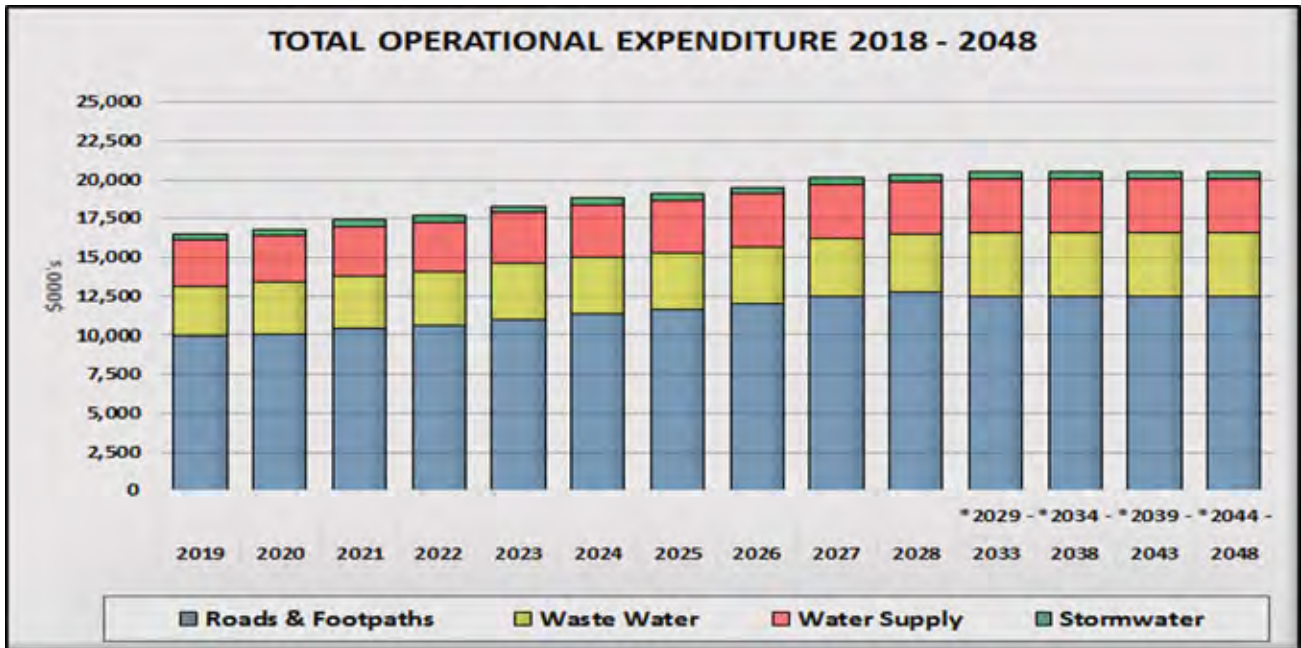
### 5.2 Operating Expenditure Forecasts

(Note: All costs in \$000's)

Year <i>Inflated figures</i>	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Averaged on Annual Basis			
											2029	2034	2039	2044
												2033	2038	2043
Wastewater	3,231	3,311	3,408	3,452	3,578	3,617	3,632	3,665	3,745	3,736	4,110	4,110	4,110	4,110
Water Supply	2,965	3,069	3,188	3,193	3,302	3,373	3,410	3,397	3,447	3,427	3,482	3,482	3,482	3,482
Stormwater	393	396	410	409	417	441	437	446	463	464	470	470	470	470
Roads and Footpaths	9,936	10,051	10,403	10,629	10,985	11,363	11,629	11,986	12,409	12,699	12,462	12,462	12,455	12,462
<b>Total</b>	<b>16,525</b>	<b>16,827</b>	<b>17,409</b>	<b>17,683</b>	<b>18,282</b>	<b>18,794</b>	<b>19,108</b>	<b>19,494</b>	<b>20,064</b>	<b>20,326</b>	<b>20,524</b>	<b>20,524</b>	<b>20,517</b>	<b>20,524</b>



Issue	Description	Principal options for response	Implications
Levels of Service	<p>Levels of service include road safety, reliability and accessibility, responsiveness and smoothness of ride. Approximately 274km of 555km of unsealed road network has a carriageway less than 4.0m wide; that is equivalent to 1.5 traffic lanes maximum or 3 wheel tracks. About 74km of the 274km unsealed roads is less than 3.0m wide. These are all Access (low volume) roads. The rugged terrain of large parts of Waitomo district has resulted in a roading network that has significant numbers of tight bends where the road geometry does not meet the dimensional requirements for large truck and trailer configurations (e.g. 50MAX HPMV). There are 226km of the sealed network and 270km of the unsealed network that do not meet these minimum TLOS.</p>	<p>Widening of narrow, unsealed rural roads to a minimum carriageway width of 5.0m, plus 0.75m shoulders, has been identified as an aspirational goal.</p> <p>A phased programme commissioned in 2015 for improving levels of service involves increasing the width of narrow unsealed roads to a minimum carriageway of 5.0m. Improve selected parts of the sealed and unsealed network that do not meet the existing TLOS over time. The first priority, after ensuring network resilience is upheld, will involve curve widening to reduce tight corners in the network. to a level suitable for modern truck configurations while maintaining a reasonable level of safety for other road users.</p>	<p>Any widening of narrow unsealed roads will be managed within the existing funding.</p> <p>Increased carriageway width and corner geometry will increase levels of safety and resilience on those roads. Improved access to a level suitable for modern truck configurations while maintaining a reasonable level of safety for other road users.</p> <p>Current levels of service for responsiveness, smoothness, amenity and reliability/resilience will be maintained through the strategy period.</p>
Public Health & Environment	<p>Road maintenance and construction activities can potentially involve discharge of contaminated material to the natural environment.</p>	<p>Controlling roading operations to avoid and mitigate adverse effects including dust and sediment discharge to water ways.</p>	<p>Resource consents are required for activities that may have an adverse effect(s) on the receiving environment(s).</p>
Risk and Resilience	<p>The district roading network is exposed to severe operating conditions with high incidence of flood damage and localised extremes in climatic conditions.</p> <p>Critical assets include bridges and large culverts.</p> <p>Failure of bluff areas causing slips and dropouts could isolate rural communities.</p> <p>High incidence of traffic accidents involving excessive speed, loss of control and tail end collisions.</p>	<p>Bridge inspections are completed every two years and structural assessments completed every 5 years.</p> <p>Alternative routes are maintained for collector roads. Coordinate investigations, response and promotion of road safety through formation of a multi-agency, action group.</p>	<p>Current risk mitigation will be maintained through the strategy period.</p> <p>Greater community ownership of appropriate road safety behaviours.</p>



