

**HOW OLD  
WILL YOU BE  
IN 10 YEARS  
FROM NOW?**

Long Term Plan 2015 - 2025

**Waikato**  
  
DISTRICT COUNCIL  
*Te Kaunihera aa Takiwaa o Waikato*

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## Our Vision

The vision for our council is:

To be a recognised leader in creating a district that prides itself on economic excellence, local participation and sustainable communities.

Navigating the Future is about how we respond to today's challenges while planning for the future – our strategy to get to where we want to go and the actions we'll take to get there.

The council has adopted the following community outcomes: *People*, *Economic* and *Energy* to lead and guide our decision-making. These outcomes with their associated goals are particularly important as we weigh up what's needed, with what we can afford and our priorities; this is therefore reflected in our budgets.

## Our Community Outcomes & Goals

### People

We will develop and maintain relationships and partnerships and provide accessible services, facilities and activities that create a supported, healthy, safe and engaged community

### Economy

We will promote sustainable growth, maintain accessible, safe and connected infrastructure and services, create an attractive business environment and provide sound financial governance

### Energy

We will provide active leadership, empowerment and collaboration in our business environment and we will effectively and sustainably manage natural resources

## Our Approach

Council's overall approach when considering the financial picture is as follows;

1. Support targeted growth
2. Maintain existing assets
3. Modernise infrastructure where it prudent to do so
4. Do more within existing budgets

## Confirmed plans/key decisions

Waikato district sits in the middle of the 'golden triangle' between Auckland, Hamilton and Tauranga. Located between all three, the Waikato is benefiting from the urgent need these cities have for land, transport, resources, people, homes and businesses – which they themselves need to realise their economic potential.

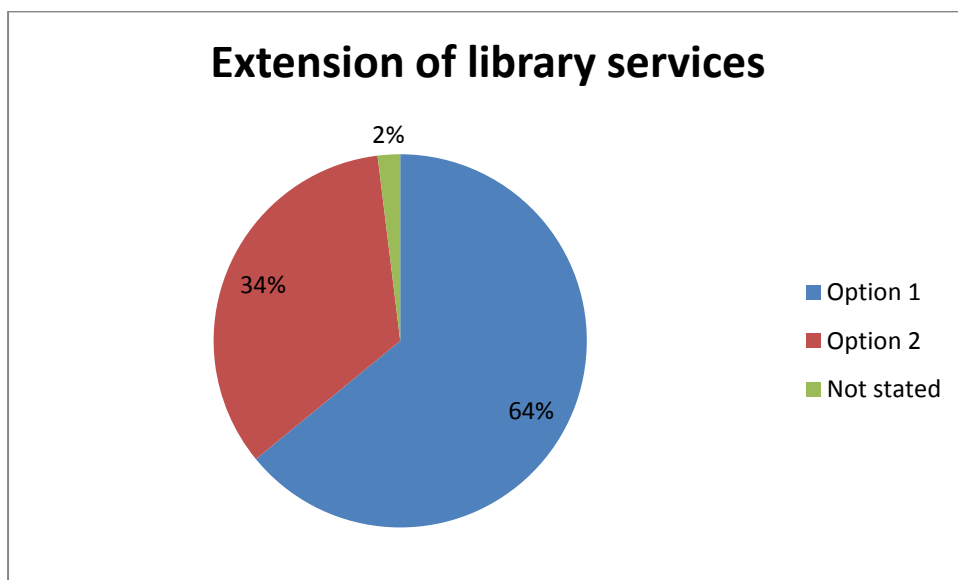
With the benefits of growth there are also costs. The balance the Waikato District Council has to find is between supporting growth in growth areas (which increases costs – particularly in the early stages of growth) and ensuring non-growth areas continue to have existing, or possibly improved, services.

We've heard what you think of the various proposals we outlined in the Consultation Document and have made decisions based on your feedback, which we believe find the right balance.

### Libraries

We received 206 responses on the extension of library opening hours, including the provision of other council services such as dog registration.

The majority of responses (64%) preferred Option 1, extension of library hours.



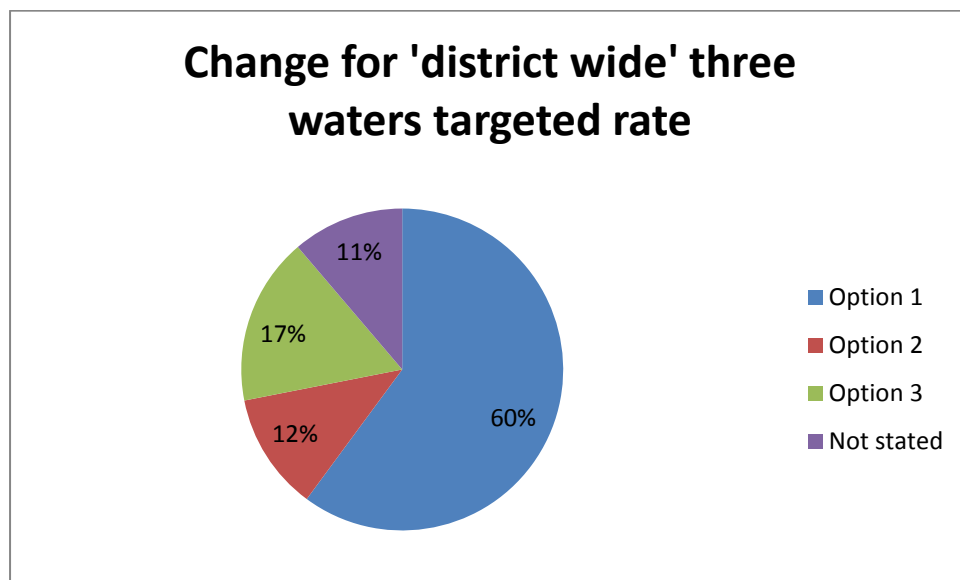
Extending the hours of opening will make it easier for daytime workers, students and businesses and clubs to make use of our facilities and to engage in learning opportunities. It will also enable people to do some council business after hours, like paying their rates.

The additional cost to do this will be \$63,000 in year one (2015/16) of the LTP and will be taken from the general rate.

## Three waters targeted rate

We received 178 responses on the proposal to have consistent targeted rates across the district for wastewater, water supply and stormwater.

The majority of responses (60%) preferred Option 1, phased change for three waters targeted rates.



## Wastewater

Option 1 will see us move to a 'district-wide' wastewater targeted rate over three years.

Zone	LTP Year 1 2015/16	LTP Year 2 2016/17	LTP Year 3 2017/18	Zone area:
Zone A - Connection	\$614.22	\$683.45	\$752.68	Huntly, Ngaruawahia, Horotiu and Te Ohaki
Zone B - Connection	\$728.46	\$740.57	\$752.68	Raglan, Te Kauwhata, Rangiriri and Whaanga Coast
Zone C - Connection	\$882.96	\$817.82	\$752.68	Maramarua, Matangi, Meremere, Te Kowhai, Taupiri and Tauwhare Pa
Zone D - Connection	\$581.42	\$667.05	\$752.68	Tuakau
Zone E - Connection	\$715.14	\$733.91	\$752.68	Pokeno

## Water

For people with water meters this means a targeted rate of \$200 and a \$1.70 per cubic meter charge.

For unmetered properties water meters will be installed in 2015/16. The following targeted rates apply:

LTP Year 1 2015/2016	LTP Year 2 2016/2017	LTP Year 3 2017/2018
\$521.00	\$549.42	All properties metered

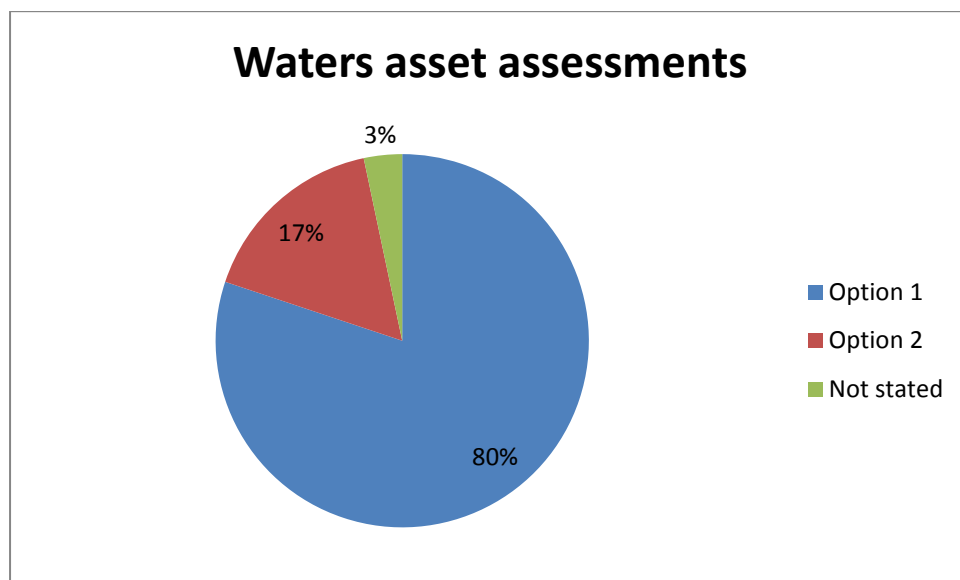
## Stormwater

All properties receiving the same level of service will be charged a targeted rate of \$164

## Water Asset Assessments

We received 181 responses regarding the proposal to undertake a complete assessment of the condition of our most critical water and wastewater infrastructure assets across the district.

The majority of responses (80%) preferred Option 1 a planned asset assessment programme.



The benefit of doing this will mean the renewals programme for assets can be planned in the best way possible, maximising dollars and results.

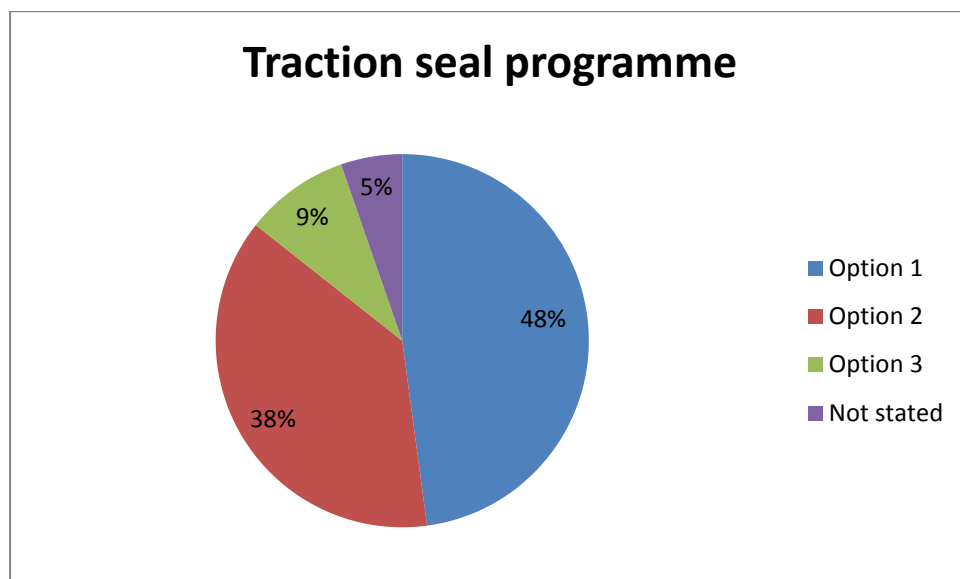
The cost to undertake the asset assessments is estimated to be \$2.6 million for water supply assets and \$1.3 million for wastewater assets. These amounts will be funded from the targeted rate at \$129,000 for wastewater and \$263,000 for water supply per year.



## Traction seal

We received 188 responses regarding the three options to seal stretches of road causing the greatest risk to users.

With 48% support for Option 1 and 38% for Option 2, after hearing submissions Council decided to go with Option 2 allowing for 200 metres of subsidised traction seal per year.

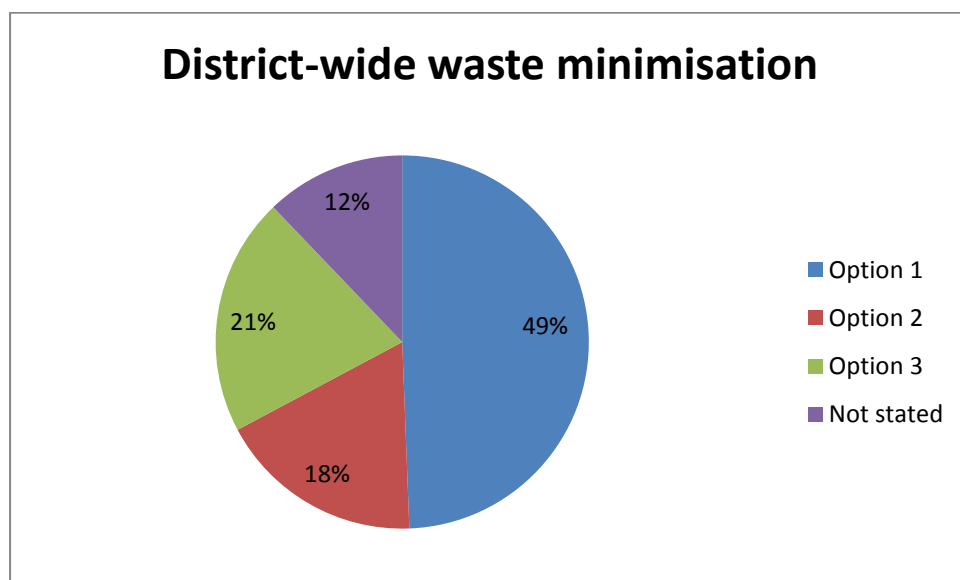


This option will allow for 200 metres of subsidised traction seal enabling the worst sections to be dealt with in the next ten years and also reduce the amount spent on reactive road maintenance. This will be at the cost of \$100,000 general rate and \$100,000 subsidy per year.

## Waste minimisation

There were a total of 247 responses regarding the proposal to standardise waste collection services to better achieve waste minimisation targets.

The majority of responses (49%) preferred Option 1, best waste minimisation.

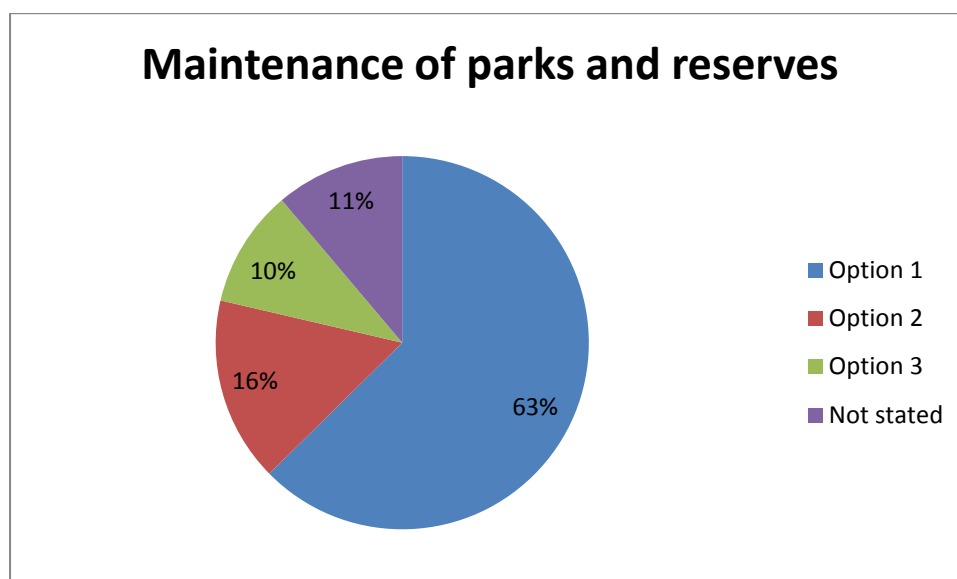


This option means all households in the Waikato who have a waste collection service pay a user pays component based on how much rubbish you produce.

## Parks and Reserves

We received 206 responses regarding the three options to provide the agreed maintenance standards for our parks and reserves.

The majority of responses (63%) preferred Option 1 gradually increasing maintenance to a higher level over the next three years.



This option will maintain the current levels of service with a budget increase of \$444,000 proposed for 2015/16 and a further increase of \$442,000 for 2017/18.

## Additional grants and donations

Organisation:	Amount:	Duration:
Waikato Biodiversity Forum	\$3,000	Per annum for ten years
Bush Tramway Club	\$5,000	One off payment for 2015/16 year
Tamahere Reserve (Tamahere-Mangaone Restoration Trust)	\$50,000	One off for 2015/16
Huntly Volunteer Fire Brigade	\$15,000	One off payment for 2015/16
Franklin Tourism Group	\$2,500	Per annum for ten years
Te Whakaruruhau Incorporated	\$5,000	One off payment for 15/16 financial year
Onewhero Old School Building	\$10,000	One off payment for 15/16 financial year
North Waikato Transport Trust	\$2,000	Per annum for three years
Para Kore	\$5,000	Per annum for ten years
Waikato District Lakes & Freshwater Wetlands MOA	\$20,000	Per annum for three years

## Financial strategy

The council's Financial Strategy<sup>1</sup> addresses the major matters contained in the Long Term Plan. It provides an overview of:

- the strategic direction the council has for the district
- what we are going to do to develop the district in this strategic direction
- what affect that will have on our financial performance
- what affect that will have on ratepayers

The council has set limits on rates, rate increases and debt in this Financial Strategy. The council has also set out our programme of expenditure for planned growth, planned new services and maintaining existing services. In the council's assessment and given the assumptions on which this Long Term Plan is based, all of these limits and programmes can be provided and maintained throughout the term of this plan.<sup>2</sup>

## Long Term Plan direction

Waikato District is uniquely placed between the two large urban masses of Auckland and Hamilton. Significant National investment is underway to make these two cities more connected. Our district is rich in resources of food production, energy production, and minerals. We can provide our neighbours with sustainable resources, and provide lower density living, which in turn will see our population and economy grow.

This Long Term Plan reflects our intention to provide sustainable resources to our neighbours, by planning positively for growth, maintaining our existing assets and improving services where it is affordable.

The following sections outline the major matters concerning planning for growth, planning for improved services and planning to maintain existing services. Each section contains a breakdown of the expenditure to be incurred in achieving our planned programme. Please note that in many cases a project will contribute to each of these eg a new water treatment plant will:

- replace an existing plant (maintaining the existing services)
- improve the quality rating of the water (improved services)
- provide more capacity for new users (planning for growth)

The cost of such a project has been split across each of the categories and how we fund that has been separately considered.<sup>3</sup>

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<sup>1</sup> Financial Strategy as required by the Local Government Act 2002 s 101A.

<sup>2</sup> S101A(3)(a)(ii)

<sup>3</sup> For more information on the funding philosophies of Council see the Revenue and Financing Policy.

## Planning for growth

### Future Proof

In 2009 the council, along with our Future Proof partners<sup>4</sup>, agreed on a sub-regional growth strategy<sup>5</sup>.

This strategy was updated in 2012 to take account of the reorganisation of Auckland Council which resulted in the addition of the Onewhero, Awaroa Ki Tuakau Wards and the extension of the Whangamarino Ward to our district.

Future Proof strategy forecasts are based on a medium growth scenario. The prediction is that the population of our district will double in the next 50 years.

The Future Proof Strategy outlines a vision that will see:

- thriving towns and rural communities
- natural resources that are protected and used sustainably
- affordable and sustainable infrastructure
- strong governance and partnerships

Since 2009 the council has implemented a number of changes to support the Future Proof Strategy. These include variations to the District Plan, designed to protect rural environments and encourage sustainable, vibrant communities.

The Future Proof Strategy looks a long way forward to 2061. This Long Term Plan focuses on the period 2015 to 2025. The Long Term Plan integrates with the Future Proof Vision by recognising specific areas of growth and providing for network and community infrastructure to ensure that growth is sustainable and affordable over the period of the Long Term Plan and beyond. Residential growth is planned for Tamahere, Te Kauwhata, Tuakau and Pokeno, with industrial growth focused around Horotiu, Tuakau and Pokeno.

### Waikato District Growth Strategy

The Waikato District Growth Strategy specifically addresses the Waikato District response to Future Proof. The growth strategy addresses the specific implications of growth to the district and provides the growth data<sup>6</sup> that has been used throughout this Long Term Plan. These growth assumptions have been used to assess the capital and operating expenditure needed to meet the demands of growth.

The strategy identifies three key issues that will influence population and economic growth in the district which are:

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<sup>4</sup> Our Future Proof partners are: Hamilton City Council, Waikato Regional Council (formerly Environment Waikato), Waipa District Council, Matamata-Piako District Council, Tangata Whenua, and New Zealand Transport Agency (NZTA)

<sup>5</sup> For more information on the Future Proof Strategy go to [www.futureproof.org.nz](http://www.futureproof.org.nz)

<sup>6</sup> The growth data is summarised in the Councils infrastructure strategy and the Significant Forecasting Assumptions section of the LTP estimates the impacts on this plan if our population growth assumptions are wrong.

- the increasing growth pressure from outside the district
- continued improvements to transport corridors
- the economic influence of the 'Golden Triangle' (Auckland, Hamilton, Tauranga)

Continuing to sprawl into the countryside is not sustainable for the future. This strategy looks to grow and revitalise the towns and villages in order to maximise infrastructure use, reduce traffic congestion and promote local jobs. At the same time it ensures the productive potential of rural land is protected. This will mean some tightening of the rules around countryside living and rural subdivision. Structure Plans have been developed or started for some of our towns to better plan and co-ordinate how these towns and their surrounding areas expand. These plans also consider the compatible patterns and intensity of development and give a greater level of certainty to developers and local communities about the future settlement patterns for their towns. From 2017 onwards, re-zoning requirements to allow for future growth will be dealt with via Resource Management Act processes.

In 2013, a private plan change was lodged to develop the Rangitahi Peninsula in Raglan. The hearing has been adjourned pending further investigations, however, an estimate of the costs for associated capital works have been factored into this Long Term Plan. If the plan change goes ahead growth related costs would be funded by developers.

Factors that have a direct effect on this Long Term Plan (i.e. the years 2015 to 2025) are:

- the development of targeted growth areas, particularly Pokeno
- the completion of the Waikato Expressway
- changes to the District Plan, leading to changes in the urban: rural population mix

<b>Projected Changes in Population and Land Use<sup>7</sup></b>			
	2015	2025	Change
Estimated Population	67,396	76,090	8,694
Estimated Dwellings <sup>8</sup>	24,191	29,430	5,239
Estimated Urban: Rural population mix	47:53	49:51	

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<sup>7</sup> S101A(3)(a)(i)

<sup>8</sup> S101A(3)(a)(i)

The effect of our forecasted population and changes in land use has resulted in the following growth related capital and operating costs:

<b>Ten-year expenditure resulting from anticipated changes in population and land use</b>		
Group of Activities	Capital Expenditure Total \$(000)	Operating Expenditure \$(000)
Water Supply	23,855	8,416
Wastewater	13,698	6,124
Stormwater	5,592	120
Roading	33,275	21,102
Sustainable Environment	0	0
Sustainable Communities	24,855	1,449
Governance	0	0
Organisational Support	0	29
<b>Total</b>	<b>101,275</b>	<b>37,240</b>

Note that our estimates of future growth are based on complex and detailed models. One of the key inputs to the model is census information. Currently 63,381 people usually live in Waikato District (2013 Census). This is an increase of 5,796 people, or 10.1 per cent, since the 2006 Census. This outcome closely mirrors our own growth modelling for the same period which assumed a population of approximately 64,000. However, because population information underpins our asset planning and the financial prudence of our overall approach, we have assessed the impact of our growth assumptions being wrong in the Significant Forecasting Assumptions of the plan.

## **Planning for improved services**

Every year the community demand for services increases. The council receives hundreds of requests and must evaluate and prioritise those additions and improvements that best support our community outcomes and are affordable. In addition to this, the government and other regulatory bodies impose requirements to provide improved services that often must be met (e.g. improved drinking water standards). These improved services will mean increased costs and/or reduced income for legislated areas such as liquor control and building quality.

The council has had to balance capital expenditure related to planning for growth with capital expenditure for improved service levels. Each Group of Activities Statement summarises the planned service levels and projects to improve services.

Our roading network extends 2,437km (the second largest roading network in the North Island) and with the transfer of state highway to the council as part of the Waikato Expressway project this is expected to grow by a further 87km by 2020. This additional length will increase the maintenance and renewal requirements whether or not growth occurs as planned. Therefore, rather than continuing to extend the sealed network (at approximately double the cost per kilometre to maintain when compared with unsealed network) in 2012 the council removed its seal extension programme for the foreseeable future to concentrate on projects that will maintain our current

roads (including those transferred from state highway) and those that are predominately growth driven.

The council's operating expenditure will inevitably increase as a result of improved services. Much of this is a direct result of the new assets (maintenance, financing costs, electricity etc.). In addition to these asset-related costs, there are some additional operational costs that will be incurred as a result of reviewing our district plan, bylaws and updating the overarching strategies and policies.

The effect of demand for improved services has resulted in the following capital and operating costs:

<b>Ten-year expenditure resulting from anticipated increased demand for services<sup>9</sup></b>		
<b>Group of Activities</b>	<b>Capital Expenditure \$(000)</b>	<b>Operating Expenditure \$(000)</b>
Water Supply	16,479	4,208
Wastewater	26,624	3,062
Stormwater	6,705	302
Roading	22,705	3,999
Sustainable Environment	635	766
Sustainable Communities	16,761	902
Governance	0	0
Organisational Support	1,585	17
<b>Total</b>	<b>91,494</b>	<b>13,256</b>

## **Planning to maintain existing services**

Over time our assets wear out and need renewing. The council owns \$1.7 billion of assets. The vast majority of these assets form our core network infrastructure of roads, water, wastewater and stormwater. Therefore, maintenance is important, and every so often we have to spend significant amounts of money to rebuild or replace them.

This has to be well managed, so we have detailed asset management plans that identify the assets, assess how well they're doing the job they're supposed to, estimate their remaining useful life and help us decide when we need to buy or replace assets. The accuracy of these plans is only as good as the data we have on the condition of our assets. Budgets to investigate the status of underground assets (pipelines) are proposed to increase in the Long Term Plan to ensure that our planning for new or replacement assets is fit-for-purpose, cost effective and sustainable.

We have a vast land area, a large road network and many community facilities in widespread towns to be provided for and maintained by a comparatively low population base. This provides challenges as we do not necessarily have the critical mass to afford the services that people are provided with. In terms of renewal activities we have to balance the affordability of providing for future replacement of assets against the benefits associated with services such as good clean drinking water, hygienic disposal of sewerage etc.

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<sup>9</sup> S101A(3)(a)(iii)

Each Group of Activities Statement summarises the proposed service levels and projects to maintain these services.

Roading is the council's largest group of activities. Traditionally the council has had sufficient resources to not only maintain services but to improve them. During the course of the next ten years this will cease to be true.

From July 2015, there will be changes to the funding assistance received from NZTA. The impact on our council is that over time NZTA will contribute less money towards the maintenance and renewal of our roads, so to deliver the same levels of service rates income will have to increase.

<b>Ten-year expenditure to maintain existing services<sup>10</sup></b>		
Group of Activities	Capital Expenditure \$(000)	Operating Expenditure \$(000)
Water Supply	22,659	29,456
Wastewater	26,494	21,433
Stormwater	800	5,609
Roading	182,468	185,916
Sustainable Environment	488	152,464
Sustainable Communities	21,124	147,275
Governance	0	26,156
Organisational Support	22,779	247,704
<b>Total</b>	<b>276,812</b>	<b>816,013</b>

The council has planned to maintain all services provided today at the same or better standards throughout the next ten years with additional income requirements coming from rates increases and new ratepayers. Any further changes to NZTA funding or variability from our growth assumptions may lead to affordability issues and challenge our current levels of service.

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<sup>10</sup> S101A(3)(a)(ii)



## How are we going to pay for our plan?

<b>Total ten-year expenditure<sup>11</sup></b>		
	<b>Capital Expenditure \$(000)</b>	<b>Operating Expenditure \$(000)</b>
<b>Total</b>	<b>469,581</b>	<b>866,509</b>

No one likes their rates going up. However, we all recognise the impact of improved services and the effects of inflation. The council has detailed its funding philosophies in the Revenue and Financing Policy. In summary the council aims to ensure that:

- Operating costs are met by operating income (including rates, fees and charges and grants and subsidies), with the exception of depreciation expense for roading which is not fully charged to ratepayers due to the assumption that subsidies will still be available at the time of asset replacement.
- Growth related operating costs should be met by a growth in the council's income base. (This is not immediately achievable and there is a high likelihood of incurring operating costs before growth occurs. The council aims to minimise the effect of this.)
- Asset renewal costs are generally funded from Capital Replacement Funds or new borrowing.
- All growth capital costs are met from development or financial contributions.

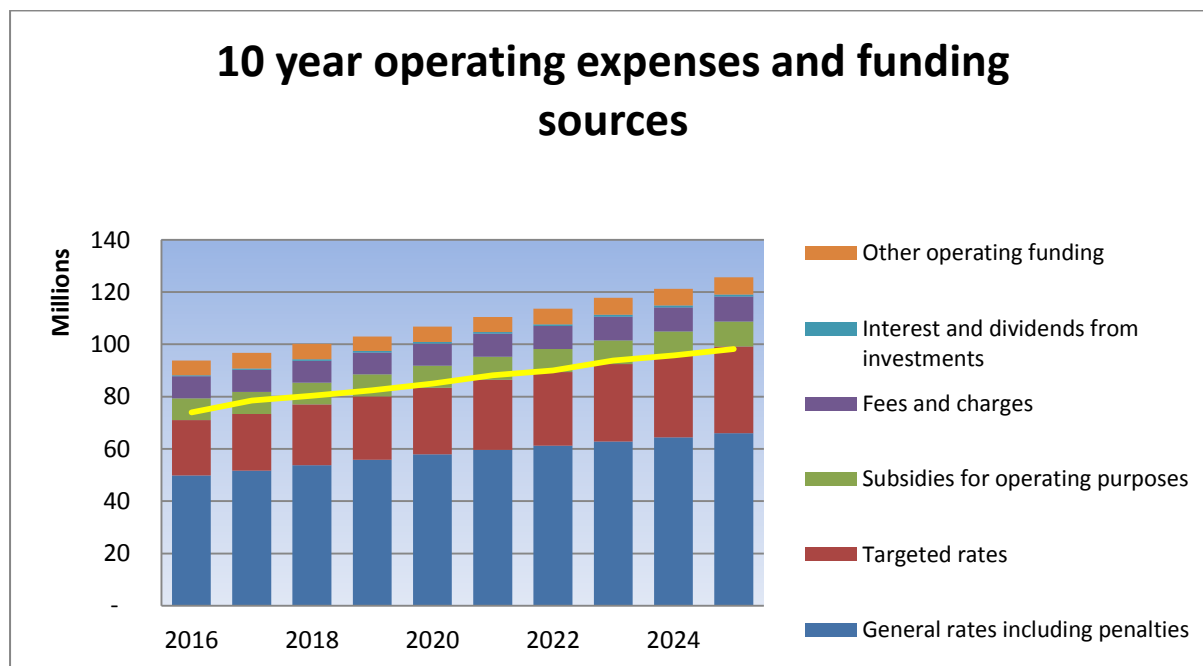
### Operating revenue

The Local Government Act 2002 requires the council to set operating revenues sufficient to cover operating expenses. The Funding Impact Statement shows that for each year in the plan the council meets this test. The council has confirmed it is prudent for operating costs to be fully funded in the year in which they fall. This ensures capacity to face adversity is retained and meets fair and equitable intergenerational allocation of costs.

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<sup>11</sup> Capital and operating expenditure information dating back to July 2012 can be found in our infrastructure strategy and individual activity management plans.

The chart below shows the operating expenditure and income the council requires for each of the next ten years.



Graph I

Although total revenue rises throughout the term of the plan, general rates income is forecast to average 54 per cent of total income over the period. However, Council’s targeted rate revenue increases over the period from 23 per cent in the first year to 26 per cent of total income by 2025. This reflects a shift in the operational costs of running the three waters services (water supply, wastewater and stormwater) along with a more proactive approach towards user pays through consumption charging.

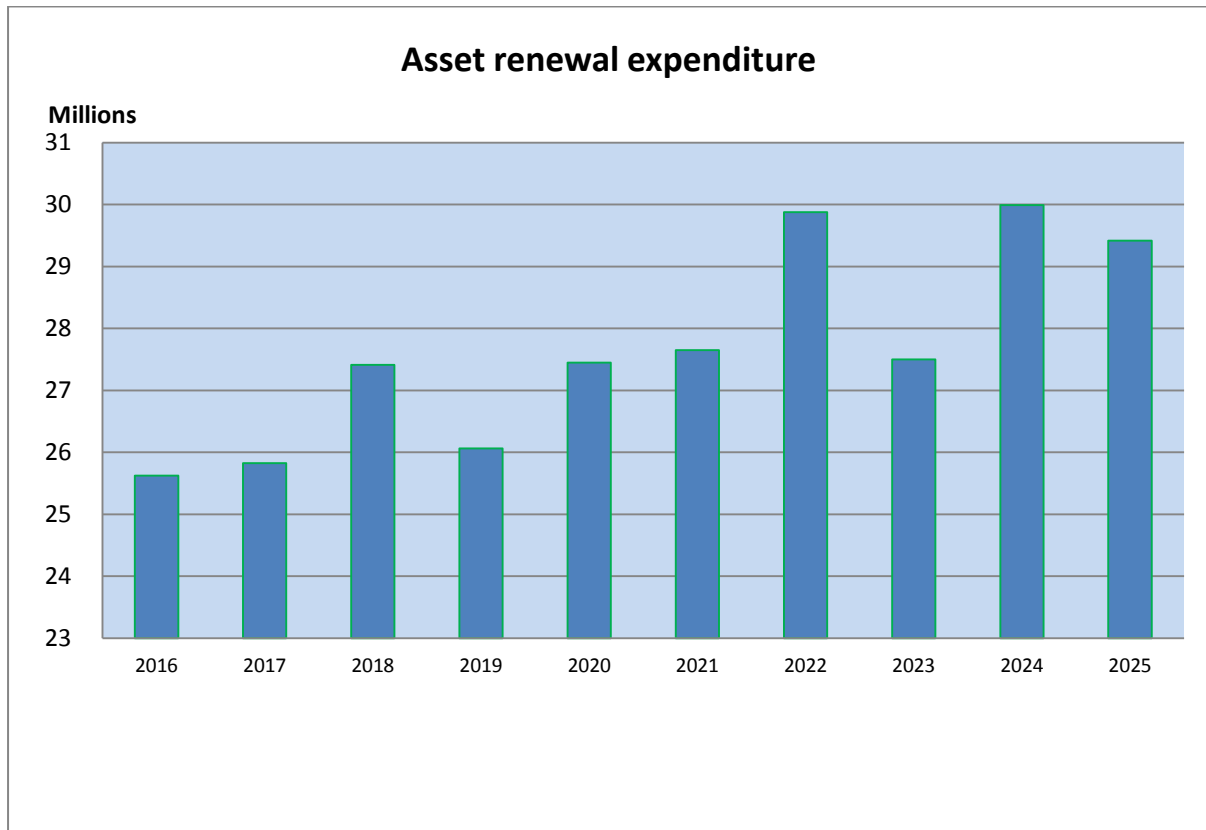
Unlike some councils Waikato does not have investments that earn significant returns to assist with keeping rates down.

### Revenue to fund asset replacement

The council has proposed to spend \$277 million on rebuilding or replacing existing assets to maintain current services. Each year the council funds its asset renewal programme, by ensuring revenue is sufficient to cover asset depreciation charges. Most of this revenue comes from rates but some comes from subsidies (mostly in the Roding Group of Activities).

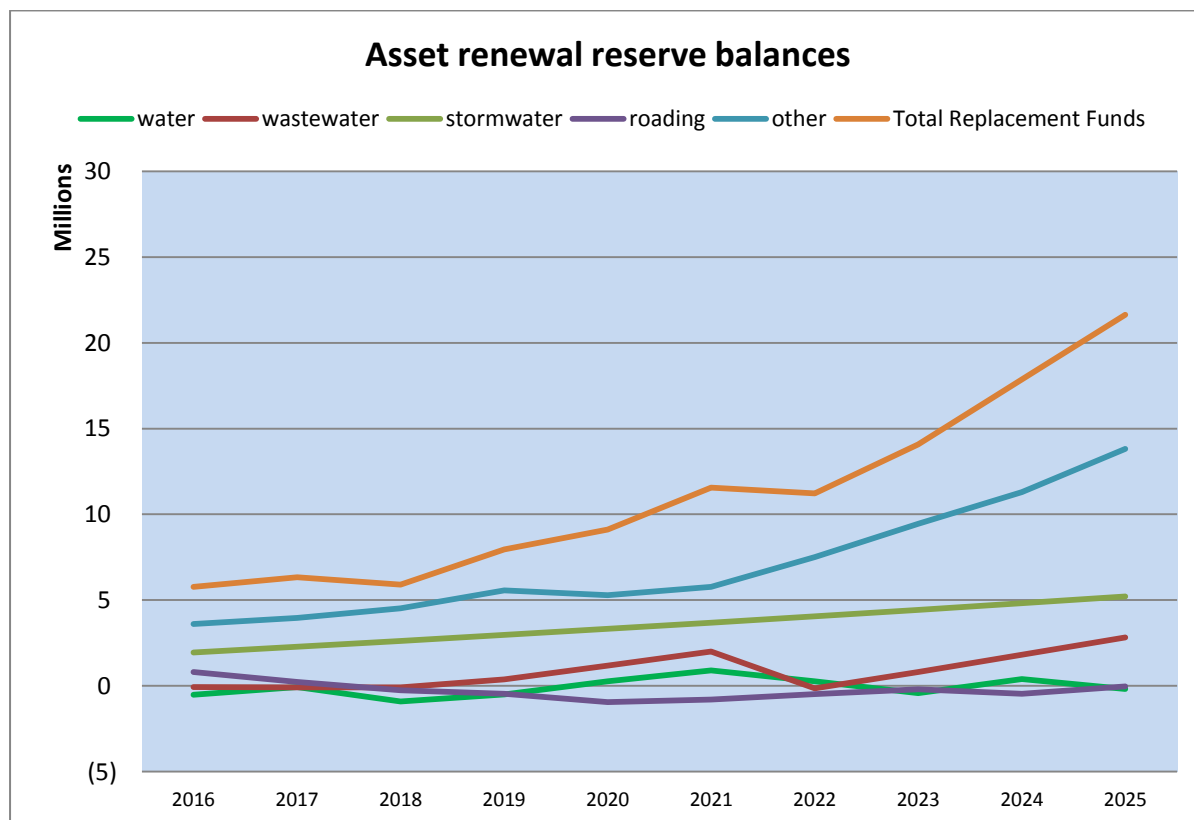
Every year the council spends a portion of the funds while transferring the balance to the Capital Replacement Reserve.

The council's asset replacement expenditure is not an even amount each year as shown in the graph below.



Graph 2

The Asset Renewal Reserve Balances graph shows the ability of council to fund asset renewal programmes.



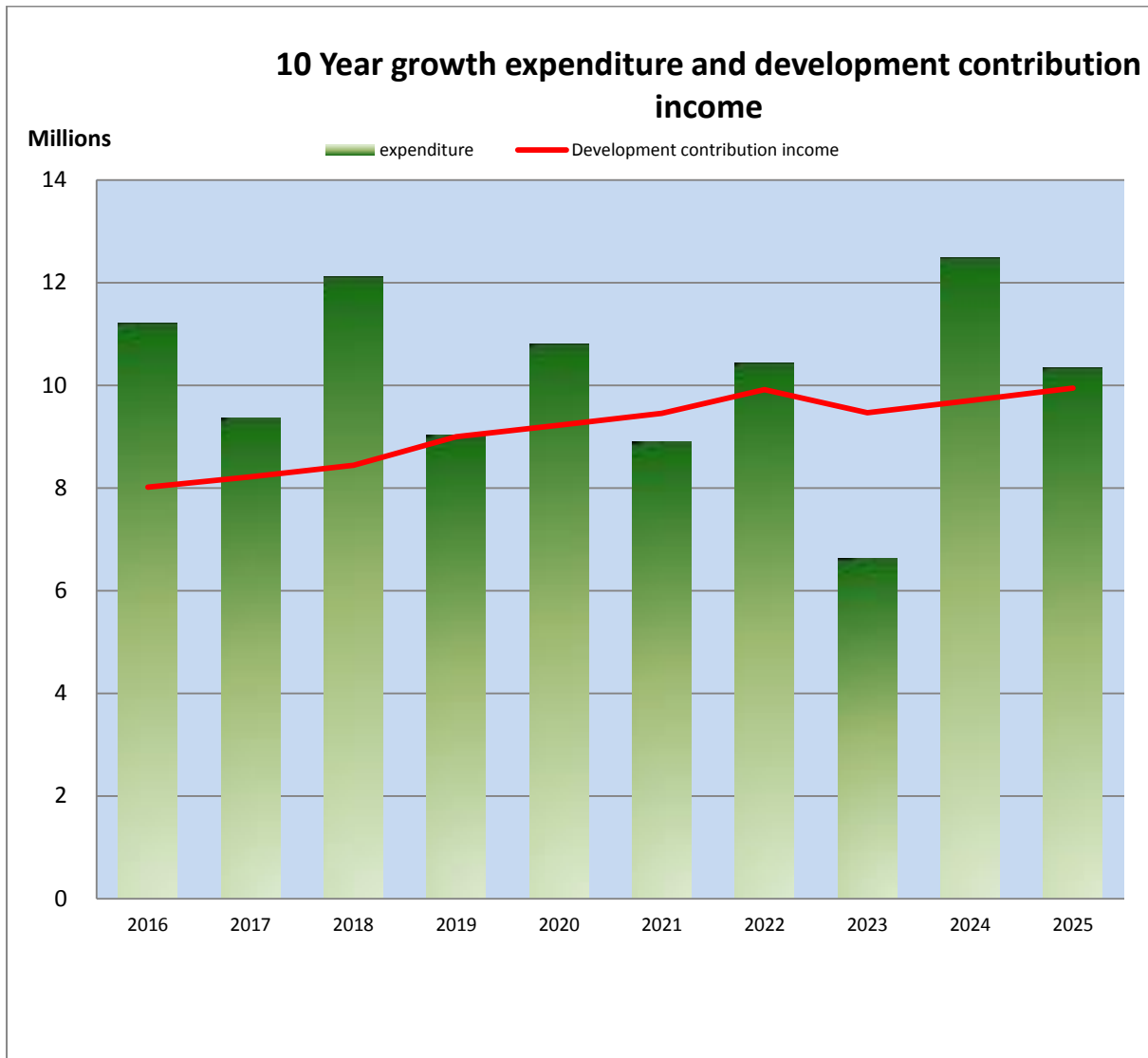
Graph 3

The majority of council’s Capital Replacement Reserves will have positive balances over the course of the plan. These reserves are being built up to fund the replacement of aging assets that will need renewal in the years beyond 2025. Council’s Infrastructure Strategy addresses planned capital expenditure beyond the next ten years. The strategy indicates that a significant portion of Councils assets will need renewing or upgrading in the 2026-2045 period. Council’s approach enables a smoothing of rate increases. Through careful planning now, we aim to keep average rates changes relatively small while still ensuring we have sufficient funds to pay for larger projects today and into the future.

### Revenue for new assets

The council is building new assets as part of planning for growth and improved services. Over the next ten years this totals \$101 million.

The council is choosing to fund these projects from a mixture of development and financial contributions for growth related projects and new debt, reserves and rates for improved services.



Graph 4

Although the council is not proposing to lead development, sometimes it is necessary for the council to spend on growth projects before development occurs. When this happens, the relative risks are assessed and the council borrows the funds and repays that borrowing from development and financial contributions once growth occurs.

## What about rates? Will they be affordable?

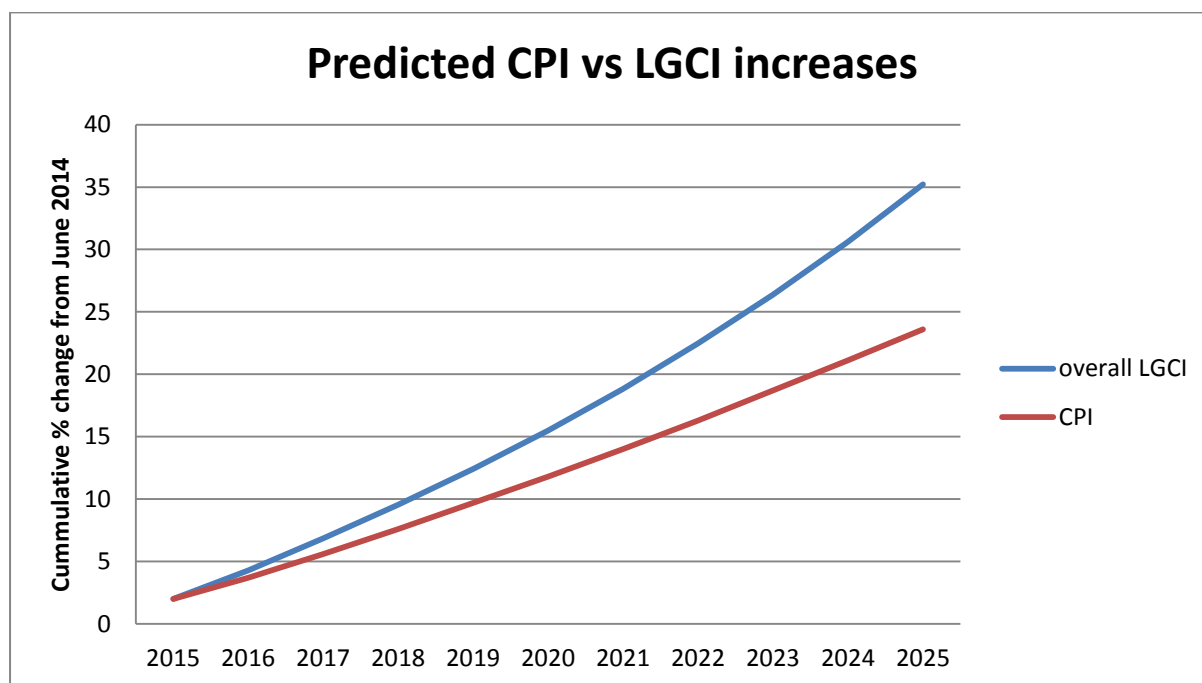
Having taken account of our plans for growth, improved services and maintaining existing services and funding options we can now consider the impact on rates.

