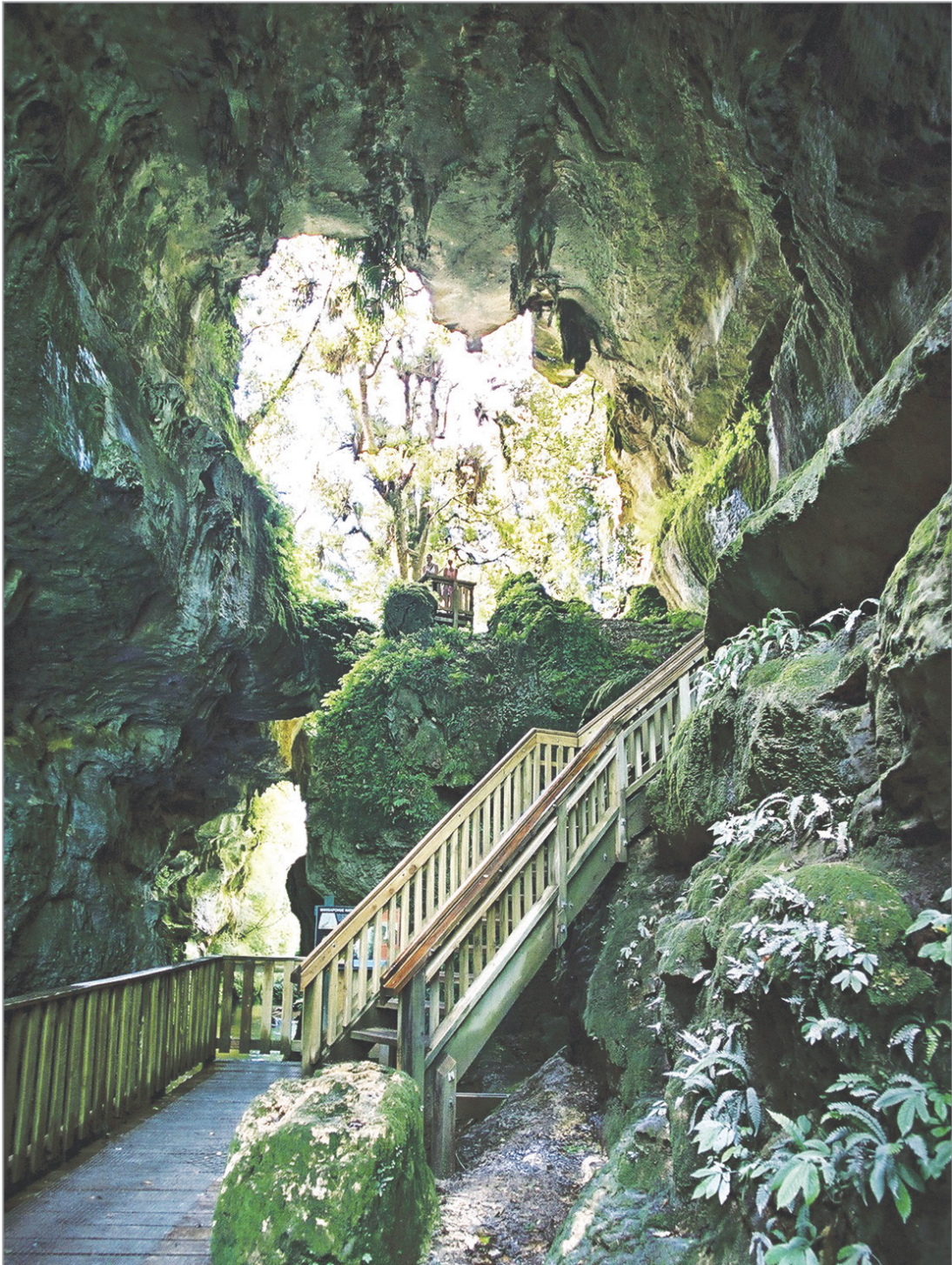


2. Group of Activities



Mangapohue Natural Bridge

2.1 Introduction

Council's current output activity structure reflects the alignment between the activities undertaken by Council and the four elements of community wellbeing - social, cultural, environmental and economic.

Council's activities have been grouped according to their contribution to the sustainable development of the community under the headings of Community and Cultural Sustainability, Environmental Sustainability and Economic Sustainability. The 11 significant activities under the three Groups of Activities are shown as follows:

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

The Cost of Service Statements for each group of activities corresponds to the above structure.

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



Rora Street, Te Kuiti

2.2 Community and Cultural Sustainability

The Community and Cultural Sustainability group of activities promote outcomes that focus on building and developing cohesive and functional communities in the Waitomo District. Council provides a range of services and facilities to the various communities in the Waitomo District, in order to achieve this.

The significant activities contained within this group are:

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

Summary Cost of Service Statement for Community and Cultural Sustainability

AP 2009/10 \$000's		LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
	Operating Income			
(220)	Leadership	(227)	(220)	7
(285)	Community Facilities	(319)	(321)	(2)
(293)	Community Development	(304)	(304)	0
(329)	Regulation and Safety	(341)	(380)	(39)
(1,127)	Total Income	(1,191)	(1,225)	(34)
	Operating Expenditure			
1,331	Leadership	1,290	1,709	419
3,001	Community Facilities	3,185	2,999	(186)
945	Community Development	1,045	982	(63)
937	Regulation and Safety	956	894	(62)
6,214	Total Expenditure	6,476	6,584	108
5,087	Net Operating Cost/ (Surplus)	5,285	5,359	74
	Capital Expenditure			
544	Community Facilities	472	477	5
544	Total Capital Expenditure	472	477	5
5,631	Total Expenditure	5,757	5,836	79
	Funded By			
(387)	Loans	(200)	(200)	0
(119)	Reserves	(203)	(222)	(19)
(2,588)	General Rates	(2,688)	(2,709)	(21)
(2,300)	UAGC	(2,401)	(2,431)	(30)
(4)	Target Rates - Marokopa Hall	(4)	(4)	0
(70)	Target Rates - Rural	(78)	(81)	(3)
(163)	Target Rates - Urban	(183)	(189)	(6)
(5,631)	Total Funding	(5,757)	(5,836)	(79)

Leadership

Description

The Leadership significant activity provides for:

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

This activity includes the preparation of strategic direction guiding policy development and financial decision making, and engagement with the community on matters of high significance.

Activities

There are three activities under this significant activity:

- Governance and representation
- Strategic planning and policy development
- Monitoring and reporting

Governance and Representation

The governance activity involves the provision of community leadership and "stewardship" of Council owned assets on behalf of the District through the Mayor's Office and the Council/Committee structure. The Mayor is elected "at large" by the District as a whole and chairs the meetings of full Council. The Mayor acts as the spokesperson for the decisions made by the elected Council and provides leadership.

The governance role entails setting of policy. Council policy is determined through a democratic decision making process, facilitated through a formal Council/committee structure. Composition of, representation on and delegations to Council committees is decided by the Council, usually after each triennial election. A chairperson is appointed to each committee and is responsible for presiding over the meetings of the committee and ensuring that the committee acts within the powers delegated by Council.

In the interests of efficiency, and to provide separation between the Council's regulatory and non-regulatory roles, Council has established two committees for the current triennium, being the Hearings Committee and the Inframax Construction Ltd Relationship Committee.

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

A fundamental role of the elected Council is to represent the views of its residents. Representation involves elected members being accessible to the community to receive, understand and, if need be advocate the views or concerns of members of the public. Where appropriate, elected members may need to explain Council reasoning behind a particular decision or policy to those who might be interested or affected. Representation also includes representation of Council through membership on various Council and community organisations.

Strategic Planning and Policy Development

This activity involves carrying out the long term and annual planning for the District and producing plans which reflect the Council's role and level of involvement in helping to achieve the Community Outcomes. Balancing the interconnected strands of affordability, sustainability and community wellbeing is at the heart of strategic planning and policy development.

Establishing a shared vision for the district starts with working with the community and community stakeholders to establish a set of outcomes for the future wellbeing. Council's strategy for its role in contributing towards achieving the vision, and its subsequent policies, are guided by this vision.

The activity also involves planning and developing strategy around urban and district growth to ensure growth is sustainable and infrastructural planning for the future can be carried out with certainty within clearly defined boundaries. Reviews of the Council's District Plan are included in this activity to ensure sustainable land use and development and to avoid, remedy or mitigate adverse effects on the environment.

Monitoring and Reporting

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

After each financial year the Council is also required to prepare an Annual Report setting out information on the level of achievement against the key financial and 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.

Key Projects for 2010/11

The key Leadership projects for 2010/11 include completion of the Annual Report for 2009/10, the Annual Plan for 2011/12, and the planning and successful completion of the 2010 Triennial Local Government Election.