As can be seen from the above graph, operating and maintenance costs are forecast to be gradually increase over the life of the Infrastructure Strategy given the existing planning assumptions. Recent and proposed capital expenditure on the Te Kuiti Water Treatment plant has a resulting impact on forecast operating and maintenance costs due to increased interest and depreciation.

### 5.3 Capital Expenditure Forecasts

(Note: All costs in \$000's)

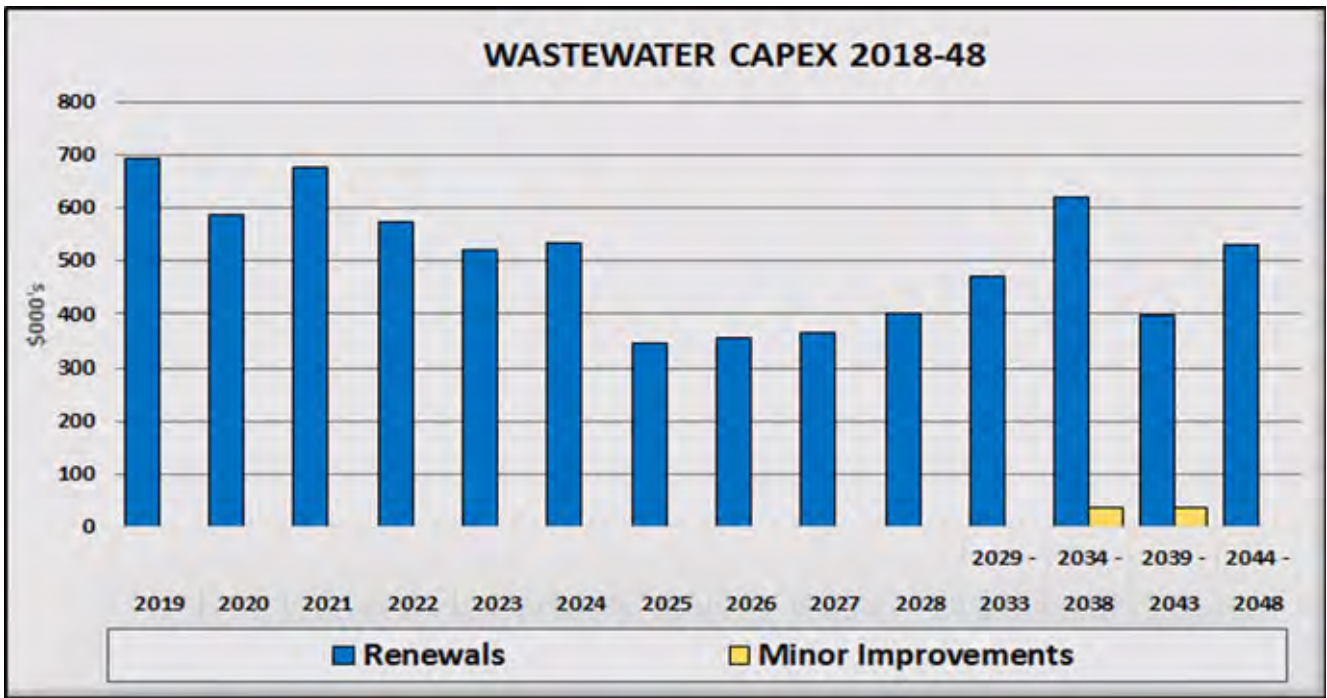
Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Averaged on Annual Basis			
											2029	2034	2039	2044
											2033	2038	2043	2048
<i>Inflated figures</i>											-	-	-	-
Wastewater	694	587	675	573	521	535	369	355	365	400	470	658	437	533
Water Supply	863	677	441	505	482	359	368	430	487	479	923	505	8,277	408
Stormwater	199	204	208	213	218	240	229	235	242	248	335	197	86	86
Roads & Footpaths	6,095	6,581	6,923	7,357	7,413	7,448	7,749	8,076	8,220	8,656	8,902	8,936	8,536	8,387
<b>Total Forecast Capital Expenditure</b>	<b>7,851</b>	<b>8,049</b>	<b>8,247</b>	<b>8,648</b>	<b>8,634</b>	<b>8,582</b>	<b>8,715</b>	<b>9,096</b>	<b>9,314</b>	<b>9,783</b>	<b>10,630</b>	<b>10,296</b>	<b>17,336</b>	<b>9,414</b>

The forecast capital expenditure profile, as indicated by table 16 above, is relatively static over the life of the Infrastructure Strategy with an emphasis on asset renewal. The exception to that occurs in the 2039-43 period when the proposed raw water storage reservoir for Te Kuiti is scheduled at an estimated cost of \$38M.

This is further demonstrated by the series of graphs below that show that spread of renewal and minor improvement capital works (by activity type) over the life of the strategy. The graphs use estimates shown on an annual basis for the first 10 years, followed by annual average expenditure for the next 20 years in 5 year blocks.