What is affordable in each household is different, and the council therefore uses averages in order to determine whether rates are affordable. The council provides a rates rebate scheme and has rates remission and postponement policies in place to assist those owners where rates are unaffordable.

In 2007 the Government carried out extensive research<sup>12</sup> on rates affordability. That report states that rates are affordable up to 5 per cent of household income. The 2013 census results show a median household income for the Waikato district is \$69,400 per annum. For 2014, a rates bill of up to \$3,470 would therefore have been deemed affordable for households with an income of \$69,400.

The council also has a challenge in that inflation on council costs is different from the inflation effect on household incomes. Council inflation is measured by the Local Government Cost Index (LGCI), whereas household inflation is measured by the Consumer Price Index (CPI).

Since 2004 LGCI has consistently been higher than CPI. Independent analysis undertaken by Business and Economic Research Limited (BERL) shows that this trend is expected to continue.



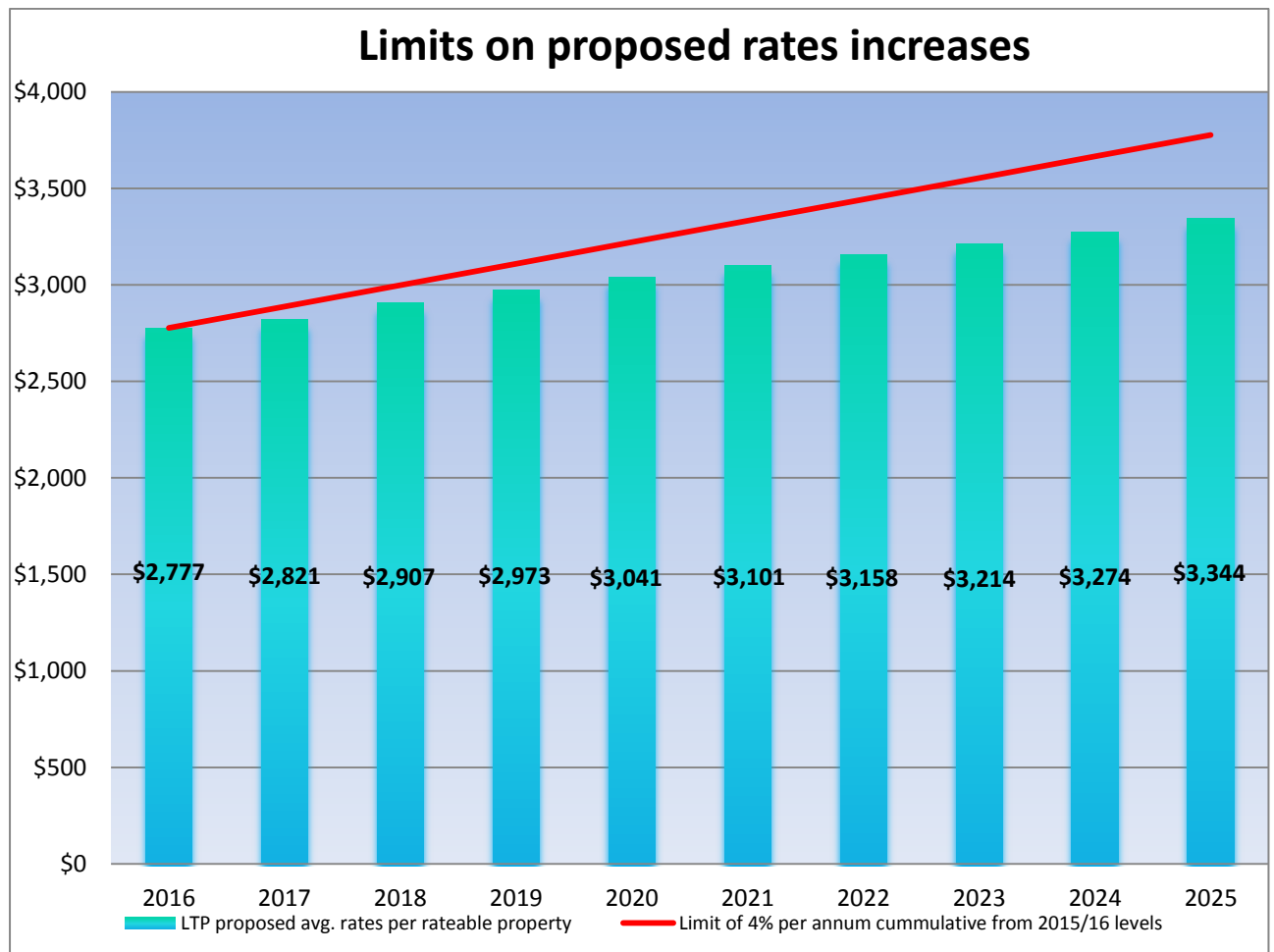
Graph 5

<sup>12</sup> Local Government Rates Inquiry "Shand Report"

In order to maintain our existing services and improve some services (i.e. water quality) we will have to increase rates at a rate greater than projected income growth over the next ten years, thus making rates less affordable. Ongoing process improvement and shared service initiatives will be targeted to mitigate these increases as we move through the ten year period.

In the first year of the plan, Total Rates Income<sup>13</sup>/ Total Number of Rateable Properties will be \$2,777. During the term of this plan both rates and the number of rateable properties will increase in the district. By 2025 we estimate that the average rates per rateable property will be \$3,344.

The council has set the limit on average rates per rateable property<sup>14</sup> in each year of this plan at no more than \$2,777 per rateable property plus a 4 per cent per annum cumulative increase. This is shown on the graph below.



Graph 6

Income from general rates (including the Uniform Annual General Charge) is expected to stay within a 3 per cent per annum cumulative increase during the next ten years. However, the overall rates per rateable property limit has been increased to 4 per cent to reflect that there is more uncertainty with cost and income estimates in year 4 of the plan and beyond.

<sup>13</sup> Total Rates Income includes general rates, uniform annual general charges, targeted rates and water by meter charges

<sup>14</sup> S101A(3)(b)(i)

## What about debt? Can we afford it?

The council uses debt to pay for new assets needed for improved services or for growth. Using debt to pay for these assets keeps rates down and spreads the cost of paying for the asset to those future ratepayers that will benefit from using that asset.

The council has a detailed Treasury Risk Management Policy.<sup>15</sup> This policy has set the methodology for setting external debt limits. This methodology takes account of technical measures that our lenders require in order to be satisfied about our ability to service debt. In summary these technical measures set the external debt limit for 2016 at \$168 million or \$5,788 per rateable property<sup>16</sup>.

Planned debt is forecast to reach an average \$3,988 (in 2022) per rateable property, well below our limits. This is also well below planned National Average Council Debt per dwelling of \$5,666<sup>17</sup> per dwelling. The council expects to have external borrowings of \$50 million by the end of June 2015. In order to fund planned growth and new services, the council will borrow an additional \$64 million by 2025.

In determining the interest rates to be applied to debt for each year of the proposed plan, the council has taken into account the current interest rate financial instruments it has in place. These are called SWAPS and essentially operate like a fixed rate mortgage where the council pays a fixed amount of interest on that portion of its debt. The council has also used forecast interest rates to calculate interest on the amount of debt the council does not currently have fixed. These forecast rates have been provided by the council's treasury advisers, Price Waterhouse Coopers Limited. The council has a Treasury Risk Management Policy in place which provides guidance on how much of its debt should be fixed at any time, including future debt. The purpose of having a portion of debt fixed is to provide greater certainty to ratepayers by avoiding the exposure of general and targeted rates to significant movements (increases mainly) in interest rates. This is like an insurance policy.

For the purpose of the 2012-2022 Long Term Plan the council added a half a per cent premium into the interest rate used for the term of the plan. This was primarily because the council wanted to be financially prudent given global financial uncertainty and the potential for adverse interest rate affects. For the purpose of this Long Term Plan this premium has been removed to reflect that we now have more certainty in our own cashflows as a result of steady development progress in the northern part of our district. There is always a risk interest rates will move upwards ahead of the council being able to enter into arrangements to protect those rates as described above as council still appreciates there is always an element of global financial uncertainty which could adversely affect interest rates.

The council's debt grows during the course of the long term plan from \$50 million to \$128 million in 2022 with closing debt of \$114 million in 2025. As explained previously this debt is enabling growth in the district which will in turn result in a growth in rating revenue. The council's approach to managing debt will be increasingly important and sensitive as the quantum of debt becomes more extensive. It is acknowledged that any variance from the interest rate forecasts, which is to be expected, will have an impact on the forecast general and targeted rate movements shown in this Long Term Plan. For example in year 10 of the plan a 1 per cent interest rate movement could lead

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<sup>15</sup> Treasury Risk Management Policy available at [www.waikato.govt.nz](http://www.waikato.govt.nz)

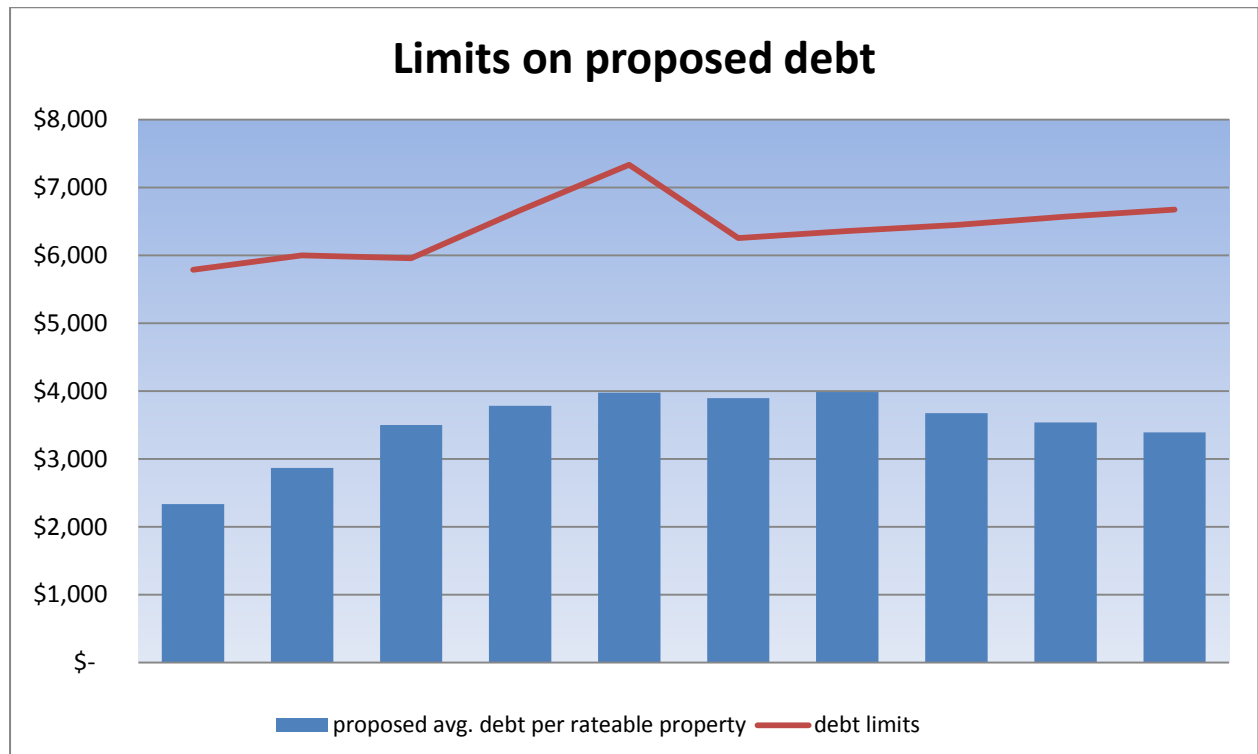
<sup>16</sup> S101A(3)(b)(i)

<sup>17</sup> Department of Internal Affairs, Local Government Information Series, Analysis of 2009/19 LTCCPs



to as much as a \$1.14 million interest cost change which could clearly have an impact on the amount of rates required.

The graph below shows our projected debt profile.



Graph 7

Having debt below the limits leaves capacity for the council to fund for the expected growth that Future Proof predicts between 2025 and 2061. It reflects a fair contribution by future ratepayers for the assets we have built and are building during this plan that they will use and it also provides a risk management buffer in the event of a major natural disaster.

The council is able to obtain low interest debt by giving lenders a charge against its rates income (security).<sup>18</sup> This is common practice in local government and helps to keep the cost of debt low. The council has entered into a debenture trust deed, which creates security over its rates revenue for the benefit of creditors to whom the council extends the benefit of the security. The policy would provide this security to the Local Government Funding Agency, banks and other purchasers of its debt securities.

<sup>18</sup> S101A(3)(c)

## Risk management<sup>19</sup>

The Canterbury Earthquake has put risk management in the event of a disaster into focus. The council owns \$1.7 billion of assets much of which is vulnerable to events affecting the Waikato River. In 2013 council was able to secure commercial insurance for assets under the ground such as water, waste water and stormwater infrastructure.

This was achieved through partnering with a number of the Local Authority Shared Services council's in a group insurance programme. In the event of a natural disaster affecting water, waste water, stormwater and arterial bridges the council will be able to secure a proportionate amount of the group's insurance proceeds to pay for the repair and replacement of these assets.

In addition to this cover, council is proposing to increase the investment in our own disaster recovery fund to self-insure for events that may not trigger the natural disaster insurance policy claim criteria.

## Our investments: Are they doing what we want?<sup>20</sup>

The council has financial, property and equity investments.

Investment	2015		2018	
	Value \$(000)	Return	Value \$(000)	Return
<b>Financial</b>	419	4%	259	4%
<b>Property</b>	450	10%	450	10%
<b>Equity</b>				
Strada Corporation Ltd	4,500	7%	4,500	11%
Waikato Regional Airport Ltd	2,639	0%	2,639	0%
Local Authority Shared Services Ltd	220	0%	220	0%
Waikato District Community Wellbeing Trust	0	0%	0	0%

The council holds investments for a variety of reasons, not just for a financial return on investment. These reasons include the efficiency of operations, provision of services, economic development of the district and strategic partnerships. The council has the following objectives in holding the above investments.

<sup>19</sup> S101A(3)(a)

<sup>20</sup> S101A(3)(d)

## **Financial**

The council holds small amounts of cash for liquidity purposes but does not make a net financial gain during the year. The council is a net borrower and will convert surplus cash to reduce debt costs as appropriate to maintain liquidity. Any returns from cash investments are offset against the general rate. The financial investments outlined in the table above relate to a small number of community loans which have not yet been repaid to council. These loans will be fully repaid by 2023.

## **Property**

The council has a small property portfolio of non-reserve land and buildings. These properties are predominately owned for the council's operational efficiency. They include offices at Raglan, Huntly and Ngaruawahia. The council does not anticipate a return on these investments. The council has budgeted for a small amount of income from property sales. These properties generally represent small portions of land disposed of as part of road stopping and boundary adjustments.

## **Strada Corporation Ltd.**

Strada's core business is civil engineering, road construction and maintenance, quarry operations and associated business. The company operates at arm's length of council competing in the commercial market for tenders.

The council formed the company in 1992, in a very different commercial / local government environment than we have today. The road contracting market is now very competitive, and council is able to obtain a fair price in this market. Council owns Strada for the purpose of a financial return.

Forty per cent of after-tax profits are to be paid to the council in dividends. Our assumption, for the purposes of this plan, is that we will continue owning Strada, and its value will continue to increase steadily with after-tax profits returning about 14 per cent (or \$500,000 per year in dividends).

## **Waikato Regional Airport Ltd**

Waikato Regional Airport Ltd operates Hamilton International Airport.

In 1995 the council joined four other Waikato councils to purchase the Crown's 50 per cent shareholding in Waikato Regional Airport Ltd. This increased the council's shareholding to 15.625 per cent. At the time the council considered the airport to be a significant infrastructural asset for the region and important to economic growth and development. The council's shareholding is considered a strategic asset. The airport also operates a tourism subsidiary which aims to promote the region to tourists. The council contributes separately to this entity.

The council has not budgeted any dividend income from the company throughout the next ten years, consistent with the companies' statement of intent.

## **Local Authority Shared Services Ltd**

Local Authority Shared Services Ltd has been established to provide the councils in the Waikato region with a vehicle to procure shared services. It provides a mechanism to achieve operational efficiencies and contributes to economic wellbeing. It is an investment which aims to reduce the cost of providing generic services. The company does not provide a financial return by way of dividend.

## **Waikato District Community Wellbeing Trust**

The Waikato District Community Wellbeing Trust was formed from the winding up of the Waikato Foundation. Along with other Waikato Councils this shows as an investment in our books. The council does not expect a financial return from this investment. The funds held by the trust are retained for the trust's purposes and distributed to the community. The council's reason for holding this investment is for the purpose of appointing trustees to ensure the trust continues to operate for the benefit of the Waikato District.

## **Conclusion**

The council has worked hard to consider the implications of growth on the long term development of the district. Through careful planning with our Future Proof partners we are working on developing the district as a resource centre for Auckland and Hamilton. District Plan changes have been made to support this.

This plan further supports this by providing sufficient funding for growth assets and improved services while still being able to afford to maintain what we already have. This will result in rate increases, but these fall within our communities ability to afford, both now and into the future.

## Infrastructure Strategy

People use infrastructure on a daily basis. In addition, some communities are growing putting pressure on existing infrastructure networks. A strategic planning approach is needed given the large operational and capital expenditure expected during the long lives of infrastructure assets and the lead times in planning for upgrades, replacements and the creation of new assets. This approach ensures that significant infrastructure issues, the principal options for managing those issues, and the implications of those options are identified.

The purpose of this Infrastructure Strategy is to formally document the management philosophy that is applied to Waikato District's infrastructure assets as required under section 101b of the Local Government Act 2002.

### Infrastructure Activities

Waikato District Council is responsible for the following activity groups covered by this Strategy:

- Water supply;
- Wastewater (Sewerage and the treatment and disposal of sewage);
- Stormwater drainage; and
- Roads and footpaths.

Note that under the Local Government Act 2002, flood protection and control works are also considered infrastructure assets. This activity is not included in this Infrastructure Strategy as Waikato District Council does not own or manage flood protection and control works.

In addition, Council manages a number of assets which are not covered in this Infrastructure Strategy:

- Corporate and General Property
- Elder Housing (four housing complexes for the elderly).
- Community Halls (thirty five urban and rural community based halls).
- Recreation and Sports Facilities (one recreation centre in Raglan, excludes Pools).
- Raglan Harbour navigation assets.
- Camp Grounds (two camping grounds in Raglan and Huntly).
- Libraries (six)
- Swimming Pools (three located in Huntly, Ngaruawahia and Tuakau).
- Interment facilities (including nineteen cemeteries)
- Public Toilets

### Infrastructure Assets

An overview of the assets associated with this Strategy is shown in Table I.

Table I: Infrastructure Asset Overview

Asset Type	No.	Length (m)
<b>Water Treatment and Supply Assets</b>		
Watermains	-	692,000
Valves and Hydrants	5,601	-
Pumping Stations	11	-

Asset Type		No.	Length (m)
Number of Connections		13,352	-
Storage reservoirs		30	-
Treatment Plants		10	-
<b>Wastewater Treatment and Disposal Assets</b>			
Wastewater pipes		-	262,000
Manholes		3,620	-
Pumping Stations		81	-
Number of Connections		10,575	-
Treatment Plants		9	-
<b>Stormwater Drainage Assets</b>			
Pipes		-	106,000
Manholes		2325	-
Outlets		284	-
Maintained Open Drains		-	13,000
<b>Roads and Footpaths Assets</b>			
Pavements	Sealed	-	1,812,497
	Unsealed	-	608,435
Drainage Facilities	Surface Water Channels	-	3,189,126
	Facilities	88	-
	Culverts	17,031	203,973
Bridges and Structures	Bridge structures	232	5,102
	Culverts	198	857
	Guard railing	660	22391
	Retaining walls	278	8,085
Footpaths, Cycleways and Walkways		-	197,641
Traffic Facilities	Markings	-	1,492,964
	Signs	14,379	-
	Sight rails	1041	20,963
	Traffic Signals	2	-
Street Lighting	Poles	3,682	-
	Brackets	3,698	-
	Lights	3,787	-
Public Transport Facilities	Bus shelters	109	-

Source: 2014 Activity Management Plans

## Strategic Issues

Council has considered the following important issues in this Infrastructure Strategy:

- **Renew or replace existing assets** – The required level of investment to maintain, renew and replace existing assets.
- **Growth/decline in demand for services** – The level of infrastructure investment necessary to provide for growth and the appropriate timing of growth related investment, to minimise costs to the community and operate at optimum infrastructure capacity.
- **Increase/decrease in level of service** – The balance between level of service expectations and affordability; and any potential threats or opportunities to maintain or improve the level of service.
- **Public health and environmental outcomes** – Any potential threats or opportunities to maintain or improve public health and environmental outcomes and mitigate any adverse effects on them.
- **Resilience in relation to natural hazards** – Identifying and managing risks relating to natural hazards and making appropriate financial provision for those risks.

The key strategic issues that affect Council's infrastructure in Waikato District are:

- **Population Growth** – residential growth particularly in the northern part of the district and surrounding Hamilton will result in increased demand. Additional capacity at water/wastewater treatment plants, reduced water consumption and new assets such as roads and pipes will be needed to service growth.
- **Asset Knowledge** – we do not have a good overall understanding of the state and performance of Council's water and wastewater assets. Carrying out a complete assessment of the condition of these assets would provide a better understanding of what needs to be maintained or replaced.
- **Resilience** – Council needs back-up options in case important water or roading infrastructure fails.
- **Environmental Requirements** - resource consent conditions have changed or are likely to change in future. There will be a requirement for alternative discharge or improved quality of treated wastewater and stormwater discharged to the environment.
- **Traffic Safety** – unsealed roads have potential safety issues in areas with flood scouring, unevenness, corners or high use.
- **Road Maintenance** – when the Huntly and Hamilton sections of the Waikato Expressway are completed, Council will inherit additional roads and bridges to maintain which will increase maintenance and renewal costs. The maintenance cost of forestry roads is increasing.

The Strategy also outlines Council's most likely scenario for managing its infrastructure assets, including:

- Management regimes for its activities;
- Indicative estimates of operational and capital expenditure;
- Funding of its capital works and operational activities in relationship to access to services e.g. targeted vs. district wide rates;
- The decision making process about capital expenditure; and
- The nature of predicted uncertainties and any potential impacts.

# Waikato District Description

## Geographic Context

The district lies within the northern growth corridor between the large cities of Hamilton and Auckland along State Highway 1. The district is connected to these areas by a good state highway network that runs through the district, facilitating the movement of both goods and people.

Farming and mining are the backbone of this district that is also known for its industry, food processing, electricity, forestry, education, adventure tourism and events.

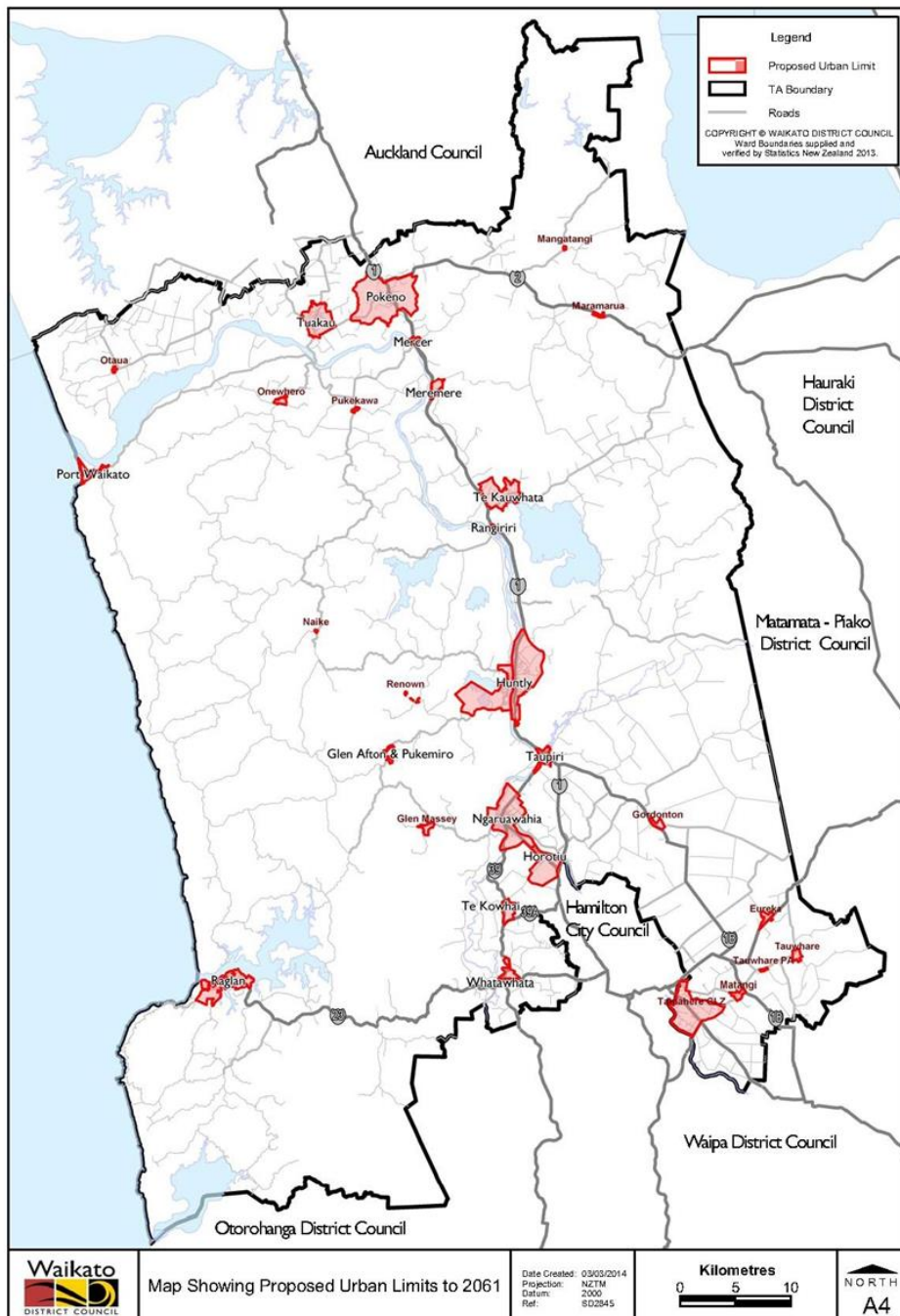


Figure 1: Waikato District (proposed urban limits to 2061)



This diverse and fertile district has 63,381<sup>21</sup> residents and covers more than 400,000 hectares and includes the major towns of Huntly, Ngaruawahia, Raglan, Te Kauwhata and Tuakau. Our smaller settlements include Gordonton, Matangi, Tamahere, Meremere, Port Waikato and Pokeno.

The Waikato and Waipa Rivers and their catchments are important to the cultural and economic activities in the region.

Not all of the properties in the district are serviced by Council's infrastructure services. The percentage of rateable properties connected to each of Council's infrastructure services is provided in Table 2 with Optimised Depreciated Replacement Costs (ODRP).

**Table 2: Activity Summary**

<b>Infrastructure Service</b>	<b>% Rateable properties connected to activity</b>	<b>ODRC (\$ Million)</b>
<b>Water</b>	45	75.0
<b>Wastewater</b>	35	75.4
<b>Stormwater</b>	32	32.0
<b>Roads and Footpaths</b>	100	\$1,014

Source: Rating System and 2014 Valuation

### **Demographic Context**

63,381 people usually live in Waikato District (2013 Census). This is an increase of 5,796 people, or 10.1 percent, since the 2006 Census.

Overall, rates of growth in the Waikato District are increasing and the population is expected to continue increasing significantly in:

- North Waikato (Tuakau and Pokeno) due to the proximity to Auckland, changes to the Auckland unitary plan to facilitate housing stock increases and intensification, completion of the Waikato expressway, and other proposed developments; and
- Hamilton fringe areas due to high demand for properties and increased subdivision in the country living and rural areas within 20km of Hamilton.

The Future Proof Growth Strategy and Implementation Plan 2009 is a sub-regional growth strategy specific to the Hamilton, Waipa and Waikato Districts. It was developed jointly with Waikato Regional Council, Hamilton City Council, Waipa and Waikato District Councils. Key stakeholders also involved in this project are tangata whenua, the New Zealand Transport Agency (NZTA) and Matamata-Piako District Council.

<sup>21</sup> NIDEA, 2014 (based on 2013 census)

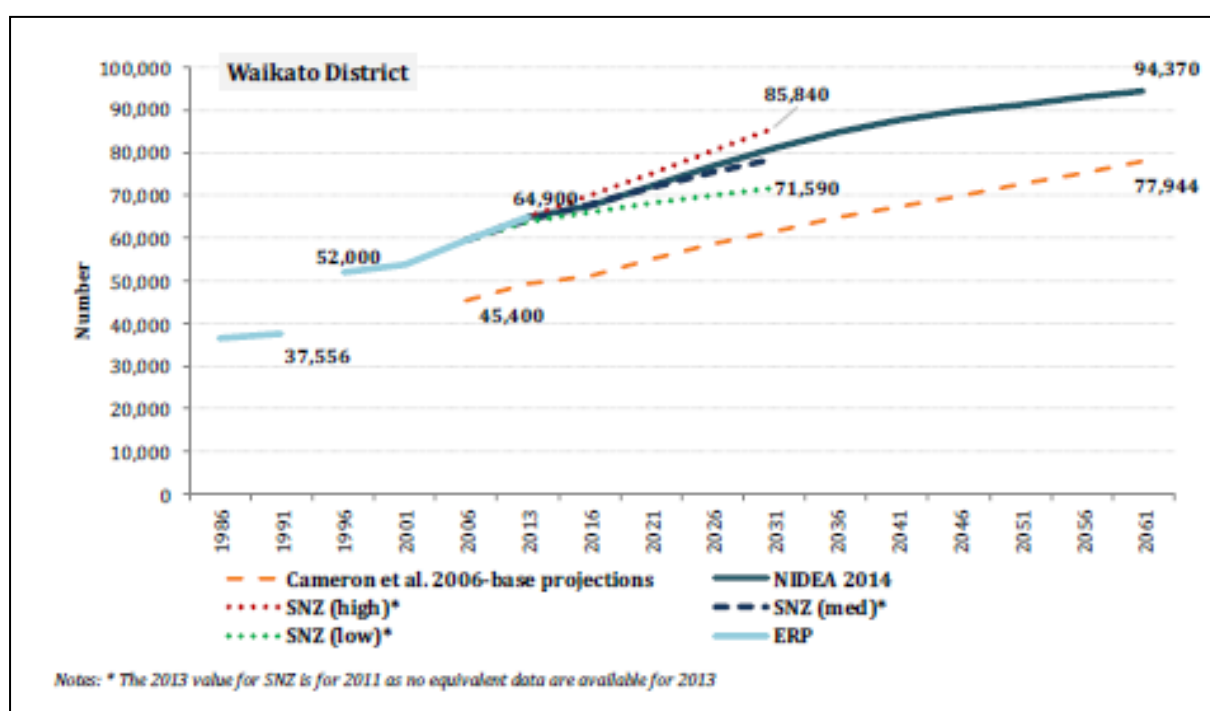
Future Proof addresses the big picture and discusses what the region might look like in 50 years' time. Community feedback indicated that a 'business as usual' approach to growth was not sustainable. Therefore, the strategy aims to provide direction for a mixture of the following:

- **Compact Settlement** – a managed increase in the number of households in urban areas and in some cases increasing the density of housing; and
- **Concentrated Growth** – a major shift to intensify housing, especially in Hamilton City.

## Residential Growth

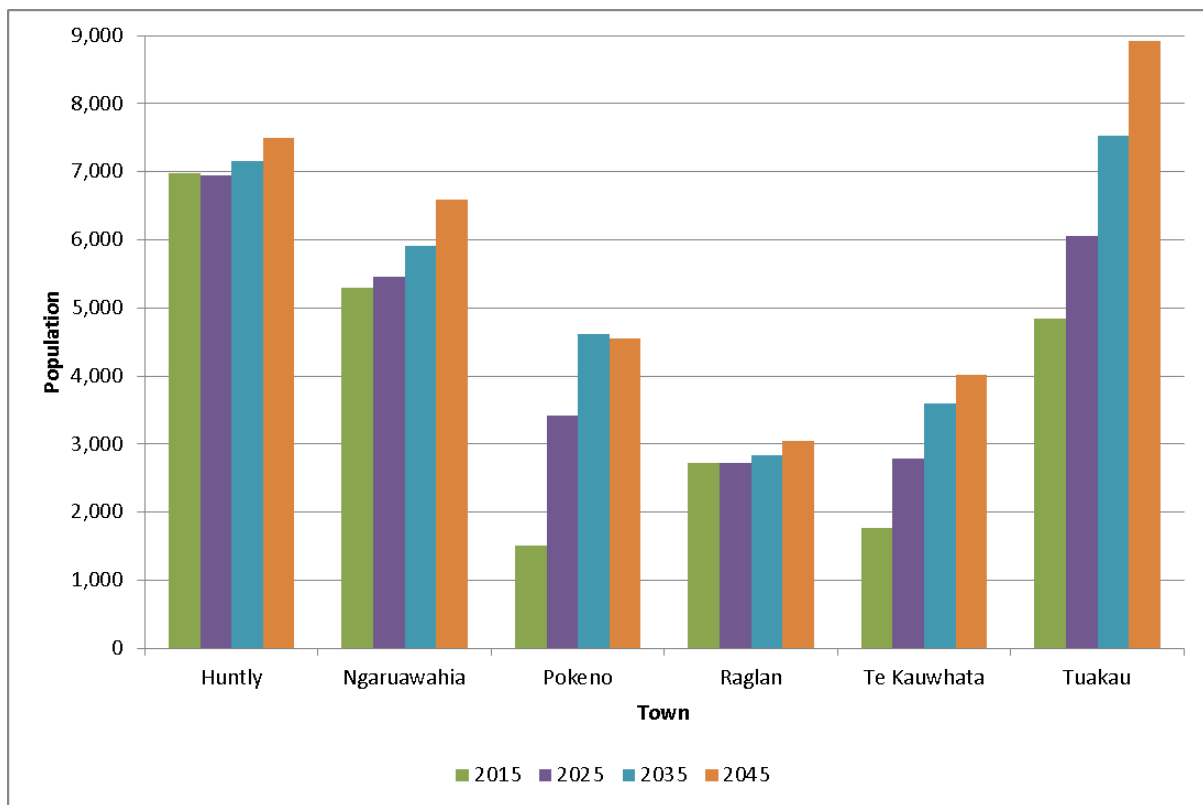
In 2014, population projections based on 2013 census information were updated for Waikato District in '2014 Review of Demographic, Households and Labour Force Projections for the Future Proof Sub-Region for the Period 2013 – 2063' by the University of Waikato, National Institute of Demographic and Economic Analysis (NIDEA).

Figure 2 shows the population projections for the Waikato District over the next 30 year period. The growth rate between 2015 and 2045 is expected to be higher than previous rates.



**Figure 2: Waikato District Projection Population to 2061 (Source: NIDEA, 2014)**

Waikato District Council has updated its population model based on the 2013 census results. While the NIDEA report provides predictions at a district wide level, the Waikato population model forecasts population change for towns and villages within the Waikato District. The Waikato District population is projected to be 88,448 by 2045. Figure 3 shows the growth expected in the urban towns of the Waikato District to 2045. The highest growth is currently being experienced and is predicted to continue in the urban areas of Tuakau, Pokeno and Te Kauwhata.



**Figure 3: Waikato District Population Projection Larger Towns (Source: Waikato District Council, 2014)**

The highest rates of growth in villages and rural communities are expected in Horotiu, Tamahere Country Living Zone (CLZ), Te Kowhai, Matangi, Whatawhata and Port Waikato.

### Industrial Growth

The Waikato District is predominantly a rural area with only a very small proportion of land zoned for industrial use. Council has industrial zoned areas for development in Horotiu, Pokeno, Tuakau, and local serving industrial zones in Huntly and Te Kauwhata.

### Waikato Expressway

The Waikato Expressway will provide improved connections to both Auckland and Hamilton and stimulate economic development in communities along its route. Pokeno, Tuakau and Te Kauwhata have been identified as growth areas for the district. Growth in these areas will be controlled via Structure Plans that are in place, and provision of the necessary infrastructure will largely be funded through Development Contributions. There may be demand to improve the local links from these communities to the Expressway.

When stages of the Waikato Expressway are completed, sections of redundant State Highway, and new local roads constructed as part of the project, will be transferred to Waikato District. By 2020, approximately 87 km of road and four major bridges would have been added to the district network, with a consequent maintenance and renewal requirement.

The towns of Huntly and Ngaruawahia will be bypassed, which will provide opportunities to alter the old State Highway to better provide for local requirements rather than through traffic.

## Impacts of Growth on Infrastructure

The following impacts of growth are anticipated:

- Increased pressure on existing infrastructure;
- Increase in water use and wastewater and stormwater discharges to the environment;
- Requirement for robust asset data and network modelling to assist in decision making;
- Increase in the number of assets vested in Council;
- Increase in maintenance, operations and depreciation costs to residents;
- Increased need to maximise funding potential;
- Increased industrial requirements with impacts on infrastructure capacity and treatment processes and efficiency; and
- The need for Council to provide major infrastructure in advance of development.

## Regional/National Context

### National Legislation, Strategies, Policies and Guidelines Associated with Infrastructure

Waikato District Council is required to provide water supply, wastewater, stormwater and roading and footpath infrastructure services under the Local Government Act 2002. The National Infrastructure Plan is a guide to the Government's future strategy to providing a nationally coordinated infrastructure framework.

The table below lists the key national legislation, strategies, policies and guidelines which specifically influence Council's infrastructural activities.

**Table 3: National Legislation, Strategies, Policies and Guidelines**

Infrastructure Service	National Legislation	Strategies, Policies and Guidelines
<b>Water supply, Wastewater and Stormwater drainage</b>	<ul style="list-style-type: none"> <li>• Health Act 1956</li> <li>• Health (Drinking Water) Amendment Act 2007</li> <li>• Resource Management Act 1991</li> <li>• Land Drainage Act 1908</li> <li>• Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010</li> <li>• Nga Wai o Maniapoto (Waipa River) Act 2012</li> </ul>	<ul style="list-style-type: none"> <li>• Drinking-Water Standards for New Zealand 2005 (revised 2008)</li> <li>• National Policy for Freshwater Management 2014</li> <li>• Water NZ publications</li> </ul>
<b>Roads and footpaths</b>	<ul style="list-style-type: none"> <li>• Local Government Act 1974</li> <li>• Transport Act 1962</li> <li>• Land Transport Act 1998</li> <li>• Land Transport Management Act 2003</li> <li>• Government Roding Powers Act 1989</li> <li>• Road User Charges Act 2012</li> <li>• Utilities Access Act 2010</li> <li>• Land Transport (Road User) Rule 2004</li> </ul>	<ul style="list-style-type: none"> <li>• Government Policy Statement National Infrastructure Plan</li> <li>• NZ Transport Agency Strategic Direction and other publications</li> <li>• Connecting New Zealand</li> <li>• National Land Transport Plan</li> <li>• Safer Journeys – Safer Speeds Action Plan</li> <li>• National Code of Practice for Utility Operators' Access to Transport Corridors</li> </ul>

## Regional Legislation, Strategies, Policies and Guidelines Associated with Infrastructure

In addition to the FutureProof sub regional growth strategy, Council's infrastructure services are influenced by the Waikato Regional Policy Statement and the regional strategies, policies and guidelines listed in the table below.

**Table 4: Regional Legislation, Strategies, Policies and Guidelines**

Infrastructure Service	Regional Legislation Strategies, Policies and Guidelines
<b>Water supply</b>	<ul style="list-style-type: none"> <li>• Waikato Regional Plan</li> </ul>
<b>Wastewater</b>	<ul style="list-style-type: none"> <li>• Sub regional Three Waters Strategy</li> </ul>
<b>Stormwater drainage</b>	<ul style="list-style-type: none"> <li>• Waikato Tainui Environmental Plan</li> <li>• Health Rivers Forum</li> </ul>
<b>Roads and footpaths</b>	<ul style="list-style-type: none"> <li>• Regional Transport Strategy</li> <li>• Regional Land Transport Plan</li> <li>• Regional Public Transport Plan</li> <li>• Road Safety Strategy for the Waikato Region</li> <li>• Walking and Cycling Strategy for the Waikato Region</li> <li>• Waikato Expressway Network Plan</li> </ul>

Waikato and Waipa River iwi and Waikato Regional Council are partners on the Healthy Rivers: Plan for Change/Wai Oar: He Reuptake Whakapapa project, as set out in settlement and co-management legislation for the Waikato and Waipa rivers. This involves working with stakeholders to develop changes to the regional plan to help restore and protect the health of the Waikato and Waipa rivers, which are key to a vibrant regional economy. The project aims to reduce over time the amount of sediment, bacteria and nutrients (nitrogen and phosphorus) entering water bodies (including groundwater) in the Waikato and Waipa River catchments.

### Shared Services

Council has partnered with Hamilton City and Waipa Councils to provide joint services in the areas of professional services procurement, Trade Waste, Water Sampling and Analysis and Smart Water (Water Conservation Programme Management and Education).

Council is participating in the Road Asset Technical Accord (RATA) which will be a centre of excellence for road asset management within the Waikato Region aimed at improving decision making for road asset renewals and maintenance programmes. The Roads and Footpaths activity also participates in a joint procurement of professional services for the inspection of bridges and structures along with Hamilton City Council and Waipa District Council.

An investigation for the delivery of water services across the sub-region is currently underway. A range of options will be examined to look at improving the delivery and management of water services. The study will investigate three options; enhancing the existing shared service arrangement between all three councils, retaining the status quo with each council running its own operations, or considering a ratepayer-owned and Council controlled water Management Company.

## **Environmental and Public Health Context**

### **Joint Management Agreements**

In 2010 the Waikato-Tainui Raupatu Claims (Waikato River) Settlement recognised the significant relationship that Waikato-Tainui has with the Waikato River and sets out arrangements for co-managing the Waikato River catchment with the Crown. Council has a joint management agreement with Waikato-Tainui for the Waikato River catchment.

The Nga Wai o Maniapoto (Waipa River) Act 2012 recognises the significant relationship that Ngati Maniapoto has with the Waipa River and sets out arrangements for co-managing the Waipa River catchment with the Crown. Council has a joint management agreement with Ngati Maniapoto (The Maniapoto Maaori Trust Board) for the Waipa River catchment. Waikato District Council is one of five councils party to this agreement.

Waikato-Tainui and Ngati Maniapoto have developed and adopted environmental plans, which provide high level guidance on their objectives and policies with respect to the environment for resource managers, users and activity operators and those regulating such activities. These agreements and environmental plans are considered when planning and obtaining resource consent for infrastructure projects. The Maniapoto Maaori Trust Board's Environmental Plan is currently in development.

In April 2013, the Council signed a Memorandum of Understanding with Ngaa Uri aa Mahanga. The document sets out how Council will work with Ngaati Maahanga on matters of mutual interest and principles for engagement.

### **Environmental Effects of Infrastructure**

Waikato Regional Council is responsible for managing environmental effects related to activities such as surface water and groundwater use and discharges of wastewater and stormwater to the environment. Regional Plan Variation 6 has introduced a new resource allocation system for surface water and groundwater takes.

Waikato District Council reports to the Regional Council on the environmental effects of its infrastructural activities via resource consents. Council is working with the Regional Council to improve its consent compliance. It is likely that the allocation of water will be more restricted and environmental monitoring requirements will become more stringent as consents come up for renewal in the future.

### **Public Health Effects of Infrastructure**

The Auckland and Waikato District Health Boards provide a regional public health overview in the Waikato District. Waikato District Council focuses on keeping local communities healthy through its Environmental Health team.

Council reports to the Auckland and Waikato District Health Boards on the public health performance of its water supply systems. Council is working to improve its compliance with the Drinking-Water Standards for New Zealand 2005 (Revised 2008) via water safety plans and better reporting.

## Local Context

### Strategies and Plans

Council has considered the following strategies and plans in preparing the Infrastructure Strategy:

- Waikato District Plan
- Franklin District Plan
- Waipa District Growth Strategy 2009
- Waikato District 50 Year Water Supply Strategy 2014
- 50 Year Wastewater Strategy 2014
- 50 Year Stormwater Strategy for the Waikato District 2014
- Draft Waikato Integrated Transport Strategy 2014
- Waikato Walking and Cycling Strategy 2008

### Strategic Infrastructure Decisions for Waikato District

Section 101b of the Local Government Act 2002 requires that Council identify:

- i. the significant decisions about capital expenditure Council expects it will be required to make; and
- ii. when Council expects those decisions will be required; and
- iii. for each decision, the principal options Council expects to have to consider; and
- iv. the approximate scale or extent of the costs associated with each decision;

The key strategic issues that affect Council's infrastructure are listed below (described in Section 1.3):

- Population growth
- Asset knowledge
- Resilience
- Environmental requirements
- Traffic safety
- Road maintenance

The key strategic direction is given through the following strategies:

- Waipa District Growth Strategy 2009
- Waikato District 50 Year Water Supply Strategy 2014
- 50 Year Wastewater Strategy 2014
- 50 Year Stormwater Strategy for the Waikato District 2014
- Draft Waikato Integrated Transport Strategy
- Waikato Walking and Cycling Strategy 2008

Council's Significance and Engagement Policy sets criteria and thresholds for identifying significant issues. All infrastructure activities covered by this Strategy are considered significant under the Significance and Engagement Policy.

