

Waitomo District Council Exceptions Annual Plan

2014-2015



Creating a better future with vibrant communities and thriving business.

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Waitomo
District Council

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Message from the Mayor and Chief Executive

The 2014/15 year is the third year of the Long Term Plan 2012-22 (LTP) and the Exceptions Annual Plan 2014/15 (Plan) contains plans for the 2014/15 financial year.

This Plan follows the direction set out through the LTP for the 2014/15 year on the whole, with a few exceptions. The changes are not material and are mostly in response to external drivers which have required a tactical change.

As has been the case for the past few years, Council is still closely adhering to the principles of financial sustainability and efficient delivery of services. This Plan forecasts an average rate increase of **2.9%** for all properties in the District, against the original LTP forecast of 7.6% for the 2014/15 financial year. This has been made possible by taking advantage of opportunities on various fronts like favourable interest rates, lower insurance premiums and also more efficient service delivery through better delivery options.

Council's vision for our District is **"Creating a better future with vibrant communities and thriving business"** and we have been working steadily towards this. The Council, elected in October 2013, has set out some objectives to guide the effort in working for achieving this vision. These objectives are:

- Create economic development opportunities
- Continue with essential infrastructure upgrades
- Further develop community engagement
- Drive community connectivity
- Support stakeholder relationships and
- Be part of regional leadership

The 2013 census figures show that the population of our District has decreased slightly since 2006. It is crucial for the future of our communities that we create a vibrant and thriving environment where people would choose to come and live, work or visit. Council intends to maintain its focus on economic development, which needs sustained effort over a longer period. Some examples of what we are working towards are leveraging arising tourism opportunities like the Timber Trail and Hairy Feet Waitomo, improving signage in the district and identifying and promoting the range of job opportunities available within the district. We continue to support the work being done in the social sector trials, and our own Youth Council to give our youth a sense of pride and purpose and belonging to our district.

It is equally important to have good infrastructure in our communities in order to maintain its live-ability and we will continue working on essential infrastructure upgrades required. We are very pleased to have now completed one of the largest infrastructure projects undertaken in our district, the Te Kuiti Wastewater Plant rebuild, and to report that it is performing exceptionally well. Further much needed upgrade work is planned to Te Kuiti and Mokau water supplies in the 2014/15 year and some other upgrades essential to better asset performance.

Our goal is to work closely with all our key stakeholders in our district, including our local Police and other government agencies along with numerous community groups in Te Kuiti, Waitomo, Piopio and Benneydale to make our communities a better place to live in. We will also be working collaboratively with other local authorities to ensure that the interests of our district are well represented and so that we are able to influence the future, to some degree at least.

We all have a role to play in growing and developing our district.



Brian Hanna
MAYOR



Chris Ryan
CHIEF EXECUTIVE

Creating a better future with vibrant communities and thriving business.

Section A: Overview

"Tuku Tuku Panels - Millenium Pavillion"

This section describes:

- Strategic context
- The Consultation Process undertaken
- Key aspects of this Plan
- Financial summary

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Introduction

This is Waitomo District Council's Draft Exceptions Annual Plan for the 2014/15 year (Draft EAP), pertaining to year 3 of the Long Term Plan 2012-22. The Local Government Act 2002 (LGA 2002) requires Councils to produce a Long Term Plan (LTP) with a 10 year planning horizon and review it every 3 years. In addition, for each financial year in between the LTP Council is required to prepare and adopt an Annual Plan.

The Annual Plan is prepared according to s.95 of the LGA 2002 and its main purpose is to:

- Contain the proposed annual budget and funding impact statements for the year to which the annual plan relates.
- Identify any variation from the financial statements and funding impact statements included in the local authority's Long Term Plan in relation to the year.

Structure of the Plan

This Plan contains three main sections.

- Section A provides the overview of the key proposals and financials.
- Section B provides information about the work we carry out, key projects in each area, the costs and performance targets for Council's Groups of Activities. Any variations from the financial details contained in the LTP 2012-22 are also provided for each Group of activity.
- Section C contains the overall financial details of Council.

Audit Review Process

The Exceptions Annual Plan 2014/15 was developed in accordance with the relevant sections of the Local Government Act 2002.

The Exceptions Annual Plan was made available for consultation from 8th April to 8th May 2014. The Plan does not include any significant amendments to the 2012-2022 Long Term Plan therefore it is not required to contain a report from Council's Auditor on behalf of the Office of the Auditor General.



RAILWAY BUILDINGS - RORA STREET TE KUITI

Strategic Context

The context in which Council plans for and develops its activities and work programmes fall into three broad categories.

- The first being Council's legislative responsibilities and what is required of it by law, through various statutes like the LGA 2002, Local Government (Rating) Act 2002, Resource Management Act 1991.
- Secondly, the regional context i.e. what work are the other Council's in the region doing, and how, and the opportunities to work collaboratively with other local authorities to achieve efficiencies.
- And thirdly, the needs and aspirations of the residents and ratepayers of the Waitomo District conveyed through the elected Council (and tested back with the community through planning documents).

Central Government is proceeding with its local government reform agenda as set out in its **Better Local Government Reform** (BLG) programme released in March 2012. To this effect, certain amendments were made to the LGA 2002 in December 2012. The LGA 2002 Amendment Bill (3) is now undergoing the parliamentary process and is expected to be passed into law sometime in the middle of this year. The Bill contains the final suite of LGA changes. There are a range of proposals on changes to Council's planning and processes. These changes to LGA 2002 will have implications on Council's work programme in 2014/15 and going forward.

There are other legislative changes in the pipeline like changes to the RMA 1991, strengthening of earthquake prone buildings, and fencing of swimming pools, which will lead to changes in Council's business to a varying degree.

In terms of regional initiatives, the Waikato Mayoral Forum (WMF), which is a group involving the Mayors and Chief Executives of local authorities within the Waikato region, is going ahead with its planned work

streams. The four main work streams are aimed at achieving collaboration in local governance in the Waikato region. Waitomo District Council will continue to be a part of the WMF to leverage advantages for our District. This involves carrying out strategic, analytical and investigative work by different parts of Council, including Councillors. Some achievements at an operational level have already resulted from this collaboration, for example, the Waikato Building Consent Group wherein seven Waikato Council's have collaborated to develop consistent building control processes which have not only resulted in reduced cost of developing individual administrative material but also created a better experience for the end customer.

Council's vision for our District is **"Creating a better future with vibrant communities and thriving business"** and Council has been working steadily towards this for the past 3-4 years. The new Council (elected in October 2013) has set objectives to give shape to this vision, and to guide the collective effort. These objectives, called 'forward focus areas' are:

- Continue with essential infrastructure upgrades,
- Further develop community engagement,
- Drive community connectivity,
- Create economic development opportunities,
- Support stakeholder relationships, and
- Be part of regional leadership.

The work programmes of Council are aligned with these objectives. Some of these objectives are not new. For example, Council has been working on essential infrastructure upgrades and increasing community engagement for a few years now. Some of these, however, have been made more prominent as core aspects like financial sustainability are now well entrenched.



SHERIDAN STREET, TE KUITI

Key aspects of this Plan

In the main, this Plan follows the programmes and projects set out for 2014/15 in the LTP 2012-22. There are some exceptions however, which have resulted either due to changes in local/regional/national circumstances, or re-sequencing of work programmes due to further investigations, or availability of better information.

District Economic Development Board

Economic development of the District is one of Council's forward focus areas. In fact, it has been a focus area of Council for the last 2 to 3 years at least. This objective is crucial to building a better future for our District and one that needs sustained effort over a longer period to deliver on the Vision.

The 2013 census figures show that the population of our District has decreased slightly since 2006. Therefore, it is important for the future of our communities that we create a vibrant and thriving environment where people would choose to come and live and/or work, or visit. It is not only about attracting outsiders but also retaining our youth and ensuring that relevant opportunities exist for them within the District.

In the LTP 2012-22 Council had planned to establish a District Economic Development Board in order to assist with the planned economic development initiatives. Since then, the Waikato Mayoral Forum has been progressing the development of the Regional Economic Development Strategy which in turn will set the broader economic development goals and direction whilst also providing the baseline information.

Council is aiming to set up an Advisory Group during 2014/15 for economic development. It is intended that this Group will support activities identified in the WDC Economic Development Action Plan. The decision on the need for a formal entity (like a Board) is not likely to be taken for the next 2 to 3 years.

Te Kuiti Railway Buildings

The Te Kuiti Railway Buildings restoration and renewal projects are progressing as planned. These projects were not included in the LTP 2012-22 since the buildings were not secured when the plan was developed. However, they were consulted upon and endorsed through the 2013/14 Annual Plan. Funding from the Lotteries Board for the renewal of the Community Space has been obtained since then, and documentation is being developed to commission the work. Council will continue to engage with the community on this development through the Reference Group and by other suitable means.

Council aspires to create a 'hub' in the centre of Te Kuiti which will contribute to the vibrancy of the township and these projects are a key element in achieving this goal. Once completed, it is expected to have a positive impact on economic and community development for Te Kuiti and the District as a whole.

Upgrades of Core Infrastructure

Council is progressing with the infrastructure renewals and upgrades wherever it is considered essential. Some stormwater network rehabilitation is proposed for parts of the system which have been identified as being under stress. Given the extreme weather events of recent years such an upgrade has become essential.

The major upgrade of the Te Kuiti Water Treatment Plant, to ensure we meet the water quality requirements set out under the Drinking Water Standards for New Zealand 2005, is continuing. However, costs have increased from previous estimates as more detailed assessments have highlighted additional components needing upgrades. Some investigative works are also planned in the different water supply schemes to reduce leakage.

Capital works to improve the condition of sewerage assets in various schemes will also be carried out as projected. An example is the upgrade of the main sewer pipe crossing the river in Te Kuiti to increase its capacity.

On the whole, the upgrades are in line with the plans in the LTP 2012-22 and no major new work has been identified as part of development of this EAP.

Other Areas

Council will maintain the service levels for libraries, playgrounds, dog and animal control and other community services and seek efficiencies where possible. There will be continued focus on engaging the youth of our District and providing development opportunities for them.

There are a range of legislative changes imminent in 2014/15 and moving forward. Some examples are the Earthquake-prone Buildings Amendment Bill which introduces a revised system of managing and reinforcing earthquake-prone buildings, Swimming Pool fencing changes and LGA 2002 changes. Council will be working towards assessing their impact and implementing these as they are passed into legislation.

Financial Summary

The total rate revenue for the 2014/15 financial year is \$17,339,000 (excl GST) and represents an average overall **2.9%** increase over the current year's total rate requirement compared to the 7.6% projected increase in the LTP 2012-22. The Combined Cost of Service Statement (below) provides for a decrease of overall Rate Revenue of \$1,447,000 when compared to the LTP 2012-22 forecast for 2014/15.

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

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

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP 2014/15
	Cost of Service Statement for All Council			
(11,441)	Total Operating Income	(10,931)	(11,260)	(329)
24,543	Total Operating Expenditure	27,222	26,033	(1,189)
13,102	Net Operating Cost/ (Surplus)	16,291	14,773	(1,518)
11,571	Total Capital Expenditure	9,718	10,155	437
24,673	Total Net Expenditure	26,009	24,928	(1,081)
	Funded By			
(4,732)	Loans	(4,081)	(3,451)	630
(3,092)	Reserves	(3,142)	4,138	(996)
(16,849)	General Rates, UAGC and Service Charges	(18,786)	(17,339)	1,447
(24,673)	Total Funding	(26,009)	(24,928)	1,081

Overall trends show an increase in Operating Revenue and a decrease in Operating Cost resulting in an overall decrease of \$1,518,000 in Net Operating Cost (compared to the 2014/15 year in the LTP 2012-22).

The overall increase in capital expenditure (compared to the 2014/15 year in the LTP 2012-22) is mainly due to the restoration and revitalisation of the Railway Buildings in Te Kuiti. This project was not anticipated when the LTP 2012-2022 was adopted.

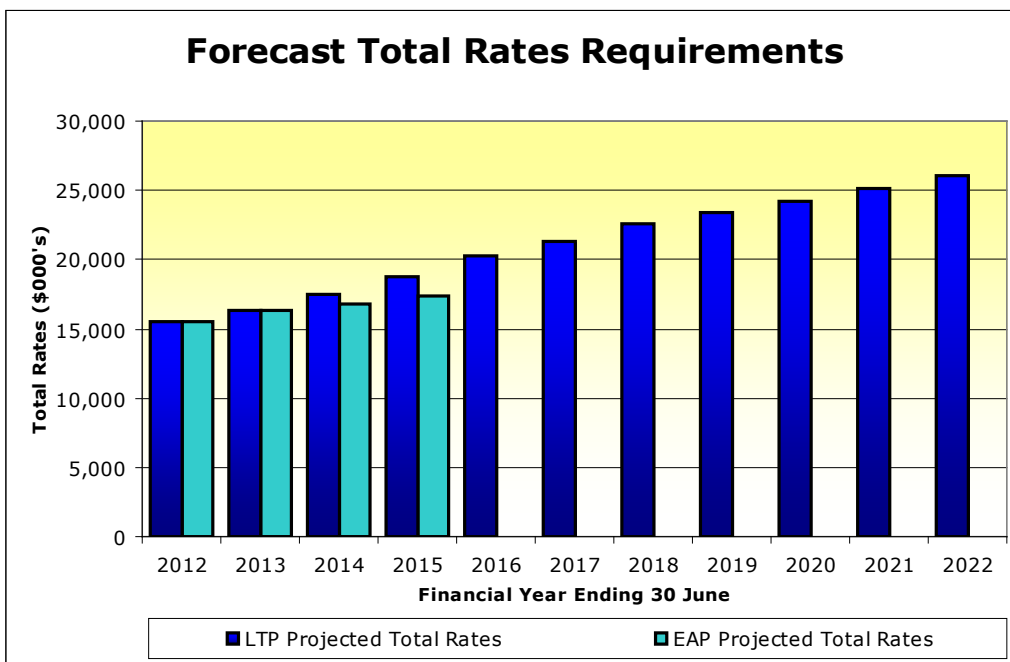
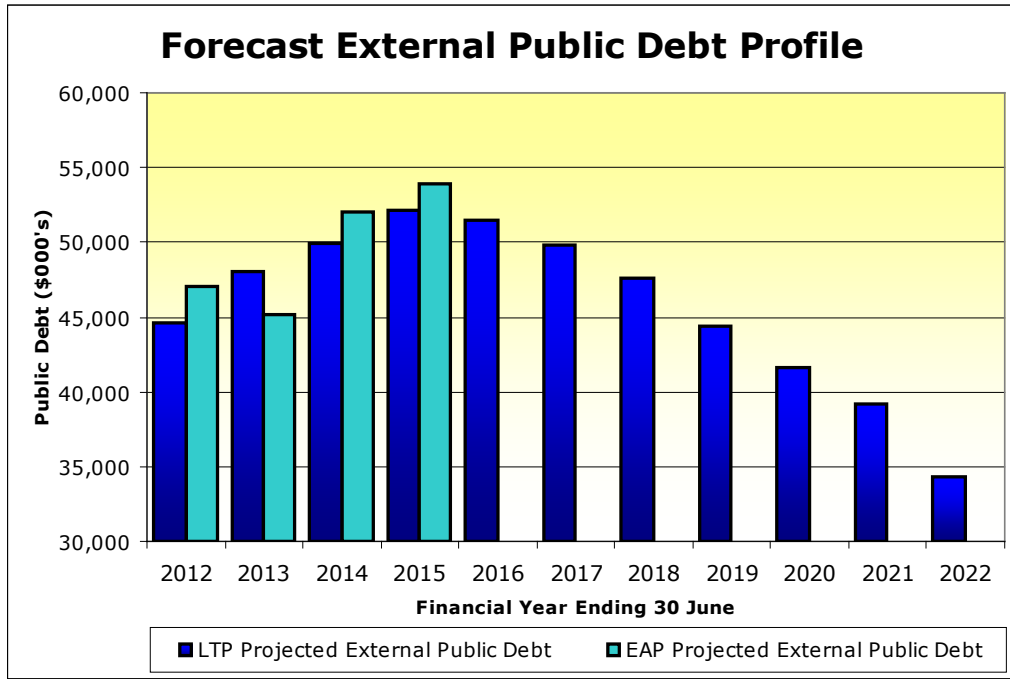
The decrease in the internal loan funding (compared to the 2014/15 year in the LTP 2012-22) is largely driven by the deferral of funding required for the projected expansion of the Piopio Reticulated Sewerage network (pending future growth) and the timing of the Te Kuiti Water Supply upgrade.

It needs to be noted however that a decrease in internal loans does not necessarily mean that external public debt will decrease as well. It simply means that Council has adequate reserves and can meet its internal debt obligations through its existing banking facilities.

The overall external public debt at the end of the 2014/15 year is forecast to be \$1,875,000 million more than that provided for in year three (i.e. 2014/15) of the LTP 2012-22. This increase pertains to additional loans raised in 2013/14 (and confirmed through the 2013/14 Annual Plan process) rather than increased external debt to be raised in 2014/15. The main contributors to the increased public debt in the 2013/14 year are – the Te Kuiti Sewerage upgrades, the restoration and revitalisation of the Te Kuiti Railway Buildings and an advance of \$750,000 made to Council's subsidiary Inframax Construction Ltd (repayable in November 2015). These additional loans were not anticipated when the LTP 2012-22 was adopted.

Further details on the 2014/15 capital expenditure programme and public debt are shown in Section C of this document.

The following graphs summarise the impact of the EAP 2014/15.



What will it cost?

The overall increase in rates requirement for 2014/15 over the current year is \$490,000 (excl GST) which constitutes an average **2.9%** increase. It is important to note that the rates changes for individual properties can be above or below this average increase.