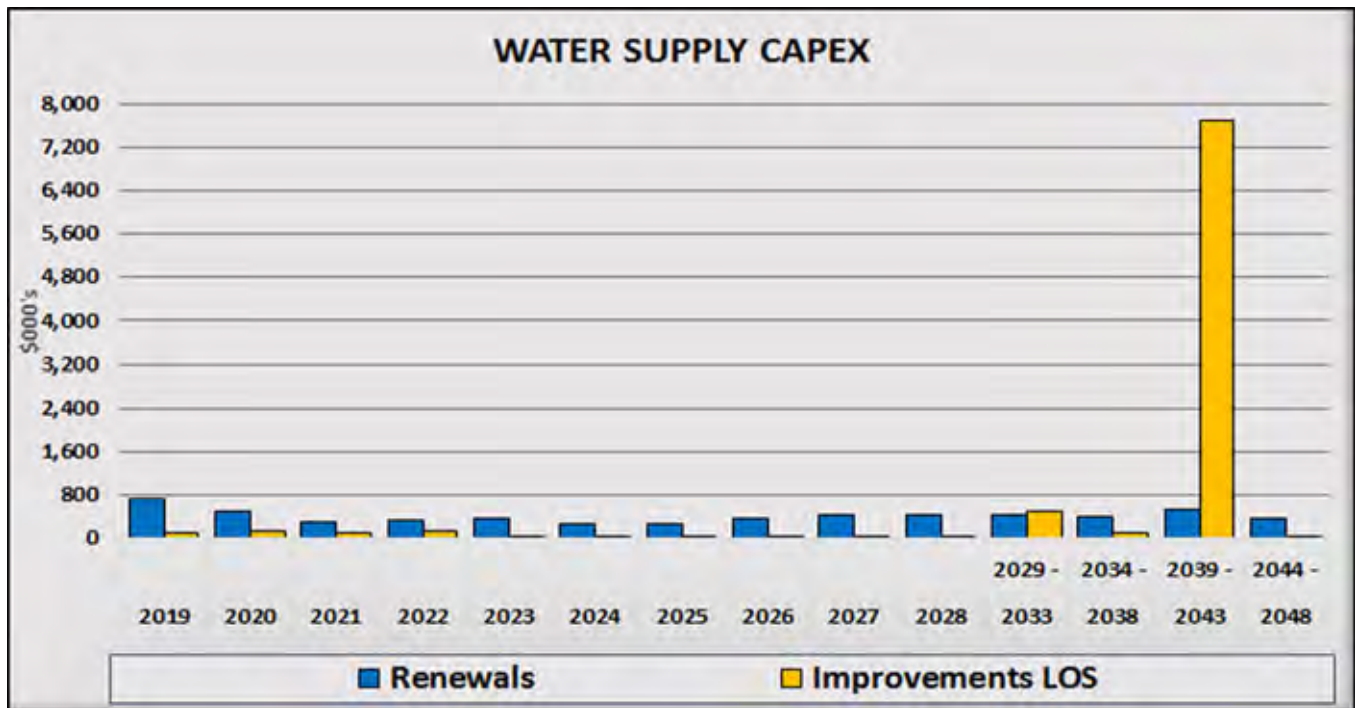
#### 5.3.1 Wastewater capex

Capital expenditure on WDC's wastewater schemes trends downwards over the next seven years, then upwards in response to renewals and new capacity related capital works at the Te Kuiti wastewater treatment plant during the 30 year planning period. That involves relining of the reactor and augmentation of the existing clarifier.