For the purposes of this Strategy, proposals in excess of 7.5 per cent of current operating expenditure for an activity has been used as a guideline to identify the key projects as follows:

- Water - \$500,000
- Wastewater - \$500,000
- Stormwater - \$100,000
- Roading - \$1,500,000

Note that the Significance and Engagement Policy refers to significance as being triggered by 7.5 per cent of current operating expenditure of overall operating expenditure.

The tables on the following pages summarise the significant infrastructure decisions required to address the strategic infrastructure issues and opportunities facing Council, the most likely scenario and the principal alternative.



## Water Supply

**Table 5: Water Supply Significant Decisions**

<b>Community</b>	<b>Significant Decision (and year of decision)</b>	<b>Most Likely Scenario</b>	<b>Probable Year of Construction</b>	<b>Approximate Cost (\$ million)</b>	<b>Principal Alternative</b>
<b>Districtwide</b>	Districtwide – carry out treatment and network renewals (each LTP)	Renew the water treatment plants and network to maintain the level of service.	Annually	\$2 Annual average	Limited or no assets are replaced as they reach the end of their useful lives, increasing the risk to providing sufficient water to the community.
<b>Districtwide</b>	Universal metering implementation (2015)	Install water meters and associated network modifications	2015/16-2017/18	\$1.2	Not all residential properties are metered.
<b>Hopuhopu/Taupiri</b>	Hopuhopu/Taupiri - address insufficient water supply (2015)	Connect Hopuhopu/Taupiri water system to Ngaruawahia and Huntly water supply networks and decommission the existing water treatment plant.	2015/16-2016/17	\$5.2	Upgrade the treatment plant and apply for new consents with high water take limits. A cost benefit analysis was undertaken and the most likely scenario was the most cost effective option.
<b>Horotiu</b>	Horotiu – provide storage to community (2015)	Install reservoir to meet levels of service	2015/16-2016/17	\$2.1	No storage provided and network continues to be at risk from insufficient water supply.
<b>Huntly</b>	Huntly – provide additional storage (2015)	Install new reservoir to meet future growth needs and levels of service.	2016/17-2017/18	\$1.8	No additional storage is provided and network continues to be at risk from insufficient water supply.
<b>Huntly</b>	Huntly - improve public health grading (2015)	Upgrade the water treatment plant to improve public health grading	2017/18	\$0.61	Do nothing and maintain current public health grading.

<b>Community</b>	<b>Significant Decision (and year of decision)</b>	<b>Most Likely Scenario</b>	<b>Probable Year of Construction</b>	<b>Approximate Cost (\$ million)</b>	<b>Principal Alternative</b>
<b>Matangi</b>	Matangi – provide additional storage (2015)	Install 0.35ML reservoir to meet future growth needs and levels of service.	2017/18	\$1.3	No additional storage is provided and network continues to be at risk from insufficient water supply.
<b>Mid Waikato (Te Kauwhata)</b>	Mid Waikato (Te Kauwhata) – meet future growth needs (2015, 2024)	Upgrade the water treatment plant to meet future growth requirements. This work is dependent on growth occurring in Mid Waikato.	2017/18-2019/20, 2024/25	\$6.4	Limited or no additional capacity is provided at the water treatment plant which hinders growth in Mid Waikato.
<b>Ngaruawahia</b>	Ngaruawahia – improve public health grading (2015)	Upgrade the water treatment plant to improve public health grading.	2016/17	\$0.59	Do nothing and maintain current public health grading.
<b>Pokeno</b>	Pokeno – continue extensions of water supply network to service growth (2015, 2021)	Council and developer led construction of network to meet future growth needed. This work is dependent on growth occurring in Pokeno.	2015/16-2017/18 2021/22	\$0.52 \$0.56	Limited or no additional infrastructure is provided in Pokeno which hinders growth.
<b>Pokeno</b>	Pokeno – provide additional storage (2015, 2021)	Install 2.4ML reservoirs to meet future growth needs.	2015/16 2019/20 - 2020/21	\$2.1 \$2.7	No additional storage is provided and network would be at risk from insufficient water supply.
<b>Raglan</b>	Trunkmain System Upgrade (2018)		2016/17-2017/18	\$2.3	Trunkmain system will continue to work at capacity, restricting growth.
<b>Tamahere</b>	Tamahere – provide additional storage (2018)	Install new reservoir to meet future growth needs and levels of service.	2018/19-2019/20	\$2.5	No additional storage is provided and network continues to be at risk from insufficient water supply.

<b>Community</b>	<b>Significant Decision (and year of decision)</b>	<b>Most Likely Scenario</b>	<b>Probable Year of Construction</b>	<b>Approximate Cost (\$ million)</b>	<b>Principal Alternative</b>
<b>Tuakau</b>	Tuakau – Address insufficient water supply (2015)	Construct infrastructure to connect to the Watercare treatment system and decommission the Tuakau water treatment plant.	2016/17 – 2019/20	\$2.3	Upgrade the treatment plant and apply for new consents from another water source. A cost benefit analysis was undertaken and the most likely scenario was the most cost effective option.
<b>Tuakau</b>	Tuakau – continue extensions of water supply network to service growth for Whangarata Business Park and the Tuakau Structure Plan area (2015)	Council to construct network to meet future growth needed. This work is dependent on growth occurring in Tuakau.	2015/16- 2018/19	\$2.7	Limited or no additional infrastructure is provided in Tuakau which hinders growth.

## Wastewater (Sewerage and the treatment and disposal of sewage)

**Table 6: Wastewater Significant Decisions**

Community	Significant Decision (and year of decision)	Most Likely Scenario	Probable Year of Construction	Approximate Cost (\$ million)	Principal Alternative
<b>Districtwide</b>	Districtwide – treatment and network renewals (each LTP)	Renew the wastewater pump station and pipe network to maintain the level of service. An additional \$0.47 is proposed in 2015/16 to replace the treated effluent outfall from Huntly wastewater treatment plant.	Annually	Annual average \$2.2	Limited or no assets are replaced as they reach the end of their useful lives, increasing the risk to providing adequate wastewater services to the community.
<b>Horotiu</b>	Horotiu - Install a wastewater pump station (2015)	Council to construct a pump station and rising main to service growth areas. This work is dependent on growth occurring in Horotiu.	2017/18–2019/20	\$4.4	Limited or no additional infrastructure is provided in Horotiu which hinders growth.
<b>Huntly</b>	Huntly – meet treatment levels of service and comply with resource consent conditions (2015)	Upgrade the wastewater treatment plant to meet levels of service and comply with resource consent conditions.	2015/16-2016/17	\$1.7	Do nothing and continue to not fully meet levels of service and consent conditions.
<b>Meremere</b>	Meremere – meet treatment levels of service and comply with resource consent conditions (2015)	Upgrade the wastewater treatment plant to meet levels of service and comply with resource consent conditions.	2017/18	\$2.2	Do nothing and continue to not fully meet levels of service and consent conditions.

<b>Community</b>	<b>Significant Decision (and year of decision)</b>	<b>Most Likely Scenario</b>	<b>Probable Year of Construction</b>	<b>Approximate Cost (\$ million)</b>	<b>Principal Alternative</b>
<b>Ngaruawahia</b>	Ngaruawahia – meet treatment levels of service and comply with resource consent conditions (2015)	Upgrade the wastewater treatment plant to meet levels of service and comply with resource consent conditions.	2016/17-2017/18	\$0.54	Do nothing and continue to not fully meet levels of service and consent conditions.
<b>Pokeno</b>	Pokeno - Install a wastewater pump station (2018)	Council to construct pump station to meet future growth needs. This work is dependent on growth occurring in Pokeno.	2019/20-2020/21	\$2.0	Limited or no additional infrastructure is provided in Pokeno which hinders growth.
<b>Raglan</b>	Raglan – comply with anticipated consent conditions (2021)	It is anticipated that when the Raglan wastewater discharge consent is renewed that there may be a requirement to install an alternative treated effluent disposal option.	2021/22	\$12.2	This project is based on anticipated work from a future consent condition. This will be explored further prior to the next LTP.
<b>Raglan</b>	Raglan – meet treatment levels of service and comply with resource consent conditions (2015, 2018)	Upgrade the wastewater treatment plant to meet levels of service and comply with resource consent conditions.	2016/17-2017/18 2019/20-2020/21	\$3.7	Do nothing and continue to not fully meet levels of service and consent conditions.
<b>Te Kauwhata</b>	Te Kauwhata –extensions of wastewater network and installation wastewater pump station to service growth (2015, 2018, 2021)	Council and developer led construction of network to meet future growth needs. This work is dependent on growth occurring in Te Kauwhata.	2015/16-2016/17 2020/21-2022/23	\$1.5	Limited or no additional infrastructure is provided in Te Kauwhata which hinders growth.

<b>Community</b>	<b>Significant Decision (and year of decision)</b>	<b>Most Likely Scenario</b>	<b>Probable Year of Construction</b>	<b>Approximate Cost (\$ million)</b>	<b>Principal Alternative</b>
<b>Te Kauwhata</b>	Te Kauwhata – comply with anticipated consent conditions (2021)	It is anticipated that when the Te Kauwhata wastewater discharge consent is renewed that there may be a requirement to install an alternative treated effluent disposal option.	2022/23-2024/25	\$7.2	This project is based on anticipated work from a future consent condition. This will be explored further prior to the next LTP.
<b>Tuakau</b>	Tuakau - extensions of wastewater network to service growth (each LTP)	Council and developer led construction of network to meet future growth needs. This work is dependent on growth occurring in Tuakau.	2015/16-2024/25	\$0.26 Annual average	Limited or no additional infrastructure is provided in Tuakau which hinders growth. Depends on the adoption of the Tuakau Structure Plan.
<b>Tuakau</b>	Tuakau - Install a wastewater pump station (2018)	Council to construct pump station to meet future growth needs. This work is dependent on growth occurring in Tuakau	2020/21-2021/22	\$1.1	Limited or no additional infrastructure is provided in Tuakau which hinders growth.

## Stormwater Drainage

**Table 7: Stormwater Significant Decisions**

<b>Community</b>	<b>Significant Decision (and year of decision)</b>	<b>Most Likely Scenario</b>	<b>Probable Year of Construction</b>	<b>Approximate Cost (\$ million)</b>	<b>Principal Alternative</b>
<b>Districtwide</b>	Comply with anticipated consent conditions (2024)	Upgrade stormwater outfalls to meet minimum stormwater quality conditions as may be required by renewed comprehensive consent.	2025/26-2034/35	\$3.1	Currently no known alternative. Depends on consent conditions and will be known closer to time.
<b>Districtwide</b>	Stormwater network upgrades to address lack of capacity (2015, 2018, 2021, 2024)	Install new pipes to increase capacity of network.	2015/16-2024/25	\$2.2	No upgrades are carried out and known flooding issues continue.
<b>Districtwide</b>	Network renewals (each LTP)	Renew the stormwater network to maintain the level of service	Annually	\$0.11 Annual average	Limited or no assets are replaced as they reach the end of their useful lives, increasing the risk to providing adequate wastewater services to the community.
<b>Districtwide</b>	Comprehensive stormwater consent renewal (2024)	Renew comprehensive consent and incorporate other stormwater consents into one consent.	2026/27-2027/28	\$0.21	Operate the stormwater network without resource consent from the Waikato Regional Council.
<b>Ngaruawahia</b>	Ngaruawahia - Kent St/George St Network Improvements (2015)	Upgrade stormwater network to address residential flooding.	2016/17	\$0.4	No works undertaken, known existing flooding issues continue.

<b>Community</b>	<b>Significant Decision (and year of decision)</b>	<b>Most Likely Scenario</b>	<b>Probable Year of Construction</b>	<b>Approximate Cost (\$ million)</b>	<b>Principal Alternative</b>
<b>Pokeno</b>	Pokeno - extensions of stormwater network to service growth (2015, 2018, 2021)	Developer led construction of network to meet future growth needs. This work is dependent on growth occurring in Pokeno.	2015/16-2017/18 2019/20-2020/21 2022/23	\$4.5	Limited or no additional infrastructure is provided in Pokeno which hinders growth.
<b>Pokeno</b>	Pokeno – riparian planting of streams and drainage reserve associated with development (2015, 2018, 2021, 2024)	Riparian planting. This work is dependent on growth occurring in Pokeno.	2015/16-2024/25	\$1.1	Limited or no additional infrastructure is provided in Pokeno which hinders growth.
<b>Raglan</b>	Raglan – stormwater network extensions and upgrades to address properties in flood hazard areas and to improve amenity value (2015, 2018, 2021, 2024)	Plan and implement works based on the stormwater catchment management plan.	2015/16-2026/27	\$4.7	No works undertaken, known existing flooding issues continue.
<b>Tamahere</b>	SW improvements associated with development (2015)	Council to carry out gully restoration. This work is dependent on growth occurring in Tamahere.	2015/16-2017/18	\$0.33	No works undertaken, cumulative effects of development continue to impact environment.
<b>Te Kauwhata</b>	Te Kauwhata – Amo St Stormwater Upgrade (2015)	Install pipes to service unreticulated properties	2016/17-2017/18	\$0.17	No works undertaken, known existing flooding issues continue.
<b>Tuakau</b>	Tuakau - extensions of stormwater network to service growth (2015)	Council to construct network to meet future growth needs. This work is dependent on growth occurring in Tuakau.	2016/17-2018/19	\$0.73	Limited or no additional infrastructure is provided in Tuakau which hinders growth.



## Roads and Footpaths

**Table 8: Roads and Footpaths Significant Decisions**

<b>Community</b>	<b>Significant Decision (and year of decision)</b>	<b>Most Likely Scenario</b>	<b>Probable Year of Construction</b>	<b>Approximate Cost (\$ million)</b>	<b>Principal Alternative</b>
<b>Districtwide</b>	Renewals (each LTP)	Carry out renewals of roading assets reduce maintenance costs.	Annually	\$18.2 Annual average	Increase operations and maintenance to maintain roads or lower the level of service.
<b>Districtwide</b>	Traction Seal (2015, 2018, 2021, 2024)	Construct traction seal on unsealed roads in areas where there are potential safety issues.	2015/16-2024/25	\$2.2	Continued safety issues, no reduction in maintenance costs following adverse events.
<b>Horsham Downs</b>	Link Road (2018)	Link road will be constructed in conjunction with the Hamilton section of the Waikato Expressway.	2018/19	\$2.1	Poor connections from local roads to Waikato Expressway and Hamilton.
<b>Huntly</b>	Tainui Bridge Huntly upgrade (2036)	Replace corrosion protection on bridge.	2036/37	\$3.7	Defer replacement, increase corrosion repairs.
<b>Pokeno</b>	Pokeno Town Centre Beautification (2015)	Will proceed to suit development progress.	2017/18	\$1.5	Project does not proceed.
<b>Pokeno</b>	Progress with structure plan roads (2015, 2018)	Will proceed to suit development progress.	2015/16-2018/19 2020/21	\$3.2	Growth does not occur.
<b>Raglan</b>	Wainui Road Bridge (2021)	New bridge.	2023/24	\$6.0	Project does not proceed. Severe traffic delays at peak times.
<b>Raglan</b>	Progress with structure plan roads and bridges (2015)	Will proceed to suit development progress.	2015/16-2017/18	\$3.3	Growth does not occur.

<b>Community</b>	<b>Significant Decision (and year of decision)</b>	<b>Most Likely Scenario</b>	<b>Probable Year of Construction</b>	<b>Approximate Cost (\$ million)</b>	<b>Principal Alternative</b>
<b>Te Kauwhata</b>	Heavy Vehicle Bypass (2015, 2024)	Purchase land and construct new bypass road.	Land Purchase 2015/16-2023/24 Construction 2024/25-2025/26	\$7.8 \$29.4	Growth does not occur.
<b>Taupiri</b>	Mangawara Stream Bridge (2015)	Install new bridge to allow access to Taupiri Mountain.	2015/16	\$2.0	No safe access to Taupiri Mountain
<b>Tuakau</b>	Tuakau Bridge (2039)	Widen and strengthen existing bridge structure.	2040/41-2044/45	\$25	Demolish and replace with new structure. Strengthen without widening.
<b>Tuakau</b>	Progress with structure plan roads (2015, 2018)	Will proceed to suit development progress.	2016/17, 2018/19	\$3.0	Growth does not occur.

## Infrastructure Management Approach

Waikato District Council has the following approach to managing infrastructure assets:

- Involve and consult with the community and key stakeholders on determining the levels of service;
- Ensure asset information is accurate and up to date to support asset management decision making;
- Allocate appropriate resources to ensure asset management practices can be undertaken and the timely maintenance and renewal of those assets so that “life cycle” costs are optimised (existing and new assets);
- Provide a framework for the annual assessment of the fair value of infrastructure asset against their carrying value;
- Recognise the risks associated with delivery of agreed levels of service and manage them appropriately;
- Recognise the implication of changes in demand and actively manage demand wherever practical;
- Participate in lifelines projects to identify infrastructure risks and appropriate mitigation projects;
- Develop and implement a framework for the evaluation and prioritisation of capital projects; and
- Consider whole-of-life costs before initiating any major works and significant renewal of assets, or before introducing new activities through business case and asset management processes.

The levels of service proposed for the activity groups covered by this Strategy are shown in the table below.

**Table 9: Levels of Service Overview**

Activity Group	Level of Service
<b>Water Supply</b>	The water supply is safe to drink.
	The water supply is reliable and water is received at a good flow/pressure.
	Water extraction and use for potable water supply shall be managed in an efficient and sustainable manner.
<b>Wastewater</b>	The wastewater system is operated to minimise health risks.
	The wastewater system is reliable, efficient and effective.
	Wastewater treatment and disposal minimises harm to the environment.
<b>Stormwater</b>	The stormwater network is managed to minimise the impact of flooding to people, their properties and livelihoods.
	The stormwater system is reliable, efficient and effective.
	The stormwater system is environmentally responsible.
<b>Roads and Footpaths</b>	The district is safe and easy to get around.
	A range of alternative transport options are available.
	Footpaths are suitable, accessible and safe
	Transport infrastructure supports growth in the district and road markings, signage and lighting provide clear delineation and direction.
	The roading and movement network is well maintained and managed.

Source: 2014 Activity Management Plans

## Infrastructure Asset Management Assumptions

The following asset management assumptions have been made in preparing the financial forecasts:

- **Growth** – Demand forecasts are made on population forecast predictions made by the University of Waikato.
- **Financial** – Waikato District Council has forecasted an average internal borrowing rate of 5.4%.
- **New developments** – The majority of the infrastructure required to service new developments will be funded by developers.
- **Renewal** – timing is based on the assumption that assets will be replaced at the end of useful life.
- **Level of Service** – There will be no significant changes in levels of service.
- **Expected life of assets** – Infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines 2006 and industry advice. The estimates have been adjusted for local conditions based on past experience. Council performs physical inspections to verify condition and condition modelling assessments to estimate any obsolescence or surplus capacity of an asset. This gives Council further assurance over its useful lives estimates. Experienced independent valuers perform or undertake a peer review of the Council's infrastructural asset revaluations every three years.
- **Natural Disasters** – In 2013 council was able to secure commercial insurance for assets under the ground such as water, waste water and stormwater infrastructure. This was achieved through partnering with a number of the Local Authority Shared Services council's in a group insurance programme. In the event of a natural disaster affecting water, waste water, stormwater and arterial bridges the council will be able to secure a proportionate amount of the group's insurance proceeds to pay for the repair and replacement of these assets. In addition to this cover, council is proposing to increase the investment in our own disaster recovery fund to self-insure for events that may not trigger the natural disaster insurance policy claim criteria.
- **Climate change** – As per Ministry for the Environment predictions.
- **Ownership** – assets will remain in Council ownership throughout the planning period.
- **Expenditure** – All expenditure is stated in dollar values as at July 2015 with allowance made for inflation based on the BERL adjustment factors over the 30-year planning period.
- **Operational costs** are based on historical expenditure. Operational costs for years 11-30 have been adjusted for population growth based on the NIDEA growth projections (range from 0.6-1.2% per annum) which are accumulated out for the full 30 years of the strategy.
- **Inflation Projections** – Council uses the inflation projections developed by Business and Economic Research Limited (BERL) for the Local Government Sector for Years 1-10. Inflation projections for Years 11-30 are based on the average 10 year inflation rate from BERL for the relevant infrastructure (3.2% for Roads and Footpaths and Operational costs, 3.5% for Waters and 3.0% for Pipelines) which are accumulated out for the full 30 years of the strategy.
- **Regulations** – It is assumed that regulations relating to this activity will remain essentially the same over the planning period (i.e. 30 years to June 2046).
- **Subsidy** – Council will continue to receive central government subsidies for its water supply and roading services at the current level of funding.
- **Maintenance and operations allocations** are largely based on maintaining current service levels.
- **Delivery** – The present management system will remain the same.

- **Asset Values** – The determination of, asset replacement value, depreciated value, and renewal projections are based on the valuation data as at 30 June 2014.
- **Depreciation** – The depreciation has been calculated on a simple straight-line basis.
- **Asset Disposals** – Any plans to dispose of or cease to maintain any significant portions of the infrastructure networks are described in key infrastructural projects eg plans to decommission the Tuakau water treatment plant. Some assets may become redundant during renewal or upgrade works. In these cases the asset is generally abandoned in situ or dug up and removed with minimal residual value.

### Risks to Significant Forecasting Assumptions

The LTP 2015/25 provides the forecasting assumptions made, the level of uncertainty, the risk and the possible impact of uncertainty for each risk. The forecasting assumptions involve the following areas:

- Legislative Changes
- Local Government Structure
- Changing Weather Patterns
- District Plan
- Growth
- Co-Management Arrangements
- Depreciation Method/Useful Lives
- Sources of funding
- Dividend Income
- Inflation
- Rental Income
- Revaluation Movements Subsidies
- Local Government Funding Agency (LGFA) Guarantee
- Levels of Service
- Natural Disaster/Emergency Events
- Ownership of a significant asset
- Waikato Expressway
- Resource Consents
- Water Availability
- Interest Rates

Table 10 describes the assumptions with a high level of uncertainty, and outlines the risk involved and the impacts of the uncertainty.

**Table 10: Forecasting Assumptions with High Level of Uncertainty**

Forecasting Assumptions	Risk	Possible Impact Of Uncertainty
<p><b>Local Government Structure</b></p> <p>There will be no significant changes to the structure of Local Government in the Waikato region. There will be a focus on greater collaboration with local councils.</p> <p>We will continue to pro-actively explore opportunities and participate in shared services.</p>	<p>The new government signals changes within local government that results in a change to our organisation, in terms of structure and/or the services we offer that we had not anticipated or planned.</p>	<p>Future shape or form of local authorities could change.</p>
<p><b>Co-Management Arrangements</b></p> <p>This plan has assumed that the costs of implementing the JMA schedules and associated co-management of the Waikato river will not be significant, as the organisations current processes support co-management initiatives.</p>	<p>The implementation of the settlement and the Waikato River Vision and Strategy may identify impacts for local authorities that have not been factored into our LTP planning.</p>	<p>Council functions may change over time or standards will change (consent standards, for example) and this will be at variance with the LTP.</p>

Forecasting Assumptions	Risk	Possible Impact Of Uncertainty
<p><b>Ownership of a significant asset</b></p> <p>It is assumed throughout this plan that council will retain ownership of its significant assets and continue with the current CCO's. There is no opportunity to change the current CCO's.</p>	<p>That the specified returns whether financial or non-financial of holding strategic assets/ CCO's are not forthcoming</p>	<p>Should specified returns not be attainable, council would review its investment. Such a review may have a financial impact as it would be prudent for it to be undertaken by an independent entity. A review may recommend that the council continues to hold, partially divest or sell in entirety its interest.</p>
<p><b>Resource Consents</b></p> <p><u>Water Supply</u></p> <p>Within the next 10 years only 1 water supply consent will expire and it is expected to be renewed without any issues.</p> <p>Conditions of resource consents for Council activities will not alter significantly as long as Council can demonstrate that effective and sustainable long term water management plans are place and being implemented as per RPV6.</p> <p><u>Wastewater</u></p> <p>Within the next 10 years 3 wastewater discharge consents will expire, with the Raglan discharge being of most significance.</p> <p>Growing environmental awareness will lead to increased treatment levels of Wastewater to ensure waterways are maintained at a healthy and clean level both Government via the NPS and community's expectations will see the need to deliver enhanced treatment and increased resource consent conditions.</p> <p>Policy and regulatory reviews are being undertaken as part of the strategies that are under development.</p>	<p>Conditions of resource consents are altered significantly and without sufficient warning.</p> <p>Any new resource consents required are not approved or conditions imposed are not allowed for.</p>	<p>If the council is faced with significant changes to resource consent conditions, this could have a significant impact on the council's financial resources.</p> <p>If conditions change the timing of the consent process may need to be extended, particularly if upgrade works are required in order to comply.</p>

<b>Water Availability</b>	Changes to allocations are not approved	If Council is unable to alter existing consents and allocations, this could have a significant impact on Council's ability to accommodate growth in specific areas of the district.
Water availability has been identified as a risk to specific individual schemes within the next 10 years; the water supply strategy has identified measures to mitigate/address these risks and outlined recommendations to accommodate the forecasted demands.		

## Asset Information

Waikato District Council uses asset management systems for its three waters and roads and footpaths infrastructure assets. The asset management systems record inventory, condition and performance information and generate asset renewal profiles based on age and condition. The finance team also utilise asset management systems to manage revaluation and depreciation calculations.

An assessment of the confidence in the accuracy and completeness of the inventory data for each asset type was undertaken as part of the 2014 Asset Activity Management Plan (AMP) review. The confidence in the condition and performance information available for each asset type has also been assessed.

Table 11 shows the confidence framework (New Zealand Asset Management Support (NAMS) International Infrastructure Management Manual 2011) used to determine the confidence in the infrastructure asset data.

**Table 11: Infrastructure Asset Data - Confidence Grades**

Confidence Grade	General Meaning
A Highly Reliable	Data based on sound records, procedure, investigations and analysis, documented properly and recognised as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$ .
B Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$ .
C Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B is available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy is estimated $\pm 25\%$ .
D Very Uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis. Dataset may not be fully completed and mist data is estimated or extrapolated. Accuracy $\pm 40\%$ .
E Unknown	None or very little data held.

Table 12 summarises the confidence grades for each activity. Operational projects are provided in the LTP to continue asset inventory data verification and obtain further condition and performance data.

**Table 12: Confidence Grades for Overall Inventory Data and Condition/Performance Data**

<b>Asset Type</b>	<b>Inventory Data Accuracy and Completeness Confidence Grade</b>	<b>Condition and Performance Data Confidence Grade</b>
<b>Water Supply</b>		
Pipes	Reliable	Uncertain
Points	Uncertain	Uncertain
Pump Stations	Reliable	Uncertain
Reservoirs	Uncertain	Uncertain
Treatment Plants	Uncertain	Uncertain
Water Source	Reliable	Uncertain
Telemetry and SCADA	Uncertain	Uncertain
<b>Wastewater</b>		
Pipes	Reliable	Uncertain
Pump Stations	Reliable	Uncertain
Treatment Plants	Uncertain	Uncertain
Point Assets	Uncertain	Uncertain
Telemetry and SCADA	Uncertain	Uncertain
<b>Stormwater</b>		
Pipes	Uncertain	Very Uncertain
Rural Drains	Uncertain	Very Uncertain
Urban Drains	Uncertain	Very Uncertain
Point Assets	Uncertain	Very Uncertain
<b>Roads and Footpaths</b>		
Surfaces	Highly Reliable	Highly Reliable
Pavements – sealed	Reliable	Reliable
Pavements - unsealed	Reliable	Reliable
Subgrade	Reliable	Uncertain
Footpaths	Highly Reliable	Highly Reliable
Bridges	Highly Reliable	Highly Reliable
Drainage	Reliable	Reliable
Lighting	Reliable	Reliable
Signs	Reliable	Reliable
Minor structures	Uncertain	Uncertain

Source: Activity Management Plans 2014

## **Critical Assets**

### Water Supply, Wastewater and Stormwater Critical Assets

Criticality assessments of the entire piped water, wastewater and stormwater networks were undertaken in 2014. Critical pipe assets were identified based on pipe size, age, location (under railway, state highways, above ground) and size of catchment serviced. For water supply, less than 10% of pipes are the most critical. The most critical wastewater pipes identified represented 0.7% of the network. Very few stormwater pipes are in the most critical ranking. Condition assessment work will be focused on assessing the condition of the most critical assets. Further work will be carried out to identify our most critical assets in water and wastewater treatment plants in the LTP 2015/2025.



## Roads and Footpaths Critical Assets

The road network has a high degree of built in resilience. If any road or part thereof is closed for any reason there is generally an alternative route, though it may involve a lengthy detour. The exceptions are No Exit roads. If one of these is closed then residents on that road may have no other means of access. These roads are mostly in the rural areas and closures will affect relatively few people. Additionally routes through private property around obstacles are likely to be utilised in these circumstances.

However there are some assets of high importance which, if closed, would cause significant detour costs or hinder access to important facilities including:

- The Waikato River Bridges at Horotiu, Ngaruawahia, Huntly, Rangiriri, Mercer and Tuakau, and the Waipa River bridge at Ngaruawahia;
- Wainui Bridge – Raglan;
- Te Ohaaki Rd access to Huntly Power Station; and
- Hampton Downs Rd access to Springhall Prison and Hampton Downs Waste Disposal.

## **Most Likely Scenario**

The following sections outline the proposed capital and operational expenditure programme for each infrastructure service to 2045.

Capital expenditure is categorised into Renewals, Levels of Service or Additional Demand based on why the expenditure is required.

Renewal expenditure is required to replace existing assets. The overall renewal plan objective is to steadily renew assets considering the following:

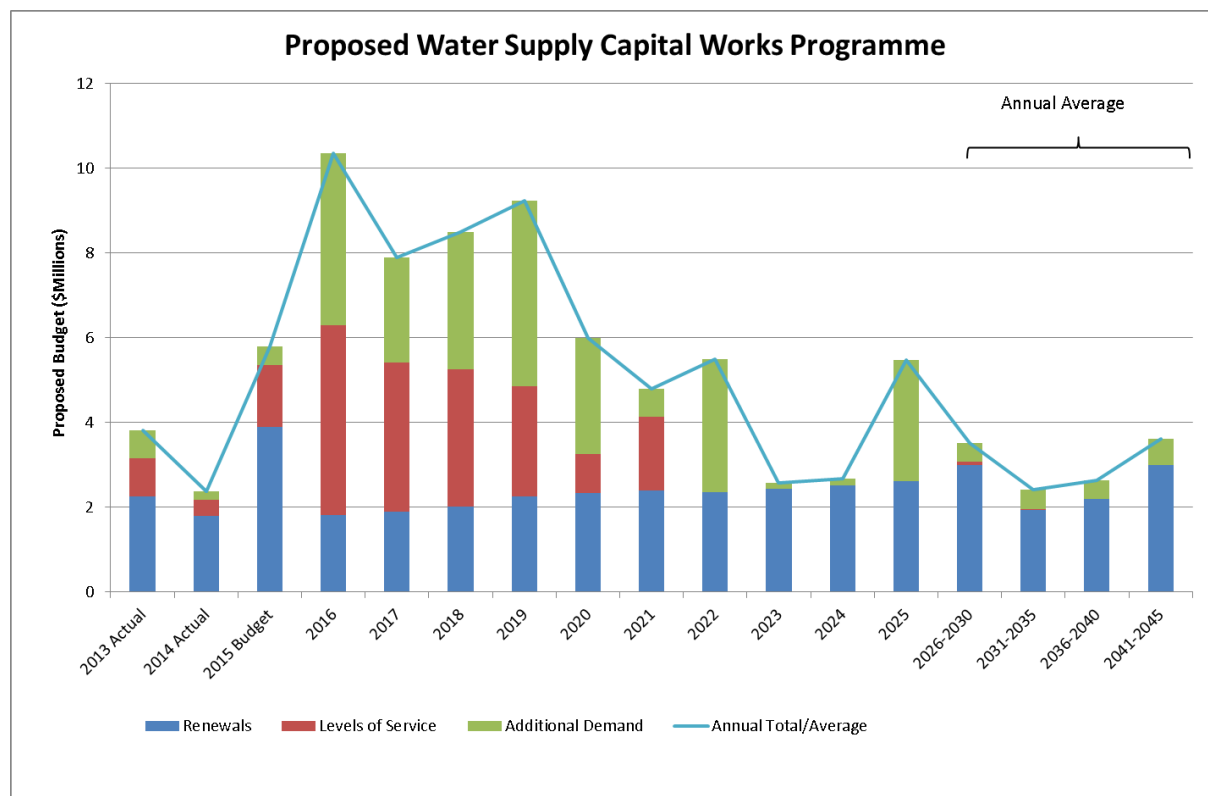
- The age profile
- The condition profile
- The level of on-going maintenance
- The economic lives of the materials used
- Consent renewals
- Financial and customer risks

Levels of Service expenditure is required to ensure current assets achieve the levels of service set for that activity.

Additional Demand is required due to additional population or industrial growth or increased use of an infrastructure asset.

## Water Supply

### Capital Works Programme



**Figure 4: Projected Water Supply Capital Programme to 2045**

Increased levels of capital expenditure are proposed in 2015/16 and 2016/17 due to the construction of new reservoirs in Huntly, Pokeno and Southern Districts, the decommissioning of the Tuakau water treatment plant and the connection of the network to Watercare, the decommissioning of the Hopuhopu water treatment plant and the connection of the network to Ngaruawahia and Huntly, and the installation of meters in Ngaruawahia, Huntly and Raglan.

Higher capital expenditure is also proposed in 2021/22 to service growth in Pokeno.

Significant treatment plant capital expenditure is proposed in 2018/19 and 2024/25 to upgrade the Mid Waikato water treatment plant. Other capital upgrades are also proposed for treatment plants at Ngaruawahia and Huntly.

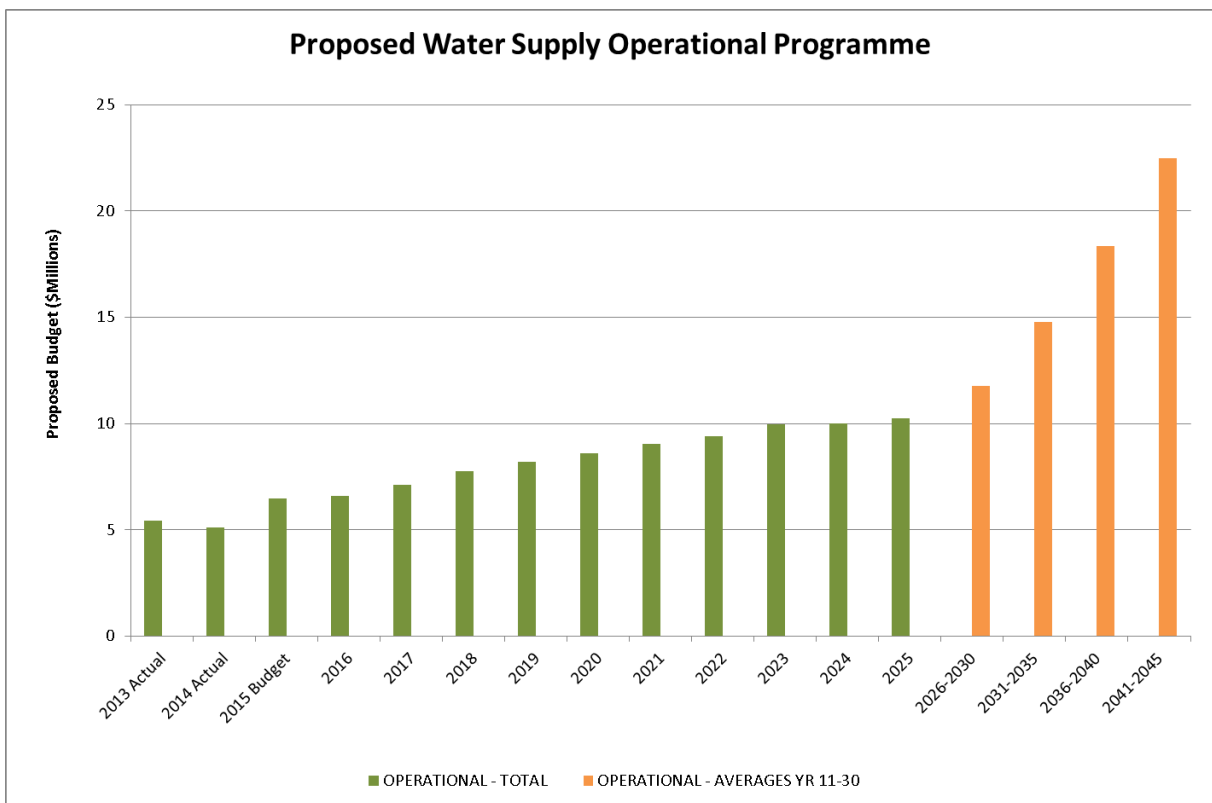
Major projects include:

- Treatment Plant upgrades (Huntly, Ngaruawahia, Mid Waikato);
- Connect Tuakau to Watercare system and decommission water treatment plant;
- Connect Hopuhopu to Ngaruawahia and Huntly and decommission water treatment plant;
- New Reservoirs (Huntly, Horotiu, Southern Districts and Pokeno);
- Network extensions to service growth (Ngaruawahia, Huntly, Southern Districts, Tuakau, and Pokeno);

- Trunk main upgrade in Raglan to meet growth needs;
- Ngaruawahia water main upgrades to meet firefighting standards; and
- Water meter installations in Raglan, Huntly and Ngaruawahia and connection modifications.

Growth projects are dependent on the rate of population growth and are highly susceptible to change beyond the first three years. There will be a focus on carrying out condition assessment of the pipe network over the next three years to provide a more accurate renewals programme. There is a slight increase in renewals expenditure from 2018/19 to deliver an anticipated backlog of network asset renewals identified during the condition assessment programme. A significant portion of water treatment plant assets are predicted to reach the end of their useful life in the 2026-2030 period.

### Operational Programme



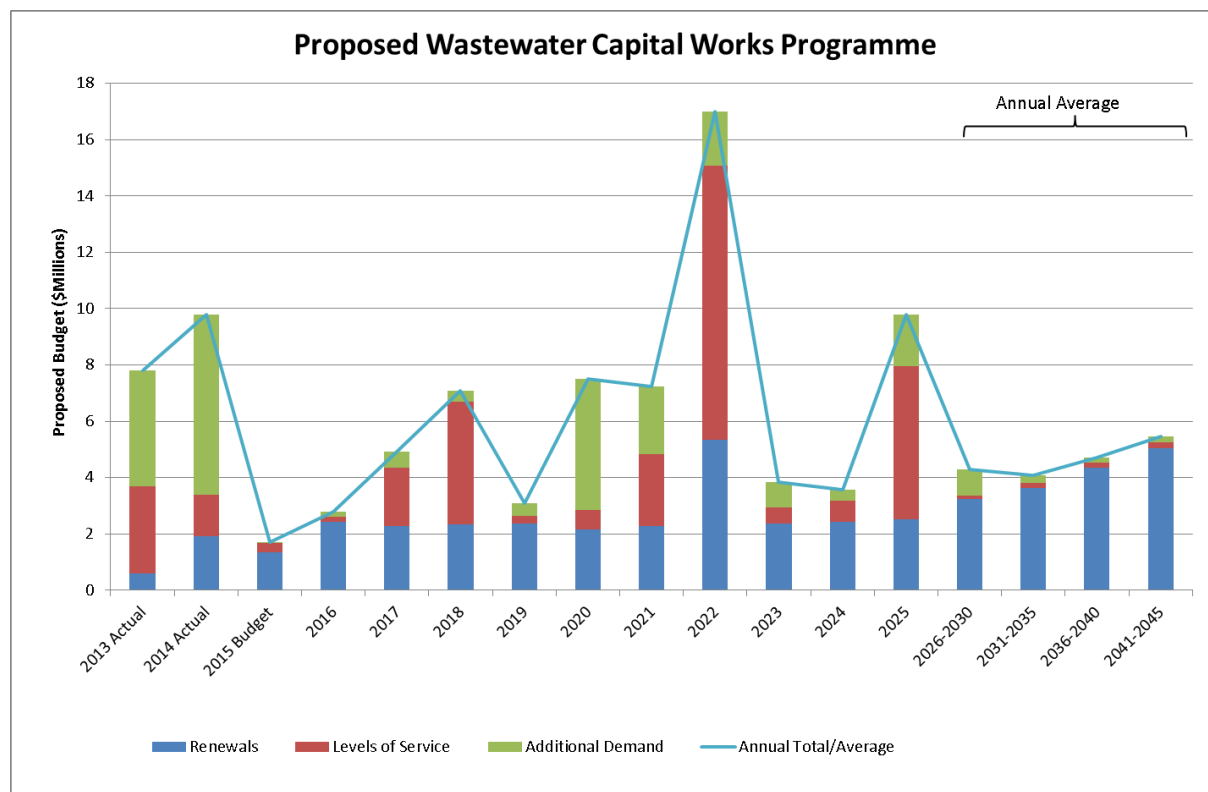
**Figure 5: Projected Water Supply Operational Programme to 2045**

Increased operational project expenditure is related to:

- Growth Charges from Watercare for Pokeno and Tuakau;
- Activity management improvements;
- Consent performance reporting;
- Leak Detection;
- Demand Management Plans; and
- Condition assessment of reticulated networks;

## Wastewater

### Capital Works Programme



**Figure 6: Projected Wastewater Capital Programme to 2045**

Increased capital expenditure is predicted in 2016/17 and 2017/18 as wastewater treatment plants at Huntly, Ngaruawahia, Te Kauwhata and Meremere are scheduled to be upgraded. There are also plans to upgrade the treated effluent disposal systems at Raglan (2021/22) and Te Kauwhata (2024/25) wastewater treatment plants in response to anticipated future consent conditions.

Network capital expenditure is planned to increase from 2019/20 to 2021/22 to provide growth related infrastructure to Pokeno, Tuakau and Horotiu.

Major projects include:

- Treatment Plant upgrades (Huntly, Ngaruawahia, Raglan, Meremere, and Te Kauwhata) to meet consent conditions;
- Reticulation extensions to service growth (Pokeno, Tuakau, Huntly, Ngaruawahia, and Horotiu); and
- Pump station emergency storage.

Planned renewals are slightly higher in the first four years as the resource consents for the Matangi, Meremere, Raglan and Te Kowhai wastewater treatment plants will require renewal.

In the last few years, the focus has been to replace earthenware pipe in areas where blockages and overflows have occurred, the plan is to continue to address areas with known operational issues. AC rising mains are another area where issues are occurring, the focus will be on these assets over the next 10 years. Along with implementation of the condition assessment programme, the worst areas can be prioritised for replacement.

### Operational Programme



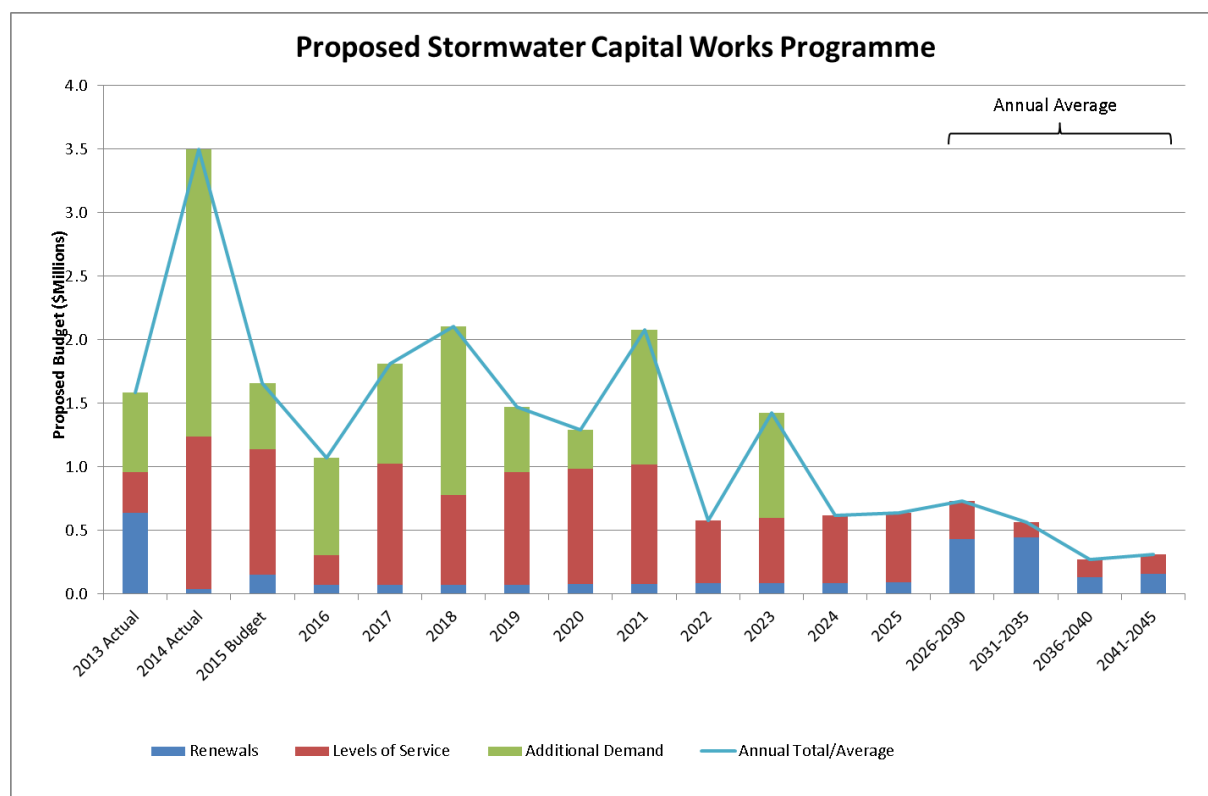
**Figure 7: Projected Wastewater Operational Programme to 2045**

Increased operational project expenditure is related to:

- Pond sludge surveys and desludging;
- Wetland/irrigation area planting and maintenance;
- Inflow and infiltration action plan;
- Consent performance reporting; and
- Condition assessment of pipe network.