The Clocktower, Rora Street, Te Kuiti

Statements of Service Performance

Strategic Goal 1: To exercise good stewardship and leadership in ensuring that community and stakeholder's views on key issues are considered as part of decision making processes.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Decision making in compliance with provisions of the Local Government Act 2002.	Number of challenges to the decision making process.	0 (No Challenges)	0 (No Challenges)	0 (No Challenges)
Consultation is in accordance with the Special Consultative Procedure outlined in LGA 2002.	Number of challenges to the decision making process.	0 (No Challenges)	0 (No Challenges)	0 (No Challenges)
Effective communication with the community.	Number of focus group surveys per year.	10	10	10
	Customer satisfaction rating of effectiveness and usefulness of Council communications "good or better".	>= 50%	>= 55%	>= 60%

Strategic Goal 2: Policies and plans are integrated and promote the principles of sustainable development.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Annual Plan published each year in accordance with the Local Government Act 2002.	Annual Plan adopted on or before 30 June each year.	100%	100%	100% (in 2013/14 and 2014/15)
Long Term Plan published every 3 years in accordance with the Local Government Act 2002.	Long Term Plan adopted on or before 30 June every 3 years.			100% (2012/13)



Esplanade Te Kuiti

Cost of Service Statement

LTP 2009/10 \$000's		LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
	Operating Income			
(220)	Representation	(227)	(220)	7
(220)	Total Operating Income	(227)	(220)	7
	Operating Expenditure			
645	Representation	679	708	29
635	Strategic Planning and Policy	710	638	(72)
375	Monitoring and Reporting	403	369	(34)
(324)	Treasury Management	(502)	(6)	496
1,331	Total Operating Expenditure	1,290	1,709	419
1,111	Net Operating Cost/ (Surplus)	1,063	1,489	426
	Funded By			
(556)	General Rates	(532)	(745)	(213)
(555)	UAGC	(531)	(744)	(213)
(1,111)	Total Funding	(1,063)	(1,489)	(426)

Variations Between 2009-19 LTP and Exceptions Annual Plan

The only material variation in the Leadership Activity for the 2010/11 Financial Year when compared to the 2009-19 LTP is provision for the Triennial Local Government Elections in October 2010. The costs for the Election were inadvertently left out of the 2009-19 LTP financial forecasts for the 2010/11 financial year. The Triennial Local Government Elections are a legislative requirement as per the Local Electoral Act 2001 and must be undertaken every three years, the last being held in October 2007.

This Exceptions Annual Plan also provides for a change in treatment for the calculation of internal loan interest. Whilst the treatment change is evident in the Leadership Activity (represented by an increase in cost) it is offset by a reduction in indirect cost (interest) in other output activities.

Community Facilities

Description

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

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

Activities

There are four activities comprising this significant activity as follows:

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

Parks and Reserves

Active Reserves

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

Passive Reserves

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

Esplanade Reserves

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

Leased Reserves

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

Playgrounds

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

Housing and Other Property

Elderly Persons Housing

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

Community Halls

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

Other Land and Buildings

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

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

Recreation and Culture

District Libraries

Provision of library services to support culture, education, economic and personal development in the District. The main library is located in Te Kuiti with assisted voluntary community libraries at Awakino, Mokau and Benneydale. Council also supports the Piopio Community Library through its Community Development Activity by way of an annual grant.

District Swimming Pool

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

Arts, Culture and Heritage

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

Aerodrome

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

Public Amenities

Public Toilets

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

Cemeteries

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

Street Furniture

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

Public Carparks

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

Key Projects for 2010/11

Parks and Reserves

The following Key Projects in this EAP for the Parks and Reserves Activity were established by the 2009-19 LTP for the 2010/11 Financial Year:

- The ongoing development of Brook Park.
- Standard renewal expenditure in Passive Reserves.
- The reinstatement of an existing (damaged) sea retaining wall in Marokopa that is designed to protect Council owned Road Reserve.
- Continuation of the audit and upgrade of Playground Equipment to ensure compliance with New Zealand Safety Standards.

Housing and Other Property

The following Key Projects in this EAP for the Housing and Other Property Activity were established by the 2009-19 LTP for the 2010/11 Financial Year:

- The ongoing renewal of Elderly Persons Housing as per the 2009-19 Long Term Plan. For the 2010/11 Financial Year it is planned to renew some kitchen appliances and one bath room including a shower unit.
- Council has an annual renewal programme dealing with compliance issues for Community Halls (funded from depreciation reserves) which ensures that ageing components of Community Halls are renewed in a timely manner. The renewal programme ensures that Halls are maintained in a safe and useable state over time and that these Community Assets comply with New Zealand Safety Standards for buildings.

Recreation and Culture

The following Key Projects in this EAP for the Recreation and Culture Activity were established by the 2009-19 LTP for the 2010/11 Financial Year:

- Annual renewal or replacement of Library Stock. Council has an annual renewal budget (funded from depreciation reserves) for the replacement of dated library books. This renewal programme ensures that the stock of books held by the Te Kuiti Library remains current and in good condition.
- An upgrade to the Heating Facilities at the Te Kuiti Swimming Pool to ensure efficient operation (i.e. should result in reduced operational costs going forward).
- Planned for renewals to the Waitomo Cultural and Arts Centre as part of a medium term asset renewal/ refurbishment project. Without renewal, the service levels will reduce over time and will result in reduced patronage/customer satisfaction and in turn an increase in the cost to the resident/ratepayer.
- Installation of a Closed Circuit Television System at the Te Kuiti Aerodrome to identify usage and assist with the collection of Fees and Charges.

Public Amenities

The following Key Projects in this EAP for the Public Amenities Activity were established by the 2009-19 LTP for the 2010/11 Financial Year:

- Provision for the upgrade of Public Toilets as required. There are a number of ongoing issues with Public Toilets across the District that require attention. A good example is the urgent need to upgrade the soakage fields for the Piopio Public Toilets in the absence of an operational sewage reticulation and treatment network.

A new project for the 2010/11 financial year that was not provided for in the 2009-19 LTP is the installation of an automated watering system in the annual flower beds in Te Kuiti. Installation of such a system will result in the better utilisation of resource. This project/investment is expected to have a pay back period of less than two years.



Redwood Park, Te Kuiti

Statements of Service Performance

Strategic Goal 1: To ensure that adequate parks and reserve facilities are provided (by either private or public means) for the residents within the District.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
High quality parks and reserves will be provided.	Percentage of community satisfied with the quality of parks and reserves in annual and research surveys.	= > 75%	= > 80%	= > 80%
Public enquiries will be responded to in a timely manner.	Number of service requests not actioned within three days.	= < 15	= < 10	= < 10
Play equipment and under surfacing will comply with NZSS 5828 (2004).	Percentage of play equipment compliant with NZSS5828.	= > 90%	100%	100%
Playground equipment is safe to use for parks and reserves users.	Number of accidents directly attributable to poor design.	Nil accidents per year directly attributable to poor design	Nil accidents per year directly attributable to poor design	Nil accidents per year directly attributable to poor design

Strategic Goal 2: To provide community-agreed levels of service in the most cost effective way through the creation, operation, maintenance, renewal and disposal of assets to provide for existing and future users.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Elderly Person's Housing affordable to the community.	Variance of actual rental income against median market rentals.	20% below market rents	20% below market rents	20% below market rents
Council's rate input into Elderly Person's Housing (EPH) to be reducing.	Percentage of costs for Elderly Person's Housing from rate sources.	< 50%	< 40%	< 40%



Te Kuiti Swimming Pool

Strategic Goal 3: To encourage community involvement in the future use of Council's parks and reserves.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Reserve Management Plans will be prepared and adopted in compliance with the Reserves Act requirements.	Completion of identified reserve management plans.			Completion of Passive Reserve Management Plan by 2014

Strategic Goal 4: To ensure that an adequate Housing and Other Property portfolio is provided and maintained for the well-being of the user groups.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Provision and maintenance of Elderly Person's Housing that meets the needs of the tenants.	Percentage of users satisfied with the provision and maintenance of Elderly Person's Housing in the Customer Satisfaction Survey.	> 75%	> 80%	> 80%
Users of Council owned buildings are safe.	Number of accidents recorded in building/property accident register.	Nil	Nil	Nil

Strategic Goal 5: To ensure that the long-term operation and maintenance of the housing and other property asset portfolio is sustainable.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Council property meets standards of fitness for use.	Achievement of Building Warrant of Fitness signoff.	100% compliant	100% compliant	100% compliant

Strategic Goal 6: To demonstrate responsible management in the operation, maintenance, renewal of Council owned Recreation and Culture asset portfolio.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Seasonal pool facilities available to residents and visitors during warmer months.	Number of months per year pool is open to public.	7	7	7
Pool is safe for use of pool patrons at all times.	Percentage of staff holding Pool life guard certification.	100%	100%	100%
	Pool accreditation in place.	100% achieved	100% achieved	100% achieved
	Number of non-complying pool water quality readings per year.	< 5	< 5	< 5

Strategic Goal 7: To ensure that adequate recreation and culture facilities are provided for (by either private or public means) for the residents within the District.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Provision of comprehensive library facilities for the community.	Percentage of community satisfied with the library facilities and service in the annual satisfaction survey and research survey results.	>80%	>85%	>85%
Provision of effective pool facilities for the community.	Percentage of community satisfied with the quality of the pool facilities and service in the annual satisfaction survey and research survey results.	= > 65%	= > 75%	= > 75%
Provision of effective Arts and Culture facilities for the community.	Percentage of community satisfied with the quality of the Arts and Culture facilities and service in the annual satisfaction survey and research survey results.	= > 70%	= > 75%	= > 75%
Promote the use of the Cultural and Arts Centre for events, private functions and community benefit activities.	Number of bookings per year.	105	105	105
Promote the use of the library facilities.	Number of visitors per year.	39- 41,000	40- 41,000	40- 41,000
	Number of borrowers using the library per year.	13,500- 14,000	13,750- 14,250	13,750- 14,250
	Number of issues per year.	65,000- 67,000	66,000 - 68,000	66,000 - 68,000

Strategic Goal 8: To ensure that Council's public amenities are maintained to a high standard for the residents within and visitors to the District.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Compliance with maintenance standards and specifications for toilets.	Number of non-compliance notices per year issued for the Contract.	= < 5	= < 5	= < 5
High quality public amenities will be provided.	Percentage of community satisfied with the quality of public cemeteries and toilets.	>=75%	>=80%	>=80%
Compliance with the Burials and Cremations Act and Births, Deaths, Marriages Registration Act.	Compliance with legislative requirements.	100%	100%	100%
Public enquiries will be responded to in a timely manner.	Number of service requests not actioned within three days.	= < 15	= < 10	= < 10