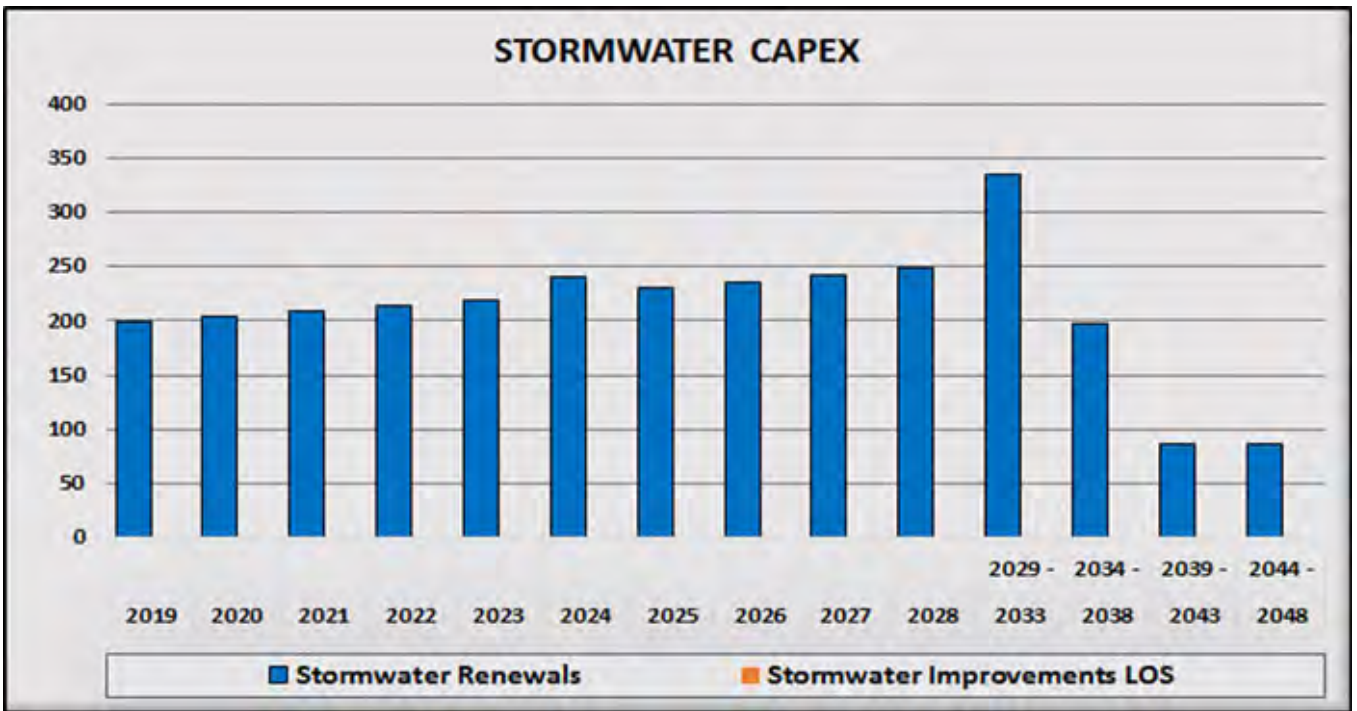
### 5.3.2 Water Supply capex

The water supply improvements are dominated by the proposed construction of a raw storage reservoir for the Te Kuiti scheme, at a preliminary estimate of \$38M, over the period 2040-42. The necessity and quantum of this proposal will be better defined following the investigations into an alternative supply source for Te Kuiti, ostensibly groundwater.



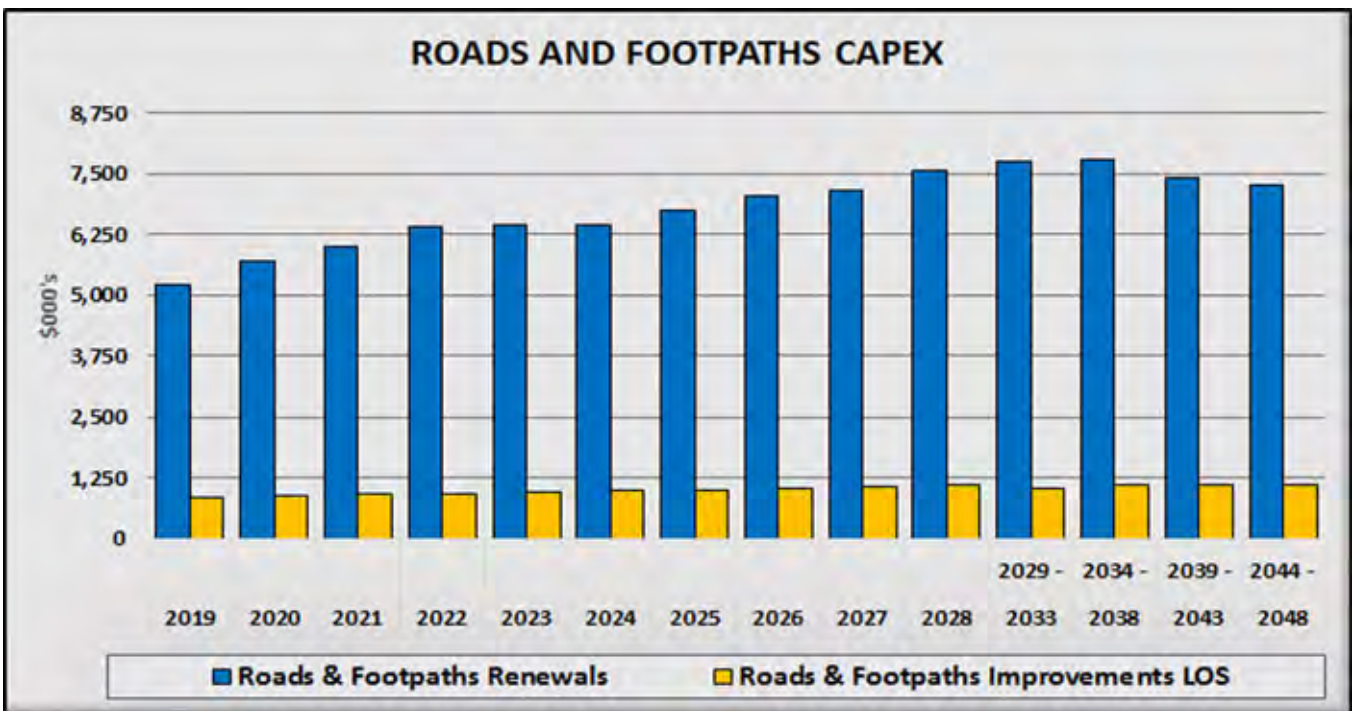
### 5.3.3 Stormwater capex

The stormwater capital expenditure profile is shaped by a steady renewals programme through to 2028, followed by pre-treatment works post the consent renewal in 2024/25.



#### 5.3.4 Roads and footpaths capex

The roads and footpaths capital programme is dominated by renewals over new works, and reflects a modest increase in reseals and rehabilitation works to a sustainable level.



## 6.0 INFRASTRUCTURE STRATEGY – SPECIFIC ASSUMPTIONS

### 6.1 Reliability of Asset Condition Data

Asset condition data is one of several factors impacting on the accuracy of WDC’s financial forecasts for its network infrastructure. Other factors relevant to forecasting maintenance and replacement programmes for asset components include data regarding the type of asset, the material it is made from, its size (e.g. larger pipe diameters tend to have longer effective lives than smaller pipe diameters, for the same type of material), its age, and categorisation/location (e.g. road pavements exposed to heavy traffic will have shorter lives than low traffic volume roads).