## Stormwater

### Capital Works Programme



**Figure 8: Projected Stormwater Capital Programme to 2045**

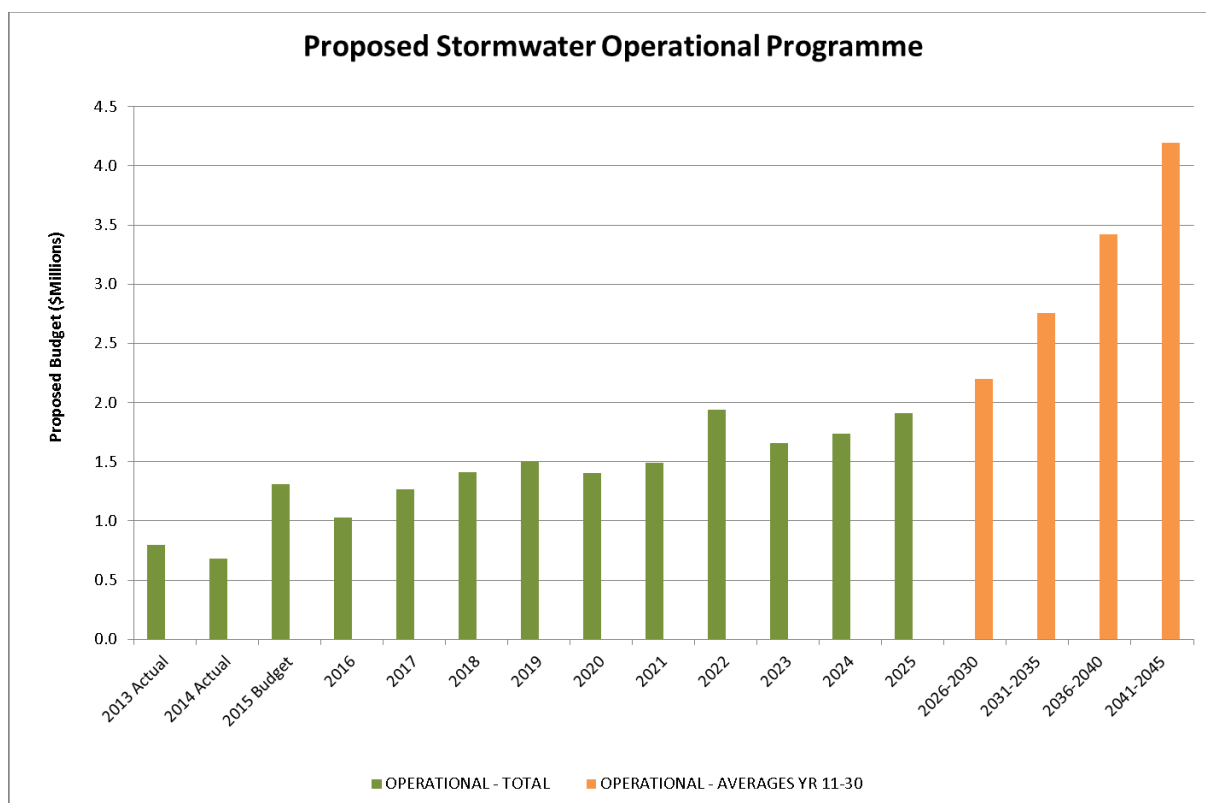
The key capital projects that are planned are:

- Pokeno upgrades to service growth;
- Tuakau upgrades to service growth;
- Tamahere upgrades to service growth; and
- Raglan upgrades to meet levels of service.

Renewals are reviewed regularly, with any deferred work re-prioritised alongside new renewal projects and a revised programme established where required. A lack of accurate condition data has resulted in a renewals programme based on asset life and engineering judgement.

Additional funding has been allowed to renew the district wide comprehensive consent in 2026 to 2030.

## Operational Programme

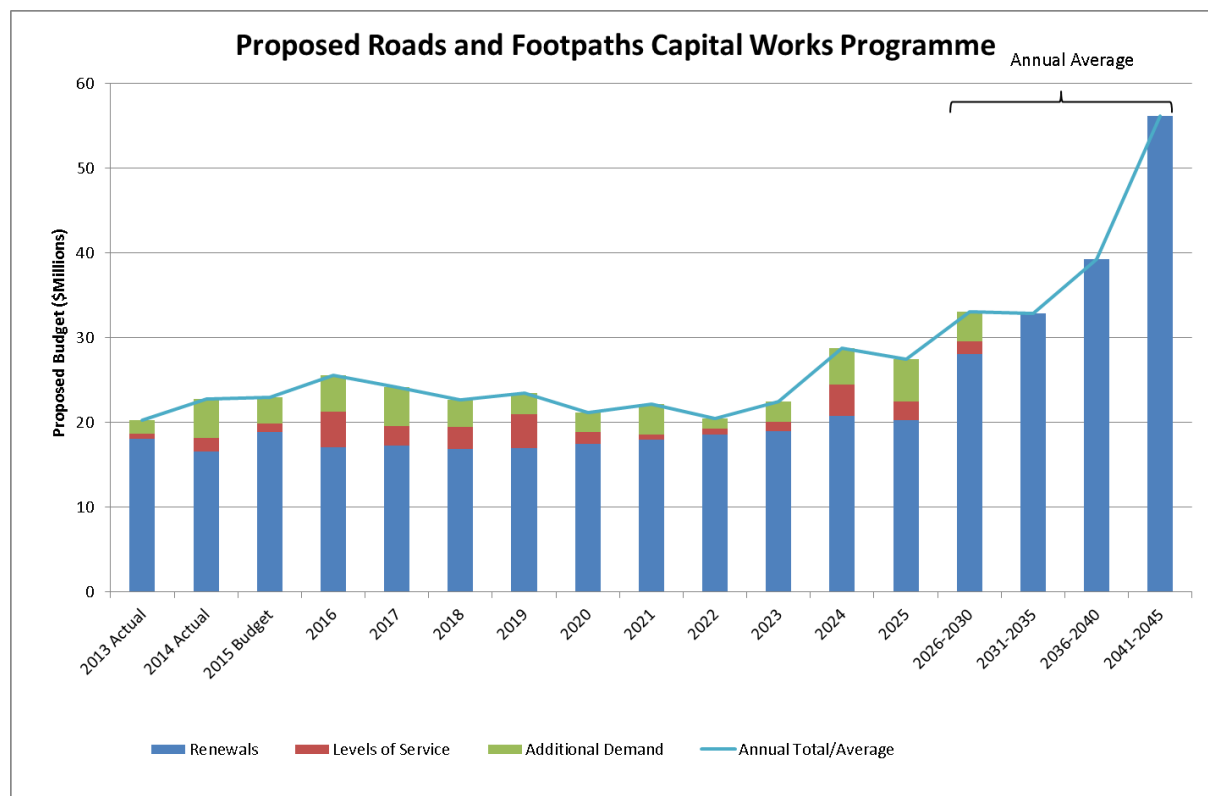


**Figure 9: Projected Stormwater Operational Programme to 2045**

The operating projects include the improvement plan items from the 50 Year Stormwater Strategy for the Waikato District, CCTV inspection of critical assets, and stormwater education. There are also growth driven stormwater operational projects (e.g. stream vegetation) for Pokeno (2016/17 to 2018/19, 2021/22 and 2024/25).

## Roads and Footpaths

### Capital Works Programme



**Figure 10: Projected Roads and Footpaths Capital Programme to 2045**

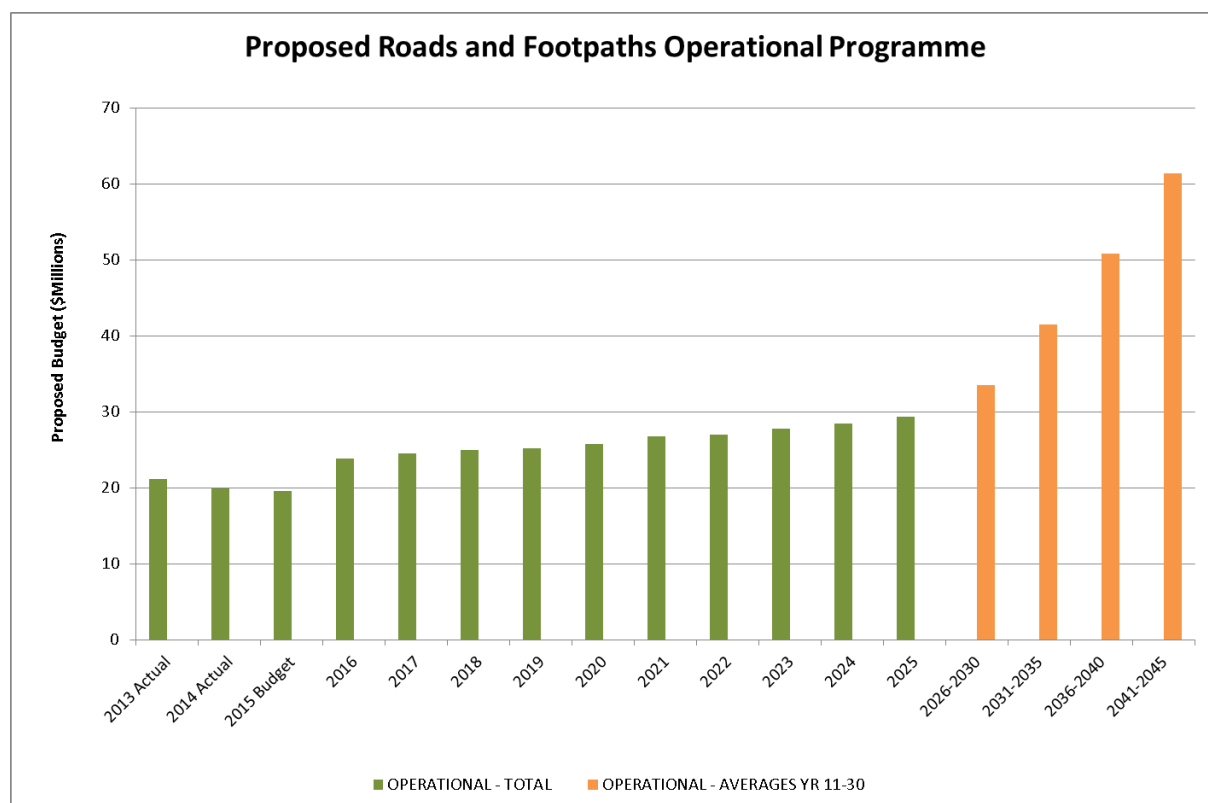
Much of the roading associated with residential growth will be provided by developers but Council will have to construct or contribute to collector and arterial roads. The timing of these works will be dependent on the pace of development. A programme of minor improvement works of about \$3m per year is forecast to continue. These works will include improvements at renewal sites and district wide safety improvements. The widening and strengthening, or replacement of the Tuakau Bridge will be a major cost towards the end of the 30 year forecast period.

Computer modelling of the network confirms that the current strategy of resurfacing 8-10% of the sealed network every year plus approximately 12- 18km of pavement renewals is the most economical way of maintaining the levels of service. The renewal budgets have increases to include the additions to the network and inflation adjustments of 3.2%.



## Operational Programme

The increases in operational budgets shown in Figure 11 reflect the growth in the network due to population growth, and the additions resulting from the commissioning of the Waikato Expressway and revocation of the existing SH 1.



**Figure 12: Projected Roads and Footpaths Operational Programme to 2045**

Operational expenditure includes administration, maintenance programmes, asset management and unsubsidised budgets.

## Expenditure Summary

In addressing the issues identified in this strategy, Waikato District Council expects to spend \$381 million from 2015/16 to 2024/25 and \$971 million from 2026 to 2045 on new or replacement infrastructure. Approximately \$443 million is expected to be spent from 2015/16 to 2024/25 and \$1,648 million from 2025/26 to 2044/45 on operating costs, labour, depreciation, materials and maintenance.

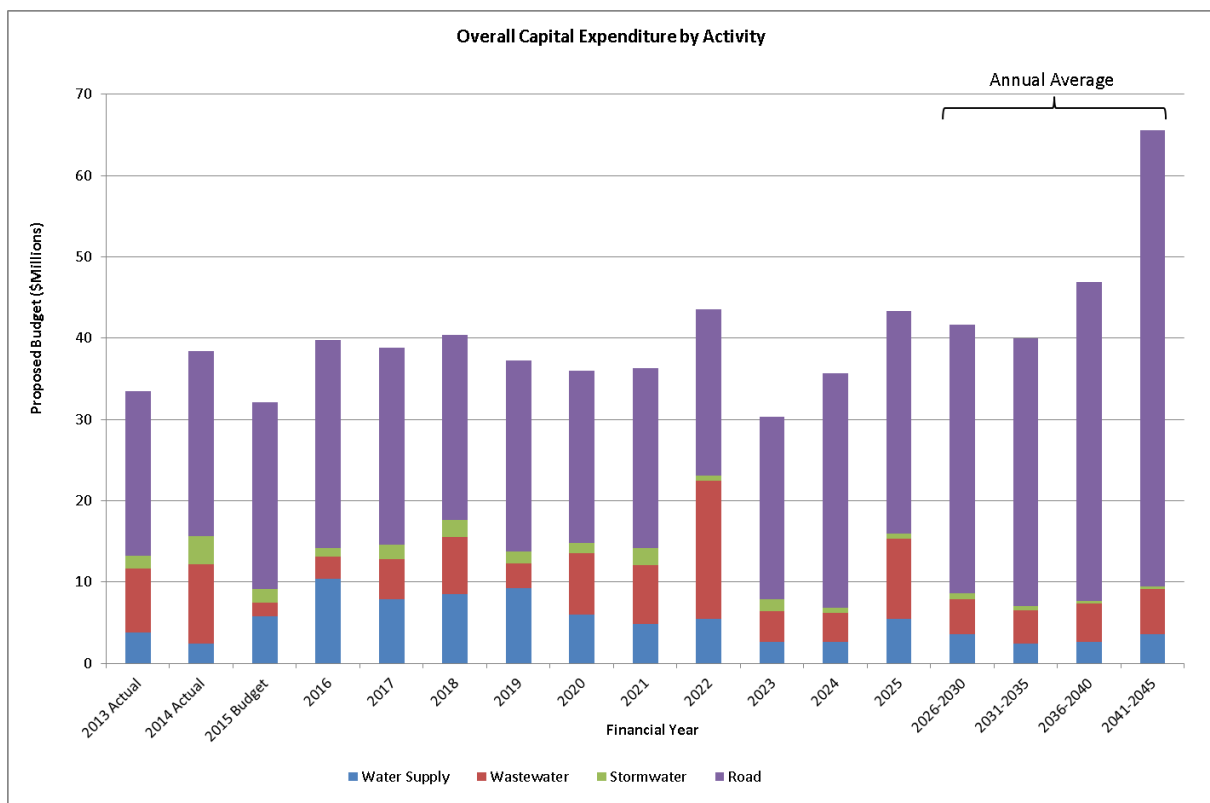
These areas are anticipated to be spread across the infrastructure activity areas as outlined in the table below.

**Table 13: 30 year Capital and Operational Expenditure**

Infrastructure Activity	Capital Expenditure (\$ million)	Operational Expenditure (\$ million)
Water	\$124	\$424
Wastewater	\$160	\$390
Stormwater	\$22	\$78
Roads and Footpaths	\$1,046	\$1,199
<b>TOTAL</b>	<b>\$1,352</b>	<b>\$2,091</b>

### Capital Expenditure Overview

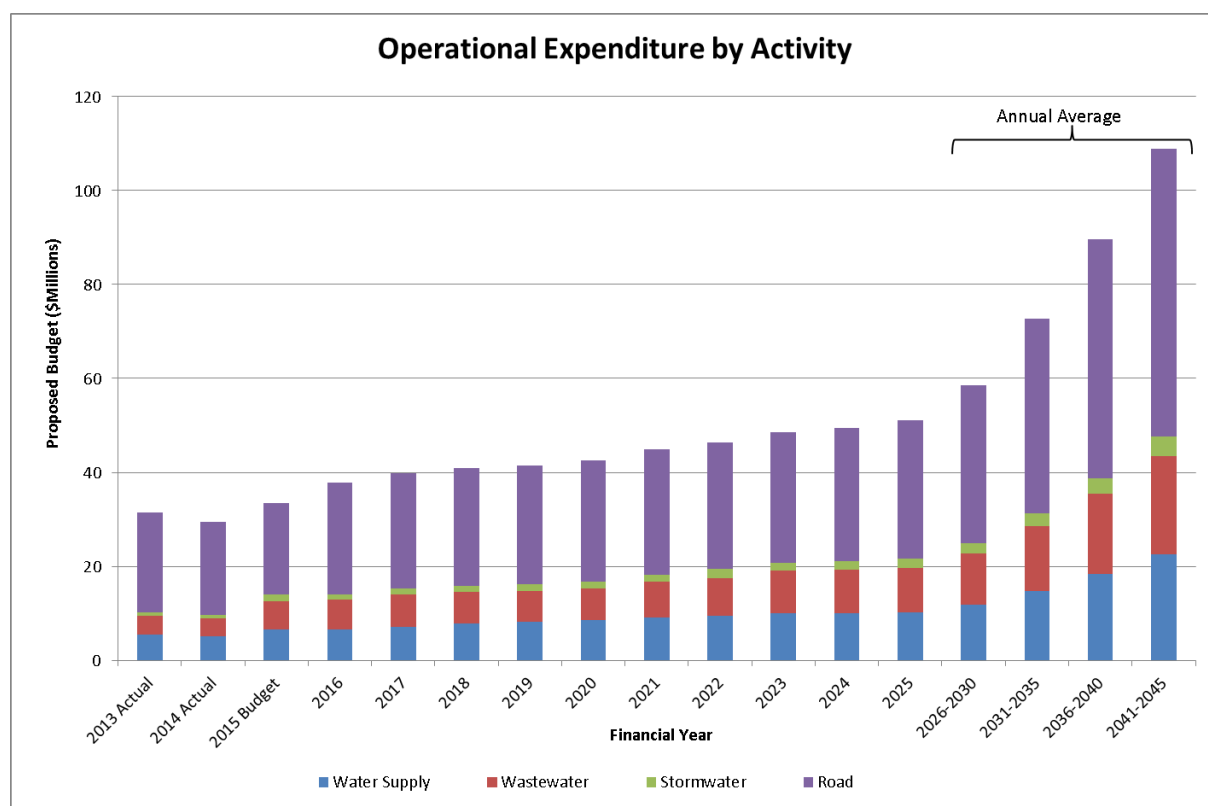
The following figure shows the expected overall capital expenditure for the four infrastructure services from 2016 to 2045, by activity.



**Figure 13: Projected Capital Expenditure by Activity to 2045**

## Operational Expenditure Overview

The figure below shows the expected overall operational expenditure for the four infrastructure services from 2016 to 2045, by activity.



**Figure 14: Projected Operation Expenditure by Activity to 2045**

## Affordability Issues

Council's Financial Strategy provides an overview of:

- the strategic direction the Council has for the district;
- what we are going to do to develop the District in this strategic direction;
- what effect that will have on our financial performance; and
- what effect that will have on ratepayers.

The Council has set limits on rates, rate increases and debt in the Financial Strategy. The Council has also set out the programme of expenditure for planned growth, planned new services and maintaining existing services. In the Council's assessment, the Financial Strategy limits can be met throughout the term of the Long Term Plan.

## **Resilience of Infrastructure Services**

This section outlines Council's approach to managing the resilience of its infrastructure services with respect to natural hazards, such as earthquake, natural landslip, flood, tsunami, tornado, volcanic eruption, hydrothermal and geothermal activity and subterranean fire.

### **Organisational Resilience**

Council's Audit & Risk Committee has identified six strategic risks which they monitor closely. Top of this list is the risk statement: "Business function is significantly interrupted due to a lack of business continuity planning and organisational resilience."

All infrastructure activities covered in this Strategy have an up to date business continuity plan which sets out how the services will be maintained during emergencies.

### **Natural Hazards**

The Activity Management Plans for infrastructure activities identify specific risks related to natural hazards and mitigation/control actions for high priority risks. A natural hazard can cause damage to infrastructure assets and affect levels of service. Staff and contractors monitor known hot spots during weather events. Localised flooding and hazards to road users can occur due to inadequate stormwater control. Drainage maintenance and regular inspections are carried out and known hot spots are checked prior to forecast storm events.

The Waikato District Plan (Waikato and Franklin Sections) does contain some provision for managing the risk of natural hazards on new development. Part 7 of the Franklin Section of the District Plan provides for an assessment of natural hazards across the entire ex-Franklin area of the District, while the Waikato Section provides an objective and policy framework in Chapter 5 with the rules that give effect to the objectives and policies being contained in the relevant zone chapters. Generally, the District Plan does not manage the effects of a natural hazard event after buildings or infrastructure has been developed.

Both sections of the District Plan require an assessment of natural hazard risk prior to developments when the development requires resource consent, such as buildings (when located within a specified hazard risk area), all subdivision and some infrastructure (i.e. roads that form part of a subdivision).

The Building Act allows for an assessment of hazard risk for new buildings but only for structures that are defined as buildings in the Building Act and therefore require a building consent.

Council infrastructure will not always require either resource consent or building consent. In this case there may be other guides such as the Infrastructural Technical Specifications or other relevant codes of practice that require a hazard risk assessment to be undertaken to inform the design and location of infrastructure.

## Climate Change

Indications are that as a result of climate change the Waikato District will be hotter on average, experience more extreme events (heavy rainfall and droughts) but may have little change in average annual rainfall. Sea level change for coastal communities is also a climate change issue. The Activity Management Plans identify specific impacts on each infrastructure activity which are considered when planning new assets or replacing assets.

## Insurance Associated with this Activity

Waikato District Council insures assets as part of the Local Authorities Shared Services (LASS) group<sup>22</sup>. The type and level of insurance cover taken is dependent on the level of risk associated with the activity. Insurance policies taken out by the Council cover infrastructural assets above and below ground. Types of cover include property and business interruption such as material damage as a result of fire, storm, explosion, flooding etc., and the consequential loss of profits from that event. Council employees are also covered for liability risks of a work related injury that is not covered under ACC.

All contractors who undertake work for the Council are required to show that they hold adequate insurance for Public Liability, Professional Indemnity and Contract Works. The level of insurance cover for the contractor is dependent on the nature of work and associated risk exposure.

Under the insurance programme, Council has the following insurance policies:

- Material Damage- Excluding Fire
- Material Damage - Fire
- Business Interruption
- Boiler Explosion
- Machinery Breakdown
- Forestry
- Computer and Electronic Equipment
- Aviation Airport Owners and Operators Liability
- Employers Liability
- Statutory Liability
- Crime
- Personal Accident
- Marine Hull
- Motor Vehicle
- General Liability and Professional Indemnity

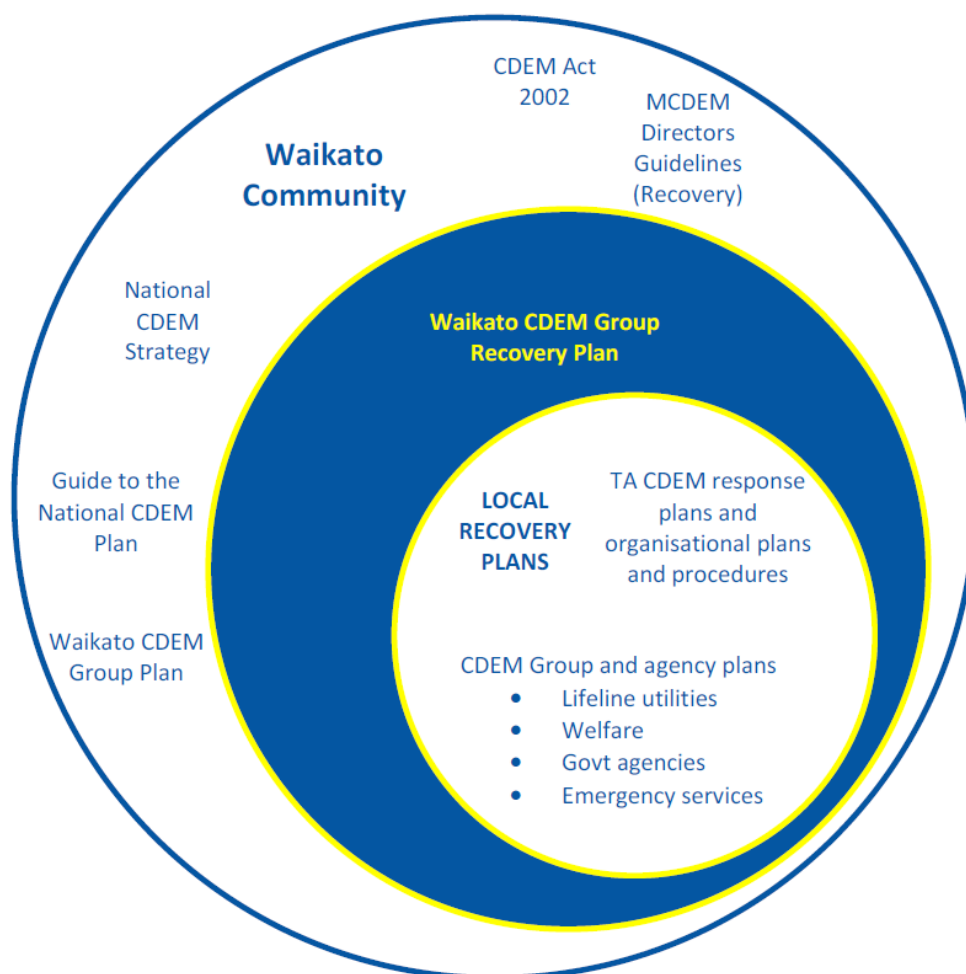
The underground assets are only insured for material damage as a result of a natural catastrophe including Earthquake, Natural Landslip, Flood, Tsunami, Tornado, Windstorm, Volcanic Eruption, Hydrothermal & Geothermal activity, Subterranean Fire and Business Interruption.

In addition to this insurance cover, Council is proposing to increase the investment in our own disaster recovery fund to self-insure for events that may not trigger the natural disaster insurance policy claim criteria. The plan is to increase the reserve balance from \$1.24 million to \$8.65 million by 2025.

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<sup>22</sup> Local Authorities Shared Services Manual 2013-14

## Waikato Civil Defence and Emergency Management Group



**Figure 15: Civil Defence and Emergency Management in the Waikato Region<sup>23</sup>**

The Waikato CDEM (Civil Defence Emergency Management) Group is a consortium of the Waikato local authorities working in partnership with emergency services, amongst other things, to:

- identify and understand hazards and risks; and
- prepare CDEM Group plans and manage hazards and risks in accordance with the 4Rs (reduction, readiness, response and recovery).

The Waikato CDEM Group Plan 2011-2015 was effective from November 2011, and will be formally reviewed every 5 years. The plan guides the delivery of CDEM across the Waikato CDEM Group and outlines the following:

- The vision, goals and principles of the Waikato CDEM Group;
- The hazard and risk profile for local authorities within the Waikato CDEM Group;
- CDEM measures necessary to manage the hazards and risks identified;

<sup>23</sup> Group Recovery Plan 2013, Waikato CDEM Group

- Organisational and community readiness;
- Response arrangements, including for declaring states of emergency, and cooperation and coordination with other groups.

### **Waikato Lifelines Utility Group**

The purpose of Waikato Lifeline Utilities Group (WLUG) is to identify measures and coordinate efforts to reduce the vulnerability of the Waikato's lifeline infrastructure to hazard events and to improve service reinstatement after an emergency, so that the community can recover as quickly as possible.

Lifeline infrastructure is the essential infrastructure in our community that supports the life of our community. These services include water, wastewater, stormwater, power, gas, telecommunications and transportation networks.

The WLUG is a voluntary group but is funded through contributions from members and the Waikato CDEM Group. The group has a business plan and group charter. Part of the funding received goes towards the Lifeline Utility Coordinator (LUC), a role provided by Waikato Regional Council. The LUC is responsible for Lifeline Utilities Liaison and is involved in delivering a number of projects on behalf of the group.

The current projects underway are as follows:

- Critical Fuel Supply Plan
- Priority and Alternative Routes Plan
- WLUG Vulnerability Study

### **References**

- 2014 Review of Demographic, Households and Labour Force Projections for the Future Proof Sub-Region for the Period 2013 – 2063, University of Waikato, National Institute of Demographic and Economic Analysis (NIDEA), 2014
- 50 Year Stormwater Strategy for the Waikato District 2014
- 50 Year Wastewater Strategy 2014
- New Zealand Infrastructural Asset Valuation and Depreciation Guidelines, National Asset Management Steering Group, 2006
- Group Recovery Plan 2013, Waikato Civil Defence and Emergency Management Group, 2013
- Local Authorities Shared Services Manual 2013-14, Waikato Region
- Stormwater Activity Management Plan, Waikato District Council, December 2014
- Transportation Activity Management Plan, Waikato District Council, December 2014
- Waikato District 50 Year Water Supply Strategy 2014
- Wastewater Activity Management Plan, Waikato District Council, December 2014
- Water Supply Activity Management Plan, Waikato District Council, December 2014

# The Waikato Spatial Plan

## Waikato: he reo kotahi

Councils across the Waikato are developing a Waikato Plan called *Waikato: he reo kotahi* (Waikato: one voice).

The Waikato Plan: *Waikato: he reo kotahi* will include:

- an evidence-base for good decision-making on matters such as future housing and settlement patterns; social, sporting and cultural developments; and the best places to build new facilities and infrastructure
- streamlined regulations, planning and funding programmes to create savings (there are currently over 600 strategies, policies, plans and bylaws in the combined councils of the Waikato)
- making it possible for there to be a 'one Waikato' approach to central government when we are seeking their support for our issues.

The draft Waikato Plan: *Waikato: he reo kotahi* will be ready for public consultation in early 2016

If you would like more information and to review progress please go to [www.waikatoplan.co.nz](http://www.waikatoplan.co.nz)



## Significant Forecasting Assumptions

The council has made a number of assumptions in preparing this Long Term Plan. This is necessary as it ensures that all estimates and forecasts are made on the same basis throughout the ten year period.

### NOTES

1. Any assumptions at the activity level are contained in the individual Asset Management Plans and Activity Management Plans.
2. No assumption has been made in relation to currency variations, as the council has no significant foreign currency exposure.

	<b>Forecasting Assumptions</b>	<b>Level of Uncertainty (Low, Medium or High)</b>	<b>Risk</b>	<b>Possible Impact Of Uncertainty</b>
<b>1.</b>	<p><b>Legislative Changes</b></p> <p>It is anticipated that if there are any changes to legislation or other external factors that may alter the nature of the services provided by council that public consultation would be undertaken and considered.</p> <p>These consultative timeframes will allow council to adjust budgets within a subsequent Annual Plan or Long Term Plan if there is to be a change to the services provided by the council.</p> <p>It is expected that any changes would be made to encourage efficiencies in service delivery rather than to make an existing service provided by the government more expensive.</p>	Medium	There are unexpected changes to legislation that alter the nature of services provided by the council.	<p>Most changes to legislation are known about in advance. Based on historical trends, additional services have been transferred from central government to local government in the past.</p> <p>The impact of unexpected changes would be a move in operations from central government to local government. The council would have to consider the costs and user charges/ rating required to fund any new services. The financial uncertainty will be around the introduction of changes and training needs for staff. Therefore, changes may have to be signalled in future annual and/or long term plans.</p>
<b>2.</b>	<p><b>Local Government Structure</b></p> <p>There will be no significant changes to the structure of Local Government in the Waikato region. There will be a focus on greater collaboration with local councils.</p>	Medium	The new government signals changes within local government that results in a change to our organisation, in terms of	Future shape or form of local authorities could change.

	<b>Forecasting Assumptions</b>	<b>Level of Uncertainty (Low, Medium or High)</b>	<b>Risk</b>	<b>Possible Impact Of Uncertainty</b>
	<p><u>Shared Services</u></p> <p>We will continue to pro-actively explore opportunities and participate in shared services.</p>		structure and/or the services we offer that we had not anticipated or planned.	
<b>3.</b>	<p><b>Changing Weather Patterns</b></p> <p>There is a lot of information available on the effects of changing weather patterns and demand management plans aim to factor in that information which is relevant to our infrastructure. The timings of changes in weather patterns that will have a significant effect on our operations are not deemed to be within the immediate ten year period, however, council believe it is prudent encourage water conservation via a water metering programme and localised on-site storage requirements.</p> <p>When planning capital and maintenance expenditure for stormwater and drainage we will factor in likely rainstorm intensity during the design phase.</p> <p>The council allows for additional water requirements and storage during summers over and above peak daily demand to factor in the changes experienced from longer drier periods.</p> <p>As a result of the Climate Change Response (Emissions Trading) Amendment Act 2008, increases in power charges will be incurred.</p> <p>This has been factored into the various activity budgets</p>	Medium	That the council has not made sufficient provision for climate change events, and floods occur or there is insufficient water supply during periods of drought to meet ratepayer's needs.	<p>If the provisions the council has made to address changing weather patterns are insufficient, then the livelihoods of businesses reliant on council water supplies could be compromised, and landowners could be required to provide their own water for non-potable purposes.</p> <p>Costs to restore usual services could be high and the time taken to rectify the situation might be lengthy and compromise the health and wellbeing of our communities.</p> <p>If power costs are underestimated council may need to reduce council expenditure in other areas to balance the situation, or spend more than operationally budgeted for which would have a knock on effect to rates over subsequent years.</p> <p>If an unforeseen event takes place, an application would be made to NZTA for subsidy and the operational work programmes would be adjusted to allow emergency works to commence. This would be dependent on the severity of the event and whether connectivity is compromised. If the works are not urgent a subsequent Annual Plan process will be utilised to address the financial implications.</p>

	<b>Forecasting Assumptions</b>	<b>Level of Uncertainty (Low, Medium or High)</b>	<b>Risk</b>	<b>Possible Impact Of Uncertainty</b>
	where applicable.			
<b>4.</b>	<p><b>District Plan</b></p> <p>That the district plan informs land use planning with in turn informs infrastructure planning (thereby fostering integrated land use and infrastructure planning). The AMP is predicated on where growth and development will be taking place as informed by provisions in the district plan.</p>	Low	<p>The District Plan governs land use and can impact on the levels, type and location of growth within the District.</p> <p>Timing of structure plans and spatial plans is different to that proposed in this plan.</p>	<p>If any future plan change differs markedly from any growth management intent already signalled by the council (i.e. structure plans, spatial plans) and from the objectives and policies contained in the proposed regional policy statement, this could impact on the rate of subdivision and the development of industry in the area.</p> <p>If additional growth is permitted then infrastructure will be under pressure and costs could escalate. The offsetting growth in rating income may not be sufficient to cover the cost of providing infrastructure and could increase the council's borrowings and rating income required for repayments.</p> <p>If growth is curtailed then demand for services should be lower and budgets may be too high. These risks relate to the district plan rather than assumptions around growth.</p>
<b>5.</b>	<p><b>Growth</b></p> <p>Based on Waikato District Council's population model, the district's population is expected to grow from the current 66518 (2015) to 75761 (2025).</p>	Low	<p>That the projections for population growth and likely location over the next ten years vary significantly from the assumed rates.</p>	<p>Should growth estimates be higher than projected in certain locations, there may be pressure for the council to provide and maintain additional infrastructure than is currently provided for in this plan. The estimated financial impacts are difficult to quantify however council would adjust its work programmes to ensure that growth continues to fund growth.</p>

6.	<p><b>Co-Management Arrangements</b></p> <p>This plan has assumed that the costs of implementing the Joint Management Agreement schedules and associated co-management of the Waikato river will not be significant, as the organisations current processes support co-management initiatives.</p>	High	<p>The implementation of the settlement and the Waikato River Vision and Strategy may identify impacts for local authorities that have not been factored into our LTP planning.</p>	<p>Council functions may change over time or standards will change (consent standards, for example) and this will be at variance with the LTP.</p>
7.	<p><b>Depreciation Method and Useful Lives of the councils assets</b></p> <p>It is not anticipated that the method of depreciation for the council will change from the current method i.e. straight line.</p> <p>The council is assuming that present estimates of depreciation are adequate.</p> <p>The useful lives of all significant assets can be found on page 169 within the Statement of Accounting Policies.</p>	Medium	<p>Depreciation estimates may change as a result of asset revaluations or through adjustments in Asset Management Plans.</p> <p>Operating expenses could be under or overstated.</p>	<p>In the event that a change of depreciation method was approved or accounting standards changed, operating expenses might alter which could affect the accuracy of the financial information.</p> <p>If the useful lives of our assets are inaccurate then it could mean that the council needs to replace infrastructure before it had budgeted to do so and may not have sufficient funding. In this case operational expenditure may increase to extend the life of the asset until such time replacement is affordable, this would impact on the amount of rates to be collected.</p>
8.	<p><b>Dividend Income</b></p> <p>It is assumed that Council Controlled Organisations (CCO's) will generate dividend income as per their statement of intent.</p>	Medium	<p>The profitability targets are not achieved.</p>	<p>The performance of the Council Controlled Organisations can be affected by market conditions and workloads. There is a risk that a series of financial performance targets may not be achieved, which could reduce or remove the amount of income the council receives.</p> <p>Dividend income reduces the amount of general rate income required. The impact of a +/- 10% movement would range from \$5,000 (yr1) to \$50,000 (yr 10) or 0.01% to 0.08% movement in the general rate required.</p> <p>If the income is lower than predicted other work</p>

				programmes may need to be revised to fund any shortfall.
<b>9.</b>	<b>Inflation</b>  The Price Level Adjustors have been provided by Business and Economic Research Limited (BERL), based on work commissioned by the Society of Local Government Managers to specifically assist local government with the presentation of their Long Term Plans. (Refer to Appendix 1 on page 247).	Low	The primary risk is that our assessment of inflation is inaccurate or the combination of factors used to assess inflationary movements does not reflect what actually happens.	If inflation factors are higher than what we have assumed then we may not get sufficient income to cover our expenditure at the budgeted levels. Timing of expenditure may need to be altered.  If the changes are significant this may impact on the levels of service council are able to provide, or require rates to increase over and above the predicted levels in subsequent years.
<b>10.</b>	<b>Interest Rates</b>  The council will be a net borrower over the next ten years and the cost of debt has been budgeted as per Appendix 2 on page 248.	Low	Interest rates vary from those used in calculations of forecasts.	The council's debt portfolio is increasing; movements in interest rates could affect the council's financial position and have an impact on the amount within the council's reserves. These reserves are used to fund capital works and other various programmes and could mean that funds are unavailable to progress works as budgeted.  In the event interest rates are lower the council intends to apply the savings to reduce debt or rates in accordance with the council's prudent financial management philosophy.
<b>11.</b>	<b>Rental Income</b>  Income projections will be in line with contract conditions until the expiry of each contract. Subsequently, forecasting will be based on an inflation adjustment (BERL).	Low	Actual income will be higher or lower than that budgeted.	Level of rental income is market-driven and based on the value of land and buildings, therefore difficult to predict.  If the income received is lower than anticipated levels of expenditure may need to be reduced, or there will be extra costs for general rate.
<b>12.</b>	<b>Revaluation Movements</b>  The council will continue to revalue its assets with the exception of roading and waters, on a minimum three-yearly cycle. Roading and waters assets are revalued each year.	Low	The revaluation results in a higher or lower value of assets and this will have an impact on the cost of	Asset values could increase by more or less than our estimate. This could impact on the level of operating costs for different activities.
<b>13.</b>	<b>Subsidies</b>			

<p><u>Waste Levy</u></p> <p>The council anticipates that the government will continue to provide waste levies using the population based formula</p> <p><u>Water</u></p> <p>The Ministry of Health has a scheme called Capital Assistance Programme (CAP) that provides funding for upgrading water supplies serving less than 5,000 people.</p> <p>Public Health Risk Management Plans (PHRMP) must be prepared and be approved in order to apply for subsidy. Raglan and Hopuhopu communities have been assumed to be eligible for this subsidy.</p> <p>Plans are being prepared for Port Waikato, Onewhero, Pokeno and Tuakau and are assumed to be eligible for subsidy.</p> <p><u>NZTA</u></p> <p>The proposed levels of service are in line with current practice.</p> <p>Rates for future work are based on current contract rates</p> <p>Emergency works funding reserve is maintained</p> <p>Development related projects are based on current information</p> <p>The basis of funding for the ten years is assumed to be:</p> <table border="1" data-bbox="280 1257 891 1444"> <thead> <tr> <th>Financial Year</th> <th>Maintenance</th> <th>Improvements and replacement</th> </tr> </thead> <tbody> <tr> <td>2015/16</td> <td>54%</td> <td>54%</td> </tr> <tr> <td>2016/17</td> <td>53%</td> <td>53%</td> </tr> <tr> <td>2017/18</td> <td>52%</td> <td>52%</td> </tr> <tr> <td>2018/19</td> <td>52%</td> <td>52%</td> </tr> </tbody> </table>	Financial Year	Maintenance	Improvements and replacement	2015/16	54%	54%	2016/17	53%	53%	2017/18	52%	52%	2018/19	52%	52%	<p>Medium</p>	<p><u>Waste Levy</u></p> <p>That the council does not get the predicted levels of waste levy income.</p> <p><u>Water</u></p> <p>That our Public Health Risk Management Plans do not qualify us for subsidy or the scheme is over subscribed. Results from our applications will not be available until April 2012.</p> <p><u>NZTA</u></p> <p>The proposed levels of service are in line with current practice.</p> <p>Rates for future work are based on current contract rates</p> <p>Emergency works funding reserve is maintained</p> <p>Development related projects are based on current information</p>	<p><u>Waste Levy</u></p> <p>The council utilises the levy income to fund waste minimisation schemes, educational programmes and other such projects as is the intent of the levy.</p> <p>Should the council not receive the amount of income predicted, expenditure in these areas may need to be reduced. This would not support our zero waste initiatives.</p> <p><u>Water</u></p> <p>If the proposed areas of subsidy do not qualify or the scheme is oversubscribed then council would need to weigh up the cost/benefits of upgrading supplies at full cost. This could mean that the funding required for these capital works is underestimated.</p> <p>Areas which are not currently serviced have not been budgeted to receive water services within the ten year plan.</p> <p><u>NZTA</u></p> <p>Increase or decrease to funding requirements. Uncertainty until assessment and planning is complete.</p> <p>The rates for future contracts may increase.</p> <p>Unforeseen and sudden funding required.</p> <p>Unforeseen in infrastructure project development or funding requirements.</p>
Financial Year	Maintenance	Improvements and replacement																
2015/16	54%	54%																
2016/17	53%	53%																
2017/18	52%	52%																
2018/19	52%	52%																

	onwards				
14.	<p><b>Local Government Funding Agency (LGFA) Guarantee</b></p> <p>Council has not budgeted for any payment under the guarantee as it considers this event to be extremely unlikely.</p>	Low	<p>LGFA can't meet its obligations to lenders as a result of a default by a borrowing local authority on interest or principal payments to the LGFA</p>	<p>Based on modelling by the LGFA shareholding Councils, a similar sized council would be expected to contribute between \$17,000- \$70,000 per annum over the term of their LTP if the guarantee was triggered.</p> <p>Should the guarantee be triggered, the council would reduce work programmes to fund it.</p>	
15.	<p><b>Levels of Service</b></p> <p>Changes in customer expectations regarding service levels will not alter significantly</p>	Medium	<p>There are significant changes in customer expectations regarding levels of service.</p>	<p>If through customer demand, levels of service are significantly altered, this could impact on operating and capital budgets.</p>	
16.	<p><b>Natural Disaster/Emergency Events</b></p> <p>In the event of a natural disaster the council would have to fund 40% of the costs associated with damage to council assets. The remaining 60% is assumed to be provided by the Government.</p> <p>Council has insured underground assets for an annual premium of \$48,000 (based on the \$2 billion asset value being achieved by all participants) from 1 July 2013 with Aon. The policy covers losses or unforeseen damage caused by earthquake, natural landslip. Flood. Tsunami, tornado, windstorm, volcanic eruption, hydrothermal and geothermal activity or subterranean fire.</p>	Low	<p>That there will be a natural disaster requiring emergency works that cannot be funded out of normal budgetary provisions.</p> <p>That the government will not provide any financial assistance.</p>	<p>The potential effect of a natural disaster on the council's financial position is dependent upon the scale, duration and location of the event.</p>	

17.	<p><b>Ownership of a significant asset</b></p> <p>It is assumed throughout this plan that council will retain ownership of its significant assets and continue with the current CCO's. There is no opportunity to change the current CCO's.</p>	High	<p>That the specified returns whether financial or non-financial of holding strategic assets/ CCO's are not forthcoming</p>	<p>Should specified returns not be attainable, council would review its investment. Such a review may have a financial impact as it would be prudent for it to be undertaken by an independent entity. The outcome of a review may recommend that the council continues to hold, partially divest or sell in entirety its interest.</p>
18.	<p><b>Waikato Expressway</b></p> <p>It is assumed that we will obtain more roads to manage.</p> <ul style="list-style-type: none"> <li>• Hamilton Huntly – 2019</li> <li>• Cambridge – Dec 2015</li> <li>• Longswamp – 2018</li> <li>• Rangiriri – April 2016</li> </ul> <p>We have assumed that the revoked State Highways as a result of the completion of the Waikato Expressway will be transferred to Council to manage as follows:</p> <ul style="list-style-type: none"> <li>• Revoked State Highways – All Current SH1</li> </ul> <p>We have assumed that these inherited roads will be at an acceptable standard and will attract NZTA subsidy going forward for maintenance</p>	Low	<p>The timing and costs/ values of assets associated with the revocation of state highways are different to that reflected in this plan.</p>	<p>The impact of not receiving funds for upgrades could mean that the costs for maintenance on those sections of road.</p> <p>This may require additional loans to be raised to complete any essential works which would have an impact on the amount of rates needed to cover repayments in the future. Rather than choosing to raise loans, council might defer replacement/renewal works on other local roads which could require further rating income to carry out operational works to extend the life of those assets.</p>
19.	<p><b>Resource Consents</b></p> <p><u>Water Supply</u></p> <p>Within the next 10 years only 1 water supply consent will expire and it is expected to be renewed without any issues.</p> <p>Conditions of resource consents for Council activities will not alter significantly as long as Council can demonstrate that effective and sustainable long term water management plans are in place and being implemented as per RPV6.</p> <p><u>Wastewater</u></p>	High	<p>Conditions of resource consents are altered significantly and without sufficient warning.</p> <p>Any new resource consents required are not approved or conditions imposed are not allowed for.</p>	<p>If the council is faced with significant changes to resource consent conditions, this could have a significant impact on the council's financial resources.</p> <p>If conditions change the timing of the consent process may need to be extended, particularly if upgrade works are required in order to comply.</p>



	<p>Within the next 10 years 3 wastewater discharge consents will expire, with the Raglan discharge being of most significance.</p> <p>It is expected that the consent conditions will alter significantly due to the NPS changes and community expectations.</p> <p>Policy and regulatory reviews are being undertaken as part of the strategies that are under development.</p>																							
<b>20.</b>	<p><b>Water Availability</b></p> <p>Water availability has been identified as a risk to specific individual schemes within the next 10 years; the water supply strategy has identified measures to mitigate/address these risks and outlined recommendations to accommodate the forecasted demands.</p>	High	Changes to allocations are not approved	If Council is unable to alter existing consents and allocations, this could have a significant impact on Council's ability to accommodate growth in specific areas of the district.																				
<b>21.</b>	<p><b>Projected number of rating units as at 30 June:</b></p> <table border="0"> <tr><td>2015</td><td>28,984</td></tr> <tr><td>2016</td><td>29,502</td></tr> <tr><td>2017</td><td>30,031</td></tr> <tr><td>2018</td><td>30,560</td></tr> <tr><td>2019</td><td>31,089</td></tr> <tr><td>2020</td><td>31,617</td></tr> <tr><td>2021</td><td>32,138</td></tr> <tr><td>2022</td><td>32,660</td></tr> <tr><td>2023</td><td>33,184</td></tr> <tr><td>2024</td><td>33,705</td></tr> </table>	2015	28,984	2016	29,502	2017	30,031	2018	30,560	2019	31,089	2020	31,617	2021	32,138	2022	32,660	2023	33,184	2024	33,705	Medium	The number of new rating units does not meet or exceeds expectations.	<p>Rating and development contribution income could be under or overstated. If this were to occur, both capital and operational expenditure would be adjusted to reflect actual demand.</p> <p>If projects have been progressed ahead of development which does not eventuate this could cause funding short-falls. This in turn would raise the costs of development and/or increase the borrowing costs for existing ratepayers.</p>
2015	28,984																							
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22.	<p><b>Sources of funding for future replacement of significant assets</b> Sources of funding for the replacement of assets can be found in the council's Revenue and Finance Policy found on page 207. Any changes to this policy require consultation with the community.</p> <p>NZTA subsidy will continue to be available at the currently agreed percentage (see NZTA subsidy assumption).</p> <p>Ministry of Health (MoH) subsidies are not available for Wastewater (see Water and Wastewater assumptions).</p> <p>The bank will continue to cover loan facilities to the council. External borrowing limits are covered within the Treasury Risk Management Policy.</p>	Medium	Sources of funds are inadequate to fund the replacement of significant assets	If funds are inadequate for the replacement of significant assets, work may not be progressed as per timing in the plan. Operational expenditure may rise as a result in an attempt to extend the life of the assets, which would potentially cost the ratepayer more as we would still need to build reserves to pay for the eventual replacement.
23.	<p><b>Renewal of External Funding</b> The council is able to retain all external funding even if projects are delayed.</p>	Low	A project may be delayed, which would put the external funding at risk.	Some projects may not proceed if external funding is not available.
24.	<p><b>Dividend Income</b> It is assumed that Council Controlled Organisations (CCOs) and Civic Assurance will generate dividend income as per their statement of intent.</p> <p>Not all CCOs are expected to provide a financial return, more information can be found with the financial strategy.</p>	High	The profitability targets are not met.	<p>The performance of the Council Controlled Organisations can be affected by market conditions and workloads. There is a risk that a series of financial performance targets may or may not be achieved, which could reduce or remove the amount of income the council receives.</p> <p>If the income is lower than predicted other work programmes may need to be revised to fund any shortfall.</p>
25.	<p><b>Societal Changes</b> It is assumed that there has been no significant change in the make-up of our society or the way the community behaves or services it expects since the census in 2013. It is further assumed that any societal or demographic changes will not hinder the processes in place to ensure that this plan takes account of community views.</p> <p>Submissions and engagement with our communities is encouraged.</p>	Medium	Changes within society may impact on the range of activities or levels of service provided by the council. Census information from 2013 is no longer reflective of the demographic makeup of our new district.	Society evolves over time. This can pose challenges for local government. This could be around issues such as transport, governance, legislation and the like. Higher demand for services or changes to delivery of services could result in further costs.