Cost of Service Statement

	LTP 2009/10 \$000's	LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
Operating Income				
(8)	Parks and Reserves	(8)	(8)	0
(151)	Housing and Other Property	(179)	(181)	(2)
(93)	Recreation and Culture	(99)	(98)	1
(33)	Public Amenities	(34)	(34)	0
(285)	Total Operating Income	(320)	(321)	(1)
Operating Expenditure				
549	Parks and Reserves	606	556	(50)
728	Housing and Other Property	784	767	(17)
1,117	Recreation and Culture	1,159	1,019	(140)
607	Public Amenities	636	657	21
3,001	Total Operating Expenditure	3,185	2,999	(186)
2,716	Net Operating Cost/ (Surplus)	2,865	2,678	(187)
Capital Expenditure				
162	Parks and Reserves	129	129	0
58	Housing and Other Property	95	95	0
239	Recreation and Culture	223	223	0
85	Public Amenities	26	31	5
544	Total Capital Expenditure	473	478	5
3,260	Total Expenditure	3,338	3,156	(182)
Funded By				
(387)	Loans	(200)	(200)	0
(119)	Reserves	(205)	(224)	(19)
(1,321)	General Rates	(1,401)	(1,288)	113
(1,196)	UAGC	(1,267)	(1,170)	97
(4)	Target Rates - Marokopa Hall	(4)	(4)	0
(70)	Target Rates - Rural	(78)	(81)	(3)
(163)	Target Rates - Urban	(183)	(189)	(6)
(3,260)	Total Funding	(3,338)	(3,156)	182

Variations Between 2009-19 LTP and Exceptions Annual Plan

There are no material variations for the Community Facilities Activity for the 2010/11 Financial Year when compared to the 2009-19 LTP. There has been a reallocation (minor) of budgets between allocated (overhead cost) and the Significant Activity to ensure costs are correctly accounted for.

Community Development

Description

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

Activities

There are 4 activities under Community Development, namely:

Community Support

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

Economic Development

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

Regional Tourism

Regional Tourism is facilitated through the Council's visitor information centre in Te Kuiti, major event coordination (e.g. the Great NZ Muster), and strategy development. At a regional level, the strategy is to promote regional tourism growth at both domestic and international levels, using Waikato regional branding rather than individual district brands. The Community Development Strategy particularly as it relates to Tourism Development and Promotion was reviewed in parallel with the development of this EAP. This is further discussed under the Key Projects for 2010/11 below. Local tourism products and experiences are coordinated through the regional approach in partnership with Tourism NZ and other tourist organisations.

Agencies

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

Key Projects for 2010/11

The key area of focus for the Community Development Activity for the 2010/11 Financial Year is on maintaining existing levels of service and rebuilding capacity over time as indicated in the 2009-19 LTP. Council took a step back from Community Development during the 2009/10 Financial Year due to other funding pressures largely outside of its control. As indicated in the 2009-19 LTP the 2010/11 and 2011/12 Financial Years are planned to be utilised for restoring capacity in the areas of Community Support (particularly around Sport Waikato and Destination Waitomo). Council has also undertaken a review of its Community Development Strategy as planned for in the 2009/10 Financial Year. A key consideration in this review process was how Council is best placed to give affect to Community Outcomes via this Significant Activity. The recent establishment of a Tourism Hub by the Hamilton International Airport provided Council with the opportunity to reconsider how resources in this area can be deployed with a view to complementing, and in no manner duplicating the efforts of others. The review process identified that the establishment of the Tourism Hub provides the Council with the opportunity to redeploy existing resources to strengthen its role in Community Support through the provision of grant funding and 'in kind' support of initiatives that are well aligned with Council's own Strategic Goals for Community Development.

A further amendment contained in this EAP is an amendment to the Revenue and Financing Policy in support of Council's strategic goals for Community Development and Economic and Social Well-being. The Revenue and Financing Policy and related financial forecasts contained within the 2009-19 Long Term Plan provides for the levying of Trade Waste Charges (particularly for larger industrial users of the Te Kuiti Waste Water Network) in accordance with the Trade Waste Bylaw. That policy required Trade Waste Users to pay Fees and Charges at a level that reflects the actual cost of receiving and treating their individual waste volumes.

The Policy (in recognition of the affordability principle) allowed for a phased implementation of Trade Waste Charges for the large meat processing companies present within the Waitomo District which resulted in 60% of the cost being recovered by Fees and Charges in the 2008/09 financial year with an annual increment of 10% per year. This resulted with the full cost of receiving and treating of Trade Waste being recovered from industrial and commercial users by the 2011/12 Financial Year.

These larger industries 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 and 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.

As a result Council has amended the Revenue and Financing Policy as it relates to the levying of Trade Waste Charges so to ensure it is aligned with Councils Strategic Goals for Community Development and Social and Economic Well-being. The amendment is designed to recognise the Economic and Social gains that exist from having these good Corporate Citizens operating within the local community. The change to the Revenue and Financing Policy is contained in section four of this 2010/11 EAP. It is also summarised in the 'At a Glance' section of this document. Please refer to the cost of service statement for the Sewerage activity to see the funding impact of this policy amendment.

Statement of Service Performance

Strategic Goal 1: To support and foster a District that is caring and inclusive and provides a safe, healthy and friendly place to live, work or visit.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Provide assistance for community support activities.	Availability of discretionary grant funding advertised quarterly.	100% compliance	100% compliance	100% compliance
	Grants for Community Halls will be distributed by 31 December each financial year.	100% compliance	100% compliance	100% compliance
	Review service level agreements for provision of annual grants in excess of \$10,000 by 31 December, every three years.	-	-	100% compliance (2012/15)
Development of youth within the District.	Number of Youth forum established and held within the school year.	3 per annum	3 per annum	3 per annum
Council will continue to foster and promote Sister City Relationships.	The Relationship Committee will meet not less than four times per annum to ensure the relationship remains strong and active.	100% compliance	100% compliance	100% compliance
Enhance community safety.	Frequency of routine maintenance checks carried out on CCTV system.	Quarterly	Quarterly	Quarterly
	Number of reported outages of CCTV system.	<4 per annum	<4 per annum	<4 per annum

Strategic Goal 2: To support the growth of the economy through the effective promotion of District attractions to domestic and international markets.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
i-SITE will deliver effective and efficient services to visitors.	Accurate volume and statistical trends on visitor usage are recorded and reported at management level.	Monthly	Monthly	Monthly
	Number of co-ordinated meetings per annum with other information centres in the District.	Min 2 per annum	Min 2 per annum	Min 2 per annum
Council will support major District events that build community pride and raise the District's profile.	Number of major District events held on time and to budget.	One major event (The Muster) and one minor event (Christmas Parade).	One major event (The Muster) and one minor event (Christmas Parade).	One major event (The Muster) and one minor event (Christmas Parade).
Council will ensure enhanced presence in the national and international markets for the District.	Number of District promotion opportunities taken in key publications.	>4	>4	>4
Regular communications established with tourism operators.	Number of District wide communications to all tourism operators, commencing 31 December 2009.	3 per annum (quarterly)	4 per annum (quarterly)	4 per annum (quarterly)

Strategic Goal 3: To facilitate and advocate sustainable economic development in the District that is well supported and promoted.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Council will support business expansion and diversification, and encourage the development of work based skills.	Programme developed to create stimulating environment for existing and new businesses.	25% deployment of program	50% deployment of program	100% deployment of program (by 31 Dec 2012)



The Great NZ Muster

Cost of Service Statement

	LTP 2009/10 \$000's	LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
Operating Income				
(269)	Region Tourism	(280)	(280)	0
(24)	Agencies	(25)	(25)	0
(293)	Total Operating Income	(305)	(305)	(0)
Operating Expenditure				
223	Community Support	278	361	83
30	Economic Development	23	42	19
667	Regional Tourism	718	535	(183)
25	Agencies	25	44	19
945	Total Operating Expenditure	1,044	982	(62)
652	Net Operating Cost/ (Surplus)	739	677	(62)
Funded By				
(323)	General Rates	(365)	(334)	31
(329)	UAGC	(374)	(343)	31
(652)	Total Funding	(739)	(677)	62

Variations Between 2009-19 LTP and Exceptions Annual Plan

There are no material variations for the Community Development Activity for the 2010/11 Financial Year when compared to the 2009-19 LTP. This EAP provides for the restoration of capacity for the Activities of Community Support (particularly around Sport Waikato and Destination Waitomo). The recent review of the Community Development Strategy (as mentioned above) has resulted in a redeployment of existing resource between the activities of Regional Tourism and Community Support but has not resulted in any change in overall capacity for the Community Development Activity for the 2010/11 Financial Year. This largely reflects a re-organisation of internal resources and utilisation of staff time as a result of Regional Tourism being undertaken by the Tourism Hub established by the Hamilton International Airport.

Regulation and Safety

Description

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

Activities

The activities include:

- Regulation
- Safety

Regulation

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

Environmental Health

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

Animal Control

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

Building Control Services

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

Safety

The Safety activity comprises:

Emergency Management

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

Rural Fires

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

Key Projects for 2010/11

The key area of focus for the Regulation and Safety Activity for the 2010/11 Financial Year is on maintaining existing levels of service and compliance with legislation.