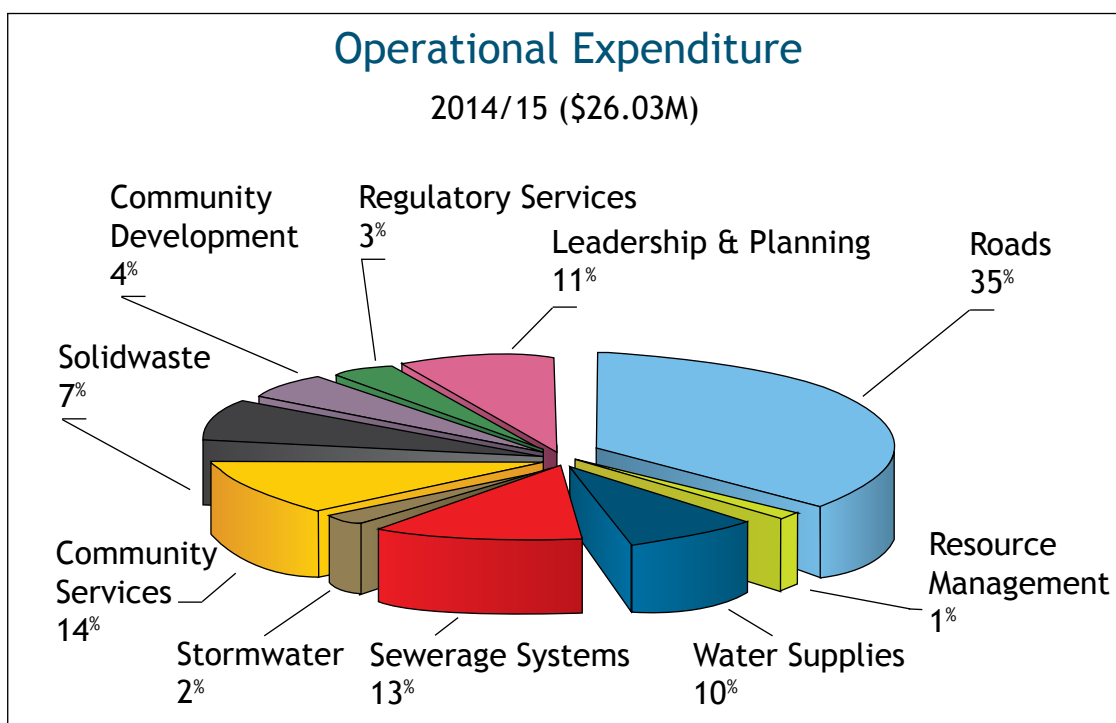
During the preparation of the proposed 2014/15 budgets Council identified savings in a number of activities e.g. favourable interest rates, insurance premiums and alternative service delivery options. In addition, trade-waste contributions and revenue from metered water are projected to increase.

Despite these savings the key influencers to the 2.9% increase in rates requirement are:

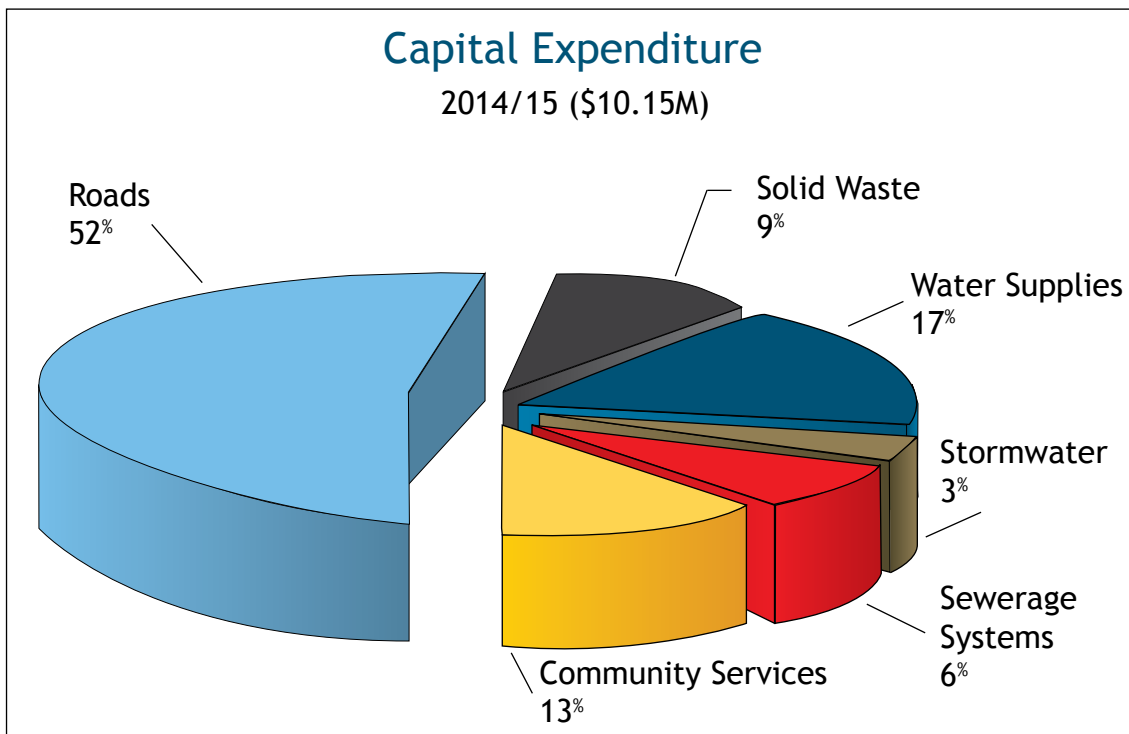
- Additional operating expenditure for the Te Kuiti and Benneydale Wastewater Treatment Plants.
- Additional operating expenditure for the Piopio and Mokau Water Supply networks.
- Additional operational expenditure for the Te Kuiti Railway Building restoration and revitalisation project
- Additional provision for Long-Term Plan costs recognising the review of the 2015-2025 LTP to be undertaken during 2014/15
- Reduction in Building Control revenue reflecting existing levels of applications

Commentary on material variances in the different activities between the proposed 2014/15 budgets and year three (2014/15) of the LTP 2012-22 is provided in the relevant Cost of Service Statements in Section B of this Plan.

The proposed total operational expenditure for 2014/15 of \$26.03 million will be spent in providing the following services and activities:



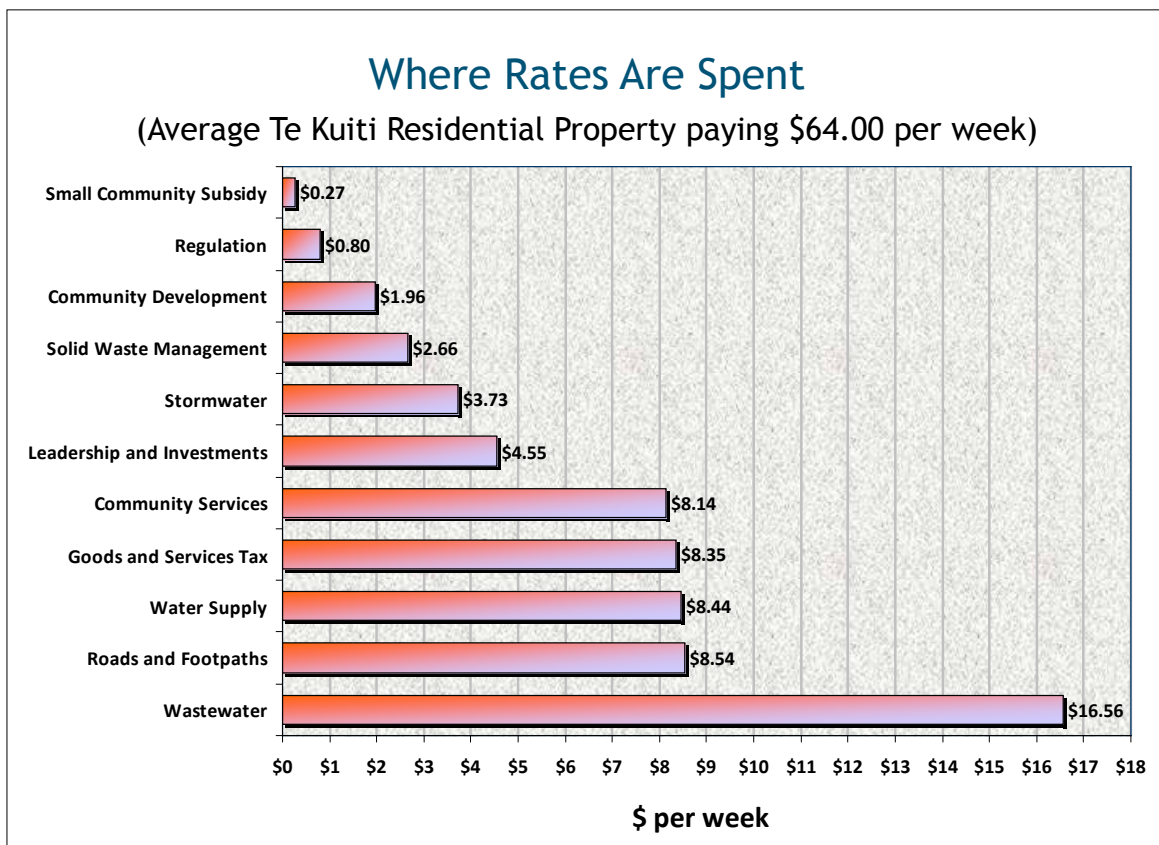
The proposed total capital expenditure for 2014/15 is \$10.15 million of which 52% will be spent on maintaining and upgrading the 1,014 kms of roading network in the District.



How will it be paid for?

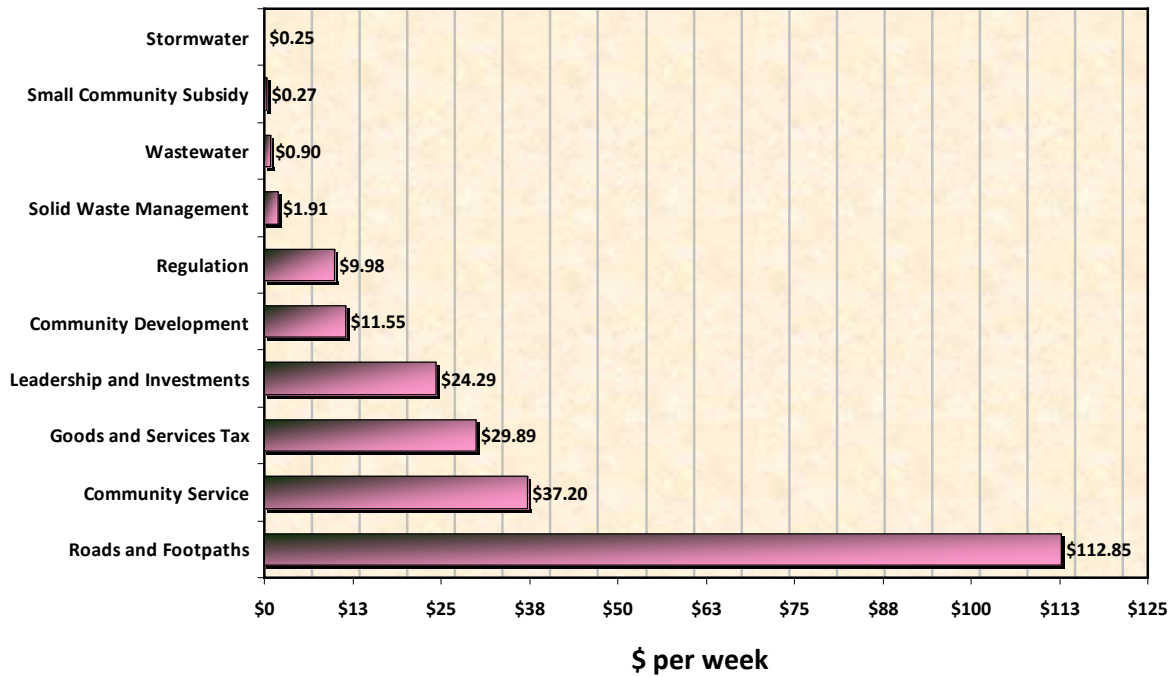
Our activities are funded through a mix of sources – rates, fees and charges, reserves and loans. Details on the different type of rates charged are contained in the Funding Impact Statement in Section C of this document.

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



Where Rates Are Spent

(Mid-range farm business paying \$229.09 per week)

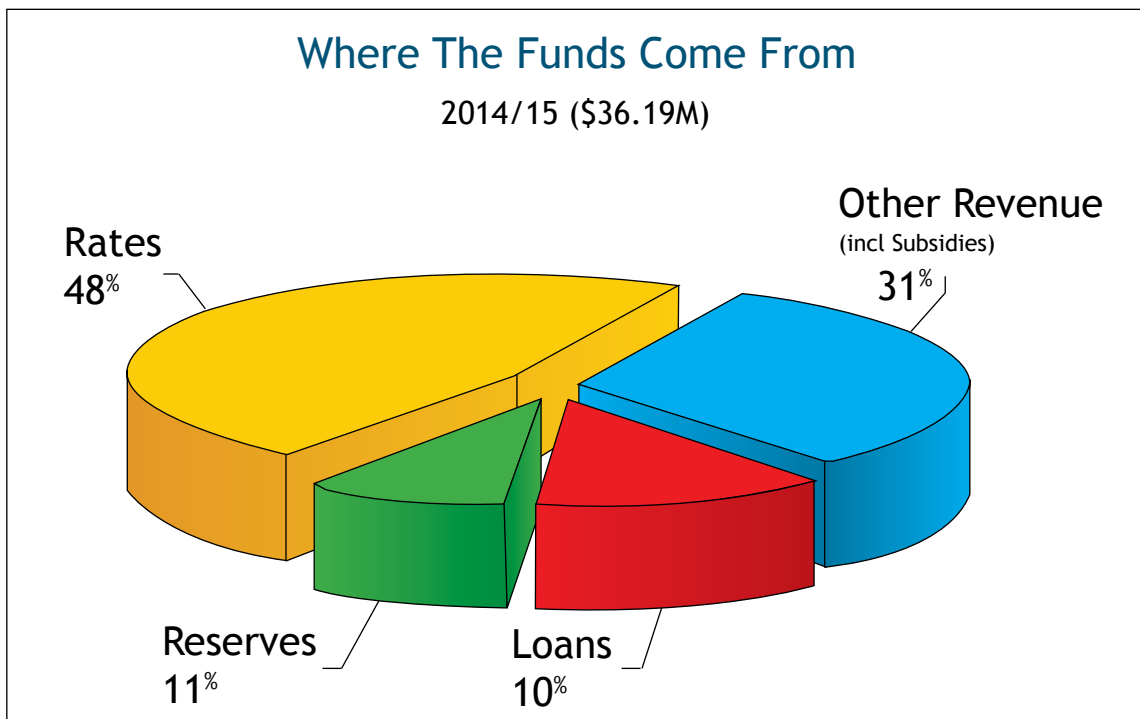


Funding Sources

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

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

The following graph shows the various funding sources for 2014/15.



2014/15 EAP Consultation Process

Council's draft Exceptions Annual Plan 2014/15 (dEAP) was presented to the community for consultation from Tuesday 8th April to Thursday 8th May 2014. Feedback from the community was sought during this time on the proposals made in the dEAP.

During the consultation period, Councillors attended local 'Residents and Ratepayers' meetings to speak with them about the Draft Plan. Information about the key proposals, was provided at these meetings to increase community awareness and encourage participation. They also attended the Business After 5 meeting hosted by Te Kuiti Development Incorporated.

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

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

Submissions

A total of 21 submissions were received and three submitters wished to be heard in support of their submissions. Overall, there was support for all the key proposals made by Council in the dEAP.

Key Changes

No changes were made to the dEAP as a result of the consultation process as none of the submissions requested any changes to the proposals contained in the dEAP.

Some requests were made for service and other actions which will be carried out through the existing work streams.

Section B: Groups of Activities



Redwood Park Te Kuiti

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

- A description of the activities making up the group
- Main focus for 2014/15
- How performance is measured
- Financial forecasts for the group

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Introduction

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

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

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

Community and Cultural Sustainability

The Groups of Activities discussed under this heading promotes Community Outcomes that primarily focus on building and developing cohesive and functional communities in the Waitomo District. Council provides a range of services and facilities to the various communities in the Waitomo District in order to achieve this.

Groups promoting Community and Cultural Sustainability:

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



PARKSIDE SUBDIVISION, TE KUITI

Governance: Leadership and Investments

What we do

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

Leadership

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

Some key elements of this activity are:

- Council's governance at a District level which involves the provision of leadership and governance for the District through the Mayor's Office and the Council/Committee structure.
- Conduct of elections.
- Council's advocacy on issues that impact on the Waitomo District.
- Planning and Policy development which involves carrying out long term and annual planning for the District and producing plans which reflect the Council's role and level of involvement in achieving the Community Outcomes.
- Monitoring and Reporting.

Investments

Council Controlled Organisations

Investment in Local Authority Shared Services (LASS)

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

Investment in Inframax Construction Ltd (ICL)

Inframax Construction Ltd is a roading construction and maintenance company wholly owned by the Waitomo District Council as a Council Controlled Organisation. Although, it is wholly owned by Council, ICL is an independent legal entity with its own Board of Directors and management structure and bound by the legal obligations of the Companies Act.

Investment Properties

Council Owned Quarries

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

Forestry Holdings Held by Waitomo District Council

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

Parkside Subdivision

As part of the restructure and capital raising of Inframax Construction Ltd in 2011, WDC purchased the Parkside Subdivision which is located near the centre of Te Kuiti. The subdivision consisted of 32 sections of which 28 remain available for sale.

Other Entities

Investment in Civic Assurance Ltd

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

Main focus for 2014/15

The following are key projects planned in this activity area:

- Prepare and adopt the 2013/14 Annual Report.
- Review Rates Remission/Postponement Policy (including rates on Maori Freehold Land).
- Draft, consult and adopt the 2015-2025 Long-Term Plan.
- Actively participate in the Waikato Mayoral Forum (involving the Mayors and Chief Executives of local authorities within the Waikato region) to review/consider opportunities to collaborate in planning, purchasing and service delivery options.