## What we do

As you've seen in the previous sections, we have developed a strong strategic direction for the next 10 years, with our principles and priorities a direct reflection of your feedback and the community outcomes developed as a result of that feedback.

A strategic direction is only as good as its implementation, and this is where our Groups of Activities come in. The following pages provide information about our work programme – the major projects and activities we have decided on for the next 10 years, our targets, how we'll measure them and their associated budgets.

Our eight groups of activities contribute to keeping our district running, providing the services and facilities needed to meet residents' needs. The organisational support group is internally focussed and is not an official group of activity as required under the Local Government Act, however, it includes a significant amount of our activities and provides a complete picture of the activities we provide.

While many of the activities relate to legislation, for example the Building Act 2004 and the Resource Management Act 1991, they contribute to the community's social, cultural, environmental and economic well-being and therefore also contribute to the community outcomes in some way, either directly or indirectly.

You'll see that we've shown which outcome each group of activities primarily contributes to, and the other groups of activities they might also contribute to in a more minor way. And because the council's strategic direction is driven by three principles – *Energy, Economic* and *People* - we've also shown how our activities relate to and carry out these principles and therefore, contribute to the strategic direction.

Do keep reading and see what major projects are planned and how they might affect you. By doing all of the projects provided in the following sections we will be in a position to maintain our current levels of service throughout the 10 years. We will not only monitor and report based on the performance measures you see, but also on the progress of the capital programme. This section gives a good indication of the work we think will lead to a flourishing district, while still being financially prudent.

## Service Level Definitions

Below are council's generic timeframes for service requests (unless specifically stated otherwise against an individual measure in the LTP)

Category	Time for council personnel to be onsite	Time for resolution of issue	Definition or category
Urgent – Immediate response	1 hour	4 hours	Action is required urgently to mitigate an immediate and significant health & safety, or environmental issue; or significant event that presents immediate risk to a dwelling or infrastructure.
Urgent – Same day	4 hour	8 hours	Same day action is required to mitigate a potential health & safety, or environmental issue; or a significant event that presents potential risk to a dwelling or infrastructure.
Non Urgent – 5 day jobs		5 business days	There is no imminent risk to people, property or infrastructure, and the work can be completed within a 5 day timeframe.
Non Urgent – Assessment Required	5 business days	To be determined following assessment	There is no imminent risk to people or property or infrastructure, and an assessment is required before a completion date can be confirmed. This might involve any remedy becoming part of a scheduled maintenance programme.

## Governance

Governance includes the work of the elected Council and its committees, the community boards, Maaori Liaison and Elections. Strong leadership is required for the district to progress and prosper. The Council and community boards work in partnership with the community to make the key decisions for the districts long-term future, responding to the differing needs of diverse communities, through plans and strategies, and by facilitating progress against council's goals.

A vital aspect for the Council is its relationship with Iwi, with the joint management agreement with Waikato Tainui and other partnership agreements.

The governance group also includes the three-yearly elections, with the organisation providing support through the electoral Officer and organisation of the election process.

### Key Projects

The following key projects are planned for 2015-25:

Projects	Description	Timeframe	Total cost over 10 years (\$000)
2016/17 Local Authority Election	Three yearly council elections	Oct 2016	316
2019/20 Local Authority Election	Three yearly council elections	Oct 2019	342
2022/23 Local Authority Election	Three yearly council elections	Oct 2022	375

### Potential Significant Negative Effects

Potential Negative Effect	How We Are Addressing This
No potential significant effects have been identified for this activity.	

## Levels of Service, Performance Measures and Targets: Governance

Rationale - Governance includes the work of the elected Council and its committees, the community boards, and the strategic planning and community relationships activities.

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
People	To ensure that our diverse community is represented in a democratically accountable and respectful manner.	Elected members represent their ward and act in the best interests of the district.	Satisfaction of residents that they were able to contact their councillor as and when required	New measure	100%	100%	100%	100%
		Elections are managed through a fair and transparent process.	Number of upheld objections/appeals lodged against election process	New measure	0	0	0	0
		Council meets obligations to iwi under formal and informal agreements	Number of joint committee meetings held per annum	New Measure	2 Waikato-Tainui, 2 Maniapoto	2 Waikato-Tainui, 2 Maniapoto	2 Waikato-Tainui, 2 Maniapoto	2 Waikato-Tainui, 2 Maniapoto
			Number of identified or notified breaches/objections under Joint Management Agreements, MOU's and MOA's	New Measure	0	0	0	0

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
			Number of formal governance hui held between council and iwi / hapu groups	New Measure	Minimum of 3	Minimum of 3	Minimum of 3	Minimum of 3
<b>Economy</b>	To ensure that decisions are underpinned by sound financial governance.	Council holds regular public meetings where information on the decisions made is accessible to the public	Percentage of minutes of all open meetings that are made publicly available via the Council's website	New Measure	100%	100%	100%	100%
<b>Energy</b>	To ensure that decisions and processes take into account both short and long term impacts on our customers and partners.	Specialist advice and opinion is sought when the impact of a decision on the community is unknown or unclear.	Percentage of Council decisions that comply with statutory requirements	New Measure	100%	100%	100%	100%

Community Outcomes	Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
				2015/16	2016/17	2017/18	2018-25
		Council considers the content of all available reports and analysis in its decision making process					



## Waikato District Council: Prospective Funding Impact Statement – Governance

### A forecast for the ten years ending 30 June 2025

	Annual plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	5,841	6,229	6,420	6,597	5,798	6,007	6,221	6,217	6,475	6,730	6,646
Targeted rates	179	188	190	193	196	199	202	205	208	210	213
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	1,006	1,046	1,073	1,097	1,121	1,145	1,172	1,198	1,230	1,266	1,295
Local authorities fuel tax, fines, infringement fees, and other receipts	31	15	259	16	16	281	17	18	309	19	20
<b>Total operating funding</b>	<b>7,057</b>	<b>7,478</b>	<b>7,942</b>	<b>7,903</b>	<b>7,131</b>	<b>7,632</b>	<b>7,612</b>	<b>7,638</b>	<b>8,222</b>	<b>8,225</b>	<b>8,174</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,385	2,427	2,770	2,494	2,546	2,933	2,650	2,702	3,146	2,831	2,909
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	4,123	4,375	4,458	4,655	4,593	4,705	4,967	4,940	5,079	5,396	5,268
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding</b>	<b>6,508</b>	<b>6,802</b>	<b>7,228</b>	<b>7,149</b>	<b>7,139</b>	<b>7,638</b>	<b>7,617</b>	<b>7,642</b>	<b>8,225</b>	<b>8,227</b>	<b>8,177</b>
<b>Surplus (deficit) of operating funding</b>	<b>549</b>	<b>676</b>	<b>714</b>	<b>754</b>	<b>(8)</b>	<b>(6)</b>	<b>(5)</b>	<b>(4)</b>	<b>(3)</b>	<b>(2)</b>	<b>(3)</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	549	676	714	754	(8)	(6)	(5)	(4)	(3)	(2)	(3)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>549</b>	<b>676</b>	<b>714</b>	<b>754</b>	<b>(8)</b>	<b>(6)</b>	<b>(5)</b>	<b>(4)</b>	<b>(3)</b>	<b>(2)</b>	<b>(3)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(549)</b>	<b>(676)</b>	<b>(714)</b>	<b>(754)</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional information:</b>											
Depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-

## **Sustainable Environment**

This group of activities includes animal control, building quality, strategic and district planning, solid waste and environmental health. We provide these services to both community and council.

**Strategic Focus:** To have an integrated approach to providing sustainable, attractive, affordable and safe options for living, in a way that's in tune with what ratepayers want. This needs to result in more streamlined processes that cost less while still providing required results for both community and the council.

**Animal control** - The Animal Control Team delivers animal control services in the areas of dog registration, complaint response, wandering stock, and general animal control, as required by the Dog Control Act 1996, Impounding of Stock Act 1955 and Council's Dog Control Policies and Bylaws. This is achieved through active enforcement of requirements and via the education of dog owners and the general public.

**Building quality** - Responsible for ensuring that buildings in our district comply with legislation, including fencing of swimming pools, process building consent applications and carry out construction inspections (protecting the community).

**Strategic and district planning** - Land use and growth management planning is done so that the district can grow and develop in a sustainable manner and in accordance with the principles contained in the Resource Management Act (RMA) 1991.

**Solid waste** - As set out in in the Waste Minimisation and Management Plan (WMMP), Council has adopted an aspirational vision of "Working towards zero waste for the Waikato district."

The goals of the WMMP are summarised as:

- Working more closely with our communities in managing waste;
- Working more closely with the growing waste management industry in the district and the other councils around us;
- Improving our kerbside recycling collections;
- Considering ways to reduce the amount of rubbish we collect and how much it costs; and
- Improving transfer stations to recover and recycle more material than we do now.

**Environmental health** - provides a range of services to ensure food outlets maintain high food safety standards, alcohol outlets operate to the conditions of their licences, and that noise and nuisance complaints, hazardous substances and contaminated sites are all managed.

## Key Projects

The following key projects are planned for 2015-25:

Projects	Description	Timeframe	Total cost over 10 years (\$000)
<b>Solid Waste</b>			
Huntly Transfer Station Upgrade	Upgrade works to support the conversion to a resource recovery centre.	2016/17	308
Huntly Resource Recovery Centre Upgrade	Create a resource recovery centre.	2015/16 and 2016/17	358
Te Kauwhata Resource Recovery Centre Upgrade	Create a resource recovery centre.	2017/18 and 2018/19	124

## Potential Significant Negative Effects

Potential Negative Effect	How We Are Addressing This
<b>Animal control</b>	
Injury to Animal Control Officers from attack by dog owners, dogs, and livestock	Continue to provide ongoing training and ensure the correct and required personal protection equipment is provided
Dog owners disgruntled by enforcement action taken against them	Professional and courteous enforcement
Members of the public are at risk from dog attack	Ensure our animal control services are maintained at a level to ensure stray dogs are impounded
Dog control activity is predominantly paid for through registration of known dogs which may not target those that use the service	Implement cost recovery options where possible
<b>Building quality</b>	
Legislation is requiring more council input into plan review and building inspection, which increases costs.	The council has to react to new legislation, but tries to limit the cost increase as much as possible.
Non-compliance requires the council to take offenders before the Courts.	Prosecution of blatant offences against the Building Act is necessary to reinforce compliance, maintain equity for those who obtain consents and fulfil statutory duty.
The time to process applications might be regarded as a delay to construction	This is mitigated through the simplification of the consent process
Leaky homes are identified.	More thorough vetting of the drawings, inspections by better trained highly skilled inspectors, will assist in reducing the incidence of leaky homes.

<b>Strategic and district planning</b>	
Planning may increase development costs, through compliance costs, development levies or financial contributions.	Benefits flow back to developers from improved environmental quality, and provision and co-ordination of services such as infrastructure, and any net negative effect is not significant.
Non-compliance with statutory requirements for the issuing of resource consents may cause delays	Improvement of systems is ongoing to ensure continual improvement in services.
Inadequate or harsh monitoring of District Plan requirements may discourage development, affecting the economy in the district	Apply a reasonable, concise, consistent monitoring process
<b>Solid waste</b>	
Increase in the amount of refuse to be disposed as population increases over time	The council acts as the advocate for waste reduction through the adoption of the Waste Management Plan. The council also supports education initiatives and provides education material for its customers
Environmental impacts caused by the discharge of contaminants to land and water from closed landfills	Compliance with resource consent conditions that stipulate the frequency and parameters to be monitored
Ease of disposal, through convenient waste management services, encourages increased quantities of material to be sent to waste by customers.	Education and programmes to build awareness and foster ownership of waste minimisation within the community.
Potential impacts on customer satisfaction due to service failure /delays /responsiveness	Monitor and report on Levels of Service and in Service provider contracts. Seek to resolve customer complaints “close the loop”
Health and safety risks associated with the operation, maintenance, or construction of solid waste infrastructure	Ensure compliance with legislation and health & safety management plans. Maintain an incidents register.
Under-provision of recycling facilities fails to promote a positive shift in the community’s attitude to waste	Each main urban community in our District has greenwaste and/or recycling facilities
Waste entering the water bodies affect the mauri of the environment	Each main urban community in our District has greenwaste and/or recycling facilities
<b>Environmental Health</b>	
No potential significant effects have been identified for this activity.	

## Levels of Service, Performance Measures and Targets: Animal Control

Rationale – To ensure our community is safe from the nuisance and potential hazard of dogs and stock.

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
People	To ensure that animals are kept in a way that protects their well-being and minimises danger and public nuisance, and provide animal owners with education regarding their responsibilities.	Animal control services and staff ensure that public places are free from uncontrolled dogs and wandering stock	The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that has council personnel on site within 1 hour.	New Measure	95%	95%	95%	95%
			The percentage of complaints regarding stray stock that have council personnel on site within 1 hour	New Measure	95%	95%	95%	95%
		Animal control services and facilities provide education to owners and promote community safety	The number of dog owners on the selected owner policy list (i.e. good dog owners) for known dog's increases by 5% each year	25%	30%	35%	40%	5% increase per year

## Levels of Service, Performance Measures and Targets: Building quality

Rationale – As an Accredited Building Consent Authority and a territorial authority, we have a responsibility for people’s safety and wellbeing in the buildings they live and work in.

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
<b>People</b>	To ensure that building regulations and standards are met so that people living and working in buildings are safe.	The Council ensures that buildings comply with building regulations.	The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually	New Measure	33%	33%	33%	33%
			The percentage of buildings that provide sleeping care or paid accommodation that are audited for compliance annually	100%	100%	100%	100%	100%
		The Council ensures that swimming pools comply with fencing of swimming pools act requirements	The percentage of swimming pools that are inspected for compliance annually	New Measure	20%	20%	20%	20%

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
<b>Economy</b>	To ensure that timely and accurate information and efficient processes are provided to people planning to build on or purchase a property	The Council ensures that a timely building consenting process is provided.	The Percentage of building consent applications that are processed within 20 working days	99.9%	100%	100%	100%	100%

## Levels of Service, Performance Measures and Targets: Strategic and District Planning

Rationale – Land use and growth management planning is done so that the district can grow and develop in a sustainable manner and in accordance with the principles contained in the Resource Management Act (RMA) 1991.

Corporate planning is undertaken to ensure that Council’s internal planning processes are accountable to our local communities. Corporate planning and reporting assistance expertise is provided by the Unit to ensure that the organisation and staff are supported to achieve agreed work programmes, goals and to the expected standard.

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
People	To ensure that development enhances the well-being and safety of the community, and that people have the opportunity to participate in the strategic and district planning process.	Resource consents are processed on time and within statutory requirements	The percentage of resource consent applications which are processed within statutory timeframes	99.7%	100%	100%	100%	100%
		Opportunities are provided for involvement in planning and strategic processes.	Percentage of residents who feel they have the opportunity to be involved and participate in publicly-notified Council projects and processes, to help Council make informed decisions.	67%	68%	70%	72%	75%



Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
<b>Economy</b>	To ensure sustainable growth is encouraged in appropriate locations supported by well-planned essential services.	Long term planning ensures that essential services are planned for and implemented in a timely manner	The percentage of projects in identified areas of growth and as contained in the Long Term Plan, which are on track or completed.	New measure	100%	100%	100%	100%
<b>Energy</b>	To ensure that planning controls assist in protecting cultural heritage and the natural and physical environment.	Our plans and our monitoring and enforcement activities ensure compliance with legislation and the protection of people, properties and landforms.	The percentage of all land use consents that have been issued and are current that have been monitored for compliance in the past 2 years.	New measure	75%	77%	79%	81%

## Levels of Service, Performance Measures and Targets: Solid Waste

Rationale – The disposal of solid waste in a way that protects the health of the community and the environment is a fundamental requirement for community well-being. However, Council does not have to be directly involved in the delivery of solid waste services to achieve this outcome.

Council is seeking to position itself in the district to provide leadership in the solid waste activity while ensuring it provides costs effective services. The balance that Council currently maintains is to provide residential kerbside collections for urban and some rural areas and to maintain influence of the residential solid waste space. However, Council does not currently operate landfill disposal sites because it cannot do so cost effectively.

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
People	To ensure communities are well informed about the effects of waste and opportunities they have to reduce waste.	Information on Councils waste and recycling services is available to communities	The percentage of schools in the district that receive solid waste education.	New measure	55%	55%	55%	55%
Energy	To ensure that our waste and recycling services are efficient and effective and protect our natural environment.	Refuse and recycling services are convenient, reliable and efficient.	The number of times that bags or bins are missed in Council's kerbside collection	114	<200 per annum	<200 per annum	<200 per annum	<200 per annum
			The percentage of kerbside collection complaints that are resolved within agreed timeframes.	New measure	100%	100%	100%	100%

## Levels of Service, Performance Measures and Targets: Environmental Health

Rationale – We do this to ensure that community expectations are met in terms of food safety standards and addressing public health issues; improve, promote, and protect public health within the district; control the effects of noise in the environment; and control the sale and supply of alcohol so that it is undertaken safely and responsibly.

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
People	To ensure that activities are managed so that our communities are healthy and safe, legislative requirements are met and nuisance is managed	The district has clean, safe and hygienic food premises	The percentage of registered food premises that are inspected/audited annually	100%	100%	100%	100%	100%
		Alcohol licensing is managed to minimise alcohol abuse in the community and meet legislative requirements.	The percentage of medium risk or higher fee category licensed premises that are inspected annually	New measure	100%	100%	100%	100%
		Noise complaints are responded to in a timely fashion to ensure community wellbeing	Percentage of excessive noise complaints responded to within agreed timeframes	76%	90%	90%	90%	90%
		Nuisance complaints are responded to in a timely fashion ensuring community health and safety	Percentage of environmental health complaints responded to within agreed timeframes	New measure	95%	95%	95%	95%

## Waikato District Council: Prospective Funding Impact Statement – Sustainable Environment

### A forecast for the ten years ending 30 June 2025

	Annual plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	6,834	6,688	6,773	7,191	7,295	7,357	7,111	7,078	7,289	7,412	7,621
Targeted rates	3,131	3,482	2,459	2,572	2,694	2,825	2,965	3,114	3,275	3,445	3,631
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	5,860	3,989	6,085	6,350	6,550	6,779	7,001	7,252	7,530	7,823	8,132
Internal charges and overheads recovered	401	658	668	677	688	698	714	726	747	768	792
Local authorities fuel tax, fines, infringement fees, and other receipts	777	2,857	2,913	2,986	3,055	3,132	3,212	3,300	3,395	3,499	3,596
<b>Total operating funding</b>	<b>17,003</b>	<b>17,674</b>	<b>18,898</b>	<b>19,776</b>	<b>20,282</b>	<b>20,791</b>	<b>21,003</b>	<b>21,470</b>	<b>22,236</b>	<b>22,947</b>	<b>23,772</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	13,110	12,443	13,760	14,019	14,417	14,811	14,908	15,294	15,860	16,365	17,009
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	4,689	5,316	5,547	5,742	5,869	5,992	6,126	6,179	6,369	6,571	6,740
Other operating funding applications	23	9	7	8	8	8	8	8	8	8	8
<b>Total applications of operating funding</b>	<b>17,822</b>	<b>17,768</b>	<b>19,314</b>	<b>19,769</b>	<b>20,294</b>	<b>20,811</b>	<b>21,042</b>	<b>21,481</b>	<b>22,237</b>	<b>22,944</b>	<b>23,757</b>
<b>Surplus (deficit) of operating funding</b>	<b>(819)</b>	<b>(94)</b>	<b>(416)</b>	<b>7</b>	<b>(12)</b>	<b>(20)</b>	<b>(39)</b>	<b>(11)</b>	<b>(1)</b>	<b>3</b>	<b>15</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	154	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>154</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	18	50	461	16	108	-	-	-	-	-	-
- to replace existing assets	18	20	349	5	16	-	17	6	24	51	-
Increase (decrease) in reserves	(855)	(164)	(1,072)	(14)	(136)	(20)	(56)	(17)	(25)	(48)	15
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>(819)</b>	<b>(94)</b>	<b>(262)</b>	<b>7</b>	<b>(12)</b>	<b>(20)</b>	<b>(39)</b>	<b>(11)</b>	<b>(1)</b>	<b>3</b>	<b>15</b>
<b>Surplus (deficit) of capital funding</b>	<b>819</b>	<b>94</b>	<b>416</b>	<b>(7)</b>	<b>12</b>	<b>20</b>	<b>39</b>	<b>11</b>	<b>1</b>	<b>(3)</b>	<b>(15)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional information:</b>											
Depreciation and amortisation	20	52	54	67	69	73	75	77	77	76	78

## **Sustainable Communities**

This group of activities includes economic development, grants and donations, parks, property and facilities, emergency management and customer and partnership focus. We provide these services to address those social and economic wellbeing's that ensure "communities" are developed rather than just discrete sets of towns and villages. It's about the provision of leisure options and the protection of enduring communities.

**Strategic Focus:** To support economic growth, rather than spatial growth, to enrich our communities through employment, improved quality of life, rather than simply encouraging population growth.

**Economic development:** We are continually providing infrastructure to support businesses and residents, updating the district plan to attract industry to our district along with many other initiatives. The goal is to ensure our district has longevity by bringing more employment opportunities. The unit leads, supports and co-ordinates economic development activities, plans and initiatives across the district's growth nodes to help build a local environment that attracts and sustains new and existing business investment, residential development and visitor experiences.

**Grants and donations:** Every year we provide grants and donations to various organisations and charities throughout the district, which otherwise might not have access to funding for their work.

**Parks and Facilities:** We provide many parks and reserves, playgrounds and public facilities including aquatic centres and six libraries, walkways and sports grounds, providing the facilities and amenities needed for a healthy and thriving community.

**Emergency management:** Public safety and emergency management activities are fundamental to the protection of life and property in the community. We have a key role in disaster and emergency response, management and recovery, including rural fire management.

**Customer and Partnership focus:** This is one of the key ways residents can contact us about the issues and questions regarding the services we provide. This includes staff in our libraries and service centres, and our call centre. In order for our customer to feel supported outside of normal working hours, an afterhour's service is provided by Hamilton City Council.

## Key Projects

The following key projects are planned for 2015-25:

Projects	Description	Timeframe	Total cost over 10 years (\$000)
Playground Programme	As per Playground Strategy, comprehensive programme to reach levels of service for provision of playgrounds	Annually from 2015/16 to 2024/25	3,130
Boat Ramps and Jetties	Bringing council owned boat ramps up to compliance levels required	Annually from 2015/16 to 2024/25	1,972
Expansion of Cemeteries	Construction of berms and general development of 6 cemeteries identified as running short on burial space	Annually from 2015/16 to 2024/25	561
New Sports Grounds	Expansion of sports ground including new sports grounds in Tamahere and Pokeno – both growth funded.	Annually from 2015/16 to 2024/25	13,700
Tamahere Recreation Reserve funding (timing)	Funding for the development of the recreation reserve is proposed to occur in stages over the early years of the LTP:  Year 2 (2016/17): \$40,014  Year 3 (2017/18): \$407,442  Year 3 (2017/18): \$203,722  Year 4 (2018/19): \$1,437,434	Annually from 2016/17 to 2018/19	2,088

## Potential Significant Negative Effects

Potential Negative Effect	How We Are Addressing This
<b>Economic Development</b>	
No potential significant effects have been identified for this activity.	
<b>Emergency Management</b>	
No potential significant effects have been identified for this activity.	
<b>Customer Focus</b>	
Damaged library items.	Repaired as condition assessed during the issuing or receipting process, or discarded in accordance with the collections policy.
Inappropriate books/magazines/material in the collection (such as adult material, or offensive to cultures, religion, or in general).	Items are acquired in accordance with the collections policy and catalogued as per the nature of the material.

<b>Parks, Property and Facilities</b>	
Disability access to facilities.	Development of the disabilities access policy. Design and manoeuvrability for wheelchair access, or mobility scooter. New facilities to be designed in accordance with the council's HCC development manual.
Noise and disorderly behaviour issues from events at reserves, and general use of reserves.	Events managed in line with the council's terms and conditions of hire. Any disturbance will be handled by local police or noise control if required.
Herbicides impacting environment.	Working in conjunction with Hazardous Substances and New Organisms (HSNO) standards for handling agri-chemicals. Enforcing appropriate conduct and use of wash down facilities and hard stands. Ensuring pest and weed control activities are within guidelines.
Damages to property and harm to people from falling trees and branches.	Tree maintenance programme according to industry standards. Focus on higher risk areas such as walkways, playgrounds, higher use reserves, and power networks. Responsive to customer requests and cyclical maintenance.
Reserves can create a fire hazard for properties.	Management of a fire-break to prevent this effect.
Hazardous chemicals used to keep bio hazards under control, can be harmful if mishandled.	Staff training to identify and handle emergency events and safety standards strictly adhered to. Sodium hypochloride used which is safer alternative than traditional chemicals.
Accidents at aquatic facilities.	Pools managed to Pool Safe certification standards. Wet floor signage for appropriate areas.
Isolation/location of public toilets leading to safety concerns.	Ensure toilets are designed appropriately and located in areas that are easily visible and accessible. Use CPTED design principles.

Congregation of undesirable groups with the potential to vandalise equipment.	Maintenance regimes in place to rectify any issues, installation of CCTV as appropriate. CPTED design principles.
Toilets can present a sanitary risk to the community.	Included in Water & Sanitary services assessments (three yearly).
Considered to have a negative effect aesthetical.	Use of eco design, strategic locations, planting to minimise the impact, environmentally complimentary pain colour.
Noise and disorderly behaviour issues from events at cemeteries and general use of cemeteries.	Restricted opening hours.
Congregation of undesirable groups with the potential to vandalise equipment.	Maintenance regimes in place to rectify any issues, installation of CCTV as appropriate. Use CPTED design principles.
Potential pollution of waterways from cemetery activities.	Maintain an adequate separation distance between human remains and the highest seasonal ground water table. Maintain an adequate buffer zone around cemeteries, and plant with deep rooting trees.



## Levels of Service, Performance Measures and Targets: Economic development

Rationale – Leads, supports and co-ordinates economic development activities, plans and initiatives across the district’s growth nodes to help build a local environment that attracts and sustains new and existing business investment, residential development and visitor experiences.

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
<b>Economy</b>	Tourism in the district is enhanced and Council's processes and infrastructure support and facilitate new and existing business.	Sustainable business growth is supported by efficient processes, available land and accessible infrastructure.	Net Promoter Score (level of likelihood that business owners will recommend WDC as a district to do business in)	-80	20% increase on previous year	20% increase on previous year	20% increase on previous year	20% increase on previous year
		The district’s unique qualities are promoted to encourage more people to live, visit and invest.	The percentage increase in number of business units in the Waikato District (Same or higher than NZ growth rate in number of business units)	New measure	District growth rate is = or higher than NS growth rate	District growth rate is = or higher than NS growth rate	District growth rate is = or higher than NS growth rate	District growth rate is = or higher than NS growth rate
			Number of enquiries that generate through the Open Waikato website	New measure	20% increase on previous year	20% increase on previous year	20% increase on previous year	20% increase on previous year
			Measureable tourism expenditure in \$	New measure	\$97 mil	\$99 mil	\$101 mil	\$103 mil

			The percentage delivery of the Economic Development strategic work programme	New measure	90%	90%	90%	90%
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## Levels of Service, Performance Measures and Targets: Grants and Donations

Rationale – Every year we provide grants and donations to various organisations and charities throughout the district which otherwise might not have access to funding for their work.

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
People	To build community capacity by encouraging voluntary and community-based organisations to provide activities and services.	Consistent and fair funding processes operate to support community capacity building and the delivery of community activities and services.	Number of discretionary grant funding rounds undertaken per year	New measure	4	4	4	4
			The percentage of community funding/grant recipients meeting grant obligations, as evidenced through accountability reports.	New measure	100%	100%	100%	100%

## **Levels of Service, Performance Measures and Targets: Parks**

Rationale – Parks are provided by local government to deliver a range of benefits including:

- Open space within urban areas
- Visual relief from the built environment
- Beautification and amenity enhancement
- Opportunities for recreation and sport
- Protection of the natural environment and open space
- Habitat for wildlife
- Community pride
- Children's play
- Conservation of cultural heritage
- Protection of access to the coast and waterways

These benefits are specifically or generally believed to enhance the community's health and well-being.

Due to limited commercial opportunity and benefit, the private sector will not provide a comprehensive range of parks and recreation activities. Therefore provision by local government, as a public good, is required.

Parkland is generally highly valued by the community and many of the Waikato parks have significant history associated with them. Many of the parks are protected and managed through legislation and their ownership status.

Through protecting, enlarging, and enhancing this network we will, over time, create significant ecological, amenity, recreation and economic value.

Council provision and support for quality parks enhance the district as a place to live and visit.

The provision of cemeteries is managed as part of the parks activity and meets Councils obligations under the Burial and Cremation Act 1964 to make provision for burials within the District.

This investment and value of the various services to the community justifies careful and good quality management of these assets. The community expects reserves, recreation facilities, public toilets and internment facilities to be managed in such a way that costs are minimised while providing the levels of service that the community desires.

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
People	To ensure that our open spaces are safe and well maintained and offer opportunities for a wide range of recreational, cultural and community activities.	Parks are appropriate for the needs of the community, safe and well maintained.	Percentage of Customers who are satisfied with Parks And Reserves, including sports fields and playgrounds overall	New measure	80%	85%	85%	85%
		Local cemeteries take into account the cultural needs of the community.	Percentage of Interments completed within the requested timeframe	New measure	95%	95%	95%	95%
		A diverse range of play opportunities are provided to the community	Percentage progress of the Playground Strategy implementation plan	New measure	90%	90%	90%	90%
		Public toilets are accessible, clean and fit for purpose.	Percentage of customers who are satisfied in the annual satisfaction survey	New measure	75%	75%	75%	75%

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
<b>Energy</b>	Restoration, protection and enhancement of natural areas in the district to increase natural habitat and biodiversity.	Council owned natural areas are maintained and planted where appropriate.	Percentage of natural areas (categorised in parks strategy) which have had restoration efforts undertaken	New measure	4%	4%	4%	4%

## Levels of Service, Performance Measures and Targets: Property and facilities

Rationale – To ensure our Council owned facilities are well-maintained and representative of Council values.

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
People	To ensure the council provides safe, accessible and well maintained community and leisure facilities and general properties which contribute to the community's recreational, economic and cultural needs.	Community facilities are appropriate for the needs of the community, safe and well maintained.	Percentage of buildings that require a warrant of fitness that comply	New measure	100%	100%	100%	100%
		Council pools are clean, safe and well-used.	Percentage of time that pool water meets the NZS5826 Part 1 Water Standards : 2000 code of practice for the operation of swimming pools	New measure	95%	95%	95%	95%
			Percentage of customers who are satisfied with the pool facility	New measure	80%	85%	85%	85%
		Council housing provides affordable and safe homes.	Percentage of satisfied customers as per the council housing for the elderly survey	New measure	70%	72%	75%	75%

		Corporate property is operated in a safe sustainable manner.	Total annual energy consumption	New measure	1.5% Reduction on previous year	1.5% Reduction on previous year	1.5% Reduction on previous year	1.5% Reduction on previous year
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## Levels of Service, Performance Measures and Targets: Emergency Management

Rationale – Public safety and emergency management activities are fundamental to the protection of life and property in the community. We have a key role in disaster and emergency response, management and recovery, including rural fire management.

We have local civil defence plans in place and have been developing business continuity and disaster recovery plans. The council also contributes financially to the Waikato Valley Emergency Operation Area (WVEOA).

In the event of a natural disaster the disperse locations of our communities would ensure that only part of the district would be affected rather than the whole district (e.g. tsunami, would affect Raglan and Port Waikato infrastructure but not Huntly, Ngaruawahia, Pokeno etc.)

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
People	To ensure council and our communities are resilient and have the capability to respond, manage and recover from emergencies.	The districts residents are prepared for emergencies.	The percentage of community response plans completed	New measure	15%	30%	50%	60%
		The Council is resilient and ready to respond in the event of an emergency.	Council maintains a minimum number of trained staff to fulfil core Emergency Operations Centre roles	New measure	30	30	30	30
			Percentage of councils business continuity processes implemented	New measure	100%	100%	100%	100%
			Council manages local participation in the national Get Ready, Get Thru campaign annually	New measure	100%	100%	100%	100%

## Levels of Service, Performance Measures and Targets: Customer and Partnership Focus

Rationale – Customer Delivery is responsible for representing all of Council as the first point of contact. To do so professionally, with skilled customer service professionals, sees an outward approach aligned to our values. Everything we do is to assist our customers in reaching timely resolution of their enquiry.

Within our libraries, Customer Delivery aims to create vibrant and valuable community hubs that engage, inspire and inform by providing community centre library services that reflect Waikato people.

This relates to the Community Outcome ‘People and Economy’ the community has access to safe and well maintained recreation and leisure facilities, and have up-to-date library stock and technology.

Community Outcome		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
People	To provide our customers and partners with opportunities for engagement thereby providing input to the decision making process.	Opportunities are provided for public participation in decision making	Percentage of customers satisfied that council engages with the community regarding the right issues	New measure	60%	60%	60%	60%
		Opportunities for public participation in decision making are accessible,	Percentage of customers satisfied with the ease of access to information regarding key community issues	New measure	60%	60%	60%	60%

Economy		informative and understood	Percentage of customers satisfied that the material available on key issues is clear and provides sufficient information to allow feedback	New measure	60%	60%	60%	60%	
			Percentage of customers satisfied that council provides a suitable range of options and avenues to engage through	New measure	60%	60%	60%	60%	
			Percentage of customers satisfied that Council provides sufficient time and opportunity for engagement with the community	New measure	60%	60%	60%	60%	
	To ensure that a seamless, consistent quality service is provided to our customers via a range of channels	It is easy for customers to access Council staff and information to meet their needs		Average level of effort to conduct business with council. (On a scale of 1 - 5 (5 being high effort) how much effort did it take to conduct your business with council?)	New measure	<=3	<=3	<=3	<=3
				Percentage of CRM calls responded to within agreed timeframes	New measure	80%	85%	90%	90%
				Percentage of respondents / customers who are satisfied or very satisfied with the resolution of their request of council	New measure	70%	70%	70%	70%
				Percentage of respondents who are satisfied or very	75%	75%	75%	75%	75%

		satisfied with the overall service received when contacting the Council					
	Libraries are seen as community hubs that engage with, support, and inspire our customers to feel a sense of ownership, belonging, and pride in their library and learning.	Net Promoter Score (level of likelihood that library users will recommend to friends and family their library as a place to go)	New measure	80%	80%	80%	80%
		Level of customer satisfaction that the quality of libraries resources meets their needs	New measure	90%	90%	90%	90%
		Percentage of books that are less than 5 years old	New measure	50%	50%	50%	50%
		Percentage of books that are less than 10 years old (excluding reference, specialist items, local history and core stock of long term value)	New measure	100%	100%	100%	100%
		Percentage of time that access to a free internet service is available in libraries	100%	100%	100%	100%	100%

Community Outcome		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
<b>Energy</b>	To ensure that we are accountable to our customers for our outcomes.	We have clear goals and timeframes and we regularly review our performance.	Number of publicly shared reports assessing Council's progress against its goals and objectives	New measure	4	4	4	4

**Waikato District Council: Prospective Funding Impact Statement – Sustainable Communities**  
**A forecast for the ten years ending 30 June 2025**

	<b>Annual plan 2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	16,314	17,487	18,421	19,275	19,922	20,370	21,117	21,608	22,317	22,936	23,752
Targeted rates	578	595	597	600	604	607	611	614	618	621	625
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,493	1,546	1,590	1,633	1,677	1,724	1,775	1,829	1,888	1,951	2,018
Internal charges and overheads recovered	395	321	325	282	273	296	327	358	397	439	456
Local authorities fuel tax, fines, infringement fees, and other rec	1,312	1,396	1,429	1,465	1,503	1,545	1,589	1,636	1,688	1,743	1,802
<b>Total operating funding</b>	<b>20,092</b>	<b>21,345</b>	<b>22,362</b>	<b>23,255</b>	<b>23,979</b>	<b>24,542</b>	<b>25,419</b>	<b>26,045</b>	<b>26,908</b>	<b>27,690</b>	<b>28,653</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	11,666	13,231	13,100	13,425	13,720	14,031	14,471	14,808	15,243	15,728	16,160
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	4,966	5,301	5,570	5,872	6,166	6,271	6,417	6,485	6,695	6,993	7,241
Other operating funding applications	548	514	588	595	601	608	615	623	631	640	650
<b>Total applications of operating funding</b>	<b>17,180</b>	<b>19,046</b>	<b>19,258</b>	<b>19,892</b>	<b>20,487</b>	<b>20,910</b>	<b>21,503</b>	<b>21,916</b>	<b>22,569</b>	<b>23,361</b>	<b>24,051</b>
<b>Surplus (deficit) of operating funding</b>	<b>2,912</b>	<b>2,299</b>	<b>3,104</b>	<b>3,363</b>	<b>3,492</b>	<b>3,632</b>	<b>3,916</b>	<b>4,129</b>	<b>4,339</b>	<b>4,329</b>	<b>4,602</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	583	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,735	1,819	1,865	1,915	2,003	2,057	2,109	2,205	2,260	2,317	2,375
Increase (decrease) in debt	174	1,798	3,394	3,459	1,237	2,684	656	834	901	604	807
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	147	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>2,639</b>	<b>3,617</b>	<b>5,259</b>	<b>5,374</b>	<b>3,240</b>	<b>4,741</b>	<b>2,765</b>	<b>3,039</b>	<b>3,161</b>	<b>2,921</b>	<b>3,182</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	67	1,893	892	3,988	1,241	794	1,220	4,162	2,306	7,657	702
- to improve the level of service	2,000	1,480	3,563	3,549	1,309	2,757	730	910	977	641	845
- to replace existing assets	1,547	2,108	1,661	2,761	1,804	3,522	2,862	1,298	1,635	1,607	1,866
Increase (decrease) in reserves	1,937	435	2,247	(1,561)	2,378	1,300	1,869	798	2,582	(2,655)	4,371
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>5,551</b>	<b>5,916</b>	<b>8,363</b>	<b>8,737</b>	<b>6,732</b>	<b>8,373</b>	<b>6,681</b>	<b>7,168</b>	<b>7,500</b>	<b>7,250</b>	<b>7,784</b>
<b>Surplus (deficit) of capital funding</b>	<b>(2,912)</b>	<b>(2,299)</b>	<b>(3,104)</b>	<b>(3,363)</b>	<b>(3,492)</b>	<b>(3,632)</b>	<b>(3,916)</b>	<b>(4,129)</b>	<b>(4,339)</b>	<b>(4,329)</b>	<b>(4,602)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional information:</b>											
Depreciation and amortisation	2,470	2,830	2,933	3,120	3,397	3,456	3,632	3,873	4,094	4,260	4,627

## Roading

This group of activities includes roading, corridor maintenance, bridges, footpaths, passenger transport, road safety, network development and maintenance.

**Strategic Focus:** To concentrate on maintaining the current road network and projects which are mostly growth driven.

Waikato District Council is responsible for the following Transportation asset groups:

- Pavements
- Sealed and Unsealed Roads
- Bridges
- Bridges, Large culverts, Retaining walls and Guardrails
- Footpaths, Walkways and Cycle ways
- Concrete footpaths, AC footpaths or cycle lanes
- Drainage Facilities
- Culverts, Surface Water Channels, Sumps, Manholes and cesspits
- Street Lighting
- Road Lighting, under veranda and Flag Lighting
- Traffic Facilities
- Signs, Traffic Controls, Road Marking and Sight Rails, traffic signals
- Minor Structures.
- Bus Shelters

### Key Projects

The following key projects are planned for 2015-25:

Projects	Description	Timeframe	Total cost over 10 years (\$000)
Districtwide – traction seal	Construct traction seal on unsealed roads in areas where there are potential safety issues.	Annually from 2015/16 to 2024/25	2,200
Horsham Downs - Link Road	Link road will be constructed in conjunction with the Hamilton section of the Waikato Expressway.	2018/19	2,100
Pokeno - Progress with structure plan roads	Will proceed to suit development progress.	2015/16 to 2020/21	3,200
Pokeno - Town Centre Beautification	Will proceed to suit development progress.	2017/18	1,500
Raglan - Progress with structure plan roads	Will proceed to suit development progress.	2015/16 to 2017/18	3,300
Raglan -Wainui Road Bridge	Install new bridge.	2023/24	6,000

Projects	Description	Timeframe	Total cost over 10 years (\$000)
Taupiri - Mangawara Stream Bridge	Install new bridge to allow safe access to Taupiri Mountain.	2015/16	2,000
Te Kauwhata - Heavy Vehicle Bypass	Land purchase for new bypass road.	2015/16 to 2023/24	7,800
Tuakau - Progress with structure plan roads	Will proceed to suit development progress.	2016/17-2018/19	3,000

### Potential Significant Negative Effects

Potential Negative Effect	How We Are Addressing This
Road and environmental factors can contribute to crashes, particularly those that involve loss of control.	NZTA monitors and records through the Crash Analysis System (CAS) the percentage of accidents cause by loss of control. Undertake crash reduction studies (CRS). Maximise funding for minor safety works.
Increased traffic congestion on existing transport network.	Roading contributions imposed under consent conditions contribute to road upgrading.
The particular needs of cyclists and pedestrians and their conflicts with other forms of traffic.	Implement the recommendations of the Walking and Cycling Strategy.
Speed restrictions impose on inappropriate locations causing speed limits to be ignored.	Speed limit surveys carried out and resulting recommendation in accordance with Speed Limit NZ and Transport Agency rules.
If effect is not given to the livestock Movement Bylaw 2011 then existing crossings will remain with resulting traffic hazards and public nuisance.	Monitor to ensure the appropriate and safe crossing of cattle as per bylaw.
Economically, the cost of desired infrastructure improvements may exceed the community's ability to pay.	Consult with the community on all costs and options for levels of service through the LTP process.
The quality of surface runoff from roads that discharges into adjacent coastal or other waters.	Compliance with resource consents and the councils engineering standards and guidelines. Environmental controls.
Dust nuisance.	Track and record complaints and comply with resource consent conditions during construction activities.
Danger to people and property and high social cost from crashes	Continuing the programme of road safety improvements
Main roads can divide communities	Continuing to advocate for by-passes around urban centres



Potential for negative impacts from traffic noise and vibration to properties adjoining roads	High use roads are usually surfaced with asphalt to improve useful life and level of service. Traffic calming will avoid use of speed humps. Specific issues will be investigated and mitigation measures undertaken as appropriate.
Potential for air pollution from traffic fumes to affect health	Continuing to advocate for by-passes around urban centres
Heavy traffic volumes can lead to loss of amenity in urban areas	Continuing to advocate for by-passes around urban centres
Provides easier access to sites that are culturally sensitive	Continuing to better identify sites of cultural significance
Potential for road construction to disturb sites of cultural significance, including wahi tapu	Continuing to invest in good relationships with tangata whenua

## Levels of Service, Performance Measures and Targets: Roading

Rationale – The services provided by our teams ensure that Councils significant roading asset base is operated and maintained to be safe, effective and efficient.