Taken together, the above factors are used to assess the remaining useful lives for each asset component, and from that, the forecast financial programmes for each activity. As part of that, an assessment is made of the accuracy of the data, expressed as a confidence grade, summarised below:

Confidence Grade	Label	Description
A	Accurate	Data based on reliable documentation
B	Minor inaccuracies	Data based on some supporting documentation
C	Significant data estimated	Data based on local knowledge
D	All data estimated	Data based on a best estimate of an experienced person

The results of the above assessment process are summarised in the table below:

Activity	Confidence Grade				
	Asset Type	Physical properties	Categorisation	Age	Condition
Waste water	B	B	C	B	B
Water supply	B	B	C	B	B
Urban stormwater drainage	B	B	C	B	B
Roads and footpaths	A	B	A	B	A-

The above confidence gradings are factored in the respective financial forecasts, overlaid with local knowledge of operational performance.

Looking ahead, future asset management improvement programmes reflect the areas where more effort is required to improve knowledge of asset condition. Where more recent asset data suggests different condition from that earlier assumed, adjustments are made to financial forecasts through the three yearly review of the long term plan.

### 6.2 SPECIFIC ASSUMPTIONS

Whilst the 2018 – 28 Long Term Plan provides for global planning assumptions, there a number of detailed assumptions specifically relevant to the Infrastructure Strategy which are detailed below.

Assumption	Level of Uncertainty	Potential Effects of Uncertainty
<b>Construction costs</b> No major changes relative to current cost structure.	Low	It is possible that the price of some components will change relative to others. Budgets are reassessed each year for the Annual Plan process to mitigate this risk. BERL inflation factors applied to the LTP also incorporate an element of price changes in different activity sectors.

Assumption	Level of Uncertainty	Potential Effects of Uncertainty
<b>Maintenance and operational costs</b> These are largely based on historical rates and assume similar contract rates throughout the planning period.	Low	BERL inflation factors have been applied to the programmes and budgets in the LTP. Budgets for successive years of the Annual Plan will be based on the corresponding year of the LTP.
<b>NZ Transport Agency Subsidies</b> Subsidies will remain at amended levels	Low	Reduced subsidy will impact on local affordability of WDC's contribution to road asset maintenance and renewals required to maintain current levels of service.
<b>Depreciation</b> Average asset lives at a project level for new works have been used to calculate depreciation.	Medium	Actual rate of asset depreciation is condition based and more accurately described as a decline in service potential. Depreciation funding may be over or understated.
<b>Vested Assets</b> On average the same level of assets are gifted to the council as a result of subdivision as has occurred over the last 5 years.	Low	Rate of sub divisional activity is low and static. Financial provision for increased lifecycle costs has been allowed for.
The vesting/transfer of Waitomo Village water and wastewater assets to WDC ownership will not occur during the 2018-48 planning period	Low	The potential for and a possible pathway forward for transfer of the Village water supply infrastructure to WDC's future ownership and management is unknown at the present time, due to land tenure, asset ownership and funding issues.  Given the level of uncertainty around the timing of resolution of these issues, this IS does not provide for any financial forecasts for these assets.
<b>Service Potential</b> Service potential of the asset is maintained by the renewal programme.	Pipe networks – Medium  Roading & Footpaths - Low	There is medium risk that the service potential of the pipe network assets will not be maintained by implementation of the renewal programme since the latter is not based on reliable asset condition information.
<b>Asset Lives</b> Assumed lives for Council's assets will have minimum impact on financial estimates.	Pipe networks – Low to medium.  Roads & Footpaths - Low	The risk that pipe network asset lives are inaccurate is medium. Lives are based on generally accepted industry values, modified by local knowledge and condition assessment. The condition of large sections of pipe networks has yet to be confirmed. The potential effect is that, for the unconfirmed pipe sections, the effective lives of pipe assets might be overstated, with a consequential impact on depreciation funding and the respective renewals programme.
<b>Natural Disasters</b> That there are no major natural disasters requiring additional funding for reinstatement of assets.	Medium	There is medium risk of a natural disaster occurring during the 30-year period requiring additional funds to repair or reinstate assets. Some provision for increasing the resilience of the assets has been built into this plan but there is still further work to be undertaken to determine the desired level of resilience and the further asset improvements to achieve this.
<b>Climate Change</b> The impacts of climate change will be minimal over the planning period.	Medium	The likely effects of climate change on the region have been documented. The extent to which these will impact on WDC's network infrastructure will be better understood over time and the strategy adapted accordingly.
<b>Council Policy</b> No significant change to Council policy that impacts on assets and services.	Low	Any significant change will require a full review of the Infrastructure Strategy and implications identified at the time.

Assumption	Level of Uncertainty	Potential Effects of Uncertainty
<b>Growth or Decline in Demand</b> No significant change in demand.	Low	Potential changes in demand are not expected to change significantly over the period due to the population decline projected.
<b>Changes to levels of service</b> Except where specifically identified, changes to levels of service are minor.	Wastewater, water and stormwater assets – Low.	Levels of service due to increased regulatory requirements for drinking water and waste water discharges have been accommodated in the strategy. Uncertainty regarding new levels of service in future resource consents is low for WDC's wastewater schemes (excluding Te Waitere) because of the recent consent renewal processes. Uncertainty regarding technical levels of service for Te Waitere wastewater is medium due to current capacity issues and imminent consent renewal process in September 2017. Changes to technical levels of service for the Te Kuiti water supply take are expected due to the consent renewal process in January 2015.
	Roading assets – Medium	NZTA's current nation-wide move towards a common roading classification, and review of the associated customer levels of service, could result in a change to the level of funding received from NZTA over time. Prescribed levels of service and in turn the required level of investment will be monitored over time.



## Variation Statement

### Assessment of Water and Sanitary Services

An Assessment of Water and Sanitary Services (WASSA 2015) was completed in April 2015. There are no significant differences between the LTP 2018-28 and the WASSA 2015, except that the public toilets at Piopio, Benneydale and Marokopa have been upgraded to address capacity and condition issues and the soakage field for Mokau public toilets has been renewed as well, since the WASSA 2015 was completed.