Measuring our progress

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

What we do (Level of Service)	How we measure success (Performance Measure)	Our Targets		
		2014/15	2015/16	2016/17
Leadership				
Decision making in compliance with provisions of the Local Government Act 2002.	Number of challenges to the decision making process.	0	0	0
Consultation is in accordance with the Special Consultative Procedure outlined in LGA 2002.	Number of challenges to the decision making process.	0	0	0
Effective communication with the community.	Customer satisfaction rating of effectiveness and usefulness of Council communications "good or better".	≥ 55%	≥ 60%	≥ 60%
Investments				
Investments contribute to economic and social well-being.	Analysis of investment financials and activity including investment company reporting statements are reported to Council and made available to the public as applicable.	2 reports per year	2 reports per year	2 reports per year



THE NATURAL BRIDGE, WAITOMO

Estimated Cost of Service Statement

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(480)	Representation	(373)	(470)	(97)
(113)	Investments	(151)	(77)	74
(593)	Total Income	(524)	(547)	(23)
	Direct Operating Expenditure			
777	Representation	772	774	2
515	Strategic Planning and Policy	1,183	900	(283)
374	Monitoring and Reporting	406	384	(22)
812	Investments	952	807	(145)
2,478	Total Direct Expenditure	3,313	2,865	(448)
1,885	Net Operating Cost/ (Surplus)	2,789	2,318	(471)
1,885	Net Expenditure	2,789	2,318	(471)
	Funded By			
0	Internal Loans	(239)	(230)	9
(8)	Reserves	(100)	(106)	(6)
(656)	General Rates	(852)	(1,009)	(157)
(1,221)	UAGC	(1,598)	(973)	625
(1,885)	Total Funding	(2,789)	(2,318)	471

Variations from LTP 2012-22

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

Operating Income

- Representation:

- (i) Revenue from Rate Penalties are projected to be more than the LTP forecast
- (ii) A new shared IT service arrangement with Council's subsidiary Inframax Construction Ltd will result in a recovery of associated costs
- (iii) Projected section sales at Parkside Subdivision have been removed and replaced with a Net Gain on Sales.

Operating Expenditure

- Strategic Planning and Policy:

- (i) Costs associated with the District Plan review have been scaled back since a comprehensive review will not start during 2014/15.
- (ii) In addition, internal costs relating to preparation of the LTP 2015-2025 and Policy Development and Advocacy have been reassessed. As a result annual costs are projected at lower levels to those forecast in the LTP.

- Investments:

- (i) The interest charges and internal costs allocated to Inframax Construction Ltd are less than those forecast in the LTP.
- (ii) The projected Cost of Sales on sections at Parkside Subdivision has been removed and replaced with a Net Gain on Sales in the income section (above).

Funding Changes

- General Rate and UAGC:

The proposed decrease in General and UAGC rates funding is due to a combination of:

- (i) reductions in District Plan review costs;
- (ii) reductions in loan interest charges and other costs allocated to Inframax Construction Ltd and Parkside Subdivision; and
- (iii) a reduction in projected quarry production and related royalties.

Community Service

What we do

The Community Service Group consists of the following activities:

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

Parks and Reserves

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

Housing and Other Property

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

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

Recreation and Culture

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

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

Public Amenities and Safety

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

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

Main focus for 2014/15

Parks and Reserves

- Completion of the walking track strategy which is scheduled for in 2014/15.
- Ongoing renewals associated with esplanade bridges, pontoons and jetties

Housing and Other Property

- Continue the asset restoration associated with the external framework of the three Te Kuiti Railway Buildings partly funded from Lotteries funding secured by WDC
- Commence the refurbishment of upper level of 28 Taupiri Street for the relocation of Te Kuiti Community House (subject to external funding)
- Roof renewal Piopio hall

Council Rental Housing

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

Recreation and Culture

- 28 Taupiri Street Council building entrance renewal for the relocation of Te Kuiti Community House (subject to external funding).
- Continuation of the library book replacement programme
- Continue development of the Te Kuiti Aerodrome reserve management plan scheduled to be completed 2014/15 year.

Public Amenities

- Undertake investigatory work relating to the provision of toilet facilities in Benneydale
- Continuation of toilet upgrades across district.



WDC FIRE CREWS ATTEND THE RURAL FIRE, LOCATED STATE HIGHWAY 30 - 28 FEBRUARY 2014

Measuring our progress

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

What we do (Level of Service)	How we measure success (Performance Measure)	Our Targets		
		2014/15	2015/16	2016/17
High quality Parks and Reserves will be provided.	Percentage of community satisfied with the quality of Parks and Reserves in annual and research surveys.	≥ 80%	≥ 80%	≥ 80%
Provision and maintenance of Elderly Persons Housing that meets the needs of the tenants.	Percentage of users satisfied with the provision and maintenance of Elderly Persons Housing in the User Survey.	> 60%	> 60%	> 65%
Quality public amenities will be provided.	Percentage of community satisfied with the quality of public amenities (Public Toilets and Cemeteries).	≥ 80%	≥ 80%	≥ 80%
Provision of comprehensive library facilities for the community.	Percentage of community satisfied with the quality of the library facilities and service in the annual satisfaction survey and research survey results.	≥ 85%	≥ 85%	≥ 85%
Provision of effective pool facilities for the community.	Percentage of community satisfied with the quality of the pool facilities and service in the annual satisfaction survey and research survey results.	≥ 70%	≥ 70%	≥ 70%
Provision of effective Arts and Culture facilities for the community.	Percentage of community satisfied with the quality of the Arts and Culture facilities and service in the annual satisfaction survey and research survey results.	≥ 75%	≥ 75%	≥ 75%
Council's public facilities are provided to standards of fitness for use.	Current Building Warrant Of Fitness (BWOFF) for facilities with compliance schedules.	100%	100%	100%
Pool is safe for use of pool patrons at all times.	Pool accreditation in place.	100%	100%	100%
	Number of pool non complying water quality readings per year	< 5	< 5	< 5
Community education and information provided to build community awareness and preparedness.	The number of residents who understand the need to plan for the ability to survive on their own for 3 days if there was an emergency event.	40%	40%	40%
Council will ensure that staff are equipped and trained to efficiently man the Civil Defence headquarters in an emergency	One major training exercise involving Civil Defence headquarters staff will be held per year	One exercise per year	One exercise per year	One exercise per year
Playground equipment is safe to use for parks and reserves playground users	Number of accidents directly attributable to playground equipment failure	Nil accidents	Nil accidents	Nil accidents

Estimated Cost of Service Statement

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(11)	Parks and Reserves	(11)	(5)	6
(420)	Housing and Other Property	(230)	(635)	(405)
(114)	Recreation and Culture	(121)	(109)	12
(54)	Public Amenities	(63)	(54)	9
(599)	Total Income	(425)	(803)	(378)
	Direct Operating Expenditure			
603	Parks and Reserves	766	659	(107)
931	Housing and Other Property	706	1,080	374
1,041	Recreation and Culture	1,062	1,059	(3)
734	Public Amenities	751	748	(3)
194	Safety	144	185	41
3,503	Total Direct Expenditure	3,429	3,731	302
2,904	Net Operating Cost/ (Surplus)	3,004	2,928	(76)
	Capital Expenditure			
99	Parks and Reserves	107	107	0
722	Housing and Other Property	108	874	766
398	Recreation and Culture	441	304	(137)
233	Public Amenities	69	79	10
1,452	Total Capital Expenditure	725	1,364	639
4,356	Net Expenditure	3,729	4,292	563
	Funded By			
(1,024)	Internal Loans Drawn	(382)	(599)	(217)
(328)	Reserves	(354)	(477)	(123)
(981)	General Rate	(909)	(1,542)	(633)
(1,793)	UAGC	(1,834)	(1,430)	404
(230)	Target Rate	(250)	(244)	6
(4,356)	Total Funding	(3,729)	(4,292)	(563)

Variations from LTP 2012-22

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

Operating Income

- Housing and Other Property:
 - (i) Proposed capital expenditure on the restoration and revitalisation of the Railway Building in Te Kuiti Township is expected to be part funded through grants (\$100,000) from external organisations.
 - (ii) Proposed capital expenditure on redevelopment of 28 Taupiri Street for the relocation of the TK Community House is also expected to be part funded through grants (\$300,000) from external organisations.

Full costs and associated grants for these two projects were not recognised at the time the LTP 2012-22 was adopted. (N.B. Grants are treated as operational income).

Operating Expenditure

- Parks and Reserves: Establishment of an Internal Services Business Unit (ISBU) has resulted in a re-distribution of costs to other cost centres. The ISBU was not anticipated at the time the LTP 2012-22 was adopted.
- Housing and Other Property: The value of the Railway Building and other Council-owned Buildings has increased following the capital expenditure programme (above). Depreciation, loan interest charges and other allocations for 2014/15 are forecast to increase as a result. These costs, together with expenditure proposed for security, rates, insurance, legal costs, electricity and general upkeep of the Railway Building complex were not anticipated at the time the LTP 2012-22 was adopted.
- Safety: The method of delivery of the provision for Civil Defence Services has changed since the development of the LTP 2012-22. The full costs of these changes are reflected in the Cost of Service Statement.

Capital Expenditure

- Housing and Other Property: The proposed increase in capital works is for the Railway Building restoration and revitalisation projects (\$264,000; part of which will be funded through grant income) and the redevelopment of 28 Taupiri Street for the relocation of the Community House (\$427,000). These projects were not anticipated when the LTP 2012-22 was adopted.
- Recreation and Culture: The planned upgrade of the Library Building Entrance area (\$123,000) in 2014/15 has been incorporated into the redevelopment of 28 Taupiri Street (TK Community House relocation). A \$7,000 reduction in Library book purchases is also proposed for 2014/15.

Funding Changes

- Internal Loans Drawn: It is proposed that the local share of both the restoration and revitalisation of the Railway Building complex and the redevelopment of 28 Taupiri Street (TK Community House relocation) not met from external grants will be funded through internal loans.
- Reserves: It is proposed that additional surplus reserve funds be utilised in 2014/15 to spread the impact of increases in depreciation and loan interest charges on the Railway Building and 28 Taupiri Street developments over 2 or more financial years.
- General Rate and UAGC: The proposed increase in General Rate and UAGC decrease in funding is due to a combination of:
 - (i) reductions in revenue from fees and charges (reflecting current trends);
 - (ii) increased maintenance and other operating costs; and
 - (iii) expenditure on the Railway Building that was not anticipated when the LTP 2012-22 was adopted.
 - (iv) the effect of the Section 101 Local Government Act 2002 adjustment (as disclosed in the Funding Impact Statement).

Community Development

What we do

Community Development is a group of activities where WDC, in a number of diverse roles, is actively involved in 'helping the community to help itself'.

Community Development activities represent a group of collaborative and partnership approaches and initiatives involving many agencies and organisations. These activities involve a common theme of promoting a better quality of life and a better living environment within the District.

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

The Community Development Group comprises the following functions:

Community Support

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

Youth Engagement

WDC identified key community outcomes relating to Youth for the first time, in the 2012-22 LTP. To support the achievement of these outcomes WDC has led, or invested time in supporting a number of youth related projects. WDC have found these projects to be beneficial as they interconnect and engage young people within the community in a number of different ways. Council intends to continue with these initiatives in 2014/2015 and in the coming years. The key areas of youth engagement include:

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

Customer Services

This function enables service delivery and support for residents across three Council sites - Council's Administration Building (Queen Street), Waitomo District Library (Taupiri Street) and Te Kuiti Visitor Information Centre i-SITE (Rora Street).

District Development

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

- Continued support of district promotion via the Hamilton and Waikato Regional Tourism organisation.
- Continue long-standing sister city relationships.

District Economic Development

During development of the 2012-2022 LTP, Council confirmed its intent to establish a District Economic Development Board in 2013/2014 to support the provision of economic development within the District. This project has been deferred to await the outcomes of the Regional Economic Development work stream being progressed by the Waikato Mayoral Forum.

Council is aiming to set up an Advisory Group during 2014/2015. It is intended that the Group will undertake an assessment of the local economy and support activities identified in the WDC Economic Development Action Plan.

The decision on establishment of a Board is unlikely to occur until either the 2016/2017 or 2017/2018 year.

Main focus for 2014/15

Community Support

- Administration of existing Community Development Fund.
- Community Events continued (e.g. Christmas Parade).
- Foster collaborative initiatives and opportunities, encouraging shared participation and support.

Youth Engagement

Participation and support of the identified youth engagement projects will continue in the 2014/15 financial year.

District Development

- Increased focus on visitor experience within the District via Council supported i-SITES.
- Event promotion, including the Great NZ Muster.
- Connect people, business, iwi, individuals, community groups and organisations to identify opportunities that will encourage growth.
- Establish an Advisory Group to develop an Economic Development Action Plan and assess the nature and scope of a preferred structure to deliver on the Action Plan.

Measuring our progress

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

What we do (Level of Service)	How we measure success (Performance Measure)	Our Targets		
		2014/15	2015/16	2016/17
Provide assistance for community support activities.	Advertisement and administration of all WDC Funding Rounds as per the Community Development Fund Policy.	100%	100%	100%
Support the positive development of youth within the District.	Youth Council makes one submission to Council per year.	1 per annum	1 per annum	1 per annum
	Youth Council undertakes two youth related projects per year.	2 per annum	2 per annum	2 per annum
Council will support major District events that build community pride and raise the District's profile.	Number of major District events held on time and to budget.	One Major event (the Muster) and one minor event (the Christmas Parade)	One Major event (the Muster) and one minor event (the Christmas Parade)	One Major event (the Muster) and one minor event (the Christmas Parade)
Council through its membership of the Hamilton and Waikato Regional Tourism Organisation will ensure enhanced presence in national and international markets for the District.	Number of District Promotion opportunities taken by the Hamilton and Waikato Regional Tourism Organisation in key publications and industry events.	> 4	> 4	> 4
Council will support business expansion and diversification, and encourage the development of work-based skills.	District Economic Development Board Strategy developed and implemented.	25% of the programmes identified within the District Economic Development Board strategy are implemented	District Economic Development Board 100% operational	District Economic Development Board 100% operational



WAITOMO DISTRICT CHRISTMAS PARADE, DECEMBER 2013

Estimated Cost of Service Statement

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(62)	Youth Engagement	0	(5)	(5)
(150)	District Development	(237)	(54)	183
(20)	Agencies	0	(19)	(19)
(232)	Total Income	(237)	(78)	159
	Direct Operating Expenditure			
542	Community Support	602	552	(50)
124	Youth Engagement	0	71	71
4	Sister City	5	4	(1)
496	District Development	584	440	(144)
26	Agencies	0	30	30
1,192	Total Direct Expenditure	1,191	1,097	(94)
960	Net Operating Cost/ (Surplus)	954	1,019	65
960	Net Expenditure	954	1,019	65
	Funded By			
(26)	Reserves	16	(52)	(68)
(207)	General Rates	(278)	(346)	(68)
(576)	UAGC	(492)	(447)	45
(151)	Target Rates	(200)	(174)	26
(960)	Total Funding	(954)	(1,019)	(65)

Variations from LTP 2012-22

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

Operating Income

- **District Development:** The basis on which sales of tourism related services are accounted for at the Visitor Information Centre has been changed with only the commission earned on sales now recorded as revenue. This varies with the forecasts in the LTP 2012-2022 which provided for gross sales to be shown.

This reduction in income is offset to some extent with government grants proposed for events associated with the Commemoration of World War 1 during 2014/15. These grants were not anticipated at the time the LTP 2012-2022 was adopted.

- **Agencies:** The LTP 2012-2022 anticipated that Council would no longer be providing vehicle and driver licencing agency services by 2014/15. However, despite negotiations with other parties an alternative local service provider has yet to be found. WDC will continue to provide Waitomo residents with these services meantime and provision has been made for related revenue from fees and charges in the 2014/15 budgets.

Operating Expenditure

- **Youth Engagement:** The Youth Engagement initiative has been developed further by Council as agreed in the LTP 2012-22. Consequently, the expenditure (previously included in the Community Support activity) is now disclosed separately in a 'Youth Engagement' function for the purpose of transparency. Most of this expenditure is for internal resourcing of the activity.
- **District Development:** In line with the change in accounting for Visitor Information Centre revenue, (described above), expenditure does not now include the purchase cost of tickets which are on sold. This varies with the forecasts in the LTP 2012-2022 which provided for actual purchases of products and services on-sold to the public.

In addition, establishment of a District Economic Development Board (or similar entity) has been deferred in the interim. Council has decided to set up an Advisory Board in the meantime tasked with assessing the local economy and developing an Economic Development Action Plan. Projected costs associated with the Advisory Board are considerably less than the LTP 2012-2022 forecasts for support of a District Economic Development Board.

Funding

- **Reserves:** The proposed increase in transfers from reserves recognises the net effect of the Section 101(3) (b) Local Government Act 2002 adjustment (as disclosed on page 61 of this Plan).
- **General Rate and UAGC:** The proposed funding increase in the General Rate and the funding decrease in the UAGC is due to a combination of:
 - (i) Additional provisions for Youth Engagement (\$66,000) and the AA Agency (\$10,000), neither of which were anticipated at the time the LTP 2012-22 was adopted;
 - (ii) An increase in Community Support (\$40,000) reflecting a decrease in funding from reserves. These are offset by a decrease of \$10,000 for Community Grants. It is proposed that surplus reserve funds be used to meet some of the funding required for this activity.
 - (iii) The effect of the Section 101(3)(b) Local Government Act 2002 adjustment (as disclosed in the Funding Impact Statement).

Regulation

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

What we do

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

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

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

In July 2013 WDC joined the Waikato Building Consent Group. The purpose of the Group is to foster co-operation, collaboration and provide an excellent and consistent service to customers across the Waikato Region.

Member Councils include Waitomo District, Waipa District, Hamilton City, Waikato District, Otorohanga District, Matamata-Piako District and Hauraki District Councils.

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

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

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

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

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

Main focus for 2014/15

The statutory environment within which this Group operates tends to undergo continuous change.

- The Building Act is under constant review. Implementation of new legislation remains a key area of focus in 2014/15.
- Amendments to the Fencing of Swimming Pools Act 1987 are expected, focusing on pool safety and providing clearer requirements for restricting access to swimming pools.
- The Building Act is scheduled to be amended to more clearly set the framework for a stepped, risk-based building consent system where the amount of plan checking and inspection is aligned with the risk and complexity of the work.
- Amendments to the Building Act in relation to Earthquake Prone Buildings are expected in 2014/15. The impact of these changes is unknown at this stage.
- Implementation of the Waitomo District Local Alcohol Policy.