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
<b>People</b>	To ensure that the district is easy and safe to get around and alternative transport options are available	The district is safe and easy to get around.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	11	Target for reducing the number of serious injuries or fatalities =1	Target for reducing the number of serious injuries or fatalities =1	Target for reducing the number of serious injuries or fatalities =1	Target for reducing the number of serious injuries or fatalities =1
			The average quality of ride on a sealed local road network, measured by smooth travel exposure.	New measure	91% (minimum)	91% (minimum)	91% (minimum)	91% (minimum)
		Footpaths are suitable, accessible and safe.	The percentage of footpaths that fall within the level of service or service standard for the condition of footpaths that is set out in relevant documents (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan).	New measure	90% or greater at Category 3 or better	90% or greater at Category 3 or better	90% or greater at Category 3 or better	90% or greater at Category 3 or better

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
Economy	To ensure that transport infrastructure is planned at a rate to consider growth and demand in a cost effective manner.	Transport infrastructure supports growth in the district	Percentage of development areas that have co-ordination plans for forward works programming and development requirements complete.	New measure	30%	60%	100%	100%
Energy	To ensure that the network is well maintained and negative environmental effects are mitigated.	The roading network is well maintained and managed.	The percentage of the sealed local road network that is resurfaced.	New measure	8% (minimum)	8% (minimum)	8% (minimum)	8% (minimum)
			The percentage of customer service requests relating to roads to which we respond within the timeframes specified.	New measure	80%	80%	80%	80%
			The percentage of customer service requests relating to footpaths responded to within the timeframes specified.	New measure	80%	80%	80%	80%

**Waikato District Council: Prospective Funding Impact Statement – Roading**  
**A forecast for the ten years ending 30 June 2025**

	Annual plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	18,731	18,927	19,195	19,534	20,215	20,788	21,583	21,523	22,676	23,087	23,798
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	6,971	8,412	8,429	8,380	8,417	8,483	8,822	8,821	9,096	9,238	9,533
Fees and charges	40	145	145	145	149	153	158	163	168	174	180
Internal charges and overheads recovered	3,473	4,384	4,514	4,736	4,488	4,628	4,635	5,066	4,610	4,845	5,062
Local authorities fuel tax, fines, infringement fees, and other receipts	-	425	441	458	477	497	519	543	570	599	631
<b>Total operating funding</b>	<b>29,215</b>	<b>32,293</b>	<b>32,724</b>	<b>33,253</b>	<b>33,746</b>	<b>34,549</b>	<b>35,717</b>	<b>36,116</b>	<b>37,120</b>	<b>37,943</b>	<b>39,204</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	15,371	17,945	18,242	18,461	18,603	18,807	19,520	19,636	20,245	20,605	21,271
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	4,243	5,939	6,283	6,489	6,626	6,960	7,211	7,375	7,591	7,845	8,129
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding</b>	<b>19,614</b>	<b>23,884</b>	<b>24,525</b>	<b>24,950</b>	<b>25,229</b>	<b>25,767</b>	<b>26,731</b>	<b>27,011</b>	<b>27,836</b>	<b>28,450</b>	<b>29,400</b>
<b>Surplus (deficit) of operating funding</b>	<b>9,601</b>	<b>8,409</b>	<b>8,199</b>	<b>8,303</b>	<b>8,517</b>	<b>8,782</b>	<b>8,986</b>	<b>9,105</b>	<b>9,284</b>	<b>9,493</b>	<b>9,804</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	10,013	9,577	9,494	9,091	9,201	9,709	9,721	9,993	10,294	11,242	10,968
Development and financial contributions	1,560	1,673	1,715	1,771	1,894	1,942	1,990	1,984	1,812	1,857	1,903
Increase (decrease) in debt	289	2,270	2,126	2,340	3,766	702	411	384	777	3,411	1,955
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	1,500	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>11,862</b>	<b>15,020</b>	<b>13,335</b>	<b>13,202</b>	<b>14,861</b>	<b>12,353</b>	<b>12,122</b>	<b>12,361</b>	<b>12,883</b>	<b>16,510</b>	<b>14,826</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	3,068	4,290	4,645	3,206	2,447	2,299	3,531	1,202	2,443	4,279	4,933
- to improve the level of service	992	4,186	2,343	2,560	3,990	1,433	648	627	1,026	3,670	2,222
- to replace existing assets	18,898	17,070	17,240	16,930	17,009	17,488	17,971	18,617	19,032	20,832	20,279
Increase (decrease) in reserves	(1,495)	(2,117)	(2,694)	(1,191)	(68)	(85)	(1,042)	1,020	(334)	(2,778)	(2,804)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>21,463</b>	<b>23,429</b>	<b>21,534</b>	<b>21,505</b>	<b>23,378</b>	<b>21,135</b>	<b>21,108</b>	<b>21,466</b>	<b>22,167</b>	<b>26,003</b>	<b>24,630</b>
<b>Surplus (deficit) of capital funding</b>	<b>(9,601)</b>	<b>(8,409)</b>	<b>(8,199)</b>	<b>(8,303)</b>	<b>(8,517)</b>	<b>(8,782)</b>	<b>(8,986)</b>	<b>(9,105)</b>	<b>(9,284)</b>	<b>(9,493)</b>	<b>(9,804)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional information:</b>											
Depreciation and amortisation	11,926	12,224	12,449	12,710	13,042	13,531	14,125	14,544	14,968	15,449	16,007

## Stormwater

This group of activities applies to urban stormwater schemes and Council maintained open drains and associated assets within the Waikato district. It does not include roading drainage, which is covered in the Transportation AMP, or rural drainage schemes operated by the Waikato Regional Council.

Under the Land Drainage Act 1908, both the Regional and District Councils are responsible for drainage issues on land that is not part of a drainage district. The division of this responsibility has not been formalised between the councils, and it is currently Council's practise to accept responsibility for those calls it receives about land drainage. An improvement item has been created to address this.

**Strategic Focus:** To maintain our current stormwater infrastructure to protect our environment from storm damage and run off, and address any growth-driven projects.

The Service Delivery Group is responsible for the efficient management of all Council's stormwater infrastructure at Ngaruawahia, Huntly, Te Kauwhata urban and district, Raglan, Meremere, Taupiri, Horotiu, Te Kowhai, Port Waikato, Pokeno, Tuakau and Tamahere District.

There are also some dormant drainage districts that Council inherited from Franklin District and it is proposed to disestablish these.

The table below provides a breakdown of the key assets and their value and compares them with the Council's other waters activities. The stormwater activity is significantly smaller, both in terms of the amount and value of assets.

## Key Projects

The following key projects are planned for 2015-25:

Projects	Description	Timeframe	Total cost over 10 years (\$000)
Districtwide – stormwater network upgrades to address lack of capacity	Install new pipes to increase capacity of network.	2015/16 to 2024/25	2,200
Ngaruawahia - Kent St/George St Network Improvements	Upgrade stormwater network to address residential flooding.	2016/17	400
Pokeno - extensions of stormwater network to service growth	This work is dependent on growth occurring in Pokeno.	2015/16 to 2022/23	4,500
Pokeno – riparian planting of streams and drainage reserve associated with development	This work is dependent on growth occurring in Pokeno.	2015/16 to 2024/25	1,100
Raglan – stormwater network extensions and upgrades to address properties in flood hazard areas and to improve amenity value.	Plan and implement works based on the stormwater catchment management plan.	2015/16 to 2024/25	3,700
Te Kauwhata – Amo St Stormwater Upgrade	Install pipes to service un-reticulated properties.	2016/17 to 2017/18	170
Tuakau - extensions of stormwater network to service growth	Council to construct network to meet future growth needed. This work is dependent on growth occurring in Tuakau.	2016/17 to 2018/19	730

## Potential Significant Negative Effects

Potential Negative Effect	How We Are Addressing This
Discharges to land and waterways not complying with resource consents	Improve processes (may be capital related) and continue to monitor discharges.
Discharge of contaminants to waterways and streams impacting upon public health and the environment (includes but not limited to wastewater overflows and stormwater runoff containing sediments, oils, greases and heavy metals).	Implement improvements (capital related and ensure compliance with the council's Development Manual Guidelines for new developments.
Erosion of streams and river beds.	Implement Development Manual Guidelines.
Chemical spills affecting waterways.	Establish procedures and emergency response plans with Waikato Regional Council.
Health and safety risks associated with the operation, maintenance, or construction of stormwater infrastructure.	Ensure compliance with legislation and health and safety management plans. Maintain an incidents register.
Potential impacts on customer satisfaction due to service failure/delays/responsiveness.	Monitor customer requests for service and report on Levels of service. Ensure customer complaints are resolved.
Disruption during the implementation of works	Works will be implemented under resource consent or contract conditions dictating how the service will be maintained (Case by Case basis).
Individuals can affect the stormwater network and neighbouring properties by altering natural flowpaths	Monitor new developments to ensure natural flowpaths are maintained.
Flooding can affect public health and safety	Continue to advise land owners of potentially flood-prone areas.
Stormwater can cause public health issues through bacterial contamination of beaches	Establish procedures and emergency response plans with Waikato Regional Council.
Contamination of the receiving environment is unacceptable to tangata whenua	Continuing to better identify sites of cultural significance.

## Levels of Service, Performance Measures and Targets: Stormwater

Rationale – The existing stormwater system has been developed and built up over many years as a public system to serve the needs of the community for the protection from flooding and for the collection and drainage of stormwater. The Council’s stormwater portfolio is retained, managed and operated in a strategic leadership role that the Council takes in supporting economic growth and sustainable communities in the District.

The legislative justification for asset ownership is covered under the following Acts and Sections:

- Section 130 LGA 2002, which requires that Council must continue to provide stormwater services and may not divest its ownership or other interest in the stormwater service except to another local government organisation; and
- Section 23 Health Act 1956, which states it shall be the duty of every local authority to improve, promote, and protect public health within its district.

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target			
					2015/16	2016/17	2017/18	2018-25
People	To ensure that the council’s water infrastructure supports safe and healthy conditions and conforms to established public health standards.	The stormwater system is reliable and safe	The number of flooding events that occurs in the district.	New Measure	<5 events per annum	<5 events per annum	<5 events per annum	<5 events per annum
			For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the stormwater system.)	New Measure	0.3 affected per thousand properties per event	0.3 affected per thousand properties per event	0.3 affected per thousand properties per event	0.3 affected per thousand properties per event



Community Outcomes		Level Of Service	Performance Measure		Performance for 2013/14	Performance Target			
						2015/16	2016/17	2017/18	2018-25
<b>Economy</b>	To ensure that the waters infrastructure networks are managed and maintained to ensure it is both cost effective and reliable, and meets water industry best practice.	The Stormwater system is reliable, efficient and effective	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.		New Measure	< 8 hours	< 8 hours	<8 hours	< 8 hours
			The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system		New Measure	<1 per 1000 properties per quarter	<1 per 1000 properties per quarter	<1 per 1000 properties per quarter	<1 per 1000 properties per quarter

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target				
					2015/16	2016/17	2017/18	2018-25	
Energy	To ensure that the water infrastructure network is managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment.	The Stormwater system is environmentally responsible.	Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of:	Abatement notices	New Measure	0	0	0	0
				Infringement notices	New Measure				
				Enforcement orders	New Measure				
				Convictions	New Measure				

**Waikato District Council: Prospective Funding Impact Statement – Stormwater**  
**A forecast for the ten years ending 30 June 2025**

	Annual plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	118	61	63	65	67	68	70	71	72	73	75
Targeted rates	1,466	1,610	1,651	1,695	1,579	1,625	1,670	1,715	1,761	1,804	1,850
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	174	223	264	290	307	330	362	391	423	455	467
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding</b>	<b>1,758</b>	<b>1,894</b>	<b>1,978</b>	<b>2,050</b>	<b>1,953</b>	<b>2,023</b>	<b>2,102</b>	<b>2,177</b>	<b>2,256</b>	<b>2,332</b>	<b>2,392</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	697	489	705	803	851	709	745	1,142	832	877	1,037
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	606	537	556	607	644	694	745	794	825	857	870
Other operating funding applications	5	4	4	4	2	2	2	2	2	2	2
<b>Total applications of operating funding</b>	<b>1,308</b>	<b>1,030</b>	<b>1,265</b>	<b>1,414</b>	<b>1,497</b>	<b>1,405</b>	<b>1,492</b>	<b>1,938</b>	<b>1,659</b>	<b>1,736</b>	<b>1,909</b>
<b>Surplus (deficit) of operating funding</b>	<b>450</b>	<b>864</b>	<b>713</b>	<b>636</b>	<b>456</b>	<b>618</b>	<b>610</b>	<b>239</b>	<b>597</b>	<b>596</b>	<b>483</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	902	932	955	984	1,020	1,045	1,071	1,107	1,108	1,135	1,164
Increase (decrease) in debt	776	236	942	706	884	909	937	494	511	528	548
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	159	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>1,837</b>	<b>1,168</b>	<b>1,897</b>	<b>1,690</b>	<b>1,904</b>	<b>1,954</b>	<b>2,008</b>	<b>1,601</b>	<b>1,619</b>	<b>1,663</b>	<b>1,712</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	515	768	787	1,325	510	306	1,065	-	831	-	-
- to improve the level of service	987	236	952	706	884	909	937	494	511	528	548
- to replace existing assets	155	70	72	74	76	78	80	83	86	89	92
Increase (decrease) in reserves	630	958	799	221	890	1,279	536	1,263	788	1,642	1,555
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>2,287</b>	<b>2,032</b>	<b>2,610</b>	<b>2,326</b>	<b>2,360</b>	<b>2,572</b>	<b>2,618</b>	<b>1,840</b>	<b>2,216</b>	<b>2,259</b>	<b>2,195</b>
<b>Surplus (deficit) of capital funding</b>	<b>(450)</b>	<b>(864)</b>	<b>(713)</b>	<b>(636)</b>	<b>(456)</b>	<b>(618)</b>	<b>(610)</b>	<b>(239)</b>	<b>(597)</b>	<b>(596)</b>	<b>(483)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional information:</b>											
Depreciation and amortisation	426	490	522	559	592	625	657	697	728	766	802

## Wastewater

This group of activities includes all wastewater systems owned and managed by Council. This includes wastewater treatment plants, pump stations and the reticulation network.

**Strategic Focus:** To ensure wastewater is suitably collected, treated and disposed of to protect our environment and the public's health.

The Service Delivery Group is responsible for the efficient management of all Council's wastewater infrastructure at Ngaruawahia, Hopuhopu, Huntly, Te Kauwhata, Raglan, Tuakau, Meremere, Rangiriri, Taupiri, Horotiu, Matangi, Te Kowhai Road, Maramarua, Te Ohaaki and Tauwhare Pa. Management includes network development, maintenance, and disposal of network components such as pipes, manholes, pump stations and treatment plant equipment.

There are five main wastewater schemes; Huntly, Central District, Raglan, Mid Waikato and North Waikato servicing the urban areas of the district. There are five smaller village schemes; Te Kowhai, Meremere, Matangi, Tauwhare Pa and Maramarua.

Approximately 35% of rateable properties are connected to a council scheme.

### Key Projects

The following key projects are planned for 2015-25:

Projects	Description	Timeframe	Total cost over 10 years (\$000)
Horotiu - Install a wastewater pump station.	Council to construct a pump station and rising main to service growth areas. This work is dependent on growth occurring in Horotiu.	2017/18 to 2019/20	4,400
Huntly – meet treatment levels of service and comply with resource consent conditions.	Upgrade the wastewater treatment plant to meet levels of service and comply with resource consent conditions.	2015/16 to 2016/17	1,700
Meremere – meet treatment levels of service and comply with resource consent conditions.	Upgrade the wastewater treatment plant to meet levels of service and comply with resource consent conditions.	2017/18	2,200
Ngaruawahia – meet treatment levels of service and comply with resource consent conditions.	Upgrade the wastewater treatment plant to meet levels of service and comply with resource consent conditions.	2016/17 to 2017/18	540

Projects	Description	Timeframe	Total cost over 10 years (\$000)
Pokeno - Install a wastewater pump station	Council to construct pump station to meet future growth needed. This work is dependent on growth occurring in Pokeno.	2019/20 to 2020/21	2,000
Raglan – comply with anticipated consent conditions.	It is anticipated that when the Raglan wastewater discharge consent is renewed that there may be a requirement to install an alternative treated effluent disposal option.	2021/22	12,200
Raglan – meet treatment levels of service and comply with resource consent conditions.	Upgrade the wastewater treatment plant to meet levels of service and comply with resource consent conditions.	2016/17 to 2020/21	3,700
Te Kauwhata – extensions of wastewater network to service growth	Council and developer led construction of network to meet future growth needed. This work is dependent on growth occurring in Te Kauwhata.	2015/16 to 2022/23	1,500
Te Kauwhata – comply with anticipated consent conditions.	It is anticipated that when the Te Kauwhata wastewater discharge consent is renewed that there may be a requirement to install an alternative treated effluent disposal option.	2022/23 to 2024/25	7,200
Tuakau - extensions of wastewater network to service growth.	Council and developer led construction of network to meet future growth needed. This work is dependent on growth occurring in Tuakau.	2015/16 to 2024/25	2,600
Tuakau - Install a wastewater pump station.	Council to construct pump station to meet future growth needs. This work is dependent on growth occurring in Tuakau.	2020/21 to 2021/22	1,100

### Potential Significant Negative Effects from AMP

Potential Negative Effect	How We Are Addressing This
Discharges to land and waterways not complying with resource consents.	Improve processes (may be capital related) and continue to monitor discharge.
Odour from manholes, pump stations and at treatment plants.	Improve process and implement improvements (capital related)
Surcharges from manholes.	Investigate and take remedial measures.
Health and safety risks associated with the operation, maintenance, or construction of wastewater infrastructure.	Ensure compliance with legislation and health and safety management plans. Maintain an incidents register.
Pump station overflows.	Investigate causes and provide additional storage if required.
Chemical spills at treatment plants.	Ensure procedures are in place for correct identification, storage and handling of chemicals. Ensure appropriate funded areas and storage facilities are in place.
The cost of providing, operating and maintaining the schemes is high due to energy requirements	When looking for solutions for small communities, consider alternatives to traditional public wastewater systems.
Unless properly maintained there can be problems with foul odour	We will continue to investigate alternatives for the sustainable disposal of sewage sludge
Creates an ongoing need for the disposal of sewage sludge	We will continue to encourage households to reduce the amount of wastewater they produce, for example through reuse of grey water for garden irrigation

## **Levels of Service, Performance Measures and Targets: Wastewater**

Rationale – The Council’s wastewater portfolio is retained, managed and operated as a strategic leadership role that the Council takes in supporting economic excellence and sustainable communities in the District.

Economic excellence in the district is retained through ensuring that wastewater is collected and delivered to centralised facilities for treatment in a safe and reliable manner. Discharged water quality is more easily controlled, business overheads are lowered through economies of scale of not having to provide localised solutions.

Similarly, communities are more sustainable through centrally managing our wastewater collection and treatment. Direct benefits of providing a wastewater collection service to entire communities include reduced costs and safer, more reliable treatment than areas without a scheme. The quality of the immediate groundwater is protected, thus resulting in healthy communities. These benefits are of strategic importance as the council seeks to lead the district in supporting sustainable communities.

The legislative justification for asset ownership is covered under the following Acts and Sections:

- Section 130 (Local Government Act 2002) states the obligation of local government to continue to maintain existing water services to communities within the district or region.
- Sections 23, 25, 28 and 29 of the Health Act 1956 imply an underlying obligation to provide wastewater services because of its essential nature to public health. The Act provides guidance to the Local authority to provide sanitary works which covers a range of areas from water supply to cemeteries and includes sewerage works.

Community Outcomes		Level Of Service	Performance Measure		Performance for 2013/14	Performance Target			
						2015/16	2016/17	2017/18	2018-25
People	To ensure that the council's water infrastructure supports safe and healthy conditions and conforms to established public health standards.	The wastewater system is operated to minimise health risks	The number of dry weather sewage overflows from Council's system expressed per 1000 sewage connections to that sewage system.		New Measure	Equal or less than 5	Equal or less than 5	Equal or less than 5	Equal or less than 5
Economy	To ensure that the waters infrastructure networks are managed and maintained to ensure it is both cost effective and reliable, and meets water industry best practice.	The wastewater system is reliable, efficient and effective.	Where Council attends to sewage overflows resulting from a blockage or other fault in its sewage system, the following median response times	Attendance time: from the time that Council receives notification to the time that service personnel reach the site	New Measure	Equal or less than 1hr	Equal or less than 1hr	Equal or less than 1hr	Equal or less than 1hr
				Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	New Measure	Equal or less than 4hr	Equal or less than 4hr	Equal or less than 4hr	Equal or less than 4hr
			The total number of complaints received by Council about any of	Sewage odour	New Measure	Less than or equal to 25 per	Less than or equal to 25 per	Less than or equal to 25 per	Less than or equal to 25 per



			the following (expressed per 1000 connections to the sewage system):	Sewage system faults	New Measure	1000 connections	1000 connections	1000 connections	1000 connections
				Sewage system blockages	New Measure				
				Council's response to issues with its sewage system	New Measure				
Energy	To ensure that the water infrastructure network is managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment.	Wastewater treatment and disposal minimises harm to the environment.	Council's level of Compliance with resource consents for discharge from its stormwater system, measured by the number of:	Abatement notices	New Measure	Equal or less than 2	Equal or less than 2	Equal or less than 2	Equal or less than 2
				Infringement notices	New Measure				
				Enforcement orders	New Measure				
				Convictions	New Measure	0	0	0	0

## Waikato District Council: Prospective Funding Impact Statement – Wastewater

### A forecast for the ten years ending 30 June 2025

	Annual plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges,	317	200	204	208	212	216	219	222	224	227	229
Targeted rates	5,212	5,866	6,642	7,208	7,604	8,028	8,488	9,010	9,543	10,102	10,740
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	784	1,524	1,574	1,618	1,690	1,780	1,862	1,960	2,074	2,192	2,316
Internal charges and overheads recovered	98	52	60	67	76	98	159	138	139	181	215
Local authorities fuel tax, fines, infringement fe	-	261	279	297	314	331	350	370	390	417	469
<b>Total operating funding</b>	<b>6,411</b>	<b>7,903</b>	<b>8,759</b>	<b>9,398</b>	<b>9,896</b>	<b>10,453</b>	<b>11,078</b>	<b>11,700</b>	<b>12,370</b>	<b>13,119</b>	<b>13,969</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,643	2,585	3,072	2,745	2,355	2,512	3,343	3,572	3,951	4,035	4,271
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	3,413	3,608	3,713	3,864	4,108	4,136	4,204	4,383	5,040	5,118	5,088
Other operating funding applications	83	102	107	112	115	119	123	128	133	138	144
<b>Total applications of operating funding</b>	<b>6,139</b>	<b>6,295</b>	<b>6,892</b>	<b>6,721</b>	<b>6,578</b>	<b>6,767</b>	<b>7,670</b>	<b>8,083</b>	<b>9,124</b>	<b>9,291</b>	<b>9,503</b>
<b>Surplus (deficit) of operating funding</b>	<b>272</b>	<b>1,608</b>	<b>1,867</b>	<b>2,677</b>	<b>3,318</b>	<b>3,686</b>	<b>3,408</b>	<b>3,617</b>	<b>3,246</b>	<b>3,828</b>	<b>4,466</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,699	1,796	1,841	1,900	2,035	2,086	2,138	2,260	2,316	2,374	2,433
Increase (decrease) in debt	207	184	2,063	4,355	284	701	2,555	9,742	578	730	5,432
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	583	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>2,489</b>	<b>1,980</b>	<b>3,904</b>	<b>6,255</b>	<b>2,319</b>	<b>2,787</b>	<b>4,693</b>	<b>12,002</b>	<b>2,894</b>	<b>3,104</b>	<b>7,865</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	20	196	564	369	454	4,667	2,405	1,913	898	399	1,833
- to improve the level of service	322	184	2,063	4,355	284	701	2,555	9,742	578	730	5,432
- to replace existing assets	1,360	2,415	2,288	2,345	2,355	2,146	2,270	5,344	2,360	2,441	2,530
Increase (decrease) in reserves	1,059	793	856	1,863	2,544	(1,041)	871	(1,380)	2,304	3,362	2,536
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>2,761</b>	<b>3,588</b>	<b>5,771</b>	<b>8,932</b>	<b>5,637</b>	<b>6,473</b>	<b>8,101</b>	<b>15,619</b>	<b>6,140</b>	<b>6,932</b>	<b>12,331</b>
<b>Surplus (deficit) of capital funding</b>	<b>(272)</b>	<b>(1,608)</b>	<b>(1,867)</b>	<b>(2,677)</b>	<b>(3,318)</b>	<b>(3,686)</b>	<b>(3,408)</b>	<b>(3,617)</b>	<b>(3,246)</b>	<b>(3,828)</b>	<b>(4,466)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional information:</b>											
Depreciation and amortisation	2,282	2,861	3,002	3,158	3,332	3,452	3,640	3,842	4,151	4,328	4,511

## Water Supply

This group of activities applies to all drinking water supplies owned and managed by Council. This includes all water treatment plants, pump stations, reservoirs and the reticulation network.

**Strategic Focus:** To maintain our present network, addressing specific health issues and projects that are predominately growth driven.

The Service Delivery Group is responsible for the efficient management of all Council's water supply infrastructure at Ngaruawahia, Horotiu, Huntly, Raglan, Hopuhopu, Taupiri, Te Kauwhata, Meremere, Whangamarino, Rangiriri, Tuakau, Pokeno, Southern Districts (Tamahere, Matangi, Eureka, Newstead, Puketaha, Gordonton) and Western Districts (Te Kowhai Road and Stonebridge), Onewhero, Port Waikato and Te Akau South. Management includes network development, maintenance, and disposal of network components such as pipes, valves, hydrants, pumps and treatment plant equipment.

There are five main water schemes; Central District, Huntly, Raglan, Mid Waikato and Tuakau servicing primarily the urban areas of the district. The other remaining schemes service villages and rural areas.

Approximately 45% of rateable properties are connected to a council scheme.

### Key Projects

The following key projects are planned for 2015-25:

Projects	Description	Timeframe	Total cost over 10 years (\$000)
Hopuhopu/Taupiri – address insufficient water supply.	Connect Hopuhopu/Taupiri water system to Ngaruawahia and Huntly water supply networks and decommission the existing water treatment plant.	2015/16 to 2016/17	5,200
Horotiu – provide storage to community	Install reservoir to meet levels of service	2015/16 to 2016/17	2,100
Huntly – Improve public health grading.	Upgrade the water treatment plant to improve public health grading	2017/18	610
Huntly – provide additional storage	Install reservoir to meet future growth needs and levels of service.	2016/17 to 2017/18	1,800
Mid Waikato (Te Kauwhata) – meet future growth needs.	Upgrade the water treatment plant to meet future growth requirements. This work is dependent on growth occurring in Mid Waikato.	2017/18 to 2019/20 and 2024/25	6,400

Projects	Description	Timeframe	Total cost over 10 years (\$000)
Pokeno – continue extensions of water supply network to service growth.	Council and developer led construction of network to meet future growth needed. This work is dependent on growth occurring in Pokeno.	2015/16 to 2021/22	1,100
Pokeno – provide additional storage.	Install reservoir to meet future growth needs.	2015/16 and 2020/21 to 2021/22	4,800
Southern Districts water supply reservoir extensions - Matangi – provide additional storage	Install reservoir to meet future growth needs and levels of service	2017/18	1,300
Southern Districts water supply reservoir extensions - Tamahere–provide additional storage.	Install reservoir to meet future growth needs and levels of service.	2018/19 to 2019/20	2,500
Tuakau – continue extensions of water supply network to service growth for Whangarata Business Park and the Tuakau Structure Plan area	Tuakau – continue extensions of water supply network to service growth for Whangarata Business Park and the Tuakau Structure Plan area	2015/16 to 2018/19	2,700

## Potential Significant Negative Effects

Potential Negative Effect	How We Are Addressing This
Potential contamination of the raw water supply	Emergency response plans, operational procedures and monitoring of the raw water supply Public Health Risk Management Plan (PHRMP) are all in place.
Discharges of backwash water from treatment plants and chlorinated water from maintenance activities or pipe failures.	Compliance with resource consents, the councils engineering standards and guidelines and maintenance programme.
Effects on river ecology caused by river water extraction during low flows.	Compliance with resource consents.
Depletion of aquifer resources.	Compliance with resource consents.
Health and safety risks associated with the operation, maintenance, or construction of water supply infrastructure.	Ensure compliance with legislation and health and safety management plans. Maintain an incidents register.
Insufficient water supplies during times of drought or emergency.	Ensure water sources security and identify potential new sources and back up supplies PHRMP.
Drinking water not meeting DWS2005	Continue to monitor water quality and improve process if necessary PHRMP (May be capital related).
Inadequate pressure and flow to fight fires.	Carry out modelling/pressure testing and implement remedial works.
Water abstraction from streams and rivers can have an adverse effect on the mauri of the water body	Continuing to better identify the cultural significance of water catchments through resource consent conditions
Insufficient water available during times of drought and emergencies.	Implement conservation measures and prioritise use for public health requirements

## **Levels of Service, Performance Measures and Targets: Water Supply**

Rationale – The Council’s water supply portfolio is retained, managed and operated as a strategic leadership role that the Council takes in supporting economic excellence and sustainable communities in the district.

Economic excellence in the district is retained through having a reliable water source. Water dependent processes are more easily controlled, the acute effects of droughts on supply markets are tempered, and business overheads are lowered through economies of scale.

Similarly, communities are more sustainable through centrally managing our water supply resources. Direct benefits of providing water to entire communities include reduced costs and safer, more reliable water supply than areas without a scheme. These benefits are of strategic importance as the council seeks to lead the district in supporting sustainable communities.

The Local Government Act 2002 requires that local government organisations that provide water services must continue to do so, the Act states there is an obligation to maintain water services (Section 130).

Under the Health (Drinking Water) Amendment Act 2007, the requires suppliers of drinking water to take all practicable steps to ensure that an adequate supply of drinking water is provided to each point of supply that the supplier provides for (Section 69S)..

Community Outcomes		Level Of Service	Performance Measure	Performance for 2013/14	Performance Target				
					2015/16	2016/17	2017/18	2018-25	
People	To ensure that the council's water infrastructure supports safe and healthy conditions and conforms to established public health standards.	The water supply is safe to drink.	The extent to which Council's drinking water supply complies with:	Part 4 of the drinking water standards (bacteria compliance criteria)	New Measure	18 (no. of zones that comply out of 18)	18 (no. of zones that comply out of 18)	18 (no. of zones that comply out of 18)	18 (no. of zones that comply out of 18)
				Part 5 of the drinking water standards (protozoal compliance criteria)	New Measure	13 (no. of zones that comply out of 18)	15 (no. of zones that comply out of 18)	15 (no. of zones that comply out of 18 <sup>24</sup> )	15 (no. of zones that comply out of 18)
Economy	To ensure that the waters infrastructure networks are managed and maintained to ensure it is both cost effective and reliable, and meets water industry best practice.	The water supply is reliable and water is received at a good flow/pressure.	Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:	Attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site.	New Measure	Equal or less than 1hr	Equal or less than 1hr	Equal or less than 1hr	Equal or less than 1hr
				Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or	New Measure	Equal or less than 4hrs	Equal or less than 4hrs	Equal or less than 4hrs	Equal or less than 4hrs

<sup>24</sup> The number of zones will reduce to 15 once the Hopuhopu water supply is connected to Ngaruawahia and Pokeno and Tuakau are connected to Watercare

				interruption.						
				Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site; and	New Measure	Equal or less than 5 days	Equal or less than 5 days	Equal or less than 5 days	Equal or less than 5 days	
				Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm of the fault or interruption.	New Measure	Equal or less than 5 days	Equal or less than 5 days	Equal or less than 5 days	Equal or less than 5 days	
				The total number of complaints received by Council about any of the following (expressed per 1000 connections to the networked reticulation system):	Drinking water clarity	New Measure	Maximum 17 per 1000 connections	Maximum 17 per 1000 connections	Maximum 17 per 1000 connections	Maximum 17 per 1000 connections
					Drinking water taste	New Measure				
					Drinking water odour	New Measure				
					Drinking water pressure or flow	New Measure				
					Continuity of supply	New Measure				
					The local authority's response to any of these issues	New Measure				



Energy	To ensure that the water infrastructure network is managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment.	Water extraction and use for potable water supply shall be managed in an efficient and sustainable manner.	The average consumption of drinking water per resident within the Waikato District.		New Measure	280ltrs per annum	250ltrs per annum	240ltrs per annum	230ltrs per annum
			The percentage of real water loss from Council's networked reticulation system.	Tuakau	New Measure	<20%	<20%	<15%	<15%
				Pokeno	New Measure	<20%	<20%	<15%	<15%
				Mid Waikato	New Measure	<35%	<30%	<25%	<25%
				Central District	New Measure	<25%	<25%	<20%	<20%
				Raglan	New Measure	<35%	<30%	<25%	<25%
				Huntly	New Measure	<20%	<20%	<15%	<15%
				Southern & Western Districts	New Measure	<20%	<20%	<15%	<15%
				Onewhero	New Measure	<25%	<25%	<20%	<20%
				Port Waikato	New Measure	<25%	<25%	<20%	<20%
				Te Akau	New Measure	<25%	<25%	<20%	<20%
Taupiri / Hopuhopu	New Measure	<10%	<10%	<10%	<10%				

## Waikato District Council: Prospective Funding Impact Statement – Water Supply

### A forecast for the ten years ending 30 June 2025

	Annual plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	231	171	186	198	203	173	176	179	182	185	188
Targeted rates	3,622	9,450	10,129	10,957	11,535	12,134	12,808	13,508	14,280	15,091	16,115
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	4,478	39	41	42	44	45	47	48	50	52	55
Internal charges and overheads recovered	220	177	274	361	403	429	544	705	849	1,019	1,093
Local authorities fuel tax, fines, infringement fees, and other receipts	48	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding</b>	<b>8,599</b>	<b>9,837</b>	<b>10,630</b>	<b>11,558</b>	<b>12,185</b>	<b>12,781</b>	<b>13,575</b>	<b>14,440</b>	<b>15,361</b>	<b>16,347</b>	<b>17,451</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	3,364	3,502	3,702	3,934	4,091	4,326	4,560	4,780	5,269	5,375	5,711
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	3,088	3,057	3,374	3,768	4,070	4,214	4,426	4,572	4,656	4,578	4,464
Other operating funding applications	36	38	40	41	42	43	45	47	48	50	52
<b>Total applications of operating funding</b>	<b>6,488</b>	<b>6,597</b>	<b>7,116</b>	<b>7,743</b>	<b>8,203</b>	<b>8,583</b>	<b>9,031</b>	<b>9,399</b>	<b>9,973</b>	<b>10,003</b>	<b>10,227</b>
<b>Surplus (deficit) of operating funding</b>	<b>2,111</b>	<b>3,240</b>	<b>3,514</b>	<b>3,815</b>	<b>3,982</b>	<b>4,198</b>	<b>4,544</b>	<b>5,041</b>	<b>5,388</b>	<b>6,344</b>	<b>7,224</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,852	1,795	1,841	1,875	2,047	2,097	2,150	2,361	1,972	2,021	2,072
Increase (decrease) in debt	1,585	5,512	4,573	3,201	3,859	2,261	3,102	118	122	1,524	131
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	88	93	97	100	103	107	110	115	119	124
<b>Total sources of capital funding</b>	<b>3,437</b>	<b>7,395</b>	<b>6,507</b>	<b>5,173</b>	<b>6,006</b>	<b>4,461</b>	<b>5,359</b>	<b>2,589</b>	<b>2,209</b>	<b>3,664</b>	<b>2,327</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	438	4,053	2,472	3,232	4,371	2,733	674	3,149	147	152	2,872
- to improve the level of service	1,451	4,481	3,527	3,236	2,593	921	1,721	-	-	-	-
- to replace existing assets	3,906	1,814	1,890	2,022	2,268	2,334	2,407	2,357	2,436	2,520	2,611
Increase (decrease) in reserves	(247)	287	2,132	498	756	2,671	5,101	2,124	5,014	7,336	4,068
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>5,548</b>	<b>10,635</b>	<b>10,021</b>	<b>8,988</b>	<b>9,988</b>	<b>8,659</b>	<b>9,903</b>	<b>7,630</b>	<b>7,597</b>	<b>10,008</b>	<b>9,551</b>
<b>Surplus (deficit) of capital funding</b>	<b>(2,111)</b>	<b>(3,240)</b>	<b>(3,514)</b>	<b>(3,815)</b>	<b>(3,982)</b>	<b>(4,198)</b>	<b>(4,544)</b>	<b>(5,041)</b>	<b>(5,388)</b>	<b>(6,344)</b>	<b>(7,224)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional information:</b>											
Depreciation and amortisation	2,197	1,864	2,078	2,241	2,398	2,572	2,700	2,808	2,954	3,066	3,190

## Organisational Support

This group of activities is essentially the council's engine room and includes communications, business improvement, human resources, health and safety, finance and treasury, rates, information management, legal counsel and corporate property.

**Strategic Focus:** To put into action the initiatives to take the organisation forward; making services more efficient and cost effective for ratepayer and continually reviewing how we can improve.

**Communications** - The Communications team is responsible for the council's corporate communication and public relations activities.

Our portfolio includes: strategic communications, crisis and issues management, media liaison, internal communications, stakeholder relations, reputation and corporate brand management, marketing communication, design, online communication and management of significant Council events.

We are legislated to support Civil Defence emergency Public Information Management (PIM) requirements.

We are the guardians of the council's reputation; responsible for the development and positive positioning of the council's image and reputation.

We support projects (as appropriate) across the business.

**Business improvement** - Business improvement will focus on delivering demonstrable dollar savings to the council and to do this, we will employ one additional staff member to increase the scope and number of business improvement initiatives and therefore increase efficiency.

**Human resources** - The business plan outlines the environment, challenges, opportunities and priorities for the Human Resources team over the next 2 years. This plan will act as the route marker to indicate if we are on the right path or to allow us to explain why we have chosen a new path. We believe our efforts will be congruent with our customers' needs if we focus on building organisational trust within and between all levels of our employees. This will build stronger and more respectful relationships, create opportunities to establish dialogue, increase levels of employee engagement and result in a more productive workforce. This approach will also create the foundation upon which we can build more meaningful performance tools, development plans and succession strategies.

The results of these efforts will be projects, training and services that will align values and support decision making. Our goal is that all employees will have clarity in how their contribution supports the vision, managers will have the tools that they require to be effective in support and developing their staff, together we will foster a culture of service that earns the trust, respect and confidence of our community.

**Health and safety** - Council is committed to providing and maintaining a safe and healthy workplace that will contribute to the wellbeing of all employees, volunteers, visitors, contractors and any other persons using Council facilities as a place of work.

In order for Council to fulfil its commitment to health and safety

- Council will ensure that it operates within the Health & Safety Act 2002
- will adapt all policies and procedures to meet the Health and Safety Reform Bill as it is legislated in 2015
- complete the Health and Safety Strategic Action Plan items and other initiatives to promote safe work practises.

Council is part of the ACC Workplace Safety Management Practices programme and currently holds Secondary accreditation and will be working towards achieving Tertiary in 2015.

**Finance and treasury** - Undertakes financial planning activities and prepares financial information to facilitate good decision making. Ensures there are effective and efficient financial and rating systems in place, in line with policy and legislation. Manages council's funds in accordance with the treasury risk management policy. Manages the day-to-day financial operations of council (accounts payable, credit control, bank management, and payroll). Produces key financial documents of the council.

**Rates** - Ensures there are effective, efficient and accurate rating systems in place, in line with policy and legislation.

**Information management** - Manage, secure, backup and make available the information assets of Waikato District Council by providing specialist IM knowledge and expertise to deliver increased capabilities and support an efficient and effective organisation ensuring that customers have access to required services and information

**Legal counsel** - To provide legal services, and risk management support to the organisation, manage all legal proceedings taken by or against Council, including enforcement action, initiate or provide input into the strategic direction of Council, i.e. bylaws, policies, processes and promote a legal compliance culture within the organisation.