### Waste Management and Minimisation Plan

In June 2018, Council adopted a Solid Waste Management and Minimisation Plan under the Waste Minimisation Act 2008. There is no significant variation between that Plan and the LTP 2018-28.



Waikawau

# Section E: Appendices

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

*Creating a better future with vibrant communities and thriving business.*



## The Waitomo District Council Background

Waitomo District encompasses 354,649 hectares of predominantly rural land on the west coast of the Central North Island. The western boundary is the sea. It is adjacent to Otorohanga District to the north, Taupo District to the east and Ruapehu and New Plymouth Districts to the south. While the District is predominantly contained within the Waikato Region, the south-eastern corner of the District is within the Manawatu-Wanganui (Horizons) Regional Council's jurisdiction.

Te Kuiti is the administrative centre and main township of the Waitomo District, with approximately 47% of the District population residing in this town.

The main rural communities are Benneydale, Piopio and Waitomo Village. There are several other smaller townships throughout the District, including the popular beach settlements of Mokau, Awakino, Marokopa, and Te Waitere.

Tourism, sheep and beef farming, forestry and logging and mining and quarrying are the main economic activities in the District. The Waitomo Caves, a limestone labyrinth of glowworm caves and other caving adventures in the area, is an internationally known tourist destination attracting over 500,000 visitors every year, which is an increase of 100,000 over the last ten years. The Ministry of Innovation, Business and Employment estimate the annual tourism spend in the District at approximately \$87 million, with \$41 million of this attributable to the international market.

The resident population of Waitomo District based on the 2013 census is 8,910. Waitomo District has a higher number of people aged less than 15 and older than 65 years old compared to the national average.



## District Statistics

<b>POPULATION INFORMATION (Source data 2013 Census)</b>	
Total Population	8,910
Median age	35
Number of rating units at 30 June 2017	5,868
Electors	5,793

<b>RATING STATISTICS</b>	
Total Rates Revenue 2017/18 (excluding Penalties) Budget	\$19,571,000 (excl GST)
Total Rateable Capital Value as at 30 June 2017	\$2,984,987,300
Total Capital Value as at 30 June 2017	\$3,568,963,600
Total Land Value as at 30 June 2017	\$2,200,675,950

<b>PUBLIC DEBT OUTSTANDING</b>	
30 June 2017 (Actual)	\$43,419,000
30 June 2017 (Budget)	\$51,971,000

<b>PUBLIC EQUITY</b>	
30 June 2017 (Actual)	\$294,190,000
30 June 2017 (Budget)	\$298,594,000

<b>OTHER INFORMATION</b>	
Number of Resource Consents processed 2016/17	34
Number of Land Information Memorandum issued	180
Number of Building Consents issued 2016/17	131
Value of Building Consents 2016/17	\$11,486,130
Total Sealed District Roads	461.2 kilometres
Total Unsealed District Roads	553.6 kilometres
Registered Dogs Total 2016/17	3,590
Total recycled material 2016/17	1,442 tonnes of plastic, glass, paper and tin

## Elected Representatives



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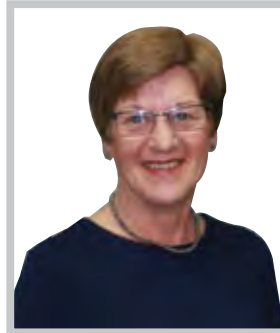
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**Sue Smith**

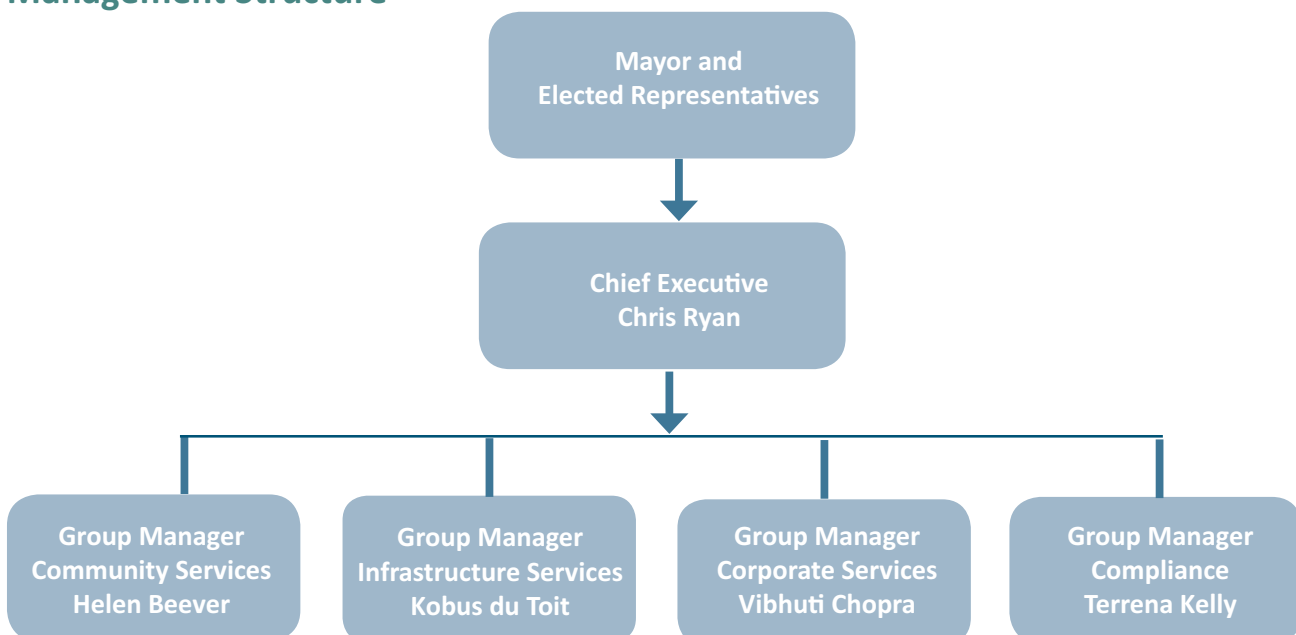
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## Management Structure