MOA STREET, PIOPIO

Measuring our progress

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

What we do (Level of Service)	How we measure success (Performance Measure)	Our Targets		
		2014/15	2015/16	2016/17
All food and liquor retail premises will be inspected and appropriately registered and licensed.	Percentage of registration or licensing of food and liquor retail premises inspected annually.	100%	100%	100%
Provision of an effective environmental health service for the community.	Customer satisfaction survey rating on Environmental Health Service.	> 50%	> 50%	> 50%
Building consents and project information memoranda issued within 15 working days.	Percentage of building consents and project information memoranda issued within 15 working days.	90%	90%	90%
Council will ensure that consented building works adhere to the Building Code.	Percentage of consented buildings under construction (inspected) to ensure code compliance.	100%	100%	100%
Provision of an effective building control service to the community.	Customer satisfaction survey rating on Building Control.	> 50%	> 50%	> 50%
Dog owners' properties will be inspected to ensure compliance with the Dog Control Act 1996 and Council's bylaws.	Percentage of dog owners' properties inspected per year.	Urban 100% Rural 10%	Urban 100% Rural 10%	Urban 100% Rural 10%
High level of customer satisfaction with animal control service.	Customer satisfaction survey rating on Animal Control.	≥ 50% good or above	≥ 50% good or above	≥ 50% good or above



MAROKOPA

Estimated Cost of Service Statement

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(409)	Regulation	(437)	(363)	74
(409)	Total Income	(437)	(363)	74
	Direct Operating Expenditure			
722	Regulation	754	684	(70)
722	Total Direct Expenditure	754	684	(70)
313	Net Operating Cost/ (Surplus)	317	321	4
	Funded By			
(5)	Reserves	4	117	113
(226)	General Rates	(225)	(398)	(173)
(82)	UAGC	(96)	(40)	56
(313)	Total Funding	(317)	(321)	(4)

Variations from LTP 2012-22

Material variations in the Regulation Activity for the 2014/15 financial year when compared to the LTP 2012-22.

Operating Income

- Regulation: The proposed budgets have reduced revenue from fees and charges for Building Control Services and Environmental Services in 2014/15 reflecting current and forecast levels of activity within the District.

Operating Expenditure

- Regulation: The reduction reflects Council's proposal to consider various service delivery options for existing regulatory services.

Environmental Sustainability Group

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

Groups promoting Environmental Sustainability:

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



MAROKOPA FALLS

Solid Waste Management

What we do

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

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

There are four activities under this Group:

Waste Minimisation

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

Kerbside Recyclables Collection

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

Kerbside Refuse Collection

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

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

Main focus for 2014/15

The EAP proposes the continuation of level of service provided for the Solid Waste Management activity.

- Completion of development of Cells 2 and 3 and construction of a roof over the recycling area at the Landfill.
- Continuation of waste reduction initiatives and monitor and review waste minimisation behaviour.
- Review of all waste management facilities to identify any hazards and safety improvements required.



WAITOMO DISTRICT LANDFILL

Measuring our progress

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

What we do (Level of Service)	How we measure success (Performance Measure)	Our Targets		
		2014/15	2015/16	2016/17
Users find the recycling facilities safe to use.	Percentage of users rate the safety of Council's recycling facilities as satisfactory or better.	75%	75%	75%
Provision of effective waste service for the community.	Customer satisfaction survey rating on waste transfer stations.	60%	60%	60%
The solid waste management facilities feel safe to the user.	Percentage of users rate the District's waste transfer stations safe to use.	70%	70%	70%
Users find the landfill facility safe to use.	Percentage of users rate the safety of Council's landfill facility as satisfactory or better.	75%	75%	75%
The solid waste management facilities are open and accessible to users at advertised times.	Number of complaints per month due to facilities not being open at advertised times.	<1	<1	<1
Reduce quantity of recyclables like paper and plastics in bag collection that goes to landfill.	Percentage of reduction per annum leading to 10% reduction by 2016 and 15% by 2022. (both measured against the 2010 Waste Audit).	2%	2%	2%
Reduce the quantity of organic waste like food scraps etc in bag collection that goes to landfill.	Percentage of reduction per annum achieved through continual education leading to 10% reduction by 2022 (measured against the 2010 Waste Audit).	1.5%	1.5%	1.5%
Provision of an effective solid waste service for the community.	Number of complaints received per month regarding solid waste activities.	≤ 10	≤ 10	≤ 10

Estimated Cost of Service Statement

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

Variations from LTP 2012-22

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

Operating Income

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

Operating Expenditure

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

Funding Changes

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

Stormwater Drainage

What we do

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

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

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

Main focus for 2014/15

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



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

Measuring our progress

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

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

Estimated Cost of Service Statement

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

Variations from LTP 2012-22

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

Operating Expenditure

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

Capital Expenditure

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

Funding Changes

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

Resource Management

What we do

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

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

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

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

Main focus for 2014/15

The service levels in this activity will be maintained.

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

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

Measuring our progress

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

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

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



LIMESTONE LANDSCAPE - WAITOMO

Estimated Cost of Service Statement

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

Variations from LTP 2012-22

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

Sewerage and Treatment and Disposal of Sewage

What we do

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

There are three activities under this Group, namely:

- Maintenance
- Renewals and replacements
- Improvements

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

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

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

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

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

Main focus for 2014/15

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



OVERVIEW - TE KUITI WASTE WATER TREATMENT PLANT

Measuring our progress

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

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

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



FILTRATION SYSTEM - TE KUITI WASTEWATER TREATMENT PLANT

Estimated Cost of Service Statement

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

Variations from LTP 2012-22

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

Operating Income

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

Operating Expenditure

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

Capital Expenditure

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

Funding Changes

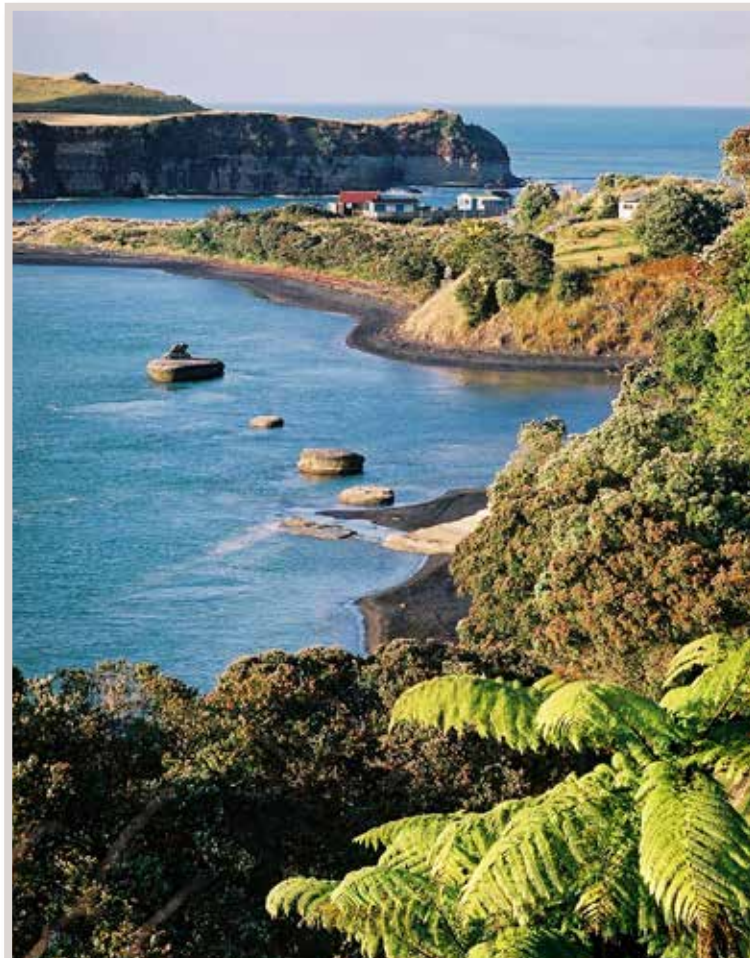
- Internal Loans: Loan funding is used for capital improvement expenditure but with the cancellation of capital works for Piopio (above) the amount of loan funding required will decrease in 2014/15.
- Reserves: Reserve funding of part of the operational expenditure is decreased from that proposed in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

Economic Sustainability Group

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

Groups promoting Economic Sustainability:

- Water Supply
- Roads and Footpaths



MOKAU VISTA

Water Supply

What we do

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

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

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

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



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

Measuring our progress

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

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



PIOPIO WATER TREATMENT PLANT

Estimated Cost of Service Statement

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

Variations from LTP 2012-22

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

Operating Income

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

Operating Expenditure

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

Capital Expenditure

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

Funding Changes

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

Roads and Footpaths

What we do

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

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

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

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

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

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

Subsidised Roding

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

- Sealed Pavement Maintenance
- Unsealed Pavement Maintenance
- Routine Drainage Maintenance
- Structures Maintenance
- Environmental Maintenance
- Traffic Services Maintenance

- Level Crossing Warning Devices
- Emergency Reinstatement
- Network and Asset Management
- Professional Services

Non-subsidised Roding

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

The Council has sole financial responsibility for this activity.

The functions include:

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

Main focus for 2014/15

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



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

Measuring our progress

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

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

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

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



RURAL ROAD: OMYA ROAD IMPACT TOUR - SEPTEMBER 2013

Estimated Cost of Service Statement

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

Variations from LTP 2012-22

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

Operating Income

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

Operating Expenditure

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

Capital Expenditure

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

Funding Changes

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

Section C: Financial Information

'Mokau Estuary'

This section provides details on the financial implications of the Plan, including:

- Estimated Expenditure
- Revenue and Public Debt for the 2014/15 financial year
- Funding Impact Statements

Creating a better future with vibrant communities and thriving business.

Introduction

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

Summary of Estimated Revenue and Expenses Statement for all Council Activities

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(1,833)	Community and Cultural Sustainability	(1,623)	(1,791)	(168)
(1,820)	Environmental Sustainability	(2,058)	(1,998)	60
(7,788)	Economic Sustainability	(7,250)	(7,471)	(221)
(11,441)	Total Operating Income	(10,931)	(11,260)	(329)
	Direct Operating Expenditure			
7,895	Community and Cultural Sustainability	8,687	8,377	(310)
5,419	Environmental Sustainability	6,612	5,769	(843)
11,229	Economic Sustainability	11,923	11,887	(36)
24,543	Total Operating Expenditure	27,222	26,033	(1,189)
13,102	Net Operating Cost/ (Surplus)	16,291	14,773	(1,518)
	Capital Expenditure			
1,452	Community and Cultural Sustainability	725	1,364	639
1,323	Environmental Sustainability	1,942	1,840	(102)
8,796	Economic Sustainability	7,051	6,951	(100)
11,571	Total Capital Expenditure	9,718	10,155	437
24,673	Total Net Expenditure	26,009	24,928	(1,081)
	Funded By			
(4,732)	Internal Loans Drawn	(4,081)	(3,451)	630
(3,092)	Reserves	(3,142)	(4,138)	(996)
(2,134)	General Rates	(2,328)	(3,373)	(1,045)
(3,985)	UAGC	(4,350)	(3,116)	1,234
(10,730)	Target Rates	(12,108)	(10,850)	1,258
(24,673)	Total Funding	(26,009)	(24,928)	1,081

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

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(593)	Leadership	(524)	(547)	(23)
(599)	Community Services	(425)	(803)	(378)
(232)	Community Development	(237)	(78)	159
(409)	Regulation	(437)	(363)	74
(1,833)	Total Income	(1,623)	(1,791)	(168)
	Direct Operating Expenditure			
2,478	Leadership	3,313	2,865	(448)
3,503	Community Services	3,429	3,731	302
1,192	Community Development	1,191	1,097	(94)
722	Regulation	754	684	(70)
7,895	Total Direct Expenditure	8,687	8,377	(310)
6,062	Net Operating Cost/ (Surplus)	7,064	6,586	(478)
	Capital Expenditure			
1,452	Community Services	725	1,364	639
1,452	Total Capital Expenditure	725	1,364	639
7,514	Net Expenditure	7,789	7,950	161
	Funded By			
(1,024)	Internal Loans	(621)	(829)	(208)
(367)	Reserves	(434)	(518)	(84)
(2,070)	General Rates	(2,264)	(3,295)	(1,031)
(3,672)	UAGC	(4,020)	(2,890)	1,130
(381)	Target Rate	(450)	(418)	32
(7,514)	Total Funding	(7,789)	(7,950)	(161)

Summary of Estimated Revenue and Expenses Statement for Environmental Sustainability

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(1,111)	Solid Waste Management	(1,180)	(1,090)	90
(80)	Resource Management	(86)	(80)	6
(629)	Sewerage	(792)	(828)	(36)
(1,820)	Total Income	(2,058)	(1,998)	60
	Direct Operating Expenditure			
1,848	Solid Waste Management	2,328	1,793	(535)
380	Stormwater	419	400	(19)
198	Resource Management	196	176	(20)
2,993	Sewerage	3,669	3,400	(269)
5,419	Total Direct Expenditure	6,612	5,769	(843)
3,599	Net Operating Cost/ (Surplus)	4,554	3,771	(783)
	Capital Expenditure			
96	Solid Waste Management	852	901	49
367	Stormwater	136	354	217
860	Sewerage	954	585	(369)
1,323	Total Capital Expenditure	1,942	1,840	(102)
4,922	Net Expenditure	6,496	5,611	(885)
	Funded By			
(824)	Internal Loans Drawn	(1,794)	(1,346)	448
(801)	Reserves	(615)	(876)	(261)
(64)	General Rates	(64)	(78)	(14)
(64)	UAGC	(64)	(40)	24
(3,169)	Targeted Rates	(3,959)	(3,270)	689
(4,922)	Total Funding	(6,496)	(5,611)	885

Summary of Estimated Revenue and Expenses Statement for Economic Sustainability

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	Operating Income			
(2,117)	Water Supply	(726)	(1,486)	(760)
(5,671)	Roads and Footpaths	(6,524)	(5,985)	539
(7,788)	Total Income	(7,250)	(7,471)	(221)
	Direct Operating Expenditure			
2,164	Water Supply	2,411	2,587	176
9,065	Roads and Footpaths	9,512	9,300	(212)
11,229	Total Direct Expenditure	11,923	11,887	(36)
3,441	Net Operating Cost/ (Surplus)	4,673	4,416	(257)
	Capital Expenditure			
4,096	Water Supply	1,150	1,688	538
4,700	Roads and Footpaths	5,901	5,263	(638)
8,796	Total Capital Expenditure	7,051	6,951	(100)
12,237	Net Expenditure	11,724	11,367	(357)
	Funded By			
(2,884)	Internal Loans Drawn	(1,666)	(1,276)	390
(1,924)	Reserves	(2,093)	(2,743)	(650)
(249)	UAGC	(266)	(186)	80
(7,180)	Target Rates	(7,699)	(7,162)	537
(12,237)	Total Funding	(11,724)	(11,367)	357

Prospective Statement of Financial Position as at 30 June

Note: This table is also referred to as Balance Sheet.

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's
	Public Equity		
200,041	Accumulated Comprehensive Revenue and Expenses	204,958	204,380
4,969	Council Created Reserves	2,243	3,656
4	Available for Sale Reserves	4	4
(701)	Hedging Reserve	(101)	(150)
68,617	Revaluation Reserves	71,401	68,383
272,930		278,505	276,273
	Current Assets		
100	Cash and Cash Equivalents	100	171
2	Other Financial Assets	2	2
27	Inventories	38	44
0	Land Subdivision Inventories	985	0
6,702	Trade and Other Receivables	4,953	0
0	Receivables from Exchange Transactions	0	280
0	Recoverables from Non-exchange Transactions	0	5,481
6,831	Total Current Assets	6,078	5,978
	Current Liabilities		
4,036	Payables Under Exchange Transactions	3,863	3,594
5,200	Current Portion of Borrowings	671	5,200
52	Provisions	51	15
470	Employee Entitlements	485	475
265	Derivative Financial Instruments	118	274
10,023	Total Current Liabilities	5,188	9,558
(3,192)	Net Working Capital	890	(3,580)
	Non Current Assets		
319,259	Property, Plant & Equipment	328,423	327,633
91	Intangible Assets	85	76
39	Forestry Assets	39	44
728	Investment Property	657	669
958	Assets Held for Sale	0	909
815	Other Financial Assets	837	787
46	Derivative Financial Instruments	54	239
321,936	Total Non Current Assets	330,095	330,357
	Non Current Liabilities		
0	Payables Under Exchange Transactions	0	790
44,543	Borrowings	51,449	48,795
61	Employee Entitlements	65	62
727	Provisions	928	741
483	Derivative Financial Instruments	38	116
45,814	Total Non Current Liabilities	52,480	50,504
272,930	Net Assets/ Equity	278,505	276,273

Prospective Statement of Comprehensive Revenue and Expenses

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's
	Revenue		
7,120	Subsidies	6,315	6,865
107	Investment Revenue	5	53
17,248	Rates Revenue (Including Penalties)	19,117	17,749
529	Water By Meter Rates	726	699
3,307	Fees and Charges	3,560	3,233
32	Gains/Loss on Revaluation of Investment Property	0	8
28,343	Total Revenue	29,723	28,607
	Expenditure		
3,355	Employee Benefit Expenses	3,343	4,117
5,303	Depreciation and Amortisation	5,115	6,105
2,738	Finance Costs	3,627	3,102
13,200	Other Expenditure	15,143	12,717
0	Impairment Losses	0	0
24,596	Total Expenditure	27,228	26,041
3,747	Surplus/(Deficit) Before Tax	2,495	2,566
0	Less Taxation Expense	0	0
3,747	Net Surplus/(Deficit)	2,495	2,566
	Other Comprehensive Revenue and Expenses		
0	Gains/(Loss) on Revaluation of Investment Property	0	0
3,747	Total Comprehensive Revenue and Expenses for the year	2,495	2,566

Prospective Statement of Changes in Net Assets/ Equity

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's
269,183	Balance at 1 July	254,874	273,707
0	Property, Plant and Equipment Gains	21,136	0
0	Net Income Recognised Directly in Net Assets/ Equity	21,136	0
3,747	Net Surplus/(Deficit) for the Year	2,495	2,566
3,747	Total Comprehensive Revenue for the year Ended 30 June	23,631	2,570
272,930	Balance at 30 June	278,505	276,273

Prospective Cashflow Statement

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's
	Cash flow from Operating Activities		
	<i>Provided from</i>		
17,053	Rates Revenue Including Penalties	18,956	20,181
7,120	Subsidies and Grants	6,315	7,894
415	Property Rentals	460	406
129	Petrol Tax	138	120
107	Interest from Investments	5	53
3,291	Other Revenue	3,689	3,918
0	Dividend and Subvention Receipts	0	0
28,115		29,563	32,572
	<i>Applied to</i>		
15,936	Payments to Suppliers and Employees	17,785	18,030
293	Elected Members	323	260
2,738	Interest Paid on Borrowings	3,627	3,102
0	GST Received/(Paid) (Net)	0	780
18,967		21,735	22,172
9,148	Net cash flows from operating activities	7,828	10,400
	Cash flow from investing activities		
	<i>Applied to</i>		
11,803	Purchase and Development of Property, Plant and Equipment	10,060	12,464
	<i>Provided from</i>		
0	Proceeds from Sale of Assets Held for Sale	0	77
14	Repayment from Advances	2	2
11,789	Net cash flow from investing activities	10,058	12,385
	Cash flow from financing activities		
	<i>Provided from</i>		
7,841	Proceeds from Borrowings	7,430	7,185
	<i>Applied to</i>		
5,200	Repayment of Borrowings	5,200	5,200
2,641	Net cash flow financing activities	2,230	1,985
0	Net Increase/(Decrease) in Cash	0	0
100	Cash at Start of Period	100	171
100	Balance of cash at end of year	100	171
100	Cash and cash equivalents	100	171

Prospective Statement of Reserve Fund Movements

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's
4,387	Balance 1 July	2,826	4,669
583	Transfer to/from Reserves	(583)	(1,013)
4,970	Council Created Reserves	2,243	3,656

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

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

Prospective Statement of Public Debt

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's
47,102	Balance 1 July	49,890	52,010
7,841	Loans Raised	7,430	7,185
(5,200)	Loans Repaid	(5,200)	(5,200)
49,743	Balance 30 June	52,120	53,995

Note: Loans raised or repaid in the Public Debt, Cashflow and Statement of Financial Position Prospective Statements are based on budgeted cashflow requirements, which includes working capital considerations, and do not equate to either the internal loans drawn or the external loan repayments shown in the Funding Impact Statement or the Summary of Cost of Service Statements.