Statement of Service Performance

Strategic Goal 1 : To ensure health and safety is protected by effectively and efficiently administering statutes regulations and bylaws including environmental health, liquor control and noise control.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
All food and liquor retail premises will be inspected and appropriately registered and licensed.	Percentage of registration or licensing of food and liquor retail premises completed.	100%	100%	100%
Provision of an after hours noise control service using experienced and competent contractor personnel.	Noise complaints to be responded to by contractor within one hour.	100%	100%	100%
Provision of an effective environmental health service for the community.	Customer satisfaction survey rating on Environmental Health Service.	>35%	>35%	>35%

Strategic Goal 2: To protect the health and safety of building users by effectively and efficiently administering the provisions of the Building Act 2004.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Building consents and project information memoranda issued within 15 working days.	Percentage of building consents and project information memoranda issued within 15 working days.	90%	90%	90%
Provision of an effective building control service to the community.	Customer satisfaction survey rating on Building Control.	>35%	>35%	>35%
Recovery of administration costs from applicants.	Percentage of total administration cost recovered from applicants.	>50%	>50%	>50%

Strategic Goal 3: 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.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Dog owners' properties will be inspected to ensure compliance with the Dog Control Act 1996 and Council's bylaws.	Percentage of dog owners' properties inspected per year.	Urban -100% Rural 10%	Urban -100% Rural 10%	Urban -100% Rural 10%
Immediate response by Dog Control Contractor to public safety complaints.	Time of contractors' response to the incident.	<1 hour for more than 30% of complaints	<1 hour for more than 30% of complaints	<1 hour for more than 30% of complaints
High level of customer satisfaction with animal control service.	Customer satisfaction survey rating on Animal Control.	>35% good or above	>35% good or above	>35% good or above
Animal Control Services within budget.	Variance of actual Cost of Service Statement Operating Surplus/(Deficit) for the activity from the annual budget.	<5%	<5%	<5%

Strategic Goal 4: To ensure that Council and the community is adequately prepared in the case of an emergency event or a rural fire.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Council will ensure that staff are equipped and trained to efficiently man the Civil Defence headquarters during an emergency.	One major training exercise involving Civil Defence HQ staff will be held a year.	Exercise conducted	Exercise conducted	Exercise conducted
Educational visits to schools and community groups will take place to prepare the community for emergency events.	Number of educational visits carried out.	6 per year	6 per year	6 per year
Council will be represented at any Civil Defence Emergency Management meetings in the Waikato Region.	Percentage of Emergency Management meetings with Council representation.	100%	100%	100%
Tainui Rural Fire Party will be resourced and trained in accordance with the Rural Fire Management Code of Practice.	Training provided and fire equipment assessed once per year to ensure compliance with Rural Fire Management Code of Practice.	100% compliance with Code	100% compliance with Code	100% compliance with Code



Limestone rocks, Mangapohue

Cost of Service Statement

		LTP 2009/10 \$000's	LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
	Operating Income				
(328)	Regulation		(340)	(379)	(39)
(1)	Safety		(1)	(1)	0
(329)	Total Operating Income		(341)	(380)	(39)
	Operating Expenditure				
853	Regulation		868	800	(68)
84	Safety		87	94	7
937	Total Operating Expenditure		955	894	(61)
608	Net Operating Cost/ (Surplus)		614	514	(100)
	Funded By				
0	Reserve Repayment		2	2	0
(389)	General Rates		(386)	(342)	44
(219)	UAGC		(230)	(174)	56
(608)	Total Funding		(614)	(514)	100

Variations Between 2009-19 LTP and Exceptions Annual Plan

There are no material variations for the Regulation and Safety Activity for the 2010/11 Financial Year when compared to the 2009-19 LTP. The increase in Operating Revenue for Regulation is related to an increase in Fees and Charges Revenue to recover the costs associated with the processing of Building Consent Applications by the Hamilton City Council on behalf of WDC.

There are some minor reductions in indirect expenditure for Regulation when compared to the financial forecasts for the 2010/11 Financial Year in the 2009-19 LTP. These largely reflect a reorganisation of internal resources and utilisation of staff time in regard to the delivery services.



Waitomo Village

2.3 Environmental Sustainability

The Environmental Sustainability group of activities promotes Community Outcomes that target environmental well-being. These activities aim to minimise the impact of community's presence and growth on the natural environment. The broad issues relating to the environment are primarily managed by Regional Councils, however it is the responsibility of every local authority to carry out activities that promote sustainable management and protection of the environment.

Activities Comprised in this Group:

- Solid Waste Management
- Stormwater
- Resource Management
- Sewerage

Summary Cost of Service Statement for Environmental Sustainability

LTP 2009/10 \$000's		LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
	Operating Income			
(857)	Solid Waste Management	(867)	(1,221)	(356)
0	Stormwater	0	(2)	(2)
(80)	Resource Management	(83)	(83)	0
(3,162)	Sewerage	(2,217)	(3,191)	(974)
(4,099)	Total Operating Income	(3,167)	(4,497)	(1,332)
	Operating Expenditure			
1,902	Solid Waste Management	2,051	2,233	182
297	Stormwater	303	362	59
170	Resource Management	177	189	12
2,085	Sewerage	2,570	2,021	(549)
4,454	Total Operating Expenditure	5,101	4,805	(296)
355	Net Operating Cost/ (Surplus)	1,934	308	(1,628)
	Capital Expenditure			
386	Solid Waste Management	360	127	(233)
124	Stormwater	107	99	(8)
7,562	Sewerage	3,183	5,966	2,783
8,072	Total Capital Expenditure	3,650	6,192	2,542
8,427	Total Expenditure	5,584	6,500	914
	Funded By			
(5,213)	Loans	(1,981)	(3,516)	(1,535)
(213)	Reserves	(177)	(132)	45
(73)	General Rates	(68)	(88)	(20)
(73)	UAGC	(68)	(88)	(20)
(2,855)	Service Charges	(3,290)	(2,676)	614
(8,427)	Total Funding	(5,584)	(6,500)	(914)

Solid Waste Management

Description

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

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

Activities

The Solid Waste Activity comprises the following:

Collection

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

Transfer and Recycling stations are located at Marokopa, Benneydale, Kinohaku, Piopio, Awakino and at the Waitomo District Landfill in Te Kuiti.

Management

Management includes management, maintenance and operation of the Waitomo District Landfill at Te Kuiti, and transfer stations at urban settlements in the District.

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

Key Projects for 2010/11

The focus for the 2010/11 Financial Year is the continued implementation, monitoring and review of the Solid Waste Asset Management and Minimisation Plan (SWaMMP) as outlined in the 2009-19 LTP.

Collection

The focus for the Collection Activity is the consolidation and refinement of the new collection service introduced during the 2009/10 Financial Year. The refinement process will include the monitoring of refuse vs. recycling volumes and monitoring customer satisfaction to inform any changes to the service configuration or service levels.

Management

The focus for the Management Activity is the ongoing enhancement of the Waitomo District Landfill and associated Network of Transfer Station Facilities to ensure operational efficiency and in support of Waste Minimisation Targets established by the SWaMMP.

The level of investment for development of the Waitomo District Landfill is less than that established by the LTP for the 2010/11 Financial Year. Funding is made available for further shaping of the Landfill Highwall for safety purposes (an ongoing project) and also for widening and resealing the Landfill Entrance Road. These initiatives are additional to work undertaken in the 2009/10 financial year that was approved by Council at the time that Inframax Construction Limited (ICL) surrendered the Landfill Management Deed and Council resumed direct management and operation of the Landfill.

The total level of investment for the development of Transfer Stations is not dissimilar to that established by the 2009-19 LTP for the 2010/11 Financial Year. However it is now intended that the investment will be primarily utilised for completing upgrades commenced in the 2009/10 financial year such as establishing a Recycling (Bottle) Bank at the Awakino Transfer Station and the provision of power supply to existing sites such as Awakino, Benneydale, Piopio, Kinohaku and Marokopa Transfer Stations.

Council intends to complete the upgrade of the existing Marokopa Transfer Station by providing further hardstand area and screening the site by strategic planting.

Statement of Service Performance

Strategic Goal 1: Ensure environmentally safe disposal of waste.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
The kerbside collection of bagged refuse and recyclables is efficient and effective.	Number of service complaints in any one month regarding the quality of the kerbside refuse/recycling collection service.	<3	<3	<3
Kerbside collection available to all premises in Te Kuiti, Piopio, Mokau and Waitomo Village.	Percentage of residential premises in collection areas that have access to kerbside collection.	>90%	>90%	>90%
Kerbside bagged refuse collection service is 45% self funding.	Percentage of expenditure budget for bagged refuse collection service, including bags, collection and disposal costs, is recovered from user fees.	45%	45%	45%
The network's recycling facilities are in good condition and 'fit for purpose'.	Number of complaints per month regarding the condition of Council's recycling facilities.	<2	<2	<2
Users find the recycling facilities safe to use.	Percentage of users rate the safety of Council's recycling facilities as good or better.	75%	75%	75%
Provision of effective waste service for the community.	Customer satisfaction rating of waste transfer stations good or better.	60%	60%	60%
The solid waste management facilities are open and accessible to users at advertised times.	Number of complaints per month due to facilities not being open at advertised times.	<1	<1	<1
The solid waste management facilities feel safe to the user.	Percentage of users rating the District's waste transfer stations and landfill safe to use.	70%	70%	70%
Comply with the Resource Management Act 1991 (RMA) for closed and operating landfills.	Percentage compliance with resource consent conditions at Waitomo District Landfill and closed landfills.	100%	100%	100%

Strategic Goal 2: Minimise the creation of waste within the District.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Waste minimisation education reduces household waste.	Reduction in quantity of recyclables contained in kerbside refuse bags.	5%	5%	5%
Sufficient recycling facilities are provided.	Percentage of residents are satisfied with the number of recycling facilities provided.	70%	70%	70%

Cost of Service Statement

LTP 2009/10 \$000's		LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
	Operating Income			
0	Collection	0	(139)	(139)
(857)	Management	(867)	(1082)	(215)
(857)	Total Operating Income	(867)	(1,221)	(354)
	Operating Expenditure			
319	Collection	330	381	51
1,582	Management	1,721	1,852	131
1,901	Total Operating Expenditure	2,051	2,233	182
1,044	Net Operating Cost/ (Surplus)	1,184	1,012	(172)
	Capital Expenditure			
386	Management	360	127	(233)
386	Total Capital Expenditure	360	127	(233)
1,430	Total Expenditure	1,544	1,139	(405)
	Funded By			
(386)	Loans	(360)	(127)	233
11	Reserves	59	59	0
(28)	General Rates	(21)	(35)	(14)
(28)	UAGC	(21)	(35)	(14)
(680)	Target Rate - District	(872)	(760)	112
(62)	Target Rate - Mokau	(64)	(60)	4
(22)	Target Rate - Piopio	(23)	(14)	9
(177)	Target Rate - Te Kuiti	(183)	(123)	60
(58)	Target Rate - Waitomo	(59)	(44)	15
(1,430)	Total Funding	(1,544)	(1,139)	405

Variations Between 2009-19 LTP and Exceptions Annual Plan

This EAP provides for a reallocation of the cost of operating a kerbside waste and recycling collection service and the operation of the Waitomo District Landfill based on actual costs incurred during the 2009/10 Financial Year. The part year (2009/10) operation of additional services such as the collection of recyclable material at the kerbside and the direct management and operation of the Waitomo District Landfill by Council has enabled a more accurate understanding of the costs associated with the operation of those services. Further this enables Council to better plan for the operation of these services and align the cost of such with those benefiting from those services, as per Council's Revenue and Financing Policy.