## Glossary of acronyms and terms used in the Long Term Plan

ACRONYM	TERM	DEFINITION
	<b>Activity</b>	The goods or services that Waitomo District Council provides to the Community
	<b>Advisory Panel</b>	A body which provides advice to the Elected Members and Management Team of Waitomo District Council.
	<b>Annual Report</b>	A document that WDC prepares each year which provides the public with information on the performance of the WDC during the financial year (in both financial and non-financial terms). A financial year runs from 1 July to 30 June.
	<b>Assets</b>	Assets are things that WDC owns, such as roads, parks, buildings and cash holdings.
	<b>Asset Management Plan</b>	A planning document that combines management, financial, strategic and engineering techniques to ensure an asset continues to provide the desired level of service to its customers at the lowest long term cost.
	<b>Activity Management Plan</b>	Defines the long term management approach to the provision and maintenance of council services and infrastructure.
BLG	<b>Better Local Government Reform</b>	The Better Local Government Reform Programme is an eight point reform programme announced by Government in March 2012.
	<b>Capital Expenditure</b>	The term used to describe expenditure on assets (land, infrastructure, plant and equipment) that will provide benefit to the Community for a period greater than 12 months.
	<b>Capital Value</b>	The sum of the unimproved value (land value), and the value of the improvements is equal to the capital value of the land.
	<b>Community</b>	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).
	<b>Community Outcomes</b>	The Outcomes that Council aims to achieve in meeting the current and future needs of its communities for good quality infrastructure, local public services and performance of regulatory functions. These outcomes inform the development of WDC's planning and coordinate the activities and planning of all sectors of the community.
CD	<b>Consultation Document</b>	A document used as the basis for the conversation between Council and the Community throughout the development of Long Term and Annual Plans. It is a simple and concise summary of the proposed matters of the plan, and is not a draft plan.
CCO	<b>Council Controlled Organisation</b>	Means a council organisation that is a company in which equity securities carrying 50% or more of the voting rights at a meeting of the shareholders of the company are—held by 1 or more local authorities and as further defined by the Local Government Act 2002.
CTO	<b>Council Controlled Trading Organisation</b>	Means a council-controlled organisation that operates a trading undertaking for the purpose of making a profit.
	<b>Corporate Support</b>	Used to describe the inputs that are used by all of WDC's activities, such as IT support, or corporate buildings.
	<b>Council/ Councillors</b>	The seven elected members that form the governing body of WDC
	<b>Current Assets</b>	Assets that can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors, and operational investments.
	<b>Current Liabilities</b>	Creditors and other liabilities due for payment within the financial year.
	<b>Development Expenditure</b>	A form of capital expenditure that refers to an investment in an asset to improve its value due to increased need and demand due to growth. 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.
	<b>District Development Rate</b>	This rate is charged as a rate in the dollar on land value on rating units throughout the district that are used for business purposes.
DWS	<b>2008 Drinking Water Standards</b>	Drinking Water Standards provide criteria for maximum allowances of substances, organisms, contaminants and residues allowed within drinking water.
EAP	<b>Exceptions Annual Report / Annual Report</b>	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.
ETS	<b>Emissions Trading Scheme</b>	The New Zealand Emissions Trading Scheme is a mechanism to support the reduction of greenhouse gas emissions which requires all sectors of the NZ economy with the exception of biological emissions from agriculture, to purchase and surrender emissions units to the Government for those emissions.
FAR	<b>Financial Assistance Rates</b>	Determines the proportion of approved costs that will be paid for from the National Land Transport Fund.
FRN	<b>Floating Rates Notes</b>	Bonds that have a variable coupon, equal to a money market rate.