## Key Projects

The following key projects are planned for 2015-25:

Projects	Description	Timeframe	Total cost over 10 years (\$000)
Council Offices Upgrades	Upgrade of council offices.	Annually from 2015/16 to 2024/25	1,600
Libraries renewal and upgrades	Renewal and upgrade of library facilities to meet levels of service.	Annually from 2015/16 to 2024/25	3,500
Various IT (software and hardware renewal and upgrades)	Renewal and upgrade of IT systems.	Annually from 2015/16 to 2024/25	9,100

**Waikato District Council: Prospective Funding Impact Statement – Organisational Support**  
**A forecast for the ten years ending 30 June 2025**

	Annual plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	(355 )	35	464	691	2,170	2,946	3,166	4,355	3,541	3,756	3,762
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	10	11	11	12	12	12	13	13	14	14	15
Internal charges and overheads recovered	27,761	30,871	32,389	33,984	35,136	36,102	37,327	38,025	39,705	40,940	41,528
Local authorities fuel tax, fines, infringement fees, and other receipts	1,612	1,045	1,147	1,248	745	735	751	779	818	851	885
<b>Total operating funding</b>	<b>29,028</b>	<b>31,962</b>	<b>34,011</b>	<b>35,935</b>	<b>38,063</b>	<b>39,795</b>	<b>41,257</b>	<b>43,172</b>	<b>44,078</b>	<b>45,561</b>	<b>46,190</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	17,156	18,767	19,400	19,748	20,093	20,584	21,255	21,709	22,327	23,133	23,615
Finance costs	3,411	3,008	3,968	4,934	5,775	6,316	6,581	6,724	6,720	6,515	6,203
Internal charges and overheads applied	5,871	7,056	7,442	7,698	7,903	8,167	8,563	8,877	9,355	9,887	10,277
Other operating funding applications	1,516	1,495	1,630	1,814	1,725	1,783	1,991	1,889	1,945	2,172	2,062
<b>Total applications of operating funding</b>	<b>27,954</b>	<b>30,326</b>	<b>32,440</b>	<b>34,194</b>	<b>35,496</b>	<b>36,850</b>	<b>38,390</b>	<b>39,199</b>	<b>40,347</b>	<b>41,707</b>	<b>42,157</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,074</b>	<b>1,636</b>	<b>1,571</b>	<b>1,741</b>	<b>2,567</b>	<b>2,945</b>	<b>2,867</b>	<b>3,973</b>	<b>3,731</b>	<b>3,854</b>	<b>4,033</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	35,469	8,129	3,763	7,059	631	845	(7,843)	(6,279)	(10,915)	(9,065)	(11,880)
Gross proceeds from sale of assets	107	218	217	202	247	188	210	237	202	279	207
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>35,576</b>	<b>8,347</b>	<b>3,980</b>	<b>7,261</b>	<b>878</b>	<b>1,033</b>	<b>(7,633)</b>	<b>(6,042)</b>	<b>(10,713)</b>	<b>(8,786)</b>	<b>(11,673)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	76	1,032	36	68	147	109	22	44	18	56	53
- to replace existing assets	1,151	2,126	2,328	3,278	2,535	1,880	2,041	2,171	1,929	2,451	2,040
Increase (decrease) in reserves	35,423	6,596	2,972	5,136	502	1,887	(7,047)	(4,577)	(9,103)	(7,671)	(9,826)
Increase (decrease) of investments	-	229	215	520	261	102	218	293	174	232	93
<b>Total applications of capital funding</b>	<b>36,650</b>	<b>9,983</b>	<b>5,551</b>	<b>9,002</b>	<b>3,445</b>	<b>3,978</b>	<b>(4,766)</b>	<b>(2,069)</b>	<b>(6,982)</b>	<b>(4,932)</b>	<b>(7,640)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,074)</b>	<b>(1,636)</b>	<b>(1,571)</b>	<b>(1,741)</b>	<b>(2,567)</b>	<b>(2,945)</b>	<b>(2,867)</b>	<b>(3,973)</b>	<b>(3,731)</b>	<b>(3,854)</b>	<b>(4,033)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional information:</b>											
Depreciation and amortisation	1,617	1,983	2,140	2,403	2,424	2,288	2,263	2,091	2,144	2,090	2,208

## **Financial Planning**

## Waikato District Council: Prospective Funding Impact Statement – Whole of Council

### A forecast for the ten years ending 30 June 2025

	Annual plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	48,031	49,798	51,726	53,759	55,882	57,925	59,663	61,253	62,776	64,406	66,071
Targeted rates	14,188	21,191	21,668	23,225	24,212	25,418	26,744	28,166	29,685	31,273	33,174
Subsidies and grants for operating purposes	6,971	8,412	8,429	8,380	8,417	8,483	8,822	8,821	9,096	9,238	9,533
Fees and charges	12,665	7,254	9,446	9,800	10,122	10,493	10,856	11,265	11,724	12,206	12,716
Interest and dividends from investments	356	400	500	600	619	605	616	641	675	703	733
Local authorities fuel tax, fines, infringement fees, and other receipts	3,424	5,599	5,968	5,870	5,491	5,916	5,822	6,005	6,495	6,425	6,670
<b>Total operating funding</b>	<b>85,635</b>	<b>92,654</b>	<b>97,737</b>	<b>101,634</b>	<b>104,743</b>	<b>108,840</b>	<b>112,523</b>	<b>116,151</b>	<b>120,451</b>	<b>124,251</b>	<b>128,897</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	63,863	68,846	72,127	72,830	74,163	76,126	78,871	80,641	84,383	86,281	89,152
Finance costs	3,411	3,008	3,968	4,934	5,775	6,316	6,581	6,724	6,720	6,515	6,203
Other operating funding applications	2,211	2,162	2,376	2,574	2,493	2,563	2,784	2,697	2,767	3,010	2,918
<b>Total applications of operating funding</b>	<b>69,485</b>	<b>74,016</b>	<b>78,471</b>	<b>80,338</b>	<b>82,431</b>	<b>85,005</b>	<b>88,236</b>	<b>90,062</b>	<b>93,870</b>	<b>95,806</b>	<b>98,273</b>
<b>Surplus (deficit) of operating funding</b>	<b>16,150</b>	<b>18,638</b>	<b>19,266</b>	<b>21,296</b>	<b>22,312</b>	<b>23,835</b>	<b>24,287</b>	<b>26,089</b>	<b>26,581</b>	<b>28,445</b>	<b>30,624</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	10,595	9,577	9,494	9,091	9,201	9,709	9,721	9,993	10,294	11,242	10,968
Development and financial contributions	7,749	8,015	8,217	8,445	8,999	9,227	9,458	9,917	9,468	9,704	9,947
Increase (decrease) in debt	38,500	18,129	17,015	21,120	10,661	8,102	(182)	5,293	(8,026)	(2,268)	(3,007)
Gross proceeds from sale of assets	107	218	217	202	247	188	210	237	202	279	207
Lump sum contributions	742	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	147	1,588	93	97	100	103	107	110	115	119	124
<b>Total sources of capital funding</b>	<b>57,840</b>	<b>37,527</b>	<b>35,036</b>	<b>38,955</b>	<b>29,208</b>	<b>27,329</b>	<b>19,314</b>	<b>25,550</b>	<b>12,053</b>	<b>19,076</b>	<b>18,239</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	4,108	11,200	9,360	12,120	9,023	10,799	8,895	10,426	6,625	12,487	10,340
- to improve the level of service	5,846	11,649	12,945	14,490	9,315	6,830	6,613	11,817	3,110	5,625	9,100
- to replace existing assets	27,035	25,623	25,828	27,415	26,063	27,448	27,648	29,876	27,502	29,991	29,418
Increase (decrease) in reserves	37,001	7,464	5,954	5,706	6,858	5,985	227	(773)	1,223	(814)	(88)
Increase (decrease) of investments	-	229	215	520	261	102	218	293	174	232	93
<b>Total applications of capital funding</b>	<b>73,990</b>	<b>56,165</b>	<b>54,302</b>	<b>60,251</b>	<b>51,520</b>	<b>51,164</b>	<b>43,601</b>	<b>51,639</b>	<b>38,634</b>	<b>47,521</b>	<b>48,863</b>
<b>Surplus (deficit) of capital funding</b>	<b>(16,150)</b>	<b>(18,638)</b>	<b>(19,266)</b>	<b>(21,296)</b>	<b>(22,312)</b>	<b>(23,835)</b>	<b>(24,287)</b>	<b>(26,089)</b>	<b>(26,581)</b>	<b>(28,445)</b>	<b>(30,624)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Waikato District Council: Prospective Statement of Comprehensive Revenue and Expense

A forecast for the ten years ending 30 June 2025

	Annual Plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Revenue</b>											
Rates	62,961	70,989	73,394	76,984	80,094	83,343	86,407	89,419	92,461	95,679	99,245
Development and financial contributions	7,526	8,015	8,217	8,445	8,999	9,227	9,458	9,917	9,468	9,704	9,947
Subsidies and grants	16,984	17,989	17,923	17,471	17,618	18,192	18,543	18,815	19,390	20,481	20,501
Finance revenue	157	100	100	100	119	105	116	141	175	203	233
Other revenue	34,059	14,742	18,357	16,266	28,919	41,135	17,284	17,881	18,834	19,250	20,010
<b>Total revenue</b>	<b>121,687</b>	<b>111,835</b>	<b>117,991</b>	<b>119,266</b>	<b>135,749</b>	<b>152,002</b>	<b>131,808</b>	<b>136,173</b>	<b>140,328</b>	<b>145,317</b>	<b>149,936</b>
<b>Expenses</b>											
Depreciation and amortisation expense	20,938	22,304	23,178	24,258	25,254	25,997	27,092	27,932	29,116	30,035	31,423
Personnel expenses	25,179	26,834	27,602	28,170	28,751	29,373	30,021	30,742	31,506	32,321	33,042
Finance costs	3,411	3,008	3,968	4,934	5,775	6,316	6,581	6,724	6,720	6,515	6,203
Other expenses	40,911	44,088	46,817	47,152	47,696	49,274	51,589	52,543	55,602	56,943	58,995
<b>Total operating expenses</b>	<b>90,439</b>	<b>96,234</b>	<b>101,565</b>	<b>104,514</b>	<b>107,476</b>	<b>110,960</b>	<b>115,283</b>	<b>117,941</b>	<b>122,944</b>	<b>125,814</b>	<b>129,663</b>
<b>Surplus (deficit) before tax</b>	<b>31,248</b>	<b>15,601</b>	<b>16,426</b>	<b>14,752</b>	<b>28,273</b>	<b>41,042</b>	<b>16,525</b>	<b>18,232</b>	<b>17,384</b>	<b>19,503</b>	<b>20,273</b>
<b>Other comprehensive revenue and expense</b>											
Gain (loss) on property revaluations	48,541	25,391	25,476	48,311	37,584	40,918	66,022	50,158	55,704	84,835	66,039
<b>Total other comprehensive revenue &amp; expense</b>	<b>48,541</b>	<b>25,391</b>	<b>25,476</b>	<b>48,311</b>	<b>37,584</b>	<b>40,918</b>	<b>66,022</b>	<b>50,158</b>	<b>55,704</b>	<b>84,835</b>	<b>66,039</b>
<b>Total comprehensive revenue and expense</b>	<b>79,789</b>	<b>40,992</b>	<b>41,902</b>	<b>63,063</b>	<b>65,857</b>	<b>81,960</b>	<b>82,547</b>	<b>68,390</b>	<b>73,088</b>	<b>104,338</b>	<b>86,312</b>
<b>Note 1: Reconciliation of total comprehensive revenue and expense with prospective whole of Council funding impact statement</b>											
	Annual Plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
Total prospective revenue and expense wholly attributable to Waikato District Council	79,789	40,992	41,902	63,063	65,857	81,960	82,547	68,390	73,088	104,338	86,312
Surplus (deficit) of operating funding per prospective whole of Council funding impact statement	16,150	18,638	19,266	21,296	22,312	23,835	24,287	26,089	26,581	28,445	30,624
<b>Difference</b>	<b>63,639</b>	<b>22,354</b>	<b>22,636</b>	<b>41,767</b>	<b>43,545</b>	<b>58,125</b>	<b>58,260</b>	<b>42,301</b>	<b>46,507</b>	<b>75,893</b>	<b>55,688</b>
<b>The difference is due to:</b>											
Capital income	19,233	19,180	17,804	17,633	18,300	19,039	19,286	20,020	19,877	21,065	21,039
Vested assets	16,816	-	2,451	-	12,706	24,122	-	-	-	-	-
Revaluation of assets	48,541	25,391	25,476	48,311	37,584	40,918	66,022	50,158	55,704	84,835	66,039
Gain (loss) on sale of assets	(13)	87	83	81	209	43	44	55	42	28	33
Depreciation and amortisation	(20,938)	(22,304)	(23,178)	(24,258)	(25,254)	(25,997)	(27,092)	(27,932)	(29,116)	(30,035)	(31,423)
<b>Total explained difference</b>	<b>63,639</b>	<b>22,354</b>	<b>22,636</b>	<b>41,767</b>	<b>43,545</b>	<b>58,125</b>	<b>58,260</b>	<b>42,301</b>	<b>46,507</b>	<b>75,893</b>	<b>55,688</b>
<b>Note 2: Exchange and non-exchange revenue</b>											
	Annual Plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000

**Waikato District Council: Prospective Statement of Comprehensive Revenue and Expense (continued)**

**A forecast for the ten years ending 30 June 2025**

	<b>Annual Plan 2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b><u>Revenue from non-exchange transactions</u></b>											
Revenue from rates	62,961	65,510	67,482	68,621	71,297	74,102	76,660	79,155	81,619	84,239	87,012
Vested & found assets	16,816	-	2,451	-	12,706	24,122	-	-	-	-	-
Regulatory revenue	3,677	3,748	3,830	3,944	4,050	4,168	4,291	4,425	4,571	4,730	4,898
Infringements and fines	195	184	194	194	194	194	194	194	194	194	194
NZTA government subsidies	16,401	17,989	17,923	17,471	17,618	18,192	18,543	18,815	19,390	20,481	20,501
Petrol tax	558	425	441	458	477	497	519	543	570	599	631
Other subsidies and grants	583	-	-	-	-	-	-	-	-	-	-
Other fees and charges - Council	903	792	813	831	850	875	902	931	962	996	1,033
Other non-exchange revenue	1,795	2,835	1,603	1,386	886	1,179	944	975	1,299	1,049	1,115
<b>Total revenue from non-exchange transactions</b>	<b>103,889</b>	<b>91,483</b>	<b>94,737</b>	<b>92,905</b>	<b>108,078</b>	<b>123,329</b>	<b>102,053</b>	<b>105,038</b>	<b>108,605</b>	<b>112,288</b>	<b>115,384</b>
<b><u>Revenue from exchange transactions</u></b>											
Water billing revenue	-	5,479	5,912	8,363	8,797	9,241	9,747	10,264	10,842	11,440	12,233
Development & financial contributions	7,526	8,015	8,217	8,445	8,999	9,227	9,458	9,917	9,468	9,704	9,947
Other fees and charges - Council	8,387	4,117	4,491	4,730	4,857	4,996	5,143	5,302	5,475	5,660	5,860
Finance income	157	100	100	100	119	105	116	141	175	203	233
Dividends	200	300	400	500	500	500	500	500	500	500	500
Subvention payment received	-	-	-	-	-	-	-	-	-	-	-
Other exchange revenue	1,528	2,341	4,134	4,223	4,399	4,604	4,791	5,011	5,263	5,522	5,779
<b>Total revenue from exchange transactions</b>	<b>17,798</b>	<b>20,352</b>	<b>23,254</b>	<b>26,361</b>	<b>27,671</b>	<b>28,673</b>	<b>29,755</b>	<b>31,135</b>	<b>31,723</b>	<b>33,029</b>	<b>34,552</b>
<b>Total revenue</b>	<b>121,687</b>	<b>111,835</b>	<b>117,991</b>	<b>119,266</b>	<b>135,749</b>	<b>152,002</b>	<b>131,808</b>	<b>136,173</b>	<b>140,328</b>	<b>145,317</b>	<b>149,936</b>

## Prospective Statement of Financial Position

A forecast for the ten years ending 30 June 2025

	Annual Plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	426	495	436	473	472	434	569	469	583	598	595
Recoverables from non-exchange transactions	15,723	15,234	15,228	14,884	15,285	15,722	15,412	15,591	15,732	15,940	16,078
Receivables from exchange transactions	1,449	1,752	2,083	2,696	2,499	2,365	2,897	2,983	3,085	3,192	3,315
Non-current assets held for sale	384	400	400	400	400	400	400	400	400	400	400
Biological assets - cattle	88	83	83	83	83	83	83	83	83	83	83
Other financial assets	60	71	66	59	47	44	42	-	-	-	-
Prepayments	265	459	467	479	464	469	471	489	468	492	498
<b>Total current assets</b>	<b>18,395</b>	<b>18,494</b>	<b>18,763</b>	<b>19,074</b>	<b>19,250</b>	<b>19,517</b>	<b>19,874</b>	<b>20,015</b>	<b>20,351</b>	<b>20,705</b>	<b>20,969</b>
<b>Non-current assets</b>											
Property, plant and equipment	1,660,785	1,622,212	1,680,806	1,765,110	1,840,631	1,931,114	2,013,422	2,087,958	2,151,769	2,254,523	2,338,119
Intangible assets	1,081	5,780	5,933	5,587	5,467	4,960	4,574	4,201	4,054	3,950	3,653
Investment property	445	450	450	450	450	450	450	450	450	450	450
Investments in CCO's and other similar organisations	-	7,359	7,359	7,359	7,359	7,359	7,359	7,359	7,359	7,359	7,359
Other financial assets	8,900	1,260	1,480	1,750	1,895	2,001	1,998	2,104	1,999	1,967	1,927
<b>Total non-current assets</b>	<b>1,671,211</b>	<b>1,637,061</b>	<b>1,696,028</b>	<b>1,780,256</b>	<b>1,855,802</b>	<b>1,945,884</b>	<b>2,027,803</b>	<b>2,102,072</b>	<b>2,165,631</b>	<b>2,268,249</b>	<b>2,351,508</b>
<b>Total assets</b>	<b>1,689,606</b>	<b>1,655,555</b>	<b>1,714,791</b>	<b>1,799,330</b>	<b>1,875,052</b>	<b>1,965,401</b>	<b>2,047,677</b>	<b>2,122,087</b>	<b>2,185,982</b>	<b>2,288,954</b>	<b>2,372,477</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Payables under exchange transactions	14,893	23,931	24,154	24,676	23,981	24,188	24,248	25,079	24,157	25,178	25,435
Taxes and transfers payable	812	1,305	1,317	1,345	1,307	1,319	1,322	1,367	1,317	1,373	1,387
Employee entitlements	3,292	3,256	3,335	3,394	3,454	3,517	3,584	3,659	3,738	3,821	3,896
Provisions	214	311	311	311	311	311	311	311	311	311	311
Borrowing	12,295	4,502	24,306	16,331	7,678	24,468	24,908	28,885	27,219	17,522	15,073
<b>Total current liabilities</b>	<b>31,506</b>	<b>33,305</b>	<b>53,423</b>	<b>46,057</b>	<b>36,731</b>	<b>53,803</b>	<b>54,373</b>	<b>59,301</b>	<b>56,742</b>	<b>48,205</b>	<b>46,102</b>
<b>Non-current liabilities</b>											
Provisions	1,572	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655
Employee entitlements	173	219	224	228	232	237	241	246	251	257	262
Derivative financial instruments	1,055	(234)	(234)	(234)	(234)	(234)	(234)	(234)	(234)	(234)	(234)
Borrowing	72,913	64,124	61,335	90,173	109,360	100,672	99,827	100,914	94,275	101,440	100,749
<b>Total non-current liabilities</b>	<b>75,713</b>	<b>65,764</b>	<b>62,980</b>	<b>91,822</b>	<b>111,013</b>	<b>102,330</b>	<b>101,489</b>	<b>102,581</b>	<b>95,947</b>	<b>103,118</b>	<b>102,432</b>
<b>Total liabilities</b>	<b>107,219</b>	<b>99,069</b>	<b>116,403</b>	<b>137,879</b>	<b>147,744</b>	<b>156,133</b>	<b>155,862</b>	<b>161,882</b>	<b>152,689</b>	<b>151,323</b>	<b>148,534</b>
<b>Net assets/equity</b>	<b>1,582,387</b>	<b>1,556,486</b>	<b>1,598,388</b>	<b>1,661,451</b>	<b>1,727,308</b>	<b>1,809,268</b>	<b>1,891,815</b>	<b>1,960,205</b>	<b>2,033,293</b>	<b>2,137,631</b>	<b>2,223,943</b>
<b>NET ASSETS/EQUITY</b>											
Accumulated comprehensive revenue and expense	947,306	998,502	1,018,601	1,040,495	1,067,159	1,107,616	1,120,518	1,137,799	1,148,179	1,164,532	1,178,425
Other reserves	635,081	557,984	579,787	620,956	660,149	701,652	771,297	822,406	885,114	973,099	1,045,518
<b>Total net assets/equity</b>	<b>1,582,387</b>	<b>1,556,486</b>	<b>1,598,388</b>	<b>1,661,451</b>	<b>1,727,308</b>	<b>1,809,268</b>	<b>1,891,815</b>	<b>1,960,205</b>	<b>2,033,293</b>	<b>2,137,631</b>	<b>2,223,943</b>

## Prospective Cash Flow Statement

A forecast for the ten years ending 30 June 2025

	Annual Plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Cash flows from operating activities</b>											
<b>Receipts</b>											
Receipts from rates revenue	62,848	65,418	67,403	68,576	71,190	73,990	76,558	79,055	81,520	84,134	86,901
Subsidies received	17,166	18,658	18,368	17,965	18,081	18,640	19,032	19,334	19,910	20,987	21,128
Contributions received	7,853	8,356	8,200	8,426	8,953	9,208	9,439	9,879	9,505	9,685	9,927
Receipts from other revenue	16,912	19,345	20,874	23,553	24,021	25,173	25,970	27,033	28,506	29,534	31,020
Interest received	157	100	100	100	119	105	116	141	175	203	233
Dividends received	100	200	300	400	500	500	500	500	500	500	500
<b>Payments</b>											
Employee costs	(41,092)	(26,655)	(27,518)	(28,108)	(28,687)	(29,305)	(29,949)	(30,663)	(31,422)	(32,231)	(32,963)
Suppliers	(25,025)	(44,686)	(46,674)	(47,207)	(47,849)	(49,199)	(51,444)	(52,517)	(55,389)	(56,860)	(58,857)
Interest paid	(3,411)	(3,008)	(3,968)	(4,934)	(5,775)	(6,316)	(6,581)	(6,724)	(6,720)	(6,515)	(6,203)
<b>Net cash flows from operating activities</b>	<b>35,508</b>	<b>37,728</b>	<b>37,085</b>	<b>38,771</b>	<b>40,553</b>	<b>42,796</b>	<b>43,641</b>	<b>46,038</b>	<b>46,585</b>	<b>49,437</b>	<b>51,686</b>
<b>Cash flows from investing activities</b>											
Purchase of property, plant and equipment	(73,741)	(55,219)	(53,342)	(58,853)	(50,344)	(50,518)	(42,751)	(51,018)	(37,958)	(46,650)	(48,750)
Proceeds from sale of property, plant and equipment	107	218	217	202	247	188	210	237	202	279	207
Purchase of intangible assets	(374)	(572)	(819)	(683)	(857)	(504)	(565)	(357)	(515)	(551)	(46)
Acquisition of investments	-	(229)	(215)	(520)	(261)	(102)	(218)	(293)	(174)	(232)	(93)
<b>Net cash flows from investing activities</b>	<b>(74,008)</b>	<b>(55,802)</b>	<b>(54,159)</b>	<b>(59,854)</b>	<b>(51,215)</b>	<b>(50,936)</b>	<b>(43,324)</b>	<b>(51,431)</b>	<b>(38,445)</b>	<b>(47,154)</b>	<b>(48,682)</b>
<b>Cash flows from financing activities</b>											
Proceeds from borrowings	38,758	18,129	17,015	41,120	20,661	8,102	17,218	23,193	13,774	18,332	7,393
Repayment of borrowings	(258)	-	-	(20,000)	(10,000)	-	(17,400)	(17,900)	(21,800)	(20,600)	(10,400)
<b>Net cash flows from financing activities</b>	<b>38,500</b>	<b>18,129</b>	<b>17,015</b>	<b>21,120</b>	<b>10,661</b>	<b>8,102</b>	<b>(182)</b>	<b>5,293</b>	<b>(8,026)</b>	<b>(2,268)</b>	<b>(3,007)</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>-</b>	<b>55</b>	<b>(59)</b>	<b>37</b>	<b>(1)</b>	<b>(38)</b>	<b>135</b>	<b>(100)</b>	<b>114</b>	<b>15</b>	<b>(3)</b>
Cash and cash equivalents at the beginning of the year	426	440	495	436	473	472	434	569	469	583	598
<b>Cash and cash equivalents at 30 June</b>	<b>426</b>	<b>495</b>	<b>436</b>	<b>473</b>	<b>472</b>	<b>434</b>	<b>569</b>	<b>469</b>	<b>583</b>	<b>598</b>	<b>595</b>

## Prospective Statement of Changes in Net Assets/Equity

### A forecast for the ten years ending 30 June 2025

	Annual plan 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Balance at beginning of year</b>											
Accumulated comprehensive revenue & expense	913,512	976,906	998,502	1,018,601	1,040,495	1,067,159	1,107,616	1,120,518	1,137,799	1,148,179	1,164,532
<b>Other reserves</b>											
Revaluation	583,359	562,440	587,831	613,307	661,618	699,202	740,120	806,142	856,300	912,004	996,839
Restricted	29	29	30	32	34	36	38	40	42	44	46
Council created	20,616	11,215	9,928	8,992	7,110	7,579	9,101	10,695	13,668	16,498	19,559
Special rates and user pays	(1,337)	(2,908)	(3,548)	(4,792)	(4,692)	(4,404)	(3,802)	(2,816)	(1,675)	(752)	984
Capital replacement funds	14,505	5,510	5,412	5,725	5,073	6,889	7,787	10,011	9,430	12,061	15,621
Development contributions	(28,118)	(37,732)	(41,703)	(43,511)	(48,221)	(49,187)	(51,626)	(52,809)	(55,393)	(54,775)	(59,984)
Fair value through other comprehensive revenue and expense	33	34	34	34	34	34	34	34	34	34	34
<b>Total net assets/equity at beginning of year</b>	<b>1,502,599</b>	<b>1,515,494</b>	<b>1,556,486</b>	<b>1,598,388</b>	<b>1,661,451</b>	<b>1,727,308</b>	<b>1,809,268</b>	<b>1,891,815</b>	<b>1,960,205</b>	<b>2,033,293</b>	<b>2,137,631</b>
<b>Comprehensive revenue and expense for the year</b>											
Accumulated comprehensive revenue & expense	31,247	15,601	16,426	14,752	28,273	41,042	16,525	18,232	17,384	19,503	20,273
<b>Other reserves</b>											
Revaluation	48,541	25,391	25,476	48,311	37,584	40,918	66,022	50,158	55,704	84,835	66,039
Revaluation (landfill)	-	-	-	-	-	-	-	-	-	-	-
Fair value through other comprehensive revenue and expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive revenue and expense for the year</b>	<b>79,788</b>	<b>40,992</b>	<b>41,902</b>	<b>63,063</b>	<b>65,857</b>	<b>81,960</b>	<b>82,547</b>	<b>68,390</b>	<b>73,088</b>	<b>104,338</b>	<b>86,312</b>
<b>Transfers to (from) accumulated comprehensive revenue &amp; expense</b>											
Accumulated comprehensive revenue & expense	2,547	5,995	3,673	7,142	(1,609)	(585)	(3,623)	(951)	(7,004)	(3,150)	(6,380)
<b>Other reserves</b>											
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Restricted	1	1	2	2	2	2	2	2	2	2	2
Council created	(1,237)	(1,287)	(936)	(1,882)	469	1,522	1,594	2,973	2,830	3,061	3,186
Special rates and user pays	(773)	(640)	(1,244)	100	288	602	986	1,141	923	1,736	2,729
Capital replacement fund	(1,302)	(98)	313	(652)	1,816	898	2,224	(581)	2,631	3,560	3,549
Development contributions	764	(3,971)	(1,808)	(4,710)	(966)	(2,439)	(1,183)	(2,584)	618	(5,209)	(3,086)
<b>Total transfers to (from) accumulated comprehensive revenue &amp; expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets/equity at end of year</b>											
Accumulated comprehensive revenue & expense	947,306	998,502	1,018,601	1,040,495	1,067,159	1,107,616	1,120,518	1,137,799	1,148,179	1,164,532	1,178,425
<b>Other reserves</b>											
Revaluation	631,900	587,831	613,307	661,618	699,202	740,120	806,142	856,300	912,004	996,839	1,062,878
Restricted	30	30	32	34	36	38	40	42	44	46	48
Council created	19,379	9,928	8,992	7,110	7,579	9,101	10,695	13,668	16,498	19,559	22,745
Special rates and user pays	(2,110)	(3,548)	(4,792)	(4,692)	(4,404)	(3,802)	(2,816)	(1,675)	(752)	984	3,713
Capital replacement funds	13,203	5,412	5,725	5,073	6,889	7,787	10,011	9,430	12,061	15,621	19,170
Development contributions	(27,354)	(41,703)	(43,511)	(48,221)	(49,187)	(51,626)	(52,809)	(55,393)	(54,775)	(59,984)	(63,070)
Fair value through other comprehensive revenue and expense	33	34	34	34	34	34	34	34	34	34	34
<b>Total net assets/equity at end of year</b>	<b>1,582,387</b>	<b>1,556,486</b>	<b>1,598,388</b>	<b>1,661,451</b>	<b>1,727,308</b>	<b>1,809,268</b>	<b>1,891,815</b>	<b>1,960,205</b>	<b>2,033,293</b>	<b>2,137,631</b>	<b>2,223,943</b>

**Waikato District Council: Statement of Reserve Funds**  
**A forecast for the ten years ending 30 June 2025**

Reserve	Purpose	Related activities	Forecast	Transfers into	Transfers out of	Balance
			Balance	fund	fund	
			1-Jul-15	2015-2025		30-Jun-25
			\$'000	\$'000	\$'000	\$'000
Conservation fund	To fund expenditure items for conservation purposes.	Sustainable environment	421	383	(732)	72
Raglan Harbour reserve	Council took over assets from the Raglan Harbour Board. Any revenue or expense on these properties is kept separate from general funds.	Sustainable communities	150	4,546	(4,550)	146
Housing for the elderly	Income from housing for the elderly is put aside for use on the properties involved.	Sustainable communities	(9)	2,423	(2,336)	78
Plant reserve	Reserve used for control of expenditure and sale proceeds for vehicle and other plant running and maintenance costs.	Organisational support	199	17,212	(17,349)	62
Lake Hakanoa Caravan Park reserve	Revenue and expense for the Lake Hakanoa Caravan Park at Huntly is kept separate. The camp operation is self funding.	Sustainable communities	31	2,098	(1,429)	700
Raglan Kopua Holiday Park reserve	Revenue and expense for Kopua Camp at Raglan is kept separate. The camp operation is self funding.	Sustainable communities	482	13,215	(9,477)	4,220
Wainui Reserve farm	Revenue and expense for Wainui Reserve farm operations is kept separate. The farm operation is self funding and surpluses are used towards projects at Wainui Reserve.	Sustainable communities	196	1,674	(1,651)	219
Hillary Commission grants	These funds are committed to a club development programme for the future.	Sustainable communities	22	-	-	22
Creative NZ grant	The balance from Creative Communities New Zealand to be re-distributed as grants to suitable candidates.	Sustainable communities	14	-	-	14
Disaster recovery fund	Fund set aside for use in the event of a disaster.	Organisational support	1,179	7,468	-	8,647
Hillary Commission loans	Remaining funds and interest credits built up from Council's contribution to match Hillary Commission loans used in the past to assist sporting organisations. All loans have been repaid.	Sustainable communities	51	31	-	82
North Waikato development reserve	Remaining funds with interest credits from the Department of Corrections for use to assist the local community.	Sustainable communities	307	190	-	497
Hamilton East property proceeds	Proceeds from the sale of the Hamilton East property held separate for property related purposes.	Organisational support	2,298	-	-	2,298
Hakarimata Restoration Trust	A restricted reserve for Hakarimata Hills Reserve Trust to record all trust operations.	Sustainable environment	14	9	-	23
Development fund (ex shares sold)	Reserve originally representing the share of the Auckland Airport Shares received by the former Franklin District Council and transferred to Waikato District Council on part amalgamation in 2010.	Organisational support	573	-	-	573

## Waikato District Council: Statement of Reserve Funds (continued)

### A forecast for the ten years ending 30 June 2025

Reserve	Purpose	Related activities	Forecast	Transfers into	Transfers out of	Balance
			Balance	fund	fund	
			1-Jul-15	2015-2025		30-Jun-25
			\$'000	\$'000	\$'000	\$'000
LTCCP contribution reserve	Reserve created on amalgamation of part of the Franklin District Council with Waikato District Council to assist with operational funding.	Organisational support	4,135	-	(4,135)	-
Landfill aftercare contribution	Reserve created on amalgamation of part of the Franklin District Council with Waikato District Council to assist with aftercare costs for closed landfills transferred.	Sustainable environment	367	81	(444)	4
Structure plan non-growth reserve	Reserve to provide funding for the non growth element of Structure Plan development.	Organisational support	442	3,511	-	3,953
Waste minimisation reserve	To manage waste minimisation grants and qualifying expenditure.	Sustainable environment	333	2,175	(2,214)	294
Huntly College jubilee award	A restricted reserve; the interest income from which is to be used for educational sponsorship.	Sustainable communities	14	8	-	22
Frances Paki Trust	A restricted reserve in memory of Francis Paki of Huntly. Interest income to be used as sponsorship for educational purposes.	Sustainable communities	1	1	-	2
Mungall Scholarship Trust	A restricted reserve in memory of Agnes Simpson Mungall. Interest income to be used for educational sponsorship.	Sustainable communities	1	-	-	1
Sundry reserves	Sundry reserves for township development and other operational purposes.	Sustainable communities	1,326	2,296	(2,987)	635
Targeted rate reserves – operational	Reserves to monitor operational costs in relation to special rates and user pays.	Stormwater, Sustainable communities, Wastewater, Water supply	(2,908)	263,574	(256,953)	3,713
Replacement funds	Reserves where amounts equivalent to funded depreciation are held for use on capital renewals work.	Roading, Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply, Organisational support	5,511	227,321	(213,662)	19,170
Revaluation reserves	Non-cash reserves representing the increases or decreases in the value of infrastructural assets that are periodically revalued.	Roading, Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply, Organisational support	562,441	500,437	-	1,062,878
Capital rates and contributions	Reserves for structure plans, development contributions, financial contributions and capital targeted rates.	Roading, Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply	(39,003)	101,709	(125,513)	(62,807)
			<b>538,588</b>	<b>1,150,362</b>	<b>(643,432)</b>	<b>1,045,518</b>

## Disclosure statement

### For the 10 years commencing 1 July 2015

#### What is the purpose of this statement?

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

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

#### Rates affordability benchmark

Council meets the rates affordability benchmark if:

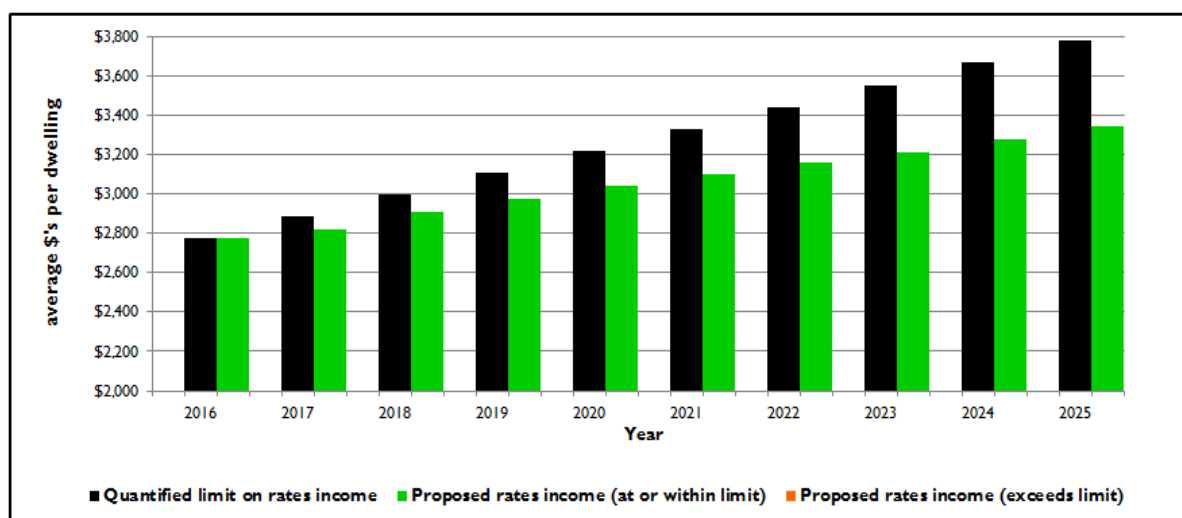
- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

#### Rates (income) affordability

The following graph compares Council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan.

The quantified limits for total rates per dwelling are:

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$2,777	\$2,888	\$2,999	\$3,110	\$3,221	\$3,332	\$3,443	\$3,554	\$3,665	\$3,776

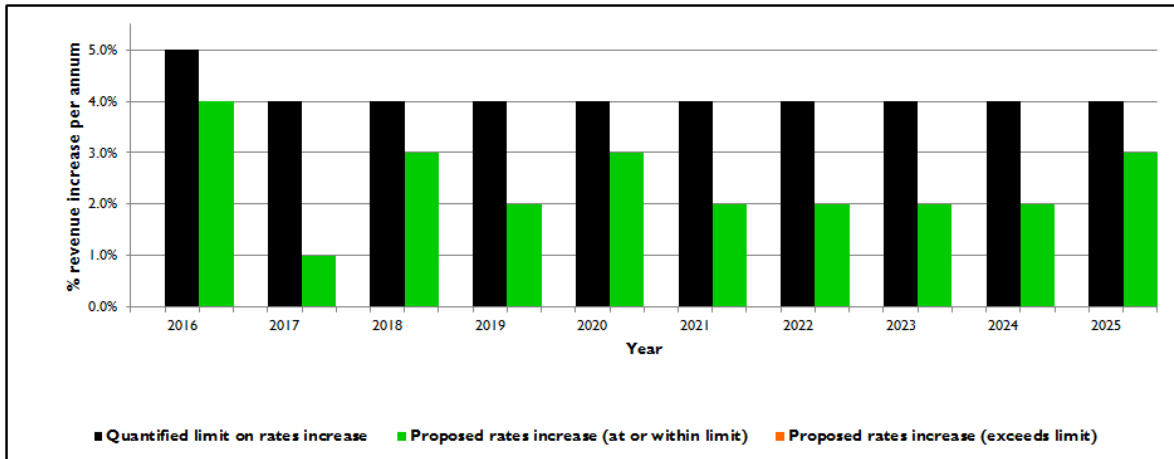


#### Rates (increases) affordability

The following graph compares Council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan.

The quantified limit is a 4% per annum cumulative increase from the 2016 limit on rates per dwelling.





The first year of the 2015-2025 LTP reflects a change in the underlying financial strategy between the previous document and the current one. The most significant impact is caused by a change in the calculations for water by meter consumption charges.

**Debt affordability benchmarks**

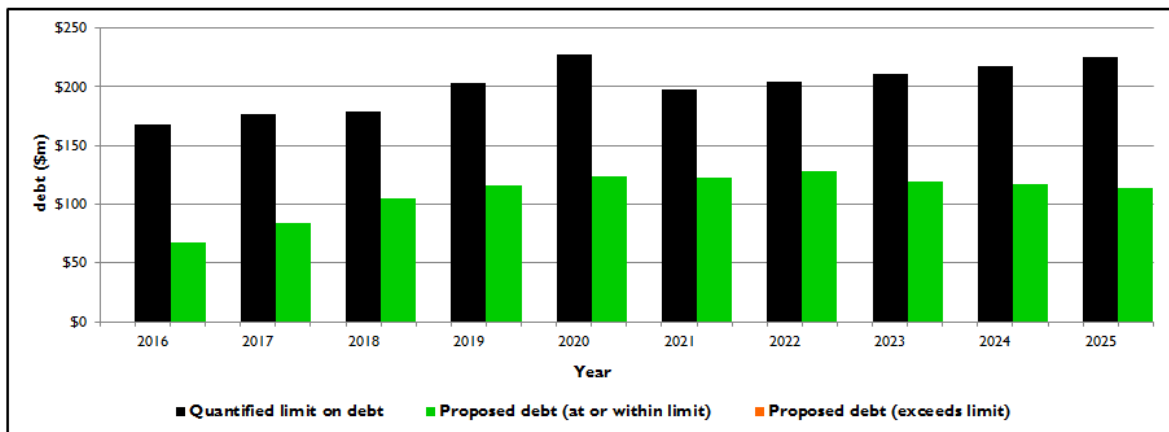
Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

**Debt limit 1**

The following graph compares Council’s planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan.

The quantified limits for total debt are:

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$167.8m	\$177.0m	\$178.9m	\$203.6m	\$228.0m	\$197.7m	\$204.3m	\$210.5m	\$218.0m	\$224.9m

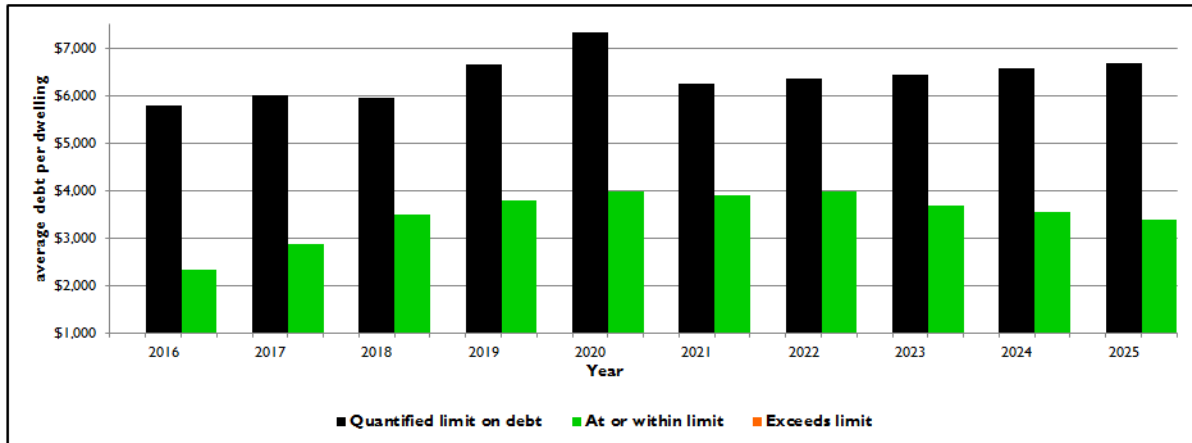


**Debt limit 2**

The following graph compares Council’s planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan.

The quantified limits for average net debt per dwelling are:

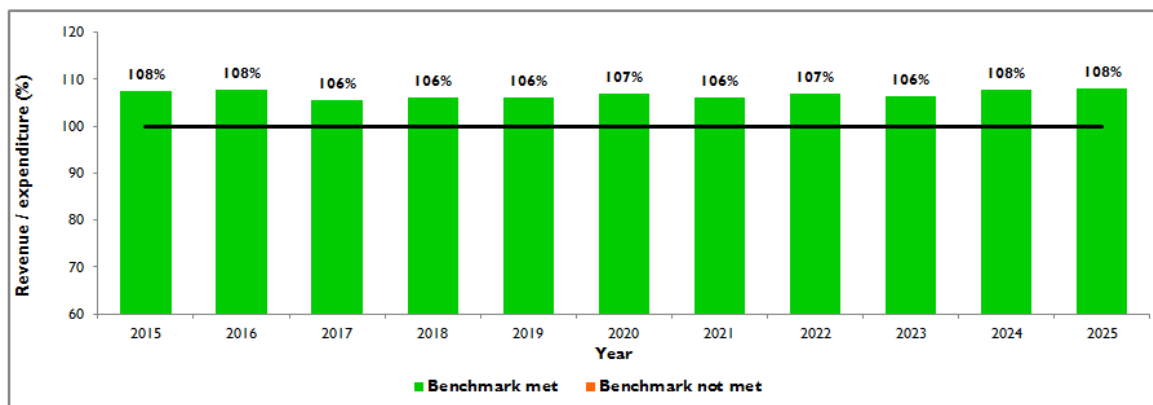
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$5,788	\$5,999	\$5,957	\$6,663	\$7,334	\$6,253	\$6,356	\$6,445	\$6,569	\$6,673



**Balanced budget benchmark**

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

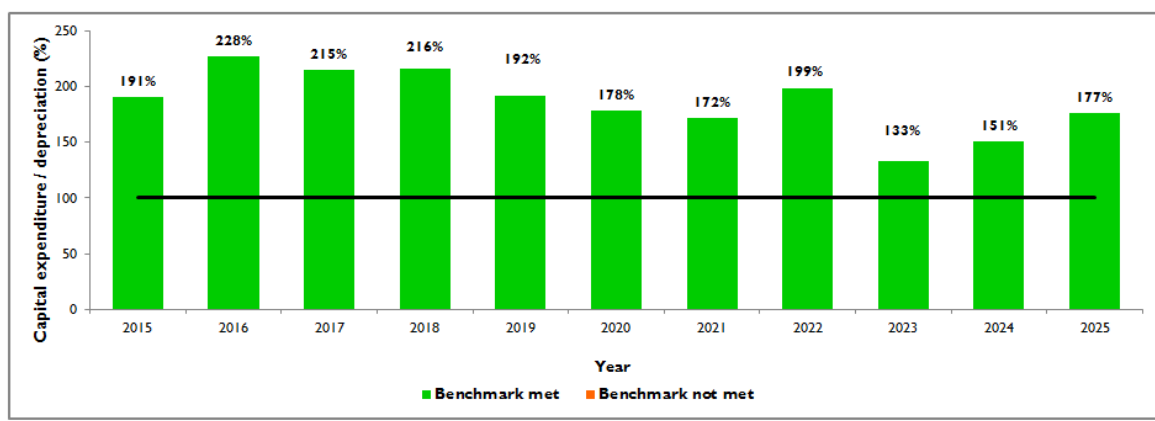
Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



### Essential services benchmark

The following graph displays Councils planned capital expenditure on network services as a proportion of expected depreciation on network services.

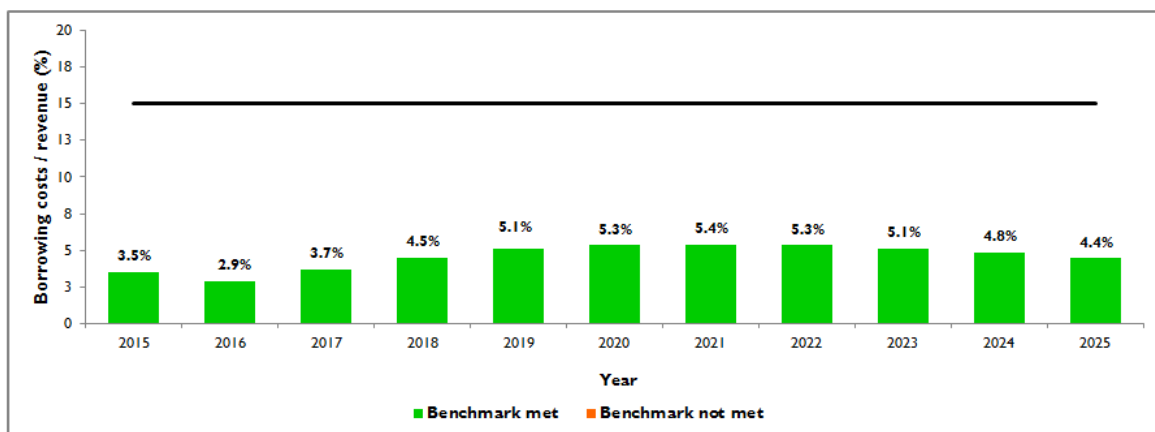
Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



### Debt servicing benchmark

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

Because Statistics New Zealand projects that Council's population will grow faster than the national population is expected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.



## Rates Breakdown Indicator Properties

These are the indicated rates, exclusive of GST.