Examples include the cost of purchasing and supplying Council provided refuse bags (and of course the revenue obtained from the sale of those bags) being transferred from the Management Activity to Collection. Another example is the inclusion of the cost of disposing of refuse collected in the Collection Activity.

There are no material variations for the direct costs associated with the Management Activity for the 2010/11 Financial Year when compared to the 2009-19 LTP. Indirect costs associated with the management and operation of the Activity increase to reflect the fact that Council has resumed the direct management and operation of the Waitomo District Landfill and increased the service levels provided by the network of Transfer Stations across the District as provided for in SWaMMP.

The level of operating income associated with the Collection and Management Activities will increase for the 2010/11 Financial Year when compared to the 2009-19 LTP. This is largely due to the sale price of Council provided refuse bags increasing to include the cost of disposal of the waste contained within those bags and also due to Council receiving more 'out of District waste' at the Waitomo District Landfill and collecting appropriate waste disposal fees from those users.



Waitomo District Landfill

Stormwater

Description

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

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

Activities

Stormwater Reticulation and Disposal

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

Key Projects for 2010/11

The key area of focus for the Stormwater Reticulation and Disposal for the 2010/11 Financial Year is on maintaining existing levels of service. That includes beginning the process of developing Stormwater Management Plans and the identification and possible preventative maintenance of some open drains. Further an additional \$15,000 has been added to the Stormwater Capital Programme to provide for grills to be added to stormwater exit and entry points where Health and Safety concerns exist.

Statement of Service Performance

Strategic Goal 1: To protect public health and property.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
The urban stormwater activity is managed to protect people and property from the impacts of flooding.	Annual incidence of inundation of habitable buildings in urban areas from a 10% or less Annual Exceedance Policy event.	0	0	0
	Number of complaints per event per year regarding surface water flooding in urban areas.	<10	<10	<10
A reliable service is provided.	Failure of drainage system due to poor condition or lack of maintenance.	Nil	Nil	Nil
	Length of disruption to individual properties due to surface flooding.	<24 hours	<24 hours	<24 hours
Service requests and complaints are processed as they come in.	Completion time (working days following receipt) for customer follow up on outstanding requests/complaints.	<5 days	<5 days	<5 days
	Urgent requests - Percentage dealt with within one working day.	90%	90%	90%
	Preparation of a 10 year Urban Stormwater Catchment Assessment Plan for Te Kuiti by 2015.	50%	75%	100%

Services do not cause a hazard to people.	Number of health nuisances associated with land drainage or stormwater assets (vermin, etc).	Nil	Nil	Nil
	Response time for investigation of complaints relating to lack of maintenance of the urban stormwater system.	5 working days	5 working days	5 working days
Services provide social, economic and environmental benefits to the whole community.	Percentage of residents in urban areas rating the standard of urban stormwater drainage as meeting or exceeding their expectations.	75%	75%	75%

Strategic Goal 2: To Protect the environment from the adverse effects of stormwater.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Stormwater quality will be managed effectively.	Percentage of stormwater pollution incidents are corrected within time frames agreed with Environment Waikato.	100%	100%	100%
	Response time for investigation of all reported pollution incidents associated with stormwater discharge following notification.	<12 hours	<12 hours	<12 hours
	Percentage compliance with stormwater discharge consents.	100%	100%	100%
	Number of stormwater abatement notices issued.	Nil	Nil	Nil

Strategic Goal 3: To enable economic development.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Connection of stormwater drainage network available to all urban properties.	Percentage of customers within defined urban stormwater drainage areas can connect to the network.	85%	90%	100%

Cost of Service Statement

	LTP 2009/10 \$000's	LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
Operating Income				
0	Te Kuiti Stormwater	0	(2)	(2)
0	Rural Stormwater	0	0	0
0	Total Operating Income	0	(2)	(2)
Operating Expenditure				
229	Te Kuiti Stormwater	232	280	48
68	Rural Stormwater	72	82	10
297	Total Operating Expenditure	304	362	58
297	Net Operating Cost/ (Surplus)	304	360	56
Capital Expenditure				
77	Te Kuiti Stormwater	89	81	(8)
48	Rural Stormwater	18	18	0
125	Total Capital Expenditure	107	99	(8)
422	Total Expenditure	411	459	48
Funded By				
(40)	Loans	0	(13)	(13)
(85)	Reserves	(107)	(86)	21
(229)	Target Rate - Urban	(232)	(278)	(46)
(68)	Target Rate - Rural	(72)	(82)	(10)
(422)	Total Funding	(411)	(459)	(48)

Variations Between 2009-19 LTP and Exceptions Annual Plan

There are no material variations for the Stormwater Activity for the 2010/11 Financial Year when compared to the 2009-19 LTP.



Stormwater drain, Walker Road

Resource Management

Description

The Resource Management Activity works towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of the Resource Management Act and District Plan.

Activities

Resource Management

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

Key Projects for 2010/11

The key area of focus for the Resource Management Activity for the 2010/11 Financial Year is on maintaining existing levels of service, compliance with legislation and the ongoing monitoring of compliance with the Waitomo District Plan.

Statement of Service Performance

Strategic Goal 1: 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.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Council will ensure that resource consents are processed in a timely and customer friendly manner so as to facilitate District wide development.	Percentage of notified consents processed within 80 working days of receipt.	90%	90%	90%
	Percentage of non-notified consents processed within 20 working days.	90%	90%	90%



Ruakuri Caves, Waitomo

Cost of Service Statement

	LTP 2009/10 \$000's	LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
Operating Income				
(80)	District Plan Administration	(83)	(83)	0
(80)	Total Operating Income	(83)	(83)	0
Operating Expenditure				
170	District Plan Administration	177	189	12
170	Total Operating Expenditure	177	189	12
90	Net Operating Cost/ (Surplus)	94	106	12
Funded By				
(45)	General Rate	(47)	(53)	(6)
(45)	UAGC	(47)	(53)	(6)
(90)	Total Funding	(94)	(106)	(12)

Variations Between 2009-19 LTP and Exceptions Annual Plan

There are no material variations for the Resource Management Activity for the 2010/11 Financial Year when compared to the 2009-19 LTP.



View of Marokopa

Sewerage

Description

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

Activities

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

Key Projects for 2010/11

Te Kuiti

The upgrade of the Te Kuiti Wastewater Treatment Plan was established for commencement in the 2009/10 Financial Year by the 2009-19 LTP. A range of complexities involved with design, resource consent and funding has meant that this significant project has not yet been started. This 2010/11 EAP plans for construction to begin in the 2010/11 financial year. Provision has been made to undertake certain aspects of the upgrade that will be required irrespective of the amount and strength of Trade Waste Discharge that may be received by the network going forward. It is intended that these aspects go ahead whilst the complex issues around Trade Waste are worked through with various Stakeholders over the planning period.

The table below provides a summary of the forecast level of investment in the upgrade of the Te Kuiti Wastewater Treatment Plant over the next few years:

Te Kuiti Sewerage Capital Expenditure	EAP 2010/11 \$000's	EAP 2011/12 \$000's	EAP 2012/13 \$000's	Total Capital Expenditure \$000's
Forecast Capital Expenditure				
Pump Stations, pipe work and related instrumentation and controls.	1,200			1,200
UV Disinfection Filter and Filtration Units, pipe work and related instrumentation and controls.		2,400		2,400
Aeration System, pipe work and related instrumentation and controls.			1,300	1,300
Replacement of Obsolete Electricals.	300			300
Total Capital Expenditure	1,500	2,400	1,300	5,200

It is important to note that this variation to the Long Term Plan is not considered to be the end of upgrade to the Te Kuiti Waste Water Treatment Plant. The variation represents Council's best estimate of what can be achieved over the next few years. It in no way represents a total solution for the next 20 to 30 years. Environmental well-being is and will continue to be a key consideration at all levels of Government. It is envisaged that there will be continued upward pressure on environmental standards and such pressure will have implications for waste water treatment processes over time. The continued upward pressure on environmental standards combined with the fact that large industrial users (in particular the meat processing companies) of Council's waste water network will need time to consider and develop on-site treatment options means that further investment in the Te Kuiti Wastewater Treatment Plant will be required beyond 2010/11. This will be a matter for further consideration when the 2009-19 Long Term Plan is reviewed in 2011/12.

Te Waitere

The following Key projects in the EAP for Te Waitere Sewerage were established by the 2009-19 LTP for the 2010/11 Financial Year:

- Renewal and extension of the soakage field.
- Installation of a new pump pipeline.
- General reticulation renewals.

Benneydale

The following Key projects in the EAP for Benneydale Sewerage were established by the 2009–19 LTP for the 2010/11 Financial Year:

- Application for resource consent.
- General reticulation renewals.