ACRONYM	TERM	DEFINITION
ICL	<b>Inframax Construction Limited</b>	A Waitomo District Council organisation that operates a trading undertaking for the purpose of providing civil and roading services whilst making a profit.
	<b>Infrastructural Assets</b>	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 and footpaths, water supply systems, sewerage systems, storm water systems and solid waste management systems (e.g transfer stations and landfill).
JMA	<b>Joint Management Agreement</b>	An agreement between two or more parties to share management responsibilities and duties.
KPI	<b>Key Performance Indicators</b>	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.
LoS	<b>Levels of Service</b>	Operational levels of service are stated in the activity sections of the Waitomo District Council's Long Term Plan (LTP)
	<b>Level of Service Expenditure</b>	A form of capital expenditure that refers to an investment in an asset to improve its value as a result of improving the service that 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.
LGA 2002	<b>Local Government Act 2002</b>	The key legislation that defines the regulations and responsibilities for local authorities.
LGFA	<b>Local Government Funding Agency</b>	A local Government Funder providing funding sources for Councils and investors with securities rated at AA+ by international credit ratings agencies.
LGCI	<b>Local Government Cost Index</b>	A pricing index based on the cost structures of Local Government.
LGRA 2002	<b>Local Government (Rating) Act 2002</b>	Legislation which provides local government with the powers to set, assess and collect rates to fund local government and as further defined by the legislation.
LTNZ	<b>Land Transport New Zealand</b>	A New Zealand Crown Agency providing an integrated Land Transport System.
2009-19 LTP	<b>2009-19 Long Term Plan</b>	A plan covering a period of 10 years developed by the WDC. An LTP describes what the WDC will do over the ten year period, why it plans to do these things, how the things contribute to community outcomes and WDC's strategic goals, how much these things will cost including how they will be funded and how success will be judged.
2012-22 LTP	<b>2012-22 Long Term Plan</b>	The plan covering a period of 10 years (2012-22) developed by the WDC. An LTP describes what the WDC will do over the ten year period, why it plans to do these things, how the things contribute to community outcomes and WDC's strategic goals, how much these things will cost including how they will be funded and how success will be judged.
2015-25 LTP	<b>2015-25 Long Term Plan</b>	A plan covering a period of 10 years (2015-25) developed by the WDC. An LTP describes what the WDC will do over the ten year period, why it plans to do these things, how the things contribute to community outcomes and WDC's strategic goals, how much these things will cost including how they will be funded and how success will be judged.
2018-28 LTP	<b>2018-28 Long Term Plan</b>	A plan covering a period of 10 years (2018-28) developed by the WDC. An LTP describes what the WDC will do over the ten year period, why it plans to do these things, how the things contribute to community outcomes and WDC's strategic goals, how much these things will cost including how they will be funded and how success will be judged.
MoH	<b>Ministry of Health</b>	The Ministry of Health is a Government Ministry who has overall responsibility for the management and development of the health and disability system.
NZ GAAP	<b>New Zealand Generally accepted accounting practice</b>	New Zealand generally accepted accounting practice is the way entities (which includes Local Authorities) with statutory reporting requirements, must prepare their financial reports. The standards issued under which these entities must be report are widely accepted as appropriate accounting practice and necessary in order to provide financial statements that are meaningful, comparable and consistent across a wide variety of businesses and industries.
NZTA CAS System	<b>New Zealand Transport Authority Crash Analysis System</b>	A system which captures data from crashes for use in Land Transport System design.
NZWS	<b>New Zealand Waste Strategy</b>	The New Zealand Waste Strategy defines the strategic direction for New Zealand's waste management and minimisation.
OPEX	<b>Operational Expenditure</b>	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.
	<b>Operating Revenue</b>	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 New Zealand Transport Agency (NZTA) Financial Assistance Rates (FAR) subsidies, rental income and fees and charges.



ACRONYM	TERM	DEFINITION
	<b>Operating Surplus</b>	An accounting term meaning the excess of income over expenditure. Income and expenditure in this context excludes "capital" items such as the receipt of repayment of intergeneration loans, the cost of capital works and transfers to and from reserves. An operating surplus is inclusive of non-cash items such as income and expenditure owing but not paid (debtors and creditors) and depreciation.
	<b>Outputs</b>	Goods and services the WDC will produce or provide to achieve agreed outcomes.
PBE FRS 42	<b>Public Benefit Entities Financial Reporting Standards 42</b>	PBE FRS 42 is the accounting standard the Public Benefit Entities must report their prospective financial statements. Prospective financial statements are included in Long Term Plans and Exceptions Annual Plans
PBE	<b>Public Benefit Entity</b>	Reporting entities whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders".
RAMM	<b>Road Assessment and Maintenance Management Manual</b>	This manual provides a method of measuring the condition of each road element, which can be used to assess routine maintenance and rehabilitation needs.
	<b>Renewal Expenditure</b>	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.
RLTP	<b>Regional Land Transport Programme</b>	developed for the region by the Waikato Regional Transport Committee, and sets out how we intend to develop the region's land transport system over the next 30 years. It also identifies proposed regional transport activities for investment (local and/or central government) over the next six years.
	<b>Reserves Act 1977</b>	Providing a legislative framework for the management and preservation of public areas and as further defined within the Act.
	<b>Resource Management Act 1991</b>	The purpose of the Act is to promote the sustainable management of natural and physical resources.
SCADA	<b>Supervisory Control and Data Acquisition</b>	A software system to allow for the remote control of processes.
SUIP	<b>Separately Used or Inhabited Part</b>	A mechanism for rating, used by WDC. It is defined in the funding impact statement of this LTP.
	<b>Stakeholders</b>	People, groups and/or organisations that have an interest in what happens in the District.
	<b>Statement of Financial Position</b>	Also referred to as a Balance Sheet. The name of this financial table has been changed as required by the accounting standards for PBE
	<b>Strategic Goals</b>	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.
	<b>Sustainable Development</b>	Development that meets the needs of the present without compromising the reasonably foreseeable needs of future generations.
SWaMMP	<b>Solid Waste (Activity) Management and Minimisation Plan</b>	A Plan which defines the strategic direction for the Waitomo Districts waste management and minimisation.
SWSS	<b>Sanitary Waste Subsidy Scheme</b>	A Government Fund which was available to eligible communities with populations between 100 and 10,000 people to build or upgrade existing sewerage systems or sewage treatment plants.
TKWTP	<b>Te Kuiti Water Treatment Plant</b>	A treatment plant which processes water to New Zealand Safe Drinking Water Standards.
TKWWTP	<b>Te Kuiti Waste Water Treatment Plant</b>	A treatment plant which processes waste water to resource consent limits to allow for safe discharge
Tier 1 PBE Accounting Standards	<b>Tier 1 Public Benefit Entities</b>	Tier 1 Public Benefit Entities are those entities that are accountable to the public or is a large PBE organisation with total expenses greater than \$30 million.
WINZ	<b>Water Information New Zealand</b>	Is a national database developed for the Ministry of Health providing information on water supply required for drinking-water quality management.
WLASS	<b>Waikato Local Authority Shared Services</b>	An organisation established in 2005 to promote shared services between local authorities across the Waikato region.
WMF	<b>Waikato Mayoral Forum</b>	Is made up of mayors and the regional council chair – which initiate work streams aimed at improving joint planning, economic development and local government efficiency generally.



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