Reconciliation of Summary of Estimated Revenue and Expenses Statement for All Council Activities to Prospective Statement of Comprehensive Revenue and Expenses

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's
	From Summary Cost of Service Statement		
13,102	Net Operating Cost/Surplus	16,291	14,773
	Plus Rates Revenue		
(2,134)	General Rates	(2,328)	(3,373)
(3,985)	UAGC	(4,350)	(3,116)
(10,730)	Targeted Rates	(12,108)	(10,850)
(3,747)	Net (Surplus)/Deficit	(2,495)	(2,566)
	From Prospective Comprehensive Statement of Revenue and Expenses		
3,747	Net Surplus/(Deficit)	2,495	2,566
0	Variance	0	0

Prospective Statement of Capital Expenditure

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's
	Community Service		
99	Parks and Reserves	107	107
722	Housing and Other Property	108	874
398	Recreation and Culture	441	304
233	Public Amenities	69	79
1,452		725	1,364
	Solid Waste Management		
96	Landfill Management	852	901
96		852	901
	Stormwater		
362	Te Kuiti Stormwater	131	349
5	Rural Stormwater	5	5
367		136	354
	Sewerage		
671	Te Kuiti	491	515
10	Te Waitere	11	5
78	Benneydale	0	65
101	Piopio	452	0
860		954	585
	Water Supply		
3,242	Te Kuiti	1,123	1,540
810	Mokau	11	80
41	Piopio	13	65
3	Benneydale	3	3
4,096		1,150	1,688
	Roads and footpaths		
4,435	Subsidised Roads	5,503	4,923
265	Non-subsidised Roads	398	340
4,700		5,901	5,263
	Corporate Support		
230	Corporate Support	344	683
230		344	683
11,801	Total Capital and Renewal Expenditure	10,062	10,838

Funding Impact Statement

Introduction

Council is required under clause 20 of Schedule 10 of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement. Pages 61-79 of this Plan show Council's Funding Impact Statement.

The Funding Impact Statement provides a summary of Council's funding sources, and how the funds are to be applied as well as the detailed rate requirement, for the 2014/15 financial year.

The Funding Impact Statement represents the fiscal outcome from the Revenue and Financing Policy. **The Revenue and Financing Policy is available on Council's website - www.waitomo.govt.nz**

Rates Remissions and Postponements

Remissions

Council has developed a rates remissions policy as per LGA (section 102 (3)(a) and 109) and LGRA (Section 85). It includes the objectives of the remissions targeting each of social, cultural, environmental and economic well-beings. Remissions categories include Properties Used Jointly as a Single Unit, Community Organisations, Financial Hardship, Organisations Providing Care for the Elderly, Clubs and Societies, New Subdivisions, Council Properties, Maori Freehold Land and Piopio Schools Sewage. The value of these remissions is \$245,000 for 2014/15 year.

Postponements

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

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

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

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

- Water Supplies
- Sewerage Systems
- Solid Waste Management
- Solid Waste Collection
- Non-subsidised Roading
- Te Kuiti Swimming Pool
- Marokopa Community Centre
- Rural Stormwater

Definition of SUIP

For these purposes a SUIP is defined as including any part of a rating unit used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of tenancy, lease or other agreement. At a minimum, the land or premises forming the SUIP must be capable of actual habitation, or actual separate use. For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one SUIP.

1. STATEMENT OF FUNDING SOURCES

The table on the following page provides a summary of the funding sources for 2014/15. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecast. The table is produced on a GST exclusive basis.

The Statement of Funding Sources and the associated Funding Impact Statement provide for an overall funding adjustment. That adjustment is made in the interests of Community Well-being (as provided for by section 101 (3) (b) of the Local Government Act 2002) and applies only to the 2014/15 financial year. This adjustment results in the transfer of \$1,049,822* from the Uniform Annual General Charge to the General Rate in an effort to maintain a funding equity between urban and rural ratepayers within the Waitomo District and their respective contribution to those services with a high element of public good. The above adjustment is reflected in the Estimated Cost of Service Statements.

Explanation of Rates adjustment between General Rate and UAGC

	Year 2014/15	
	General Rate	UAGC
	\$000's	\$000's
Rate requirement before application of Section 101(3)(b) adjustment.	2,323	4,166
* Section 101(3)(b) Adjustment	1,050	(1,050)
Subtotal	3,373	3,116
Add - GST @ 15%	506	467
Total Requirement (incl GST) (as per Sections 3 and 4 - Funding Impact Statement)	3,879	3,583

2. FUNDING CAP FOR UNIFORM CHARGES

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

Council is not in breach of the Funding Cap for this Annual Plan. The uniform charges for 2014/15 are 20.9% (26.9% before Section 101(3)(b) adjustment), of the total rates revenue.

Statement of Funding Sources

EAP 2013/14 \$000's		LTP 2014/15 \$000's	EAP 2014/15 \$000's	VARIANCE TO LTP \$000's
	Targeted Rates			
2,057	Sewerage	2,410	2,185	(225)
1,535	Water	1,675	1,531	(144)
472	Targeted Services	516	472	(44)
138	District Development Rate	185	159	(26)
14	Piopia Retirement Village Contribution	14	15	1
5,399	Roads and Footpaths	5,755	5,399	(356)
485	Solid Waste Management	871	505	(366)
244	Solid Waste Collection	260	191	(69)
382	Stormwater	419	389	(30)
4	Marokopa Hall	4	4	0
10,730	Total Targeted Rates	12,109	10,850	(1,259)
3,098	UAGC	4,350	3,116	(1,234)
3,021	General Rates	2,328	3,373	1,045
16,849	Total Rates	18,787	17,339	(1,448)
3.2%	Percentage Rate Increase	7.6%	2.9%	
	Other Revenue			
7,120	Subsidies	6,315	6,865	550
107	Interest Revenue	5	53	48
400	Rates Penalties Revenue	330	410	80
3,867	Fees & Charges	4,287	3,940	(347)
11,494	Total Other Revenue	10,937	11,268	331
	Other Funding Sources			
4,733	Internal Loans Raised	4,080	3,451	(629)
4,733	Total Other Funding	4,080	3,451	(629)
33,076	Total Funds Used	33,804	32,058	(1,746)
19,292	Operating Expenditure	22,114	19,936	(2,178)
11,803	Capital Expenditure (Including Corporate Support)	10,060	10,838	778
1,371	Loan Repayments	2,213	1,506	(707)
610	Reserve Transfers	(583)	(222)	361
33,076		33,804	32,058	(1,746)

3. GENERAL RATE

Description and Use

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

The General Rate will contribute to the funding of:

- Governance: Leadership and Investments
- Leased Reserves
- Housing and Other Property
- District Libraries
- District Swimming Pool
- Arts Culture and Heritage
- Aerodrome
- Public Amenities
- Economic Development
- District Development
- Safety
- Regulation
- Waste Minimisation
- Resource Management

Requirement in 2014/15 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the District	0.13590	3,879

4. UNIFORM ANNUAL GENERAL CHARGE

Description and Use

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

The UAGC will contribute to the funding of:

- Governance: Leadership and Investments
- Parks and Reserves
- District Libraries
- District Swimming Pool
- Arts, Culture and Heritage
- Housing and Other Property
- Public Amenities
- Community Support
- Sister City (Agencies)
- Automobile Association
- Environmental Health
- Safety
- Regulation
- Solid Waste
- Resource Management
- Waste Minimisation
- Subsidised Rooding

Requirement in 2014/15 (incl. GST)

Uniform Annual General Charge	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district.	\$650	3,583

5. TARGETED RATES

Description and Use

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

5.1 Targeted Rates Based on Location

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

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

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

* **The Revenue and Financing Policy is available on WDC's website www.waitomo.govt.nz/publications/policy/**

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

Description and Use

Council will set a Targeted Services TUAC per separately used or inhabited part of a rating unit in the District, differentiated by rating areas, to fund the Non-subsidised Rooding Activity and part fund the Swimming Pool Activity. The Rating Areas for the purpose of levying the Targeted Services TUAC will be the Te Kuiti Urban and Periphery Rating Area and the Rural Area (rest of the District, not including Rating units in the Te Kuiti urban and periphery Rating area).

Requirement in 2014/15 (incl. GST)

Targeted Services TUAC	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti Urban and Periphery	\$185	431
Rural Area	\$35	112

(b) Piopio Sewerage TUAC - Piopio Wider Benefit Rating Areas

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

Requirement in 2014/15 (incl. GST)

Targeted Services TUAC	Charge	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area	\$10	6

(c) Piopio Retirement Village TUAC, Piopio Township and Piopio Wider Benefit Rating Area

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

Requirement in 2014/15 (incl. GST)

Targeted Services TUAC	Charge	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$23	17

(d) Rural Stormwater TUAC - Rural Rating Area

Description and Use

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

Requirement in 2014/15 (incl. GST)

Rural Stormwater TUAC	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$15	53

(e) Te Kuiti Urban Stormwater TUAC and Targeted Rate

Description and Use

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

Requirement in 2014/15 (incl. GST)

Urban Stormwater TUAC	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area	\$150	267

Urban Stormwater Rate	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area (excluding rating units not using network, see e(ii))	0.04321	128

(f) Marokopa Community Centre TUAC

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

(Refer Appendix 3 of Revenue and Financing Policy)

Requirement in 2014/15 (incl. GST)

Marokopa Community Centre TUAC	Charge per SUIP	Total Revenue Requirement (\$000)
Marokopa Community Centre Rating Area	\$23	4

5.2 Targeted Rates Based on Service Provision

Description and Use

Council will use provision or availability to the land of a service (Schedule 2(5) LGRA) to define the land liable for Water Supply and Sewerage charges. For these purposes, the service is available (and the rating unit is 'serviceable') if:

Water	The rating unit is within 100m of water main and practicably serviceable in the opinion of Council.
Sewerage	The rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council.

5.3 Water Rates

Description and Use

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

The TUAC is set per separately used or inhabited part of a rating unit within the relevant community, with liability calculated based on whether the SUIP is connected, or merely serviceable.

Requirement in 2014/15 (incl. GST)

Water Supply (TUAC)	Charge		Total Revenue Requirement (\$000)
	Per connected rating unit	Per serviceable rating unit	
Te Kuiti	\$501	\$250	1,036
Piopio	\$995	\$498	245
Benneydale	\$1,400	\$700	162
Mokau	\$1,400	\$700	297

Any rating unit situated in Te Kuiti, Piopio, Benneydale or Mokau that has been fitted with a water meter and defined as being an extraordinary water user (defined in Council's Water Bylaw) will be assessed a targeted rate based on the volume of water consumed over and above an annual consumption of 292m³ per SUIP.

Requirement in 2014/15 (incl. GST)

Water Supply Rate	2014/15 Charge per cubic metre (including GST)
Te Kuiti	\$1.90
Piopio	\$3.65
Benneydale	\$6.00
Mokau	\$9.20

5.4 Subsidy Rate for Benneydale Water Supply

Description and Use

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

Subsidy for Benneydale Water Supply	Charge	Total Revenue Requirement (\$000)
All Rating Units in the District	\$4	18

5.5 Sewerage Rates

Description and Use

Council will set a TUAC to provide for the collection and disposal of sewage, differentiated on the basis of community supply area. The TUAC is set per separately used or inhabited part of a rating unit within the community, with liability calculated based on whether the SUIP is connected to the sewerage network, or merely serviceable.

Requirement in 2014/15

Sewerage TUAC	Charge		Total Revenue Requirement (\$000)
	Per connected rating unit	Per serviceable rating unit	
Benneydale	\$1,100	\$550	119
Te Waitere	\$1,100	\$550	16
Te Kuiti	\$946	\$473	1,601
Piopio	\$1,100	\$550	241

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

Trade Waste Contribution	Charge	Total Revenue Requirement (\$000)
	Per connected rating unit	
All Rating Units in the District	\$44	203

Te Kuiti

In Te Kuiti for all residential properties, Council will set a TUAC per separately used or inhabited part of a rating unit that is connected or has the ability to connect to the Council sewerage reticulation network.

All non-residential properties will be charged one base charge for up to three pans and per pan for every pan over and above this threshold. The base charge will be categorised by the business hours of operation as calculated below.

Category	Calculation factor per pan	Base Charge	Total Revenue Requirement (\$000)
Business hours more than 40 hours	0.76	\$719	47
Business hours equal to 40 hours	0.36	\$341	48
Business hours less than 40 hours	0.20	\$189	7

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

Category	Calculation factor per pan	Charge per pan	Total Revenue Requirement (\$000)
Business hours more than 40 hours	0.76	\$719	107
Business hours equal to 40 hours	0.36	\$341	17
Business hours less than 40 hours	0.20	\$189	28

5.6 Subsidy Rate for Te Waitere Sewerage

Description and Use

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

Subsidy for Te Waitere Sewerage	Charge	Total Revenue Requirement (\$000)
All rating units in the District	\$7	32

5.7 Subsidy Rate for Benneydale Sewerage

Description and Use

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

Subsidy for Benneydale Sewerage	Charge	Total Revenue Requirement (\$000)
All rating units in the District	\$9	41

6.0 Roads and Footpaths Rate

Description and Use

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

Requirement in 2014/15 (incl. GST)

District Roads and Footpaths Rate	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
All rating units in the District	0.21756	6,208

7.0 Solid Waste Collection

Description and Use

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

Requirement in 2014/15 (incl. GST)

Solid Waste Collection (TUAC)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti	\$54	107
Waitomo	\$74	41
Piopio	\$125	29
Mokau	\$156	44

8.0 Solid Waste Management

Description and Use

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

Requirement in 2014/15 (incl. GST)

Solid Waste Management (TUAC)	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the District	\$104	584

9.0 District Development Rate

Description and Use

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

Requirement in 2014/15 (incl. GST)

District Development Rate	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Commercial and Industrial Businesses	0.03083	91
Rural Businesses	0.00475	91

10.0 Rates Payments

Pursuant to Section 24 of the Local Government (Rating) Act 2002, rates for the financial year commencing 1 July 2014 will be payable in four equal instalments with the due dates for payment being:

1st Instalment	29 August 2014 (Friday)
2nd Instalment	28 November 2014 (Friday)
3rd Instalment	27 February 2015 (Friday)
4th instalment	29 May 2015 (Friday)

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

11.0 Penalties

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

- (a) A penalty charge of 10 percent (10%) on any part of an instalment that has been assessed for the financial year commencing 1 July 2014 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

Instalment 1	2 September 2014
Instalment 2	2 December 2014
Instalment 3	3 March 2015
Instalment 4	2 June 2015

- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2014 that remains unpaid on 1 July 2014, to be added on 4 July 2014.