The following Key projects that were originally established by the 2009-19 LTP for the 2010/11 Financial Year, are now cancelled, deferred or altered by the EAP:

- Major reticulation renewal and extension works in the Benneydale Village scheduled for the 2009/10 financial year (which is subject to receiving Ministry of Health Subsidy) have been deferred until the 2010/11 Financial Year and scope of the project considerably reduced.
- Establishment of a wetlands soakage field that was scheduled for the 2009/10 financial year has been deferred and will be completed in the 2010/11 Financial Year.

Piopio

The following Key projects in the EAP for Piopio Sewerage were established by the 2009–19 LTP for the 2010/11 Financial Year:

- Completion of the construction of the new sewerage scheme. This project is subject to the hearing of an appeal against resource consent by the Environment Court.

Statement of Service Performance

Strategic Goal 1: To protect public health and property from sewage overflows.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
A reliable removal and treatment service is provided.	Number of sewage overflow events per year at any one wastewater scheme.	<5	<5	<5
	Length of disruption of service to individual properties: - less than 4 hours.	95%	95%	95%
	- less than 12 hours.	100%	100%	100%
Service requests and failures are responded to as they come in.	Response time for feed back to customer on what is being done following receipt of service request/complaint.	1 working day	1 working day	1 working day
	Response time for urgent requests for service.	90% within 4 hours	90% within 4 hours	90% within 4 hours
	Response time for non-urgent requests.	90% within 10 working days	90% within 10 working days	90% within 10 working days
	Time to restore service restored within 24 hours.	24 hours	24 hours	24 hours
	Percentage of customers who rate responsiveness of customer services as good or better.	75%	75%	75%
Sewage is managed without risk to public health.	Number of sewage overflows into habitable buildings due to faults in the wastewater system.	Nil	Nil	Nil
	Time to complete clean up and sanitising of overflows.	within 24 hours of notification	within 24 hours of notification	within 24 hours of notification

Service provides social benefits to the whole of the community.	Percentage of residents at each WW scheme who are satisfied with the quality of the wastewater disposal system in their community.	90%	90%	90%
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Strategic Goal 2: To Enable economic growth.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Wastewater connections are available.	Percentage of ratepayers within each defined sewerage area who can connect to the network.	100%	100%	100%

Strategic Goal 3: To Protect the environment from the adverse effects of wastewater.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
The quality of effluent leaving the treatment plant is of a standard required by consents.	Percentage of test results that meet consent conditions.	100%	100%	100%
Sewage treatment is managed without adversely affecting the quality of the receiving environment.	Number of complaints regarding receiving water quality as a result of effluent discharge.	Nil	Nil	Nil
	Percentage compliance with consent conditions.	100%	100%	100%
	Percentage of risk management plans in place for pumping stations and treatment plants.	85%	95%	100%
	Number of odour complaints recorded per year at each scheme.	< 5	< 5	< 5



Te Kuiti Pump Station

Cost of Service Statement

LTP 2009/10 \$000's		LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
	Operating Income			
(525)	Te Kuiti Sewerage	(783)	(705)	78
(2,057)	Benneydale Sewerage	(2)	(914)	(912)
(580)	Piopio Sewerage	(1,432)	(1,571)	(139)
(3,162)	Total Operating Income	(2,217)	(3,190)	(973)
	Operating Expenditure			
1,820	Te Kuiti Sewerage	2,144	1,752	(392)
36	Te Waitere Sewerage	53	55	2
82	Benneydale Sewerage	124	91	(33)
147	Piopio Sewerage	249	122	(127)
2,085	Total Operating Expenditure	2,570	2,020	(550)
(1,077)	Net Operating Cost/ (Surplus)	353	(1,170)	(1,523)
	Capital Expenditure			
4,324	Te Kuiti Sewerage	1,028	2,641	1,613
129	Te Waitere Sewerage	388	388	0
2,409	Benneydale Sewerage	28	1,076	1,048
700	Piopio Sewerage	1,739	1,860	121
7,562	Total Capital Expenditure	3,183	5,965	2,782
6,485	Total Expenditure	3,536	4,795	1,259
	Funded By			
(4,787)	Loans	(1,621)	(3,375)	(1,754)
(140)	Reserves	(129)	(105)	24
(1,295)	Target Rate - Te Kuiti	(1,362)	(1,047)	315
(36)	Target Rate - Te Waitere	(53)	(55)	(2)
(80)	Target Rate - Benneydale	(122)	(91)	31
(147)	Target Rate - Piopio	(249)	(122)	127
(6,485)	Total Funding	(3,536)	(4,795)	(1,259)

Included in operating revenue is subsidy revenue that is to fund proposed capital expenditure projects as detailed below.

LTP 2009/10 \$000's		LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
(527)	Operating Income	(785)	(705)	80
(2,635)	Subsidy Revenue for Capital Expenditure	(1,432)	(2,485)	(1,053)
(3,162)	Total Operating Income	(2,217)	(3,190)	(973)

Variations Between 2009-19 LTP and Exceptions Annual Plan

Operating Income for Te Kuiti Sewerage

Trade Waste Income from commercial users of the Te Kuiti Wastewater Network is slightly reduced from that forecast by the 2009-19 LTP. This reflects a change in policy approach in support of Social and Economic well-being. This change in policy is further discussed in the Revenue and Financing Policy in Section Four of this document.

Also important is the fact that this 2010/11 EAP takes a very conservative view in regard to the funding of the upgrade to the Te Kuiti Waste Water Treatment Plant. The forecasts contained in this 2010/11 EAP do not provide for any subsidy funding from the Ministry of Health (MoH). This however is a worst case scenario. As mentioned elsewhere in this document, Council is working very closely with all stakeholders including the MoH. Application for funding assistance has been made to MoH and Council will continue to work through the eligibility process with a view to secure subsidy assistance and further minimise the financial impact for the community.

Operating Income for Benneydale Sewerage

Subsidy income from the Ministry of Health to fund a reduced upgrade of the Benneydale Wastewater Reticulation Network and construction of a soakage field has been included as Operating Income. The 2009-19 LTP forecast this project (and therefore revenue) to go ahead in the 2009/10 financial year. It is now proposed for a reduced level of investment to be made in the 2010/11 Financial Year. This essentially reflects the deferral of an existing project and therefore associated revenue by one year.

Operating Income for Piopio Sewerage

The forecast for subsidy revenue expected from the Ministry of Health has been increased under the assumption that subsidy will be available to fund the construction of reticulation network.

Operations and Maintenance Expenditure for All Schemes

Additional operating expenditure is provided for mechanical and electrical maintenance, mains power maintenance and servicing and licensing of instrumentation for Te Kuiti, Te Waitere and Benneydale Wastewater Networks. These items are outside the operations and maintenance contract Council has with its contractor. It has become apparent that main electrical supply to pump and treatment facilities is the responsibility of Council and not that of the Electrical Reticulation Network Provider. As a result these operational and maintenance costs have not previously been provided for in WDC forecasts.

The main driver for reduction in operating expenditure, particularly as it relates to the Te Kuiti Wastewater Network is the revaluation of sewerage assets and expenditure on planned capital projects not being incurred in 2008/09 and 2009/10 Financial Years. As a result forecast depreciation expenditure is expected to be less than provided for in the 2009-19 LTP. Borrowing and internal interest expenses are also less than the 2009-19 LTP for the same reason. As explained above, the overall investment in the Te Kuiti Waste Water Treatment Plant is also expected to be reduced for the interim. Future plans are likely to include further investment when there is more certainty around the scope and scale of upgrade required to receive Trade Waste and as environmental standards increase over time.

Piopio Sewerage

The upgrade of the Piopio Wastewater Treatment Plant is not yet complete and the project is on hold pending a final decision around resource consent. Operating expenditure is expected to be less than the forecasts contained in the 2009-19 LTP as it is not likely that the Wastewater Treatment Plant will be fully commissioned and operational until the 2011/12 financial year. However ongoing sampling and monitoring work will be ongoing as Council continues to build background environmental impact data.

2.4 Economic Sustainability

The Economic Sustainability group of activities promotes outcomes that focus on providing the necessary infrastructure that enables communities throughout the urban environment to prosper and to ensure that the District as a whole is able to transport their produce and necessities to and from the marketplace. The growth and maintenance of tourism, farming and other commerce and industry is dependent on the provision of a reliable transport network. Council is also involved in various investment activities in order to contribute to the Social and Economic well-being of the community over time.

Activities Comprised in this Group:

- Water Supply
- Land Transport
- Investments

Summary Cost of Service Statement for Economic Sustainability

LTP 2009/10 \$000's		LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
	Operating Income			
(586)	Water Supply	(599)	(1,451)	(852)
(5,089)	Land Transport	(5,971)	(5,262)	709
(80)	Investments	(290)	(80)	210
(5,755)	Total Operating Income	(6,860)	(6,793)	67
	Operating Expenditure			
1,875	Water Supply	1,959	1,920	(39)
8,386	Land Transport	9,317	8,831	(486)
526	Investments	575	666	91
10,787	Total Operating Expenditure	11,851	11,417	(434)
5,032	Net Operating Cost/ (Surplus)	4,991	4,624	(367)
	Capital Expenditure			
514	Water Supply	1,155	1,534	379
5,081	Land Transport	6,233	4,996	(1,237)
2,000	Investments	0	0	0
7,595	Total Capital Expenditure	7,388	6,530	(858)
12,627	Total Expenditure	12,379	11,154	(1225)
	Funded By			
(4,974)	Loans	(2,639)	(2,672)	(33)
(1,934)	Reserves	(2,352)	(2,297)	55
(205)	General Rates	(120)	(291)	(171)
(428)	UAGC	(437)	(493)	56
(5,086)	Service Charges	(6,831)	(5,401)	1,430
(12,627)	Total Funding	(12,379)	(11,154)	(1,225)

Water Supply

Description

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

Activities

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

Key Projects for 2010/11

Te Kuiti Water Supply

The following Key Projects in the EAP for Te Kuiti Water Supply were established by the 2009–19 LTP for the 2010/11 Financial Year:

- Construction of the Waitete Road rider main.
- Water Treatment plant carbon dosing equipment upgrade.
- Water reticulation renewals.

Benneydale Water Supply

The following Key Projects in the EAP for Benneydale Water Supply were established by the 2009–19 LTP for the 2010/11 Financial Year:

- Improvements to the Bore to improve security of supply.
- Reservoir water proofing to extend its useful life and reduce wastage.
- Minor reticulation capital works.

Piopio Water Supply

The following Key Projects are provided for in the EAP and are additional to those established by the 2009-19 LTP for the 2010/11 Financial Year:

- Water treatment plant upgrade - this project is subject to receiving Ministry of Health subsidy.
- Upgrade of filter and pipe work within the treatment plant – this work will need to go ahead irrespective of whether or not Ministry of Health Subsidy is received due to the deteriorated condition of these assets.

Mokau Water Supply

The following Key Projects in the EAP for Mokau Water Supply were established by the 2009–19 LTP for the 2010/11 Financial Year:

- Raw water storage dam to improve security of supply particularly over the summer period.
- Upgrade of storage dams to meet building consent requirements.
- Minor reticulation capital works.

Statement of Service Performance

Strategic Goal 1: Safe drinking water in accordance with NZ Drinking Water Standards.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Pleasant tasting and looking drinking water is provided.	Percentage of customers who are satisfied with the quality of their drinking water.	80%	85%	90%
	Number of complaints per annum regarding water supply quality, at any supply scheme.	<10	<10	<10
	Percentage of customers who are satisfied with the water pressure.	90%	95%	95%
	Percentage compliance with 2007 Health (Drinking Water) Amendment Act.	100%	100%	100%
	Minimum pressure at point of supply during normal operations.	>55 kpa	>65 kpa	>70 kpa
Water resources are used efficiently and sustainably.	Average water consumption per head of population at each scheme area.	260 litres	250 litres	225 litres
	Percentage compliance with Resource Consents.	100%	100%	100%
Water supply is adequate for public health and fire fighting purposes.	Confirmed illnesses attributable to consumption of Council water supply services.	Nil	Nil	Nil
	Percentage compliance with NZ Drinking Water Standards 2005.	95%	95%	100%
	Percentage of serviced properties within each scheme area having an operational fire hydrant within distance specified by Fire Service.	100%	100%	100%
	Percentage of fire hydrants meeting annual compliance test with fire fighting standards.	85%	90%	95%
	Public Health Risk Management Plans adopted and implemented.	97%	100%	100%

Strategic Goal 2: Reliable water supplies, minimising supply disruptions through improved maintenance and meeting peak water supply demands.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
A reliable water supply is provided.	Percentage of customers who are satisfied with the reliability of their water supply services.	80%	85%	90%
	Percentage of affected customers who receive at least 24 hours notice of any planned shutdown.	90%	90%	90%
	Availability of a 24x7 service for reporting problems.	100%	100%	100%
	Contingency plans are in place, and have been approved by the appropriate authorities.	85%	95%	100%
Failures and service requests are responded to promptly.	Percentage of supply disruptions restored within 4 hours after first notification.	90%	90%	90%
	Number of complaints per year per water supply scheme, relating to time to restore service.	<10	<10	<10
	Number of working days taken to acknowledge complaints.	<4	<3	<2
	Percentage of non-urgent service requests monitored and resolved within one month of receipt.	95%	95%	95%

Strategic Goal 3: Cost effective operation, maintenance of and improvements to water supply systems including treatment facilities, pumping stations, reservoirs and piped reticulation.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
The services are managed at the lowest possible cost for the required level of service.	Percentage of customers who are satisfied that the water supply cost and service is fair and reasonable.	75%	75%	75%
	Percentage of capital development programme as set out in the LTP implemented on time and within budget.	100%	100%	100%

Cost of Service Statement

	LTP 2009/10 \$000's	LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
Operating Income				
(560)	Te Kuiti Water	(573)	(573)	0
(9)	Mokau Water	(9)	(561)	(552)
(9)	Piopio Water	(9)	(309)	(300)
(8)	Benneydale Water	(8)	(8)	0
(586)	Total Operating Income	(599)	(1,451)	(852)
Operating Expenditure				
1,259	Te Kuiti Water	1,304	1,315	11
267	Mokau Water	294	258	(36)
195	Piopio Water	205	186	(19)
154	Benneydale Water	157	161	4
1,875	Total Operating Expenditure	1,960	1,920	(40)
1,289	Net Operating Cost/ (Surplus)	1,361	469	(892)
Capital Expenditure				
311	Te Kuiti Water	303	319	16
115	Mokau Water	752	750	(2)
77	Piopio Water	79	444	365
11	Benneydale Water	21	21	(0)
514	Total Capital Expenditure	1,155	1,534	379
1,803	Total Expenditure	2,516	2,003	(513)
Funded By				
(346)	Loans	(975)	(558)	417
(168)	Reserves	(139)	(95)	44
(699)	Target Rate - Te Kuiti	(773)	(782)	(9)
(258)	Target Rate - Mokau/Awakino	(284)	(238)	46
(186)	Target Rate - Piopio	(196)	(177)	19
(146)	Target Rate - Benneydale	(149)	(153)	(4)
(1,803)	Total Funding	(2,516)	(2,003)	513

Included in operating revenue is subsidy revenue that is to fund proposed capital expenditure projects as detailed below.

	LTP 2009/10 \$000's	LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
(586)	Operating Income	(599)	(599)	0
0	Subsidy Revenue for Capital Expenditure	0	(852)	(852)
(586)	Total Operating Income	(599)	(1,451)	(852)

Variations Between 2009-19 LTP and Exceptions Annual Plan

Operating Income for Mokau and Piopio

The EAP provides for subsidy income to be sent from the Ministry of Health to fund the capital works programme for Mokau and Piopio. This funding source was not budgeted for or expected when the 2009-19 LTP was approved.

Operations and Maintenance Expenditure for All Schemes

Additional operating expenditure is provided for Te Kuiti, Benneydale, Piopio and Mokau Water Supply Networks for mechanical and electrical maintenance, mains power maintenance and servicing and licensing of instrumentation. These items are outside the operations and maintenance contract Council has with its contractor. It has now become apparent that the main electrical supply to pump and treatment facilities is the responsibility of Council and not that of the Electrical Reticulation Network Provider. As a result these operational and maintenance costs have not previously been provided for in WDC budgets. These costs have been offset by a reduction in depreciation expense when compared to the 2009-19 LTP. This reduction is a result of the revaluation of Infrastructural Assets as at 1 July 2009 and the associated work in reviewing the useful lives and condition grading of assets.



Benneydale Water Supply

Land Transport

Description

The Land Transport Activity involves the maintenance and development of roads, kerbs and channels, bridges, street lighting, footpaths and street cleaning for all of the Waitomo District, with the exception of the State Highways. The latter are managed by the New Zealand Transport Agency. The Council maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

Activities

Subsidised Rooding

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:

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

Unsubsidised Rooding

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

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

Key Projects for 2010/11

The following Key projects in the EAP for Land Transport were established by the 2009–19 LTP for the 2010/11 Financial Year:

- Drainage renewals.
- Structures components replacement.
- Traffic services replacements.
- Unsealed road metalling.
- Emergency reinstatement works as required.

The following Key projects that were originally established by the 2009-19 LTP for the 2010/11 Financial Year, have been cancelled, deferred or altered by the EAP. The majority of these changes are the result of the Financial Sustainability and Rates Affordability Review undertaken by Council in the second quarter of 2009/10. This review project was established by the 2009-19 LTP for completion ahead of the 2010/11 EAP Process. The actual review occurred in the period between August and November 2009 and as intended by the Long Term Plan, focused on a review of the levels of service provided by way of the Land Transport Activity. Amongst other findings (discussed elsewhere in this document) the review process identified that the following projects could either be deferred or reduced in scope in the medium term without having any material or long term affect on Service Levels. It is proposed that the spend on renewals and rehabilitation projects return to the levels established by the 2009-19 LTP over time but in the interim it is considered prudent for them to be reduced in the interests of the affordability principle established by the 2009-19 LTP.

- Deferment of construction of a Stock Truck effluent disposal facility.
- Cancellation of the Walking and Cycling Strategy and Review projects.
- Reduction in Minor Improvements budgets associated with both asset Renewal and asset Improvements driven by district growth.
- Reduction in Pavement rehabilitation renewal budgets.
- Increase in Sealed Road Surfacing renewal budgets.

It is important to note that Financial Sustainability and Rates Affordability continues to be a top of mind priority for Council particularly in the area of Land Transport due to the historic funding issue of loan proceeds being utilised to fund operating expenditure. Council will continue to monitor and review the level of investment in the District Rooding Network with a view to maintain an adequate balance between service levels and affordability.