Rates Example 2013/14

	Te Kuiti Residential \$170,000 2013/2014	Te Kuiti Commercial \$255,000 2013/2014	Te Kuiti Wider Rating Area \$630,000 2013/2014	Waitomo Commercial \$1,100,000 2013/2014	Benneydale Residential \$44,000 2013/2014	Piopio Residential \$127,000 2013/2014	Piopio Wider Rating Area \$365,000 2013/2014	Mokau Residential \$270,000 2013/2014	Drystock Rural \$3,075,000 2013/2014	Dairy Farm Rural \$5,550,000 2013/2014
Uniform Annual General Charge (UAGC)	650	650	650	1,950	650	650	650	650	650	1,300
General Rate	208	312	770	1,345	54	155	446	330	3,759	6,784
District Wide Roading Rate	371	557	1,376	2,402	96	277	797	590	6,716	12,121
Targeted Services Rate (Urban)	187	187	187	-	-	-	-	-	-	-
Targeted Services Rate (Rural)	-	-	-	105	35	35	35	35	35	70
District Development Rate - Commercial	-	68	-	294	-	-	-	-	-	-
District Development Rate - Rural Business	-	-	-	-	-	-	-	-	127	230
Subsidy Rate for Te Waitere Sewerage	4	4	4	4	4	4	4	4	4	4
Subsidy Rate for Benneydale Sewerage	5	5	5	5	5	5	5	5	5	5
Subsidy Rate for Mokau Water	13	13	13	13	13	13	13	13	13	13
Stormwater Urban Fixed Charge	150	150	-	-	-	-	-	-	-	-
Stormwater Urban Capital Value	76	114	-	-	-	-	-	-	-	-
Stormwater (Rural)	-	-	12	36	12	12	12	12	12	24
Water Supply	501	501	-	-	1,400	899	-	1,400	-	-
Sewerage	900	684	-	-	1,100	1,100	-	-	-	-
Piopio Wider Rating Area - Sewerage	-	-	-	-	-	-	9	-	9	-
Piopio Retirement Village Contribution	-	-	-	-	-	21	21	-	21	-
Te Kuiti Trade Waste Contribution	39	39	39	39	39	39	39	39	39	39
Solid Waste Management - District	100	100	100	300	100	100	100	100	100	200
Solid Waste Collection & Recycling	70	70	95	-	-	161	-	188	-	190
Total Rates 2013/14	3,274	3,454	3,251	6,493	3,508	3,471	2,131	3,366	11,490	20,980

Rates Example 2014/15

	Te Kuiti Residential \$170,000 2014/2015	Te Kuiti Commercial \$255,000 2014/2015	Te Kuiti Wider Rating Area \$630,000 2014/2015	Waitomo Commercial \$1,100,000 2014/2015	Benneydale Residential \$44,000 2014/2015	Piopio Residential \$127,000 2014/2015	Piopio Wider Rating Area \$365,000 2014/2015	Mokau Residential \$270,000 2014/2015	Drystock Rural \$3,075,000 2014/2015	Dairy Farm Rural \$5,550,000 2014/2015
(Including GST) Capital Value \$ as at September 2012										
Uniform Annual General Charge (UAGC)	650	650	650	1,950	650	650	650	650	650	1,300
General Rate	231	347	856	1,495	60	173	496	367	4,179	7,542
District Wide Roading Rate	370	555	1,371	2,393	96	276	794	587	6,690	12,075
Targeted Services Rate (Urban)	185	185	185	-	-	-	-	-	-	-
Targeted Services Rate (Rural)	-	-	-	105	35	35	35	35	35	70
District Development Rate - Commercial	-	79	-	339	-	-	-	-	-	-
District Development Rate - Rural Business	-	-	-	-	-	-	-	-	146	264
Subsidy Rate for Te Waitere Sewerage	7	7	7	7	7	7	7	7	7	7
Subsidy Rate for Benneydale Sewerage	9	9	9	9	9	9	9	9	9	9
Subsidy Rate for Benneydale Water	4	4	4	4	4	4	4	4	4	4
Stormwater Urban Fixed Charge	150	150	-	-	-	-	-	-	-	-
Stormwater Urban Capital Value	73	110								
Stormwater (Rural)			15	45	15	15	15	15	15	30
Water Supply	501	501		1,400	995			1,400		
Sewerage	946	719	-	1,100	1,100	1,100	-	-	-	-
Piopio Wider Rating Area - Sewerage	-	-	-	-	-	-	10	-	10	-
Piopio Retirement Village Contribution	-	-	-	-	-	23	23	-	23	-
Te Kuiti Trade Waste Contribution	44	44	44	44	44	44	44	44	44	44
Solid Waste Management - District	104	104	104	312	104	104	104	104	104	208
Solid Waste Collection & Recycling	54	54	74	-	-	125	-	156	-	148
Proposed Total Rates 2014/15	3,328	3,518	3,319	6,703	3,524	3,560	2,191	3,378	11,916	21,701
Total Rates (Actual) 2013/14	3,274	3,454	3,251	6,493	3,508	3,471	2,131	3,366	11,490	20,980
Change (%)	1.7%	1.9%	2.1%	3.2%	0.4%	2.6%	2.8%	0.3%	3.7%	3.4%

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

The following information is presented in compliance with the Local Government (Financial Reporting) Regulations 2011 and should not be relied upon for any other purpose than compliance with the Regulations. It is incomplete (in particular, the information presented does not include depreciation and internal transactions such as overheads) and it is not prepared in compliance with generally accepted accounting practice.

COUNCIL	EAP 2013/14 \$000's	LTP 2014/15 \$000's	EAP 2014/15 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	6,518	7,009	6,899
Targeted rates	10,728	12,108	10,850
Subsidies and grants for operating purposes	2,809	3,010	2,857
Fees and charges	3,501	4,042	4,009
Interest and Dividends from Investments	107	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	202	146	182
Total operating funding (A)	23,865	26,315	24,797
Applications of operating funding			
Payments to staff and suppliers	16,816	18,708	17,068
Finance costs	2,710	3,601	3,074
Other operating funding applications	0	0	0
Total applications of operating funding (B)	19,526	22,309	20,142
Surplus (deficit) of operating funding (A-B)	4,339	4,006	4,655
Sources of capital funding			
Subsidies and grants for capital expenditure	4,450	3,302	3,802
Development and financial contributions	0	0	0
Increase (decrease) in debt	4,732	4,081	3,451
Gross proceeds from sale of assets	100	106	100
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	9,282	7,489	7,353
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	5,496	3,144	3,633
Capital expenditure - to replace existing assets	6,097	6,638	6,996
Increase (decrease) in reserves	2,028	1,713	1,379
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	13,621	11,495	12,008
Surplus (deficit) of capital funding (C-D)	(4,339)	(4,006)	(4,655)
Funding Balance ((A-B)+(C-D))	0	0	0

LEADERSHIP AND INVESTMENTS

	EAP 2013/14 \$000's	LTP 2014/15 \$000's	EAP 2014/15 \$000'S
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,277	2,780	2,391
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	116	88	85
Internal Charges and overheads recovered	12,212	12,376	14,578
Local authorities fuel tax, fines, infringement fees and other receipts	106	5	53
Total operating funding (A)	14,711	15,249	17,107
Applications of operating funding			
Payments to staff and suppliers	6,103	6,292	7,341
Finance costs	2,685	3,576	3,049
Internal charges and overheads applied	5,697	5,470	6,697
Other operating funding applications	0	0	0
Total applications of operating funding (B)	14,485	15,338	17,087
Surplus (deficit) of operating funding (A-B)	226	(89)	20
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	239	230
Gross proceeds from sale of assets	100	106	100
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	100	345	330
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	184	344	668
Capital expenditure - to replace existing assets	46	0	15
Increase (decrease) in reserves	96	(88)	(333)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	326	256	350
Surplus (deficit) of capital funding (C-D)	(226)	89	(20)
Funding Balance ((A-B)+(C-D))	0	0	0

COMMUNITY SERVICE	EAP 2013/14 \$000's	LTP 2014/15 \$000's	EAP 2014/15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,774	2,744	2,972
Targeted rates	230	252	244
Subsidies and grants for operating purposes	0	0	0
Fees and charges	387	424	702
Internal Charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	10	1	1
Total operating funding (A)	3,401	3,421	3,919
Applications of operating funding			
Payments to staff and suppliers	1,261	1,658	1,350
Finance costs	0	0	0
Internal charges and overheads applied	1,606	1,245	1,651
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,867	2,903	3,001
Surplus (deficit) of operating funding (A-B)	534	518	918
Sources of capital funding			
Subsidies and grants for capital expenditure	201	0	100
Development and financial contributions	0	0	0
Increase (decrease) in debt	1,024	382	599
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	1,225	382	699
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	896	159	426
Capital expenditure - to replace existing assets	556	565	939
Increase (decrease) in reserves	307	176	252
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,759	900	1,617
Surplus (deficit) of capital funding (C-D)	(534)	(518)	(918)
Funding Balance ((A-B)+(C-D))	0	0	0

COMMUNITY DEVELOPMENT	EAP 2013/14 \$000's	LTP 2014/15 \$000's	EAP 2014/15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	782	770	793
Targeted rates	151	200	174
Subsidies and grants for operating purposes	0	0	0
Fees and charges	170	237	73
Internal Charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	62	0	5
Total operating funding (A)	1,165	1,207	1,045
Applications of operating funding			
Payments to staff and suppliers	760	804	641
Finance costs	0	0	0
Internal charges and overheads applied	427	383	451
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,187	1,187	1,092
Surplus (deficit) of operating funding (A-B)	(22)	20	(47)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	(22)	20	(47)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	(22)	20	(47)
Surplus (deficit) of capital funding (C-D)	22	(20)	47
Funding Balance ((A-B)+(C-D))	0	0	0

REGULATION	EAP 2013/14 \$000's	LTP 2014/15 \$000's	EAP 2014/15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	308	321	439
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	407	434	360
Internal Charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	2	2	3
Total operating funding (A)	717	757	802
Applications of operating funding			
Payments to staff and suppliers	262	269	104
Finance costs	0	0	0
Internal charges and overheads applied	458	482	578
Other operating funding applications	0	0	0
Total applications of operating funding (B)	720	751	682
Surplus (deficit) of operating funding (A-B)	(3)	6	120
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	(3)	6	120
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	(3)	6	120
Surplus (deficit) of capital funding (C-D)	3	(6)	(120)
Funding Balance ((A-B)+(C-D))	0	0	0

SOLID WASTE MANAGEMENT	EAP 2013/14 \$000's	LTP 2014/15 \$000's	EAP 2014/15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	10	18	11
Targeted rates	728	1,129	696
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,111	1,181	1,090
Internal Charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	1,849	2,328	1,797
Applications of operating funding			
Payments to staff and suppliers	1,197	1,509	1,162
Finance costs	25	25	25
Internal charges and overheads applied	545	636	536
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,767	2,170	1,723
Surplus (deficit) of operating funding (A-B)	82	158	74
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	52	852	831
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	52	852	831
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	96	852	901
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	38	158	4
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	134	1,010	905
Surplus (deficit) of capital funding (C-D)	(82)	(158)	(74)
Funding Balance ((A-B)+(C-D))	0	0	0

STORMWATER	EAP 2013/14 \$000's	LTP 2014/15 \$000's	EAP 2014/15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	382	419	389
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal Charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	382	419	389
Applications of operating funding			
Payments to staff and suppliers	112	146	120
Finance costs	0	0	0
Internal charges and overheads applied	90	104	100
Other operating funding applications	0	0	0
Total applications of operating funding (B)	202	250	220
Surplus (deficit) of operating funding (A-B)	180	169	169
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	367	136	354
Increase (decrease) in reserves	(187)	33	(185)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	180	169	169
Surplus (deficit) of capital funding (C-D)	(180)	(169)	(169)
Funding Balance ((A-B)+(C-D))	0	0	0

RESOURCE MANAGEMENT	EAP 2013/14 \$000's	LTP 2014/15 \$000's	EAP 2014/15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	118	110	107
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	80	86	80
Internal Charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	198	196	187
Applications of operating funding			
Payments to staff and suppliers	88	94	86
Finance costs	0	0	0
Internal charges and overheads applied	110	102	91
Other operating funding applications	0	0	0
Total applications of operating funding (B)	198	196	177
Surplus (deficit) of operating funding (A-B)	0	0	10
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	0	0	10
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	0	0	10
Surplus (deficit) of capital funding (C-D)	0	0	(10)
Funding Balance ((A-B)+(C-D))	0	0	0

SEWERAGE	EAP 2013/14 \$000's	LTP 2014/15 \$000's	EAP 2014/15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	2,057	2,410	2,185
Subsidies and grants for operating purposes	0	0	0
Fees and charges	629	792	827
Internal Charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	2,686	3,202	3,012
Applications of operating funding			
Payments to staff and suppliers	1,368	1,552	948
Finance costs	0	0	0
Internal charges and overheads applied	850	1,138	1,429
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,218	2,690	2,377
Surplus (deficit) of operating funding (A-B)	468	512	635
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	772	942	515
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	772	942	515
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	572	753	231
Capital expenditure - to replace existing assets	288	200	354
Increase (decrease) in reserves	380	501	565
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,240	1,454	1,150
Surplus (deficit) of capital funding (C-D)	(468)	(512)	(635)
Funding Balance ((A-B)+(C-D))	0	0	0

WATER SUPPLY	EAP 2013/14 \$000's	LTP 2014/15 \$000's	EAP 2014/15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	1,535	1,675	1,531
Subsidies and grants for operating purposes	0	0	0
Fees and charges	529	726	706
Internal Charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	2,064	2,401	2,237
Applications of operating funding			
Payments to staff and suppliers	1,272	1,348	804
Finance costs	0	0	0
Internal charges and overheads applied	489	689	1,213
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,761	2,037	2,017
Surplus (deficit) of operating funding (A-B)	303	364	220
Sources of capital funding			
Subsidies and grants for capital expenditure	1,588	0	780
Development and financial contributions	0	0	0
Increase (decrease) in debt	2,505	1,147	905
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	4,093	1,147	1,685
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	3,598	756	982
Capital expenditure - to replace existing assets	499	394	706
Increase (decrease) in reserves	299	361	217
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	4,396	1,511	1,905
Surplus (deficit) of capital funding (C-D)	(303)	(364)	(220)
Funding Balance ((A-B)+(C-D))	0	0	0

ROADS AND FOOTPATHS	EAP 2013/14 \$000's	LTP 2014/15 \$000's	EAP 2014/15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	249	266	186
Targeted rates	5,645	6,023	5,631
Subsidies and grants for operating purposes	2,809	3,010	2,857
Fees and charges	72	74	86
Internal Charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	129	138	120
Total operating funding (A)	8,904	9,511	8,880
Applications of operating funding			
Payments to staff and suppliers	4,393	5,036	4,512
Finance costs	0	0	0
Internal charges and overheads applied	1,731	1,850	1,622
Other operating funding applications	0	0	0
Total applications of operating funding (B)	6,124	6,886	6,134
Surplus (deficit) of operating funding (A-B)	2,780	2,625	2,746
Sources of capital funding			
Subsidies and grants for capital expenditure	2,661	3,302	2,922
Development and financial contributions	0	0	0
Increase (decrease) in debt	379	519	371
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	3,040	3,821	3,293
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	150	280	425
Capital expenditure - to replace existing assets	4,550	5,620	4,838
Increase (decrease) in reserves	1,120	546	776
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	5,820	6,446	6,039
Surplus (deficit) of capital funding (C-D)	(2,780)	(2,625)	(2,746)
Funding Balance ((A-B)+(C-D))	0	0	0

Statement of Reserve Funds

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

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

1. OPERATIONAL RESERVES

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

This occurs when:

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

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

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

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

2. DEPRECIATION RESERVES

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

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

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

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

3. INVESTMENT REVALUATION RESERVES

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

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

Revaluations of investments do not form part of the Revaluation Reserve shown in the Public Equity section of the Statement of Financial Position.

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

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

4. SPECIAL PURPOSE RESERVES

There are two special purpose reserves;

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

	Projected Reserve Balance 30 June 2014	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2015
Operational Reserves (1)				
Governance				
Leadership	(381)		203	(178)
Investments	3,801	(24)	413	4,190
	3,420	(24)	616	4,012
Community Service				
Parks and Reserves	(225)		166	(59)
Housing and Other Property	340	(72)	20	288
Recreation & Culture (Library)	195		54	249
Recreation & Culture (Swimming Pool)	120		5	125
Recreation & Culture (Culture and Arts Centre)	(114)	(28)	0	(142)
Recreation & Culture (Aerodrome)	(60)	(19)	0	(79)
Public Amenities	(171)	(61)	7	(225)
Safety	(77)		9	(68)
	8	(180)	261	89
Community Development				
Community Development	(463)		52	(411)
	(463)	0	52	(411)
Regulation				
Regulation	447	(142)	51	356
	447	(142)	51	356
Solid Waste Management				
Collection	(40)		5	(35)
Management (Landfill & Transfer Stations)	(426)		2	(424)
Management (Waste Minimisation)	(73)		10	(64)
	(539)	0	16	(523)
Stormwater				
Te Kuiti Stormwater	12		1	13
Rural Stormwater	(129)		0	(129)
	(117)	0	1	(116)
Resource Management				
District Plan Administration	71	(10)	4	65
	71	(10)	4	65
Sewerage				
Te Kuiti Sewerage	(225)			(225)
Te Waitere Sewerage	(53)		6	(47)
Benneydale Sewerage	219		31	250
Piopio Sewerage	(375)			(375)
	(434)	0	37	(397)
Water Supply				
Te Kuiti Water	438		26	464
Mokau Water	429		26	455
Piopio Water	342		21	363
Benneydale Water	120		7	127
	1,329	0	80	1,409
Roads and Footpaths				
Subsidised Roads	2,465		211	2,676
Non Subsidised Roads	(467)		0	(467)
	1,998	0	148	2,209
Corporate Support				
Gratuities	(83)			(83)
Long Service Leave	(35)			(35)
Natural Disaster	(426)	(7)		(426)
	(544)	(7)	0	(544)
Total Operational Reserves	5,176	(363)	1,329	6,142

	Projected Reserve Balance 30 June 2014	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2015
Depreciation Reserves (2)				
Community Service				
Parks & Reserves	21	(30)	69	60
Housing & Other Property (Housing)	(128)	(73)	70	(131)
Housing & Other Property (Community halls)	(749)	(131)	64	(816)
Housing & Other Property (Other Land & Buildings)	(331)	(119)	51	(399)
Housing & Other Property (Railway Buildings)	0	(29)	8	(21)
Recreation & Culture (Library)	(389)	(98)	39	(448)
Recreation & Culture (Swimming Pool)	76	(33)	31	74
Recreation & Culture (Culture and Arts Centre)	0	(145)	224	79
Recreation & Culture (Aerodrome)	(10)	(10)	17	(3)
Public Amenities	(131)	(61)	54	(138)
	(1,641)	(729)	627	(1,743)
Community Development				
I-site	(30)	(5)	3	(32)
	(30)	(5)	3	(32)
Regulation				
Animal Control	20	(2)	7	25
	20	(2)	7	25
Solid Waste Management				
Landfill & Transfer Stations	199	(70)	169	298
	199	(70)	169	298
Stormwater				
Te Kuiti Stormwater	(641)	(175)	380	(436)
Rural Stormwater	(10)	(7)	1	(16)
	(651)	(182)	381	(452)
Sewerage				
Te Kuiti Sewerage	(1,139)	(896)	599	(1,436)
Te Waitere Sewerage	9	(7)	6	8
Benneydale Sewerage	(95)	(35)	74	(56)
Piopio Sewerage	(37)	(34)	31	(40)
	(1,262)	(972)	710	(1,524)
Water Supply				
Te Kuiti Water	(366)	(372)	381	(357)
Mokau Water	(8)	(71)	53	(26)
Piopio Water	(142)	(91)	91	(142)
Benneydale Water	(128)	(36)	14	(150)
	(644)	(570)	539	(675)
Roads and Footpaths				
Subsidised Roads	(5,010)	(3,056)	2,910	(5,156)
Non-subsidised Roads	239	(111)	24	152
	(4,771)	(3,167)	2,934	(5,004)
Corporate support				
Corporate Support	(288)	(218)	268	(238)
Plant	(402)	(144)	415	(131)
	(690)	(362)	683	(369)
Total Depreciation Reserves	(9,470)	(6,059)	6,053	(9,476)

	Projected Reserve Balance 30 June 2014	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2015
Investment Revaluation Reserves (3)				
Leadership and Investments				
Investment Properties (Forestry)	34		2	36
	34	0	2	36
Community Service				
Housing & Other Property (Other Land & Buildings)	(282)			(282)
	(282)	0	0	(282)
Total Investment Revaluation Reserves	(248)	0	2	(246)
Special Purpose Reserves (4)				
Leadership and Investments				
Economic Development Special Purpose Reserve	(16)	0		(16)
Waste Minimisation Special Purpose Reserve	(111)	(20)	71	(60)
Total Special Purpose Reserves	(127)	(20)	71	(76)
Total Reserves	(4,669)	(6,442)	7,455	(3,656)
Net Movement in All Council Created Reserves			1,013	

Reconciliation of Reserve Funding to Estimated Revenue and Expenses Statements.