Statement of Service Performance

Strategic Goal 1: The transport network supports the economic and lifestyle needs of the District through provision of access to properties, passage of through traffic, and effective transportation of goods and services.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
The rideability of the roading network is maintained in good condition and is 'fit for purpose'.	The number service complaints in any one month regarding the condition of the roading surface.	<4	<4	<4
	Sealed road lane kilometres exceeding a NAASRA roughness count rating of 150.	<8%	<8%	<8%
The transportation system is reliable and travel times are predictable.	Percentage of persons who rate the reliability of the District's roading network as good or excellent in the Customer satisfaction survey.	65%	65%	65%
Road users find the road environment predictable and the road safe to use.	Percentage of persons who as users rate the District's street lighting as good or excellent in the Customer satisfaction survey.	70%	70%	70%
The network's traffic marking and signage facilities are up to date, in good condition and 'fit for purpose'.	The number of service complaints per month regarding missing, damaged or inaccurate road signage.	<3	<3	<3
Traffic services (street lighting, roadside vegetation, road signs, road markings) are visible and accurate.	Percentage of road users satisfied that road signage and markings on the network is accurate and visible in the Customer satisfaction survey.	70%	70%	70%
Road Corridor users (pedestrians, joggers, disabled persons etc) are able to use the road corridors in a safe and convenient manner.	The number of users who agree the standard of footpaths is good or excellent in the Customer satisfaction survey.	70%	70%	70%
The roading network is open and accessible to users.	The number of road closures per month due to bank slippages or blockages.	<1	<1	<1
The roading corridor feels safe to the user.	The number of complaints per month regarding damaged footpaths.	<3	<3	<3
	Bridge condition is inspected and reported annually.	100% achieved	100% achieved	100% achieved
	Time of response to reported defects and faults.	Within 24 hours	Within 24 hours	Within 24 hours

Cost of Service Statement

LTP 2009/10 \$000's		LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
	Operating Income			
(5,049)	Subsidised Roads	(5,930)	(5,222)	708
(40)	Non Subsidised Roads	(41)	(40)	1
(5,089)	Total Operating Income	(5,971)	(5,262)	709
	Operating Expenditure			
8,102	Subsidised Roads	9,007	8,499	(508)
285	Non Subsidised Roads	310	332	22
8,387	Total Operating Expenditure	9,317	8,831	(486)
3,298	Net Operating Cost/ (Surplus)	3,346	3,569	223
	Capital Expenditure			
4,901	Subsidised Roads	5,744	4,507	(1,237)
180	Non Subsidised Roads	489	489	0
5,081	Total Capital Expenditure	6,233	4,996	(1,237)
8,379	Total Expenditure	9,579	8,565	(1,014)
	Funded By			
(2,628)	Loans	(1,663)	(2,115)	(452)
(1,766)	Reserves	(2,213)	(2,202)	11
(187)	UAGC	(272)	(198)	74
(2,931)	District Wide Rate	(3,348)	(2,544)	804
(623)	Catch Up	(1,814)	(1,214)	600
(24)	Target Rate - Rural	(27)	(29)	(2)
(220)	Target Rate - urban	(242)	(263)	(21)
(8,379)	Total Funding	(9,579)	(8,565)	1,014

Included in operating revenue is subsidy revenue that is to fund proposed capital expenditure projects as detailed below.

LTP 2009/10 \$000's		LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
(2,211)	Operating Income	(2,618)	(2,614)	4
(2,878)	Subsidy Revenue for Capital Expenditure	(3,354)	(2,648)	705
(5,089)	Total Operating Income	(5,971)	(5,262)	709

Variations Between 2009-19 LTP and Exceptions Annual Plan

Subsidised Roads

This EAP amends the work programme established by the 2009-19 LTP; in particular reduced expenditure on Community based projects, structures maintenance and asset data collection, which are offset by increases in network and asset management costs, traffic services maintenance, unsealed and sealed pavement maintenance and routine drainage maintenance.

Indirect expenditure is forecast to be less than that provided for in the 2009-19 LTP as result of decreases in depreciation and internal interest. Depreciation is forecast to be less as direct result of the Land Transport In-

frastructural Assets Revaluation. Internal interest is forecast to be less than 2009-19 LTP due to reduced internal loans being raised in both the current financial year (2009/10) and the prior year (2008/09). These reductions are offset in part by an increase in allocated overhead expenditure. The reason for the allocated cost increase is the requirement of expensing costs that were assumed to be capital in nature in the 2009-19 LTP.

A significant reduction in capital expenditure for Subsidised Roads is forecast. This is a result of the Financial Sustainability and Rates Affordability Review project established by the 2009-19 Long Term Plan. This review project was established by Council as a top most priority for the 2009/10 financial year under the principle of affordability contained in the Long Term Plan. The EAP provides for reduced expenditure on pavement rehabilitation, associated improvements for growth and structures component replacement. Capital works on the stock effluent facility and expenditure on the walking and cycling strategy has also been delayed.

Funding

The 2009-19 LTP provided for \$1,000,000 to be borrowed to fund Subsidised Roads operating expenditure for 2010/11 followed by nil borrowing for operating expenditure in the 2011/12 Financial Year in support of Council's agreed strategy to substitute rate for loan funding of Operational Expenditure in the Land Transport Activity. In the second quarter of the 2009/10 Financial Year Council undertook the Financial Sustainability and Rates Affordability Project established by the 2009-19 LTP for completion in advance of the 2010/11 EAP process. The outcome of that review was that it was sensible, under the principles of Prudent Financial Management and Affordability, to slow down the catch up of rate for loan funding of operating expenditure by extending the recovery over one further financial year. As a result the loan funding of operating expenditure is proposed to increase by \$600,000 when compared with the LTP, however \$148,000 less borrowings are forecast to be required due to reduced improvement capital expenditure.

The 2009-19 LTP proposed the full funding of the local share of renewal capital expenditure by way of depreciation reserves. However as explained above Council's renewal programme has been reduced in the medium term in the interests of Financial Sustainability and Rates Affordability. As a result if Council were to fully fund depreciation for the Subsidised Land Transport Activity it would be generating surplus depreciation funds that it could not deploy in the same financial year. Therefore this EAP provides for an exception to the Balanced Budget Requirement of the Local Government Act 2002 in that it does not fully fund depreciation in the Land Transport Activity (subsidised roads) for the 2010/11 Financial Year. The amount of depreciation not to be funded is approximately \$368,000. To fully fund this depreciation would undermine the work undertaken by Council in the Financial Sustainability and Rates Affordability Review.



Harbour Road Bridge, Te Waitere

Investments

Description

Council has investments in land and other entities that it holds for the Social and Economic well-being of the community and to generate income.

Activities

Council Controlled Organisations

Investment in Local Authority Shared Services (LASS)

The Council has an equal share with each of the 13 local authorities situated within the boundaries of the Waikato region, in LASS Ltd. The principal objective is for the Company to provide the most effective access to information of mutual value to the regional community using modern technology and processes.

Investment in Inframax Construction Ltd (ICL)

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

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

Investment Properties

Council Owned Quarries

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

Forestry located at Waitomo District Landfill

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



Japanese Gardens, Te Kuiti

Key Projects for 2010/11

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

The performance of Council's investment portfolio over recent years has led to the establishment of systems, processes and relationship forums that provide the Council with the necessary information to better understand the performance of its investments and just as importantly understand what the future economic landscape is looking like and how the investments may fare in that forecast environment. These systems and processes have enabled Council to influence a number of necessary changes to the Strategic Direction and Governance Structures related to its investment portfolio.

A revised forecast of the possible financial performance of Council's Investment Portfolio for the period to 30th June 2010 and the possible impact of those outcomes demonstrate the need for an equity investment in the near term given the current and forecast difficult economic environment.

Council is looking to divest some of the current value held in the equity investment. This represents a proposal to divest a share of Council's Investment Portfolio to a like minded strategic investor.

Council is of the view that the initiative to divest a share of its investment portfolio does not constitute an amendment to the 2009-19 LTP. Council does acknowledge that any firm proposal to divest a material share of its investment portfolio may trigger the need for an amendment to the 2009-19 LTP in the future. The Exceptions Annual Plan and the 2009-19 LTP provide for very moderate returns from the investment portfolio for the 2011 and 2012 fiscal years with investment returns, returning to historical levels in 2013. For that reason Council intend to re-visit this issue as part of the development of the 2012-22 LTP. Details of any divestment (in part or full) will be better understood by that time.

Statement of Service Performance

Strategic Goal 1: Council investments contribute to the economic and environmental well-being of the District community.

Level of Service	Key Performance Indicator	Performance Targets		
		2010/11	2011/12	2012/13
Investments contribute to economic and social well-being.	Viability and rationale of investment property regularly reviewed.	-	-	Review of investment property completed 2012
	Company performance and future investment in Inframax Construction Limited reviewed on an annual basis.	Review completed	Review completed	Review completed

Cost of Service Statement

LTP 2009/10 \$000's		LTP 2010/11 \$000's	EAP 2010/11 \$000's	Variance to LTP \$000's
Operating Income				
0	Inframax Construction Ltd	(207)	0	207
(80)	Investment Properties	(83)	(80)	3
(80)	Total Operating Income	(290)	(80)	210
Operating Expenditure				
496	Inframax Construction Ltd and LASS	551	598	47
30	Investment Properties	23	68	45
526	Total Operating Expenditure	574	666	92
446	Net Operating Cost/ (Surplus)	284	586	302
Capital Expenditure				
2,000	Inframax Construction Ltd	0	0	0
2,000	Total Capital Expenditure	0	0	0
2,446	Total Expenditure	284	586	302
Funded By				
(2,000)	External Loans	0	0	0
(205)	General Rates	(120)	(291)	(171)
(241)	UAGC	(164)	(295)	(131)
(2,446)	Total Funding	(284)	(586)	(302)

Variations Between 2009-19 LTP and Exceptions Annual Plan

Investment in Inframax Construction Limited

The 2009-19 LTP was based on the assumption that a modest investment return in the form of a Subvention Payment would be received from Inframax Construction Limited. No investment return from the company is included in the EAP. This reflects Council's strategy to protect its investment in Inframax Construction Limited given the increasingly difficult trading conditions expected to be experienced by the Company.

A further variation is that it is assumed that operating expenditure for the investment in Inframax Construction will increase as a result of Interest Rate Market movements over the life of the EAP.

Council Owned Quarries

The EAP provides resource to continue work already started in quantifying and valuing Council's quarry resources to ensure maximum value is extracted from this resource. The additional expenditure is for a more in depth study.