Set out below is a high level reconciliation between the Statement of Reserve Funds (pages 80-83) and the net reserve movements shown in the Estimated Revenue and Expenses Statements.

The \$1,013,000 forecast net movement in reserves shown in the Statement of Reserves Funds (page 83) recognises the total movement in reserves showing in the Estimated Revenue and Expenses Statement (page 53) together with forecast Asset Disposals, Internal Loan Repayments and Funded Depreciation.

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

Activity	Statement of Reserve Funds				Estimated Cost of Service Statements			
	Total Net Movement	Less Reserve Interest to Accumulated Comprehensive Revenue and Expense	Less Transfer to Corporate Support (Natural Disaster Operational Reserve)	Total Net Movement Excluding Interest	Total Movement (To)/From Reserves	Plus Reserve Funding for Loan Repayments	Less Funded Depreciation to Reserve	Total Net Movement
Leadership	593	(458)	0	135	(106)	(29)	0	(135)
Community Service	(21)	(45)	0	(66)	(477)	(186)	729	66
Community Development	51	0	0	51	(52)	(4)	5	(51)
Regulation	(85)	(28)	0	(113)	117	(6)	2	113
Solid Waste Management	165	0	0	165	(66)	(169)	70	(165)
Stormwater	200	(1)	(2)	197	(365)	(11)	179	(197)
Resource Management	(5)	(5)	0	(10)	10	0	0	10
Sewerage	(225)	(13)	(3)	(241)	(456)	(324)	1,021	241
Water Supply	48	(80)	(2)	(34)	(353)	(183)	570	34
Roads and Footpaths	(22)	(162)	0	(184)	(2,390)	(592)	3,166	184
	699	(792)	(7)	(100)	(4,138)	(1,504)	5,742	100
Corporate Support *	314							
Net Movement in Reserves	1,013							

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

Accounting Policies

Statement of Responsibility

The draft Exceptions Annual Plan 2014/15 was adopted by Council on 25th March 2014 for consultation.

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

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

The Council, who are authorised to do so, believe the assumptions underlying the Prospective Financial Statements are appropriate and as such, adopted the draft Exceptions Annual Plan for consultation.

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

Significant Accounting Policies

Reporting Entity

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

The primary objective of the Council is to provide goods or services for the community for social benefit rather than for making a financial return. Accordingly, for the purposes of financial reporting, Waitomo District Council is a public benefit entity.

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

Basis of Preparation

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

Statement of Compliance

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 2 entity and disclosure concessions have been applied. The criteria under which an entity is eligible to report in accordance with

Tier 2 PBE Standards are:

- Medium sizes entities (expenses between \$2m and \$30m) and that are not publicly accountable.

The reporting period for these prospective financial statements is the year ending 30 June 2015. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

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

Measurement Basis

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

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

Revenue

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

Revenue may be derived from either exchange or non-exchange transactions.

Exchange transactions

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

Non-exchange transactions

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

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

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

Specific accounting policies for major categories of revenue are outlined below:

Rates

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised when rates are levied. Rates revenue is classified as non-exchange except for metered water rates which are classed as exchange revenue.

Operating revenue

The following categories (except where noted) are generally classified as transfers of non-exchange revenue.

Grants, subsidies and reimbursements

Grants and subsidies are initially recognised at their fair value where there is reasonable assurance that the payment will be received and all attaching conditions will be complied with. Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Council receives government grants from NZTA which subsidises part of the Council's cost of maintaining local roading. These grants are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

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

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

Council is proposing to apply for grant funding for upgrade of buildings for Te Kuiti Community House.

Council is proposing to apply for grant funding for the upgrade of Te Kuiti Water Treatment Plant.

Rendering of services

Revenue from the rendering of services (eg building consent fees) is recognised by reference to the stage of completion for the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Within rendering of services most activities are at least partially funded by rates and therefore classified as non-exchange.

Fines and penalties

Revenue from fines and penalties (eg traffic and parking infringements, library overdue book fines, rates

penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

Sale of goods

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

Investment revenues

Dividends

Dividends are classified as exchange revenue and are recognised when the Council's right to receive a payment has been established.

Investment property lease rentals

Lease rentals (net of any incentives given) are recognised on a straight line basis over the term of the lease.

Other revenue

Specific accounting policies for major categories of other revenue are outlined below:

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

Finance revenue

Interest

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

Expenditure

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

Grants and sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (eg cash or physical assets) to another entity in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

Interest Expense

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Depreciation and Amortisation

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

Income Tax

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

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

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

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

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

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

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

Cash and Cash Equivalents

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

Inventories

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

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

Financial Assets

The Council classifies its financial assets into the following four categories: financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

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

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

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

The four categories of financial assets are:

Financial Assets at Fair Value Through Surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are

also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

Derivative financial instrument assets are included in this class.

Loans and Receivables

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

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

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

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

Held to Maturity Investments

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

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

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

Available for Sale

Available for sale financial assets are those that are not classified in any of the other categories above.

This category encompasses:

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

Construction Limited is included in this category. After initial recognition these investments are measured at their fair value.

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

Impairment of Financial Assets

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

Derivative Financial Instruments

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

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

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

The Council designates certain derivatives as either: hedges of highly probable forecast transactions (cash flow hedge) or derivatives that do not qualify for hedge accounting.

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

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

Cash flow hedge

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

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

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expenses from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expenses from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

Derivatives that do not qualify for hedge accounting

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

Payables under exchange transactions

Payables under exchange transactions are recognised when the Council becomes obligated to make future payments resulting from the purchase of goods or services.

Borrowings

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

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

Good and Service Tax (GST)

All items in the Statement of Comprehensive Revenue and Expenses and Statement of Financial Position are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The Cash Flow Statement is stated inclusive of GST where applicable.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Provisions

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

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

Financial Guarantee Contracts

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

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

Landfill Post Closure Costs

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

The provision is a measure based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. Amounts provided for landfill post closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

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

Employee Benefits

Short-Term Benefits

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

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

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

Long-Term Benefits

Retirement Gratuities

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

Leases

Finance Leases

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

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

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

Operating leases as lessee

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised within surplus or deficit.

Operating leases as lessor

The Council lease investment properties and other land and buildings. Rental income is recognised on a straight-line basis over the lease term.

Property, Plant and Equipment

Property, Plant and Equipment consists of operational assets, restricted assets and infrastructural assets.

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

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

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

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

Measurement

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (eg vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Specific measurement policies for categories of property, plant and equipment are shown below:

Operational Assets

Land and Buildings

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

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

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

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

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

Subsequent additions are at cost less accumulated depreciation.

Library Books

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

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

Library books are no longer revalued.

Subsequent additions are at cost less accumulated depreciation.

Other operational assets

Plant and equipment, motor vehicles, furniture and fittings, computers and finance leases are measured at depreciated historical cost and not revalued.

Infrastructural Assets

Roads

An independent valuation of the Council's roading infrastructure was performed as at 30 June 2012 by AECOM NZ Ltd, independent consulting engineers who have the appropriate qualifications and experience in valuation of land transport assets, to determine the depreciated replacement cost of those assets. The valuation, was determined using the optimised depreciated replacement costs (ODRC) method.

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

Sewerage, Water and Stormwater and Solid Waste

A valuation of the Council's water utilities (water, wastewater, stormwater) and solid waste infrastructure was performed by AECOM NZ Ltd, independent consulting engineers who have the appropriate qualifications and experience in valuing community infrastructure, as at 30 June 2012 to determine the

depreciated replacement cost of those assets. The valuation, was determined using the optimised depreciated replacement costs (ODRC) method.

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

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

Infrastructure Land

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

The Total Value for the Waitomo District Council Operational Property Portfolio (Infrastructural Land) as at 30 June 2012 is reported at:

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

Restricted Assets

Restricted assets cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community. They are principally reserves vested under the Reserves Act. Darroch Valuations (independent Registered Valuers) valued restricted assets on 30 June 2012 at fair value based on market based evidence.

Accounting for Revaluations

The Council accounts for revaluations of property, plant and equipment on a class of asset basis. Any revaluation surpluses and deficits are recognised in the Other Comprehensive Revenue and Expenses and accumulated as a separate equity in the Revaluation Reserve for that class of asset. Where a revaluation of a class of assets results in a revaluation deficit, and the amount of the deficit is greater than an existing revaluation reserve, the revaluation deficit is recognised in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference, then off-cycle asset classes are revalued.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

Subsequent Costs

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

Disposals

Gains and losses arising from the disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are recognised within surplus or deficit in the period the transaction occurs. When revalued assets are disposed, the amounts included in the asset revaluation reserves in respect of those assets are transferred to accumulated comprehensive revenue and expenses.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is an indication of impairment. Where an asset's, or class of assets' recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expenses.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and land under roads and work in progress. Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Operational Assets

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

Buildings	5-100 years
Plant and Equipment	2-15 years
Motor Vehicles	5-15 years
Furniture and Fittings	2-5 years
Computers	2-5 years
Library books	3-7 years

Archive books	Not depreciated
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Infrastructural Assets

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

Roads

Top surface	2-20 years
Base course	25-120 years
Sub base	25-115 years
	Or not depreciated
Formation and running course	Not depreciated
Culverts – timber and other	40-100 years
Signs	15-30 years
Street Lights and poles	15-60 years
Bridges	70-120 years
Footpath surface and base	18-80 years

Water Reticulation

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

Sewerage Reticulation

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

Stormwater Systems

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

Refuse Systems

Retaining walls	70-90 years
Drainage	70-75 years
Signs	30 years
Kerb and channelling	30-75 years
Truck wash and weighbridge	28 years

The landfill aftercare asset is depreciated over the life of the landfill based on the capacity of the landfill.

The depreciation rates are applied at a component level and are dependent on the remaining useful life of each component. Variation in the range of lives is due to these assets being managed and depreciated by individual component rather than as a whole asset.

Restricted Assets

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

Buildings	5-100 years
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Capital Work in Progress

Capital work in progress is not depreciated. The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

Intangible Assets

Software

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

Software is recorded at cost less any subsequent amortisation or impairment losses.

Amortisation

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

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

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

An independent valuation of Council's forestry assets was performed by North Langley and Associates, independent registered valuers, to determine the fair value less estimated point of sale costs at 30 June 2013.

Non-current Assets Held For Sale

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

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

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

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

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

The fair value less costs to sell at 30 June 2013 was \$1,063,000.

Investment in Unlisted Shares

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

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

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

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

Investment Property

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

Investment property exclude those properties held for strategic purposes or to provide a social service. This includes properties which generate cash inflows as the rental revenue is incidental to the purpose for holding the property. Such properties include the Council's social housing assets, which are held within operational assets in property, plant and equipment. Borrowing costs incurred during the construction or upgrade of investment property are not capitalised.

Investment property is measured initially at its cost, including transaction costs and subsequently measured at fair value, determined annually by an independent valuer. Any gains or losses is recognised within surplus or deficit. Investment property is not depreciated.

The Total Value for the Waitomo District Council Investment Property as at 30 June 2013 is reported at:

Improvements Value (30 June 2012)	\$348,000
Land Value (30 June 2012)	\$305,000
Total Fair Value (30 June 2012)	\$653,000

Cost Allocation

The Council has derived the cost of service for each significant activity. Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These costs are allocated to Council activities using appropriate cost drivers such as resource use, staff numbers and floor area.

Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include key management personnel. Key management personnel include the Mayor and Councillors as directors, the Chief Executive and all members of the Executive Leadership Team as key advisors.

The Mayor and Councillors are considered directors as they occupy the position of a member of the governing body of the Council reporting entity. Directors' remuneration comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, to a director during the reporting period. Directors' remuneration does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cellphones and laptops.

Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or where there is an indication that the asset is impaired. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset.

Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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

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

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

Net assets/ equity

Net assets or equity is the community's interest in the Council, and is measured as the difference between total assets and total liabilities. Net assets or equity is dis-aggregated and classified into a number of components to enable clearer identification of the specified uses of equity within Council.

The components net assets or equity are:

- Accumulated comprehensive revenue and expense,
- other reserves and
- asset revaluation reserves

Accumulated comprehensive revenue and expenses does not represent cash available to offset future rate increases, but rather represent the community's investment in publicly owned assets resulting from past surpluses.

Other Reserves

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

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

Available for sale reserves consists of valuation gains associated with Council's investments.

Hedging reserves comprise the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

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

Prospective Statement of Cash Flows

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

Operating activities include cash received from all revenue sources of the Council and record the cash payments made for the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current investments. Financing activities comprise activities that change the equity and debt capital structure of the Council.

Judgements and Estimation

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy. The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill Aftercare Provision

Note 20 of Council's 2012/13 Annual Report discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural Assets

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

The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets;

Estimating any obsolescence or surplus capacity of an asset; and;

Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by

the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

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

Property, plant and equipment useful lives and residual values

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

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

- physical inspection of assets;
- asset replacement programs;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.

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

Deferred Tax Asset

Recognition

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

Recoverability

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

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods;
- where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy.

Public Benefit Entity Financial Reporting Standard 42 Prospective Financial Statements (PBE FRS 42)

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

(i) Description of the nature of the entity's current operation and its principal activities

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this Annual Plan.

(ii) Purpose for which the prospective financial statements are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 1 year and include them within the Annual Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

(iii) Bases for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Annual Plan.

(iv) Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

(v) Other Disclosures

The prospective financial statements were authorised for issue on 25 March 2014 Waitomo District Council. The Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Annual Plan is prospective and as such contains no actual operating results.

Section D: Appendices



The Great NZ Muster

This section provides information about
Waitomo District Council and:

- Glossary of terms and acronyms used in the Plan
- Index

Creating a better future with vibrant communities and thriving business.



Waitomo District Council

The Waitomo County Act was passed in 1904 and the first meeting of the Waitomo County Council was held in September 1905.

The Borough of Te Kuiti was constituted in 1910.

In 1922 the Awakino County was amalgamated with the Waitomo Council in an area of the then Otorohanga County to form a separate local authority.

Part of the Kawhia County was included with Waitomo County in 1956 and the balance incorporated with Otorohanga.

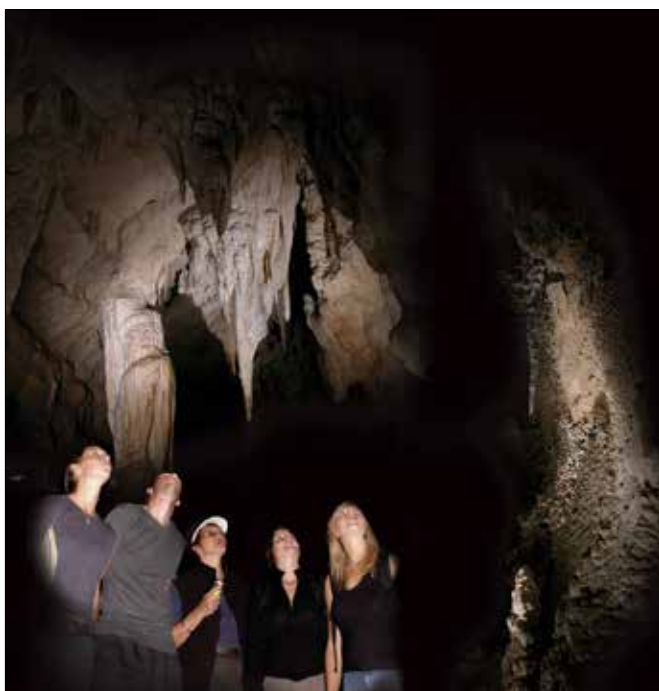
The Te Kuiti Borough and Waitomo County Councils were amalgamated to form the Waitomo District Council on 1st April 1976, and although minor changes to boundaries occurred with the 1989 reorganisation, the District remained substantially unchanged.

The present Waitomo District Council was reconstituted on 1st November 1989 as a result of the local government reorganisation process that occurred across New Zealand.

The District

Waitomo district encompasses 354,649 hectares of predominantly rural land on the west coast of the Central North Island. The western boundary is the Sea. It is adjacent to the Otorohanga District to the north, Taupo District to the east and Ruapehu and New Plymouth Districts to the south.

Te Kuiti is the administrative and main trading centre in the District, with approximately 45% of the District population residing in this town. There are several other smaller settlements located throughout the District, including the popular beach settlements of Mokau, Awakino, Marokopa, Te Waitere and Taharoa. The main rural communities are Benneydale, Piopio and Waitomo Village.



WAITOMO CAVES

Benneydale Township is located 35 kilometres south-east of Te Kuiti. The village of Benneydale was established in the 1940's for housing coal miners and their families related to the new state-owned underground coal mine which opened at that time further up the valley.

Piopio lies in a picturesque part of the King Country amongst rolling farmland with impressive limestone formations, rugged hills and pockets of beautiful native bush. All the streets in Piopio's town centre are named after New Zealand native birds. Piopio itself is the name of an extinct native bird.

Waitomo Village (Village) is one of New Zealand's original tourist destinations and has been attracting visitors to its labyrinth of glowworm caves for over 100 years. The Village is located 15 minutes from Te Kuiti and 2 hours, 50 minutes from Auckland. Waitomo's eco-tourism and caving adventures are associated with its world famous limestone caves. For the adventurous there's cave abseiling or rappelling, Black Water Rafting and caving adventures. There are also fabulous free attractions from caves to coast.

While the District is predominantly contained within the Waikato Region, the south-eastern corner of the District is within the Manawatu-Wanganui (Horizons) Regional Council's jurisdiction.



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The District enjoys a favourable climate with an annual average of 1,750 hours of sunshine. The average temperature ranges between 18.5°C in the summer to 9.5°C in the winter. Frosts are experienced 47 days per year on average, with 1,473mm of rainfall annually.

The People

The usual resident population for the District was 8,910 for the 2013 Census (9,441:2006 Census). This illustrates that the District is experiencing a population decline.

The Maori population for the 2013 Census was 3,531 (3,642:2006 Census).

The age distribution of people in the District is slightly larger than for New Zealand in the age group 16-65 and slightly lower in the age groups 65 and over and younger than 15.

By 2031, the District is expected to have the 3rd highest percentage of people under the age of 15 years (22%) out of all 73 territorial local authorities. The national median percentage, at that point in time, is expected to be about 17%.

The median age is projected to increase from 35 years to 40 years by 2031, the 12th youngest of all Districts at that point in time.

The median income of \$25,600 is slightly below the rest of NZ (\$23,300:2006 Census).

The Environment

The landscape varies from inland forested areas overlaying limestone and papa deposits to coastal marine areas. The main rivers are the Mokau, Awakino and Marokopa, each having high recreational and fishery values. Additionally, Te Kuiti straddles the banks of the Mangaokewa Stream with Benneydale built alongside the Mangapehi Stream. The limestone caves at Waitomo Village are fed by the waters from the Waitomo Stream.

The District is characterised by extensive areas of hill country, some of it steep, particularly the Herangi Range to the west.



MAROKOPA ESTUARY

The Economy

The District has a strong agricultural base and also contains agricultural industry such as meat freezing works. Dairy farming is increasing in the District and is replacing some pastoral uses.

- Some 206,000 hectares of land in the District is being utilised for agricultural or horticultural purposes. This represents approximately 58% of the total land in the District.
- Approximately 113,000 hectares of the District is covered in indigenous vegetation. Indigenous forests are mainly located on the west coast within the Whareorino Forest and the north-western highlands in areas such as the Tawarau Forest.

The District supports a variety of visitor attractions. The attractions can be divided into four distinct and largely autonomous physical characteristics which provide different levels of use, types of recreation and tourism opportunity. All four are based on important natural features of the District. These types are:

The Coast: The District includes about 80 kilometres of coastline stretching from Kawhia Harbour in the north to the Mokau River in the south. The attractions of this coastal environment are its sense of remoteness dominated by high energy wave action and coastal cliffs. Black, magnetite sands dominate the coast providing a contrast to the white sands of the east coast. The main types of coastal recreation are presently camping, fishing, surfing, diving and picnicking/day trips.

Highland Forests: The Waitomo district has some of the most extensive tracts of forested area in the Waikato Region. Two large western forests of significance to the tourist industry are the Whareorino and the Tawarau Forests. Whareorino Forest which is located 30 kilometres west of Waitomo Village, occupies a large area of land (15,903 hectares) which covers a complete altitudinal sequence of indigenous vegetation from close to sea level to the crest of the Herangi Range.

To the east, part of the massive Pureora Forest Park lies within the Waitomo district. A predominantly walking and cycling trail has been developed through the Pureora Forest park - The Timber Trail. The Timber Trail is a two-day cycling experience however there are also opportunities for day trips and multi-day experiences for walkers. The Timber Trail has been accorded the highest of priorities amongst the Department of Conservation assets. It provides a new tourism asset to the Waitomo district to compliment other clusters of activity.



KOKAKO - PUREORA FOREST PARK

Tawarau Forest located in proximity to Waitomo Village contains significant karst and cave features within the forest. It contains numerous "clean" caves as a result of the intact indigenous forest cover and includes what is probably the largest continuous tract of virgin forest remaining on karst topography in the North Island. The forest is in both private and public ownership and contains excellent examples of the dense rimu/miro forest type which once occurred throughout the region.

Karst, including Caves: The tourism industry in Waitomo district is well developed around the karst landforms and cave formations of the area. In particular the glow-worm caves, of which Waitomo glow-worm cave is the most well known internationally and nationally. There are numerous other significant cave systems in the Waitomo area as well as other karst features of natural, scientific, educational and recreational interest including cliffs, natural tunnels and bridges, and fossil sites. In addition, there are also undeveloped wild caves, and various conventional forms of tourism development associated with the natural features.

The District's main township Te Kuiti is branded as the sheep shearing capital of the world and hosts a variety of recreational opportunities, from sea and trout fishing to

the Great New Zealand Muster. Hunting, tramping and mountain biking are all popular activities ideally suited to the Districts natural environment.

Mining also forms an integral part of the District economy as represented by extensive quarrying operations and mineral extraction from the black sand in the north western part of the District. Roading aggregate, limestone and coal deposits are also available across the District.

District Statistics

LOCATION	
Latitude:	38° 21' South
Longitude:	175° 11' East of Greenwich
Altitude:	55m above mean sea level
Area:	336,357 hectares (3363.57 sq km)
CLIMATE	
Temperature Summer Average	18.5°C
	Winter Average 9.5°C
Sunshine Mean Average	1,749 hours
Rainfall Average	1,473 mm per year
Frosts Average	47 days per year
POPULATION ANALYSIS (Source data 2013 Census)	
Total Population	8,910
Median age	35
Number of households	3,390
Electors	5,793
RATING STATISTICS	
Total Rates Revenue 2014/15 (excluding Penalties) Budget:	\$17,338,635 (excl GST)
Total Rateable Capital Value as at 30 June 2013	\$3,136,145,000
Total Capital Value at as 30 June 2013	\$3,726,761,000
Number of Rateable Properties as at 30 June 2013	5,753
PUBLIC DEBT OUTSTANDING	
30 June 2013 (Actual)	\$45,182,000
30 June 2015 (Budget)	\$53,995,000
PUBLIC EQUITY	
30 June 2013 (Actual)	\$270,525,000
30 June 2015 (Budget)	\$276,273,000
OTHER INFORMATION	
Number of Building Consents 2012/13	183
Value of Building Consents 2012/13	\$14,050,482
Total District Roading Sealed	459 kilometres
Total District Roading Unsealed	555 kilometres
Registered Dogs Total (30 June 2013)	4,001

Elected Representatives



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 WARD: RURAL



Sue Smith

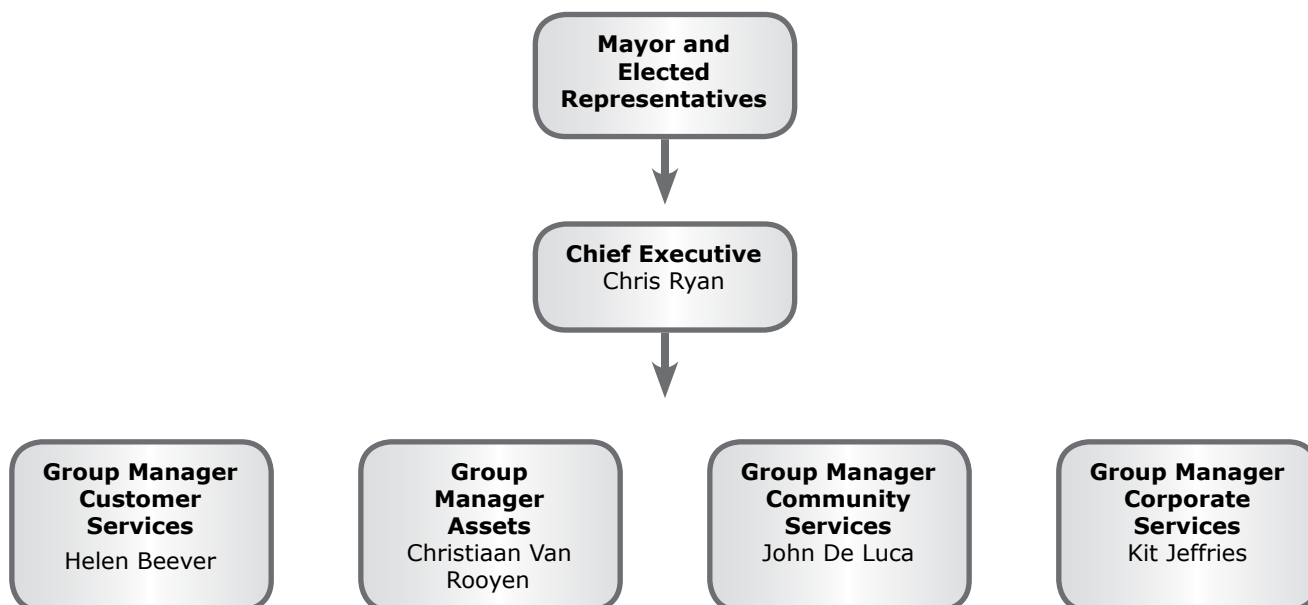
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 WARD: RURAL

Management Structure



Glossary of Terms and Acronyms

Terms used in this document:

Activity	The goods or services that WDC provides to the Community.
Annual Report	A document that WDC prepares each year which provides the public with information on the performance of the WDC during the year (in both financial and non-financial terms).
Assets	Assets are things that WDC owns, such as roads, parks, buildings and cash holdings.
Asset Management Plan	A planning document that combines management, financial, strategic and engineering techniques to ensure an asset continues to provide the desired level of service to its customers at the lowest long term cost.
Capital Expenditure	The term used to describe expenditure on assets (land, infrastructure, plant and equipment) that will provide benefit to the Community for a period greater than 12 months.
Capital Value	The sum of the unimproved value (land value), and the value of the improvements is equal to the capital value of the land.
Community	A network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identity (for example, a Hapu, a voluntary organisation or society), or an administrative community (such as a District).
Community Outcomes	The Community's view of what is important for its current and future social, economic, environmental and cultural well-being as identified through a special consultative procedure. These outcomes inform the development of WDC's planning and co-ordinate the activities and planning of all sectors of the community.
Community Well-beings	One of the main purposes of councils, as stated in the LGA 2002, is to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future. These four aspects are known as the 'four community well-beings'.
Corporate Support	Used to describe the inputs that are used by all of WDC's activities.
Council	The seven elected members that form the governing body (WDC) of the WDC.
Current Assets	Assets that can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors, and operational investments.
Current Liabilities	Creditors and other liabilities due for payment within the financial year.
Designated Investments	Investments representing Special Funds and Reserve Accounts.
Development Expenditure	A form of capital expenditure that refers to an investment in an asset to improve its value. The investment in the asset results in the asset's condition being better than when it was first purchased, or built by WDC. This does not include renewing old assets to their original state; these are classed as renewal works.
Exceptions Annual Plan	A document adopted by WDC in each of the years between LTPs which sets out the budget and sources of funding for the year and reports on any exceptions from those forecast in the LTP.
Infrastructural Assets	Fixed utility systems that provide a continuing service to the Community and are not generally regarded as tradable. WDC's infrastructural assets consist of roads and footpaths, water supply systems, sewerage systems, stormwater systems and solid waste management systems (e.g. refuse transfer stations and the Rangitoto landfill).
Key Performance Indicators	Targets set by WDC to enable the Community to monitor WDC's progress towards agreed outcomes each year. A table of performance measures is provided in each activity section.
Levels of Service	Operational levels of service are stated in the activity sections of the Waitomo District Council's Long-Term Plan (LTP).
Level of Service Expenditure	A form of capital expenditure that refers to an investment in an asset to improve its value as a result of improving the service that the asset provides to the community. The level of service investment in the asset results in the asset's condition being better than when it was first purchased or built by WDC. This does not include improvements to assets as a result of increased need or demand for that asset due to growth, this is classed as Development Expenditure; or renewal of old assets to their original state, which is classed as Renewal Expenditure.
Local Government Act 2002	The Key legislation that defines the regulations and responsibilities for local authorities.
2009-19 Long Term Plan	A plan covering a period of 10 years (2009-2019), developed by the WDC and describing what the WDC will do to contribute to the achievement of Community Outcomes. An LTP describes what the WDC will do over the ten year period, why it plans to do these things, how much these things will cost including how they will be funded and how success will be judged.
Long Term Plan 2012-2022	A plan covering a period of 10 years (2012-2022), developed by the WDC and describing what the WDC will do to contribute to the achievement of Community Outcomes. An LTP describes what the WDC will do over the ten year period, why it plans to do these things, how much these things will cost including how they will be funded and how success will be judged.
Operations Expenditure	The expenditure required to meet the costs of normal day-to-day services provided by WDC. This includes expenditure resulting from inputs on such items as contract costs, materials, electricity and plant hire.
Operating Revenue	Money earned through WDC activities in return for service provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include Land Transport New Zealand (LTNZ) Financial Assistance Rates (FAR) subsidies, rental income and fees and charges.
Operating Surplus	An accounting term meaning the excess of income over expenditure. Income and expenditure in this context excludes "capital" items such as the receipt of repayment of intergeneration loans, the cost of capital works and transfers to and from reserves. An operating surplus is inclusive of non-cash items such as income and expenditure owing but not paid (debtors and creditors) and depreciation.
Outputs	Goods and services the WDC will produce or provide to achieve agreed outcomes.
Renewal Expenditure	A form of capital expenditure that describes WDC's ongoing programme of works, which is aimed at maintaining the District's assets in a good condition by 'renewing' them back to their original state.

Separately Used or Inhabited Part	A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use. As a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation or actual separate use. For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one separately used or inhabited part.
Stakeholders	People, groups and or organisations that have an interest in what happens in the District.
Statement of Financial Position	Also referred to as Balance Sheet, the name of this financial table has been changed as required by the accounting standards for PBE.
Strategic Goals	WDC has set Strategic Goals for each of its activities. These goals are targeted at ensuring WDC's work programmes are promoting the achievement of Community Outcomes. The goals are long-term and in most cases will take many years to achieve.
Sustainable Development	Development that meets the needs of the present without compromising the reasonably foreseeable needs of future generations.
Targeted Uniform Annual Charge	A targeted rate based strictly on a uniform amount set for each separately used or inhabited rating unit, within a defined (targeted) area, e.g. stormwater, solid waste kerbside collection, etc.
Uniform Annual Charge	A service charge that is levied on each separately used or inhabited rating unit, e.g. solid waste management, sewerage, water supply, etc.
Uniform Annual General Charge	Uniform Annual General Charge that is levied on all separately used or inhabited rating units in the District.
Waitomo District Council (WDC)	Waitomo District WDC: the organisation established to administer WDC affairs, conduct operations and bring effect to WDC policy and strategies.
WDC Organisation	Any organisation in which one or more local authorities own or control any proportion of the voting rights or have the right to appoint one or more of the directors, trustees, etc.
WDC Controlled Organisation	Any organisation in which one or more local authorities own or control 50 percent or more of the voting rights or have the right to appoint 50 percent or more of the directors of the organisation.
WDC Controlled Trading Organisation	A council-controlled organisation that operates a trading undertaking for the purpose of making a profit.

Acronyms used in this document:

AMP	Asset Management Plan
AP	Advisory Panel
BLG	Better Local Government Reform
Board	District Economic Development Board
Capex	Capital Expenditure
CCO	Council Controlled Organisation
COs	Community Outcomes
DDR	District Development Rate
DEDB	District Economic Development Board
DLA	District Licensing Agency
DWS	2005 Drinking Water Standards
EAP	Exceptions Annual Plan
ETS	Emissions Trading Scheme
FAR	Financial Assistance Rates
FRN	Floating Rate Notes
ICL	Inframax Construction Limited
ISBU	Internal Services Business Unit
JMA	Joint Management Agreement
KPI	Key Performance Indicator
LGA 2002	Local Government Act 2002
LGRA	Local Government Rating Act
LoS	Level of Service
LTP	Long Term Plan
LTNZ	Land Transport New Zealand
MoH	Ministry of Health
NAASRA	National Association of Australian State Roading Authorities
NZWS	New Zealand Waste Strategy
Opex	Operational Expenditure
PHRMP	Public Health Risk Management Plans

PWBRA	Piopia Wider Benefit Rating Area
RFS	Request for Service - Waitomo District Council's service request system.
RSS	Resident Satisfaction Survey
RTO	Regional Tourism Organisation
SCADA	Supervisory Control and Data Acquisition
SUIP	Separately Used or Inhabited Part
SWaMMP	Solid Waste (Activity) Management and Minimisation Plan
SWSS	Sanitary Waste Subsidy Scheme
TKISA	Te Kuiti Infrastructure Support Area
TKWTP	Te Kuiti Water Treatment Plant
TKWWTP	Te Kuiti Waste Water Treatment Plant
TMP	Treasury Management Policy
TUAC	Targeted Uniform Annual Charge
UAC	Uniform Annual Charge
UAGC	Uniform Annual General Charge
WDC	Waitomo District Council
WDHB	Waikato District Health Board
WINZ	Water Information New Zealand
WMF	Waikato Mayoral Forum
WRC	Waikato Regional Council (formally known as Environment Waikato)

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