# PASTORAL PROPERTY EXAMPLES

	Median – Minimum Capital Value		Average Capital Value		Median – Maximum Capital Value	
	2014/15 Actual	2015/16 Proposed	2014/15 Actual	2015/16 Proposed	2014/15 Actual	2015/16 Proposed
						
<b>EUREKA</b>						
Rating Valuation	1,285,000.00	1,225,000.00	2,200,000.00	2,360,000.00	3,875,000.00	4,220,000.00
Capital Value rates	3,125.89	2,843.96	5,351.72	5,478.98	9,426.33	9,797.15
UAGC	418.00	430.12	418.00	430.12	418.00	430.12
Fixed Targeted Rates	226.25	243.36	226.25	243.36	678.75	730.08
Total Rates	3,770.14	3,517.44	5,995.97	6,152.46	10,523.08	10,957.35
\$ Increase		-252.70		156.49		434.27
Percentage Increase		-6.7%		2.6%		4.1%
Weekly Impact		-4.86		3.01		8.35
<b>HUKANUI-WAERENGA</b>						
Rating Valuation	910,000.00	910,000.00	1,450,000.00	1,710,000.00	5,000,000.00	5,000,000.00
Capital Value rates	2,213.67	2,112.66	3,527.27	3,969.94	12,163.00	11,608.00
UAGC	418.00	430.12	418.00	430.12	418.00	430.12
Fixed Targeted Rates	-	-	-	-	720.75	722.30
Total Rates	2,631.67	2,542.78	3,945.27	4,400.06	13,301.75	12,760.42
\$ Increase		-88.89		454.79		-541.33
Percentage Increase		-3.4%		11.5%		-4.1%
Weekly Impact		-1.71		8.75		-10.41
<b>NEWCASTLE</b>						
Rating Valuation	1,030,000.00	1,030,000.00	1,375,000.00	1,390,000.00	3,825,000.00	3,820,000.00
Capital Value rates	2,505.58	2,391.25	3,344.83	3,227.02	9,304.70	8,868.51
UAGC	418.00	430.12	418.00	430.12	418.00	430.12
Fixed Targeted Rates	196.25	213.36	196.25	213.36	588.75	640.08
Total Rates	3,119.83	3,034.73	3,959.08	3,870.50	10,311.45	9,938.71
\$ Increase		-85.10		-88.58		-372.74
Percentage Increase		-2.7%		-2.2%		-3.6%
Weekly Impact		-1.64		-1.70		-7.17
<b>ONEWHERO-TE AKAU</b>						
Rating Valuation	714,000.00	714,000.00	1,375,000.00	1,425,000.00	8,150,000.00	8,325,000.00
Capital Value rates	1,736.88	1,657.62	3,344.83	3,308.28	19,825.69	19,327.32
UAGC	418.00	430.12	-	-	418.00	430.12
Fixed Targeted Rates	45.84	45.84	32.00	32.00	200.00	200.00
Total Rates	2,200.72	2,133.58	3,376.83	3,340.28	20,443.69	19,957.44
\$ Increase		-67.14		-36.55		-486.25
Percentage Increase		-3.1%		-1.1%		-2.4%
Weekly Impact		-1.29		-0.70		-9.35
<b>WHANGAMARINO</b>						
Rating Valuation	715,000.00	826,000.00	1,505,000.00	1,630,000.00	5,755,000.00	5,920,000.00
Capital Value rates	1,739.31	1,917.64	3,661.06	3,784.21	13,999.61	13,743.87
UAGC	-	-	418.00	430.12	418.00	430.12
Fixed Targeted Rates	-	-	84.22	138.62	638.12	826.72
Total Rates	1,739.31	1,917.64	4,163.28	4,352.95	15,055.73	15,000.71
\$ Increase		178.33		189.67		-55.02
Percentage Increase		10.3%		4.6%		-0.4%
Weekly Impact		3.43		3.65		-1.06


# COMMERCIAL PROPERTY EXAMPLES

	Median – Minimum Capital Value		Average Capital Value		Median – Maximum Capital Value	
	2014/15 Actual	2015/16 Proposed	2014/15 Actual	2015/16 Proposed	2014/15 Actual	2015/16 Proposed

<b>AWAROA KI TUAKAU</b>	Rating Valuation	200,000.00	220,000.00	430,000.00	430,000.00	1,400,000.00	1,540,000.00
	Capital Value rates	486.52	510.75	1,046.02	998.29	3,405.64	3,575.26
	UAGC	418.00	430.12	418.00	430.12	418.00	430.12
	Fixed Targeted Rates	929.06	995.63	2,583.08	2,854.50	1,866.48	2,041.07
	Total Rates	1,833.58	1,936.50	4,047.10	4,282.91	5,690.12	6,046.45
	\$ Increase		102.92		235.81		356.33
	Percentage Increase		5.6%		5.8%		6.3%
	Weekly Impact		1.98		4.53		6.85
<b>HUNTLY</b>	Rating Valuation	210,000.00	210,000.00	420,000.00	420,000.00	3,575,000.00	3,580,000.00
	Capital Value rates	510.85	487.54	1,021.69	975.07	8,696.55	8,311.33
	UAGC	-	-	418.00	430.12	418.00	430.12
	Fixed Targeted Rates	544.98	614.22	1,564.53	1,666.53	1,167.87	1,438.42
	Total Rates	1,055.83	1,101.76	3,004.22	3,071.72	10,282.42	10,179.87
	\$ Increase		45.93		67.50		-102.55
	Percentage Increase		4.3%		2.2%		-1.0%
	Weekly Impact		0.88		1.30		-1.97
<b>NGARUAWAHIA</b>	Rating Valuation	215,000.00	215,000.00	480,000.00	410,000.00	1,775,000.00	1,780,000.00
	Capital Value rates	523.01	499.14	1,167.65	951.86	4,317.87	4,132.45
	UAGC	418.00	430.12	418.00	430.12	418.00	430.12
	Fixed Targeted Rates	1,496.80	1,741.89	3,085.17	3,478.30	905.25	1,021.42
	Total Rates	2,437.81	2,671.15	4,670.82	4,860.28	5,641.12	5,583.99
	\$ Increase		233.34		189.46		-57.13
	Percentage Increase		9.6%		4.1%		-1.0%
	Weekly Impact		4.49		3.64		-1.10
<b>RAGLAN</b>	Rating Valuation	440,000.00	440,000.00	820,000.00	820,000.00	2,100,000.00	2,100,000.00
	Capital Value rates	1,070.34	1,021.50	1,994.73	1,903.71	5,108.46	4,875.36
	UAGC	418.00	430.12	418.00	430.12	418.00	430.12
	Fixed Targeted Rates	1,076.61	1,135.66	1,076.61	1,135.66	4,005.74	4,064.68
	Total Rates	2,564.95	2,587.28	3,489.34	3,469.49	9,532.20	9,370.16
	\$ Increase		22.33		-19.85		-162.04
	Percentage Increase		0.9%		-0.6%		-1.7%
	Weekly Impact		0.43		-0.38		-3.12
<b>TAMAHERE</b>	Rating Valuation	1,325,000.00	1,320,000.00	1,500,000.00	2,000,000.00	6,800,000.00	6,800,000.00
	Capital Value rates	3,223.20	3,064.51	3,648.90	4,643.20	16,541.68	15,786.88
	UAGC	418.00	430.12	418.00	430.12	418.00	430.12
	Fixed Targeted Rates	659.94	539.14	229.28	229.76	9,621.07	10,064.30
	Total Rates	4,301.14	4,033.77	4,296.18	5,303.08	26,580.75	26,281.30
	\$ Increase		-267.37		1,006.90		-299.45
	Percentage Increase		-6.2%		23.4%		-1.1%
	Weekly Impact		-5.14		19.36		-5.76



# LIFESTYLE PROPERTY EXAMPLES

	Median – Minimum Capital Value		Average Capital Value		Average Capital Value	
	2014/15 Actual	2015/16 Proposed	2014/15 Actual	2015/16 Proposed	2014/15 Actual	2015/16 Proposed

<b>AWAROA KI TUAKAU</b>	Rating Valuation	276,000.00	321,000.00	571,000.00	641,000.00	1,160,000.00	1,320,000.00
	Capital Value rates	671.40	745.23	1,389.01	1,488.15	2,821.82	3,064.51
	UAGC	418.00	430.12	418.00	430.12	418.00	430.12
	Fixed Targeted Rates	212.46	182.20	-	-	19.11	46.31
	Total Rates	1,301.86	1,357.55	1,807.01	1,918.27	3,258.93	3,540.94
	\$ Increase		55.69		111.26		282.01
	Percentage Increase		4.3%		6.2%		8.7%
	Weekly Impact		1.07		2.14		5.42
<b>HUNTLY</b>	Rating Valuation	142,000.00	173,000.00	355,000.00	345,000.00	970,000.00	960,000.00
	Capital Value rates	345.43	401.64	863.57	800.95	2,359.62	2,228.74
	UAGC	-	-	418.00	430.12	418.00	430.12
	Fixed Targeted Rates	122.81	200.00	361.06	455.36	196.25	213.36
	Total Rates	468.24	601.64	1,642.63	1,686.43	2,973.87	2,872.22
	\$ Increase		133.40		43.80		-101.65
	Percentage Increase		28.5%		2.7%		-3.4%
	Weekly Impact		2.57		0.84		-1.95
<b>NGARUAWAHIA</b>	Rating Valuation	236,000.00	252,000.00	515,000.00	505,000.00	1,575,000.00	1,560,000.00
	Capital Value rates	574.09	585.04	1,252.79	1,172.41	3,831.35	3,621.70
	UAGC	418.00	430.12	418.00	430.12	418.00	430.12
	Fixed Targeted Rates	-	-	435.70	469.92	346.06	440.36
	Total Rates	992.09	1,015.16	2,106.49	2,072.45	4,595.41	4,492.18
	\$ Increase		23.07		-34.04		-103.23
	Percentage Increase		2.3%		-1.6%		-2.2%
	Weekly Impact		0.44		-0.65		-1.99
<b>RAGLAN</b>	Rating Valuation	201,000.00	216,000.00	416,000.00	431,000.00	1,426,000.00	1,481,000.00
	Capital Value rates	488.95	501.47	1,011.96	1,000.61	3,468.89	3,438.29
	UAGC	-	-	418.00	430.12	-	-
	Fixed Targeted Rates	-	-	18.20	18.20	-	-
	Total Rates	488.95	501.47	1,448.16	1,448.93	3,468.89	3,438.29
	\$ Increase		12.52		0.77		-30.60
	Percentage Increase		2.6%		0.1%		-0.9%
	Weekly Impact		0.24		0.01		-0.59
<b>TAMAHERE</b>	Rating Valuation	410,000.00	460,000.00	770,000.00	825,000.00	2,025,000.00	2,100,000.00
	Capital Value rates	997.37	1,067.94	1,873.10	1,915.32	4,926.02	4,875.36
	UAGC	418.00	430.12	418.00	430.12	418.00	430.12
	Fixed Targeted Rates	266.25	283.36	491.66	509.08	423.41	445.99
	Total Rates	1,681.62	1,781.42	2,782.76	2,854.52	5,767.43	5,751.47
	\$ Increase		99.80		71.76		-15.96
	Percentage Increase		5.9%		2.6%		-0.3%
	Weekly Impact		1.92		1.38		-0.31

# DAIRY LAND PROPERTY EXAMPLES

	Median – Minimum Capital Value		Average Capital Value		Median – Maximum Capital Value	
	2014/15 Actual	2015/16 Proposed	2014/15 Actual	2015/16 Proposed	2014/15 Actual	2015/16 Proposed

EUREKA	Rating Valuation	1,325,000.00	1,563,000.00	2,780,000.00	3,050,000.00	6,250,000.00	7,530,000.00
	Capital Value rates	3,223.20	3,628.66	6,762.63	7,080.88	15,203.75	17,481.65
UAGC	418.00	430.12	418.00	430.12	418.00	430.12	
Fixed Targeted Rates	234.25	251.36	222.25	239.36	702.75	754.08	
Total Rates	3,875.45	4,310.14	7,402.88	7,750.36	16,324.50	18,665.85	
\$ Increase		434.69		347.48		2,341.35	
Percentage Increase		11.2%		4.7%		14.3%	
Weekly Impact		8.36		6.68		45.03	
HUKANUI-WAERENGA	Rating Valuation	1,335,000.00	1,335,000.00	2,375,000.00	2,625,000.00	8,650,000.00	11,200,000.00
	Capital Value rates	3,247.52	3,099.34	5,777.43	6,094.20	21,041.99	26,001.92
UAGC	418.00	430.12	418.00	430.12	418.00	430.12	
Fixed Targeted Rates	196.25	213.36	444.50	478.72	444.50	478.72	
Total Rates	3,861.77	3,742.82	6,639.93	7,003.04	21,904.49	26,910.76	
\$ Increase		-118.95		363.11		5,006.27	
Percentage Increase		-3.1%		5.5%		22.9%	
Weekly Impact		-2.29		6.98		96.27	
NEWCASTLE	Rating Valuation	1,050,000.00	1,205,000.00	2,050,000.00	2,440,000.00	5,220,000.00	6,175,000.00
	Capital Value rates	2,554.23	2,797.53	4,986.83	5,664.70	12,698.17	14,335.88
UAGC	418.00	430.12	418.00	430.12	418.00	430.12	
Fixed Targeted Rates	-	-	-	-	392.50	426.72	
Total Rates	2,972.23	3,227.65	5,404.83	6,094.82	13,508.67	15,192.72	
\$ Increase		255.42		689.99		1,684.05	
Percentage Increase		8.6%		12.8%		12.5%	
Weekly Impact		4.91		13.27		32.39	
ONEWHERO-TE AKAU	Rating Valuation	1,025,000.00	1,020,000.00	1,675,000.00	1,840,000.00	2,575,000.00	3,430,000.00
	Capital Value rates	2,493.42	2,368.03	4,074.61	4,271.74	6,263.95	7,963.09
UAGC	418.00	430.12	418.00	430.12	418.00	430.12	
Fixed Targeted Rates	58.20	58.20	98.20	98.20	109.72	183.88	
Total Rates	2,969.62	2,856.35	4,590.81	4,800.06	6,791.67	8,577.09	
\$ Increase		-113.27		209.25		1,785.42	
Percentage Increase		-3.8%		4.6%		26.3%	
Weekly Impact		-2.18		4.02		34.33	
WHANGAMARINO	Rating Valuation	980,000.00	980,000.00	1,950,000.00	1,940,000.00	5,850,000.00	6,600,000.00
	Capital Value rates	2,383.95	2,275.17	4,743.57	4,503.90	14,230.71	15,322.56
UAGC	418.00	430.12	418.00	430.12	418.00	430.12	
Fixed Targeted Rates	-	-	220.25	237.36	245.62	400.00	
Total Rates	2,801.95	2,705.29	5,381.82	5,171.38	14,894.33	16,152.68	
\$ Increase		-96.66		-210.44		1,258.35	
Percentage Increase		-3.4%		-3.9%		8.4%	
Weekly Impact		-1.86		-4.05		24.20	

# RESIDENTIAL PROPERTY EXAMPLES

	 Median – Minimum Capital Value		Average Capital Value		Median – Maximum Capital Value	
	2014/15 Actual	2015/16 Proposed	2014/15 Actual	2015/16 Proposed	2014/15 Actual	2015/16 Proposed
<b>AWAROA KI TUAKAU</b>						
Rating Valuation	140,000.00	165,000.00	285,000.00	335,000.00	890,000.00	2,500,000.00
Capital Value rates	340.56	383.06	693.29	777.74	2,165.01	5,804.00
UAGC	418.00	430.12	418.00	430.12	418.00	430.12
Fixed Targeted Rates	18.20	18.20	975.19	1,041.76	18.20	18.20
Total Rates	776.76	831.38	2,086.48	2,249.62	2,601.21	6,252.32
\$ Increase		54.62		163.14		3,651.11
Percentage Increase		7.0%		7.8%		140.4%
Weekly Impact		1.05		3.14		70.21
<b>HUNTLY</b>						
Rating Valuation	81,000.00	82,000.00	175,000.00	165,000.00	560,000.00	560,000.00
Capital Value rates	197.04	190.37	425.71	383.06	1,362.26	1,300.10
UAGC	418.00	430.12	418.00	430.12	418.00	430.12
Fixed Targeted Rates	196.25	213.36	1,488.29	1,572.78	1,488.29	1,572.78
Total Rates	811.29	833.85	2,332.00	2,385.96	3,268.55	3,303.00
\$ Increase		22.56		53.96		34.45
Percentage Increase		2.8%		2.3%		1.1%
Weekly Impact		0.43		1.04		0.66
<b>NGARUAWAHIA</b>						
Rating Valuation	115,000.00	110,000.00	210,000.00	210,000.00	630,000.00	650,000.00
Capital Value rates	279.75	255.38	510.85	487.54	1,532.54	1,509.04
UAGC	418.00	430.12	418.00	430.12	418.00	430.12
Fixed Targeted Rates	122.81	364.00	1,471.29	1,555.78	246.25	263.36
Total Rates	820.56	1,049.50	2,400.14	2,473.44	2,196.79	2,202.52
\$ Increase		228.94		73.30		5.73
Percentage Increase		27.9%		3.1%		0.3%
Weekly Impact		4.40		1.41		0.11
<b>RAGLAN</b>						
Rating Valuation	192,000.00	191,000.00	350,000.00	385,000.00	1,475,000.00	1,130,000.00
Capital Value rates	467.06	443.43	851.41	893.82	3,588.09	2,623.41
UAGC	418.00	430.12	418.00	430.12	418.00	430.12
Fixed Targeted Rates	841.93	771.43	1,548.98	1,562.32	1,548.98	1,562.32
Total Rates	1,726.99	1,644.98	2,818.39	2,886.26	5,555.07	4,615.85
\$ Increase		-82.01		67.87		-939.22
Percentage Increase		-4.7%		2.4%		-16.9%
Weekly Impact		-1.58		1.31		-18.06
<b>TAMAHERE</b>						
Rating Valuation	325,000.00	315,000.00	420,000.00	440,000.00	630,000.00	650,000.00
Capital Value rates	790.60	731.30	1,021.69	1,021.50	1,532.54	1,509.04
UAGC	418.00	430.12	418.00	430.12	-	430.12
Fixed Targeted Rates	559.25	437.36	485.50	502.65	722.01	756.25
Total Rates	1,767.85	1,598.78	1,925.19	1,954.28	2,254.55	2,695.41
\$ Increase		-169.07		29.09		440.86
Percentage Increase		-9.6%		1.5%		19.6%
Weekly Impact		-3.25		0.56		8.48



## Statement of Accounting Policies For The Ten Years Ending 30 June 2025

### REPORTING ENTITY

Waikato District Council (Council) is a territorial authority governed by the Local Government Act 2002 (LGA 2002) and is domiciled in New Zealand.

The Waikato District Council Group (the Group) consists of the ultimate parent Waikato District Council (Council), its 100% owned subsidiaries Strada Corporation Limited (Strada) and the Waikato District Community Wellbeing Trust. Strada is a 50% party to a Joint Venture Agreement, Waikato Quarries Limited. All the companies in which Council has an interest, directly or through Strada, are incorporated and domiciled in New Zealand.

The primary objective of Council and the Group is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the Group as Public Benefit Entities (PBE) for the purposes of financial reporting.

The prospective financial statements are for the ten years ending 30 June 2025. They were authorised for issue by Council on 30 June 2015. Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

### BASIS of PREPARATION

#### Statement of compliance

Council's prospective financial statements have been prepared in accordance with the requirements of LGA 2002 which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These prospective financial statements (with the exception of the Funding Impact Statement) have been prepared in accordance with Tier I PBE accounting standards.

These prospective financial statements are the first prepared in accordance with PBE standards.

Included in this plan are three types of financial information –

1. the usual NZ GAAP regulated statements of financial position, comprehensive revenue and expense and the like;
2. funding impact statements (FIS); and,
3. a long-term plan disclosure statement.

The key difference between these three types of information is that FISs and the disclosure statement are not required by NZ GAAP.

The FIS is intended to make the sources and applications of Council funds more transparent to its stakeholders than might be the case if only the usual NZ GAAP financial statements were provided. The FIS format is prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014 and is required by the Local Government Act 2002.

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

#### **Measurement base**

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment properties, and certain financial instruments (including derivative instruments).

The actual results for the 2013/2014 financial year and the Annual Plan financial performance and cash flows for the 2014/2015 financial year, as modified by known changes, have been used to arrive at the opening balances for the plan as at 1 July 2015.

#### **Functional and presentation currency**

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000's). The functional currency for Council is New Zealand dollars.

#### **Changes in accounting policies**

The accounting policies set out below have been modified from those applied in prior financial statements. Those modifications have resulted from the implementation of the new PBE standards.

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of consolidation**

Council has not consolidated the prospective financial statements to include its subsidiaries Strada and the Waikato District Community Wellbeing Trust as a group because Council believes that consolidation would not enhance an understanding of Council's core activities and services.

#### **Revenue**

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable.

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognised. An asset acquired through a non-exchange transaction is initially measured at its fair value at the date of acquisition.

Specific revenue items are recognised as follows:

- General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the year to which the rates resolution relates. They are recognised at the amounts due. Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Water billing revenue is recognised on an accrual basis. Unbilled usage, because there are unread meters at year-end, is accrued on an average usage basis.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Rates remissions are recognised as a reduction of rates revenue when Council has received as application that satisfies its rates remission policy.

- Council receives government grants from the New Zealand Transport Agency (NZTA), which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.
- Revenue from the sale of goods is recognised when a product is sold to the customer. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
- Fes and charges revenue is recognised when the service is provided.
- Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease.
- Traffic and parking infringement income is recognised when the infringement notice is issued.
- Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Assets vested in Council are recognised as income when control over the asset is obtained.
- Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged.
- Interest income is recognised using the effective interest method.
- Dividends receivable are recognised when the right to receive the payment has been established.

### **Construction contracts**

Contract revenue and contract costs are recognised as revenue and expense respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts and costs that are specifically chargeable to the customer under the terms of the contract.

An expected deficit on construction contracts is recognised immediately as an expense in surplus or deficit.

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

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised deficits and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses less deficits, the net amounts are presented as a liability.

**Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

**Grant expenditure**

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

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

**Foreign currency transactions**

Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in surplus or deficit.

**Leases****Operating leases**

An operating lease is a lease which does not transfer substantially all the risks and rewards incidental to ownership. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

**Cash and cash equivalents**

Cash and cash equivalents include cash on 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 that are repayable on demand and form an integral part of Council's cash management are shown within borrowings in current liabilities in the statement of financial position.

**Recoverables from non-exchange transactions and other receivables**

Recoverables from non-exchange transactions and other receivables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method, less any provision for impairment.

**Inventory**

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at cost, using the first-in-first-out (FIFO) basis, adjusted when applicable, for any loss of service potential. Where inventories are acquired through a non-exchange transaction their cost is measured at their fair value at the date of acquisition.

Inventory held for use in the production of goods and services on a commercial basis, such as raw material stocks and trading stocks, is 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 for the loss of service potential or from cost to net realisable value is recognised as an expense in the period the write-down or loss occurs.

Net realisable value represents the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs to make the sale, exchange or distribution.

### **Other financial assets**

Financial assets are initially recognised 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 surplus or deficit.

Council classifies its financial assets into the following categories:

- loans and receivables
- held to maturity investments
- fair value through surplus or deficit
- fair value through other comprehensive revenue and expense.

The classification depends on the purpose for which the investments were acquired.

### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after balance date, which are included in non-current assets.

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

Loans to community organisations made by 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 financial instrument. The loans 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 surplus or deficit as a grant.

### **Held to maturity investments**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments, with fixed maturities and with a positive intention and ability to hold to maturity. They are included in current assets, except for those with maturities greater than 12 months after balance date which are included in non-current assets.

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

### **Financial assets at fair value through surplus or deficit**

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Council's derivatives are categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied. Assets in this category are classified as current assets. After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in surplus or deficit.

### ***Financial assets at fair value through other comprehensive revenue and expense***

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of balance date. They comprise of the following:

- investments that it intends to hold long term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to surplus or deficit.

### **Impairment of financial assets**

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in surplus or deficit.

### ***Loans and receivables***

Impairment is established when there is objective evidence that Council and the group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

For community loans, impairment losses are recognised directly against the instrument's carrying amount.

### ***Financial assets at fair value through other comprehensive revenue and expense***

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to surplus or deficit.

Impairment losses recognised in surplus or deficit on equity investments are not reversed through surplus or deficit.

### **Derivative financial instruments**

Council uses derivative financial instruments to manage exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, 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 associated gains or losses of derivatives are recognised in surplus or deficit. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

### **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 rather than through continuing use. 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 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.

### **Property, plant and equipment**

Property, plant and equipment consist of:

- Operational assets: These include land, buildings, improvements, landfill post closure, library books, plant and equipment, furniture, computers and motor vehicles.
- Restricted assets: These are parks and reserves owned by Council which provide a benefit or service to the community, and can only be disposed of after following a rigorous legal and public consultation process.
- Infrastructure assets: These are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function. For example, wastewater reticulation includes reticulation piping and wastewater pump stations.

Council's pensioner housing and other non-commercial rental properties, which are held for service delivery objectives rather than for rental income or capital appreciation, are accounted for as property, plant and equipment.

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

### **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the Group and the cost of the item can be measured reliably. Only assets with a life of over one year and value of over \$2,000 are capitalised. Subsequent expenditure on an asset which restores or increases the service potential of the asset beyond the current economic benefit of that asset is capitalised. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as they are incurred.

Property, plant and equipment are recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

#### **Assets under construction (work in progress)**

Assets under construction are recognised at cost less impairment and not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

#### **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in surplus or deficit. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to accumulated funds.

#### **Depreciation**

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

<b>Description</b>	<b>Useful Life (Years)</b>	<b>Depreciation Rate</b>
Audio-visual materials and electronic games – Libraries	5	20%
Buildings	12.5– 100	1% - 8%
Vehicles / Moveable plant	4 – 20	5% - 25%
Library books	8	12.5%
Computers	4 – 7	14% - 25%
Office equipment	2 – 20	5% - 50%
Furniture and fixtures	10	10%
Water treatment	1 – 100	1% - 100%
Water reticulation	2 – 100	1% - 50%
Wastewater	1 – 100	1% - 100%
Urban stormwater	30 – 100	1% - 33.5%
Roading pavement – sealed	1 – 100	1% - 100%
Pavement (basecourse)		
- sealed	65 – 105	0.95% - 1.54%
- unsealed metal	20	5%
Surface water channel	20 – 80	1.25% - 5%
Culverts	80	1.25%
Guardrails/Barriers	40 – 80	1.25% - 2.5%
Footpaths	15 – 80	1.25% - 6.7%
Street lighting	20	5%
Bridges	60 – 100	1.67% - 5%
Parks and reserves	10-100	1% -10%
Solid waste	5 - 80	1.25% - 20%
Signs	20	5%

The residual value, depreciation method and useful life of an asset are reviewed, and adjusted if applicable, at each balance date.



### **Revaluation**

Land, buildings (operational and restricted); parks and reserves; and infrastructural assets (except land under roads) are revalued on a regular basis to ensure that their carrying amounts do not differ materially from fair value, and at least every three years. All other asset classes are stated at depreciated historical cost.

The carrying values of the revalued assets are assessed at each balance date to ensure that they do not differ materially from the assets' fair value. If there is a material difference, the off-cycle asset classes are revalued.

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in surplus or deficit will be recognised first in surplus or deficit up to the amount previously expensed, with any remainder recognised in other comprehensive revenue and expense.

### **Intangible assets**

#### ***Software acquisition and development***

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Staff training costs and costs associated with maintaining computer software are recognised as an expense when incurred. This asset class, which is amortised on a straight-line basis, has a useful life of 4 to 7 years and the amortisation rates are between 14% and 25%.

### **Consents**

Consent costs for capital works are recognised at cost, and amortised over the life of the consents - between ten and thirty-five years. The amortisation charge for each period is recognised in surplus or deficit.

### **Impairment of property, plant and equipment and intangible assets**

Intangible assets having an indefinite useful life, or which are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. Where there is an indicator of impairment, the asset's recoverable amount is estimated. 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 for non-cash generating assets is the present value of its remaining service potential.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows from the continued use and eventual disposal of the asset.

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 in other comprehensive revenue and expense and accumulated 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 surplus or deficit.

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

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

### **Biological assets**

Cattle on Council's reserve are revalued annually at fair value less estimated cost to sell. Fair value is determined based on market price at balance date.

Gains or losses from a change in fair value less estimated costs to sell are recognised in surplus or deficit. The costs incurred in relation to the cattle are included in surplus or deficit.

### **Investment property**

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at cost, including transaction costs. After initial recognition, all investment properties are measured at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in surplus or deficit.

### **Creditors and other payables**

Short term creditors and other payables are recorded at their face value.

## **Employee entitlements**

### ***Short-term employee entitlements***

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

A liability for sick leave is recognised 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 it will be used by staff to cover those future absences.

### ***Long-term employee entitlements***

Entitlements that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculation is based on:

- 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 entitlement information; and
- The present value of the estimated future cash flows.
- The inflation factor is based on the expected long-term increase in remuneration for employees.

### ***Presentation of employee entitlements***

Employee entitlements expected to be settled within 12 months of balance date are classified as current liabilities. All other employee entitlements are classified as non-current liabilities.

### **Superannuation schemes**

#### ***Defined contribution schemes***

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in surplus or deficit when incurred.

### **Provisions**

A provision is recognised for future expenditure of uncertain amount or timing when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

Provision has been made for future environmental obligations in respect of closed landfills and contract completion costs.

### **Borrowings**

Borrowing is initially recognised at fair value net of transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

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

### **Net assets/equity**

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

- Accumulated comprehensive revenue and expense
- Other reserves
  - asset revaluation
  - restricted
  - council-created
  - special rates and user pays
  - capital replacement funds
  - development contribution
  - fair value through other comprehensive revenue and expense.

### **Asset revaluation reserves**

These reserves relate to the revaluation of property, plant and equipment to fair value.

### **Restricted reserves**

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by 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.

### **Council-created reserves**

Council-created reserves are reserves established by Council decisions. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

### **Fair value through other comprehensive revenue and expense**

This reserve comprises the cumulative net change in the fair value of financial instruments at fair value through other comprehensive revenue and expense.

### **Goods and Services Tax (GST)**

All items in the financial statements are stated exclusive of GST except for Trade Payables and receivables, which are presented on a GST-inclusive basis. When GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

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.

Commitments and contingencies are disclosed exclusive of GST.

**Cost allocation policy**

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using cost drivers such as actual usage, staff numbers and floor area.

**Cautionary note for prospective financial statements**

The purpose for the preparation of the prospective financial statements is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cash flows of Council for the ten years ending 30 June 2025. The information contained in these statements may not be appropriate for purposes other than that as previously described.

The preparation of prospective financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from these estimates and the variations may be material.

**Significant forecasting assumptions**

The significant forecasting assumptions and risks underlying the financial estimates are identified on pages 73 to 82.

## **Funding Impact Statement**

The Council proposes to set the following rates for the financial year commencing 1 July 2015 and ending 30 June 2016.

All amounts (except where otherwise stated) are inclusive of GST

### **General rate**

The Council proposes to set a General Rate on the capital value of rateable land within its district. The General Rate required to undertake the work programme outlined in the first year of the Long Term Plan 2015/2016 is proposed to be \$0.0023216 in the dollar of capital value. This work program covers Animal Control, Community and Safety, Corporate and Council Leadership, Environmental Health, Community Liaison, Libraries, Parks and Reserves, Resource Management, Roading, Solid Waste management, Stormwater, Wastewater and Water Supply

### **Uniform Annual General Charge (UAGC)**

The Council proposes to set a UAGC of \$430.12 per rating unit in the 2015/2016 year.

The Council considered and agreed on a range of services, which a UAGC might fund. The appropriate services are viewed as people-related, rather than property-related, including libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental health, resource management planning, environmental consents planning, area offices and democracy/local government.

At \$430.12, the UAGC will contribute approximately 22.5 per cent of the total rates revenue expected to be collected by the Council. The legislative maximum for rates revenue collected from the UAGC and targeted rates set on a uniform basis is 30 per cent (LGRA). The Council considered that the amount of the UAGC was fair and equitable and took into account the needs of our diverse community.

### **Rating of separately used or inhabited parts of a rating unit**

Objective: To fairly apportion charges to properties containing multiple residences or multiple uses.

Conditions and Criteria:

The Council will raise multiple charges against each separately used or inhabited part of a rating unit.

Definition:

The basis of a unit of separate use or inhabitation is that the part can be separately let and permanently occupied by the owner or any other person having the right to use or inhabit that part by virtue of a lease, tenancy, licence or any other agreement.

For the purpose of this definition, where the use or inhabitation is an accessory one or is ancillary to another property or part thereof, it is not a separately used or inhabited part. For example:

- Not separately used or inhabited parts of a rating unit:
- A residential sleep-out or granny flat without independent kitchen facilities.
- A hotel room with or without kitchen facilities.
- Motel rooms with or without kitchen facilities.
- Individual storage garages/sheds/partitioned areas of a warehouse.
- Individual offices/premises of partners in a partnership.

These are separately used or inhabited parts of a rating unit:

- Houses/flats/apartments.
- Flats that share kitchen/bathroom

## **Targeted rates**

### **Targeted Community Facilities Rates**

The Council proposes to set targeted rates for the purpose of covering the costs of maintenance and operation of community facilities in the respective defined rating areas of Huntly (urban), Ngaruawahia and Raglan. This rate is a fixed amount per rating unit on all rating units within the defined catchment area.

#### **Huntly Pool (Rural)**

The Council proposes to set a targeted rate for the purpose of covering part of the costs of maintenance and operation of the Huntly Pool. This rate is a fixed amount per rating unit on all rating units within the defined catchment area.

#### **Targeted Hall or Community Centres**

The Council proposes to set targeted rates for the purpose of covering the costs of maintenance and operation of halls, other facilities and community centres in the respective defined rating areas. This rate is a fixed amount per separately used or inhabited part of a rating unit within the defined hall/community centre area (except for the Te Kohanga and Waikaretu rates which are an amount in dollar of land value). The targeted rates are specific to individual areas.

#### **District refuse**

The Council proposes to set a targeted rate for the purpose of covering the costs of household refuse collection, recycling and disposal where the refuse collection service is provided (excluding Raglan and Te Mata/Te Uku, Port Waikato, Tuakau and ex-Franklin district). The rate is a fixed amount per separately used or inhabited part of a residential rating unit within the serviced area.

#### **Raglan recycling and waste collection**

The Council proposes to set a targeted rate for the purpose of covering the costs of recycling and waste minimisation where the service is provided in Raglan. This rate is a fixed amount per separately used or inhabited part of a residential rating unit within the area.

#### **Te Mata/Te Uku recycling collection point**

The Council proposes to set a targeted rate for the purpose of covering the costs of recycling and waste minimisation collection points for the Te Mata and Te Uku area. This rate is a fixed amount per separately used or inhabited part of a residential rating unit within the area.

#### **Northern Waikato district refuse collection**

The Council proposes to set a targeted rate for the purpose of covering the costs of refuse collection in the northern Waikato. The rate is a fixed amount per separately used or inhabited part of a residential rating unit within the serviced area.

#### **Tuakau refuse collection**

The Council proposes to set a targeted rate for the purpose of covering the costs of refuse collection in the Tuakau area. The rate is a fixed amount per wheelie bin supplied to each rating unit within the serviced area.

## **Tuakau recycling collection**

The Council proposes to set a targeted rate for the purpose of covering the costs of recycling and waste minimisation collection points for the Tuakau area. This rate is a fixed amount per separately used or inhabited part of a rating unit within the serviced area.

## **Water Supply**

The Council proposes to set targeted rates to fund expenditure on water activities.

### **Non metered targeted rate**

This rate is assessed on rating units in the urban centres of Huntly, Ngaruawahia and Raglan without a water meter and is differentiated based on the provision (connected to the supply) or availability/serviceability (rating unit situated within 100 metres of any part of the waterworks) of a water supply service to a rating unit.

The rate is a fixed amount per connection or \$200 per rating unit for availability of the service in the main urban centres.

### **Metered – connection charge targeted rate**

These rates are assessed on rating units with a water meter and assessed as a fixed amount per connection.

The Council also proposes to set rates per cubic metre of water supplied to rating units (see below).

## **Water by Meter**

The Council proposes to set targeted rates to fund expenditure on water activities for metered water supply. The rates are an amount per unit of water (cubic metre) consumed or supplied as measured or controlled by a meter.

## **Wastewater**

The Council proposes to set targeted rates to fund expenditure on wastewater activities. The Council sets a rate for Zones A, B and C, and a separate rate for Zones D and E.

Zone A – Huntly, Ngaruawahia, Horotiu and Te Ohaki

Zone B – Raglan, Te Kauwhata, Rangiriri and Whaanga Coast\*

Zone C – Maramarua, Matangi, Meremere, Te Kowhai, Taupiri and Tauwhare Pa

Zone D – Tuakau

Zone E – Pokeno\*

\*New charges proposed to come into effect once connected to wastewater

The rates are differentiated by residential or commercial use.

Properties in the residential differential are further differentiated by connection or availability of the service.

For the purposes of this rate:

- residential is defined as any part of a rating unit that is used primarily for residential purposes. This is the base differential.
- availability is defined as any rating unit situated within 30 metres of a public wastewater drain to which it is capable of being effectively connected - set as 50 per cent of the fixed amount for connected properties.



- Commercial (commercial) is defined as any part of a rating unit that is not categorised as residential, commercial (non-rateable) or commercial (assistance for the elderly). The rates are set and assessed as 100 per cent of the residential connected differential for rating units with up to two pans, and 50 per cent of the residential connected rate for the third and subsequent pans for the additional use they make of the wastewater systems.
- Commercial (non-rateable) is defined as organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council. The rates are set and assessed as 100 per cent of the residential connected differential for rating units with up to two pans, and 10 per cent of the connected rate for the third and subsequent pans in accordance with the Council's aim to assist non-profit organisations
- Commercial (assistance for the elderly) is defined as organisations that are supportive of the elderly, including retirement homes, rest homes and Council - owned pensioner flats, as determined by the Council. The rates are set and assessed as 100 per cent of the residential connected differential for rating units with up to two pans and 20 per cent of the connected rate for the third and subsequent pans in accordance with the Council's aim of assisting with the elderly.

### **Urban stormwater**

The Council proposes to set a targeted rate to fund expenditure on stormwater activities for stormwater catchments in Horotiu, Huntly, Matangi, Meremere, Ngaruawahia, Pokeno, Port Waikato, Raglan, Taupiri, Te Kauwhata and Tuakau based on the availability of drainage to land as a fixed amount per rating unit.

### **Land drainage – Travers Road**

The Council proposes to set a targeted rate to fund expenditure on drainage activities based on the degree of benefit received from the Travers Road drainage system. This charge is assessed as an amount per hectare of land. The rate is set on a differential basis.

The differential categories are based on classifications:

Class A

Class B

Class C.

### **Tamahere rural stormwater – availability and land drainage**

The Council proposes to set a targeted rate to fund expenditure on rural stormwater activities for the Tamahere stormwater rating area based on the availability of drainage to land. This targeted rate is a fixed amount per rating unit across the scheme.

In addition to this targeted rate, ratepayers in the Tamahere stormwater rating area will also be liable for a Land Drainage targeted rate to fund expenditure on drainage activities received from the Tamahere drainage system. This charge is an amount per hectare of land.

### **Tamahere stormwater infrastructural development (structure plan)**

The Council proposes to set a targeted rate to fund extensions to the existing stormwater infrastructure in Tamahere to ensure that the potential for high water flows to cause erosion in the gully system is minimised. This rate is a fixed amount per rating unit across the Tamahere structure plan catchment for a period of 10 years up to and including the rating year 2017/2018.

### **Community board charges**

The Council proposes to set a targeted rate for the purpose of covering the direct costs of operating all the community boards within the district. This rate is a fixed amount per rating unit for all rating units within the Onewhero-Tuakau, Huntly, Taupiri, Ngaruawahia and Raglan community boards' catchments.

### **Capital works targeted rates**

The Council proposes to set targeted rates for the purpose of funding the capital cost and interest charges of specific capital work. Council initially provided ratepayers with an option on whether to pay for the cost of the capital work by a single payment over 3 instalments in a year or via targeted rates over an expected period of 10 years.

Council annually provides ratepayers with an option to pay off the balance of the rating unit's anticipated liability for targeted rates as at the 30<sup>th</sup> of June of the preceding financial year.

The targeted rates only apply to those rating units for which liability has not been discharged.

### **Taupiri wastewater scheme**

A charge of \$2,531.25 per rating unit (inclusive of GST) was made for the purpose of covering the capital cost of the wastewater system.

For rating units that have not discharged their liability by way of lump sum contribution, the Council will set a targeted rate as:

- a fixed amount per rating unit of \$276.47 (inclusive of GST) (comprising \$225.00 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

### **Rangiriri wastewater scheme**

A charge of \$2,812.50 per rating unit was made for the purpose of covering the capital cost of the wastewater system.

For rating units that have not discharged their liability by way of lump sum contribution, the Council will set a targeted rate as: 1.

- a fixed amount per rating unit of \$320.31 (inclusive of GST) (comprising \$250.00 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

### **Te Ohaki Road wastewater scheme**

A charge of \$3,220.00 per rating unit was made for the purpose of covering the capital cost of the wastewater system.

- For rating units that have not discharged their liability by way of lump sum contribution, the Council will set a targeted rate as a fixed amount per rating unit of \$402.85 (inclusive of GST) (comprising \$280.00 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

### **Tauwhare Pa wastewater scheme**

A charge of \$4,637.16 per rating unit was made for the purpose of covering the capital cost of the wastewater system.

- For rating units that have not discharged their liability by way of lump sum contribution, the Council will set a targeted rate as a fixed amount per rating unit of \$580.15 (inclusive of GST) (comprising \$403.23 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

### **Pokeno wastewater scheme**

A charge of \$13,619 per rating unit will be made for the purpose of covering the capital cost of connecting to the wastewater system.

For rating units that have not discharged their liability by way of lump sum contribution, the Council will set a targeted rate as a fixed amount per rating unit of \$ 1,952.55 (inclusive of GST) (comprising \$1,184.26 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

### **Lump Sum contributions:**

Whaanga Coast wastewater scheme contributions

A charge of \$15,390 per rating unit was made for the purpose of covering the capital cost of the wastewater system.

- For rating units that have not discharged their liability by way of lump sum contribution, the Council will set a targeted rate as a fixed amount per rating unit of \$1,902.36 (inclusive of GST) (comprising \$1,338.26 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

### **Lump sum contributions generally**

The Council will not accept lump sum contributions in respect of any targeted rate, except where stated explicitly in this Funding Impact Statement.

## Rates for the financial year Commencing 1 July 2015 to 30 June 2016

(All figures are inclusive of GST)

Source	Category	Funding	Basis of Rating	LTP 2015/16 \$	Estimated Revenue \$000's
General Rate	All rateable land in the district	Work program as highlighted in the annual plan including animal control, community and safety, corporate and council leadership, environmental health, community liaison, libraries, parks and reserves, resource management, roading, solid waste management, stormwater, wastewater and water supply	Uniform rate in the dollar of capital value	0.0023216	44,339
Uniform annual general charge (UAGC)		People related activities including but not limited to libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental health, resource management planning, environmental consents planning, area offices and democracy/ local government	Fixed amount per rating unit	430.12	11,745

Targeted catchment facilities rates (apply to all rating units within each ward catchment area)	Huntly Community Facilities (urban catchment)	Covers the cost of maintenance and operation of community facilities	Fixed amount per rating unit	42.00	126
	Ngaruawahia Community Facilities			25.00	63
	Raglan Community Facilities			25.00	52
Huntly pool rural	Based on location of rating unit in catchment area	Covers the cost of maintenance and operation of the Huntly pool	Fixed amount per rating unit	16.00	3

Targeted hall or community centre rates (apply to all rating units within each hall catchment area)	Te Kohanga	Covers the cost of maintenance and operation of halls, other facilities and community centres	Uniform rate in the dollar of land value	0.000026	3
	Aka Aka			23.00	4
	Eureka			35.00	8
	Glen Murray			50.00	6
	Gordonton			26.00	14
	Horsham Downs			35.00	14
	Karioitahi			28.74	1
	Mangatangi			30.00	5
	Mangatawhiri			58.50	12
	Maramarua			24.00	8
	Matangi			24.00	24
	Meremere			24.00	4
	Naike			40.89	4
	Ohinewai			24.00	3
	Opuatia			32.00	3
	Orini			26.00	5
	Otaua			50.00	8
	Pokeno			23.00	12
	Port Waikato			25.00	11
	Pukekawa			40.00	16
Puketaha		38.00	12		
Ruawaro		29.00	7		
Tamahere		70.00	88		
Taupiri		24.00	13		

	Tauwhare			30.00	9
	Te Akau/Waingaro			32.00	7
	Te Hoe			30.00	4
	Te Kowhai			50.00	39
	Te Mata			24.00	5
	Tuakau			46.13	77
	Whangarata			46.00	3
	Waikaretu			50.00	3
	Whitikahu			53.00	9

Waste management - Recycling Collection Tuakau	Residential rating units within serviced areas	Covers the cost of refuse and recycling collection where the service is provided	Fixed amount per wheelie bin	55.28	94
Waste management - solid waste collection Tuakau	Rating units within serviced areas		Fixed amount per wheelie bin	176.73	309
Waste management - recycling collection Raglan	Residential rating units within serviced areas		Fixed amount per separately used or inhabited part of a rating unit	105.66	199
Waste management - recycling collection Te Mata/Te Uku	Residential rating units within serviced areas		Fixed amount per separately used or inhabited part of a rating unit	38.26	27
Waste management - solid waste collection district wide (includes recycling)	Residential rating units within serviced areas. ( Eureka, Glen Afton/Pukemiro, Gordonton and surrounds, Horotiu, Horsham Downs, Huntly and surrounds, Meremere, Ngaruawahia and surrounds, Rangiriri and surrounds, Rotokauri, Tamahere and surrounds, Taupiri and surrounds, Te Kauwhata and surrounds, Te Kowhai, Whatawhata)		Fixed amount per separately used or inhabited part of a rating unit	213.36	3,225



Waste management - solid waste collection Northern Waikato (excluding Tuakau)	Residential rating units within serviced areas		Fixed amount per separately used or inhabited part of a rating unit	46.31	151
Water Supply - Non metered	Connected properties in the urban centres of Huntly, Ngaruawahia and Raglan	District wide water activities as per the long term plan	Fixed amount per separately used or inhabited part of a rating unit	521.00	3,071
	Serviceable properties in the urban centres of Huntly, Ngaruawahia and Raglan		Fixed amount per rating unit	200.00	76

Water Supply - Metered	Metered rating units in serviced areas	District wide water activities as per the long term plan	Fixed amount per metered connection to which the service is provided	200.00	1,419
			Charge Per cubic metre of water consumed (as measured by meter)	1.70	6,301
Wastewater - Zones A, B and C	Residential - connected	Wastewater activities within the relevant zones	Fixed amount per separately used or inhabited part of a rating unit situated in Zone A	614.22	3,062
	Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)		Fixed amount per rating unit in Zone A	307.11	86
	Non-residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone A	614.22	0
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone A	61.42	35

	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone A	614.22	0
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone A	122.84	1
	Non residential/commercial - Commercial - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone A	614.22	0
	Non residential/commercial - Commercial - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone A	307.11	87
	Residential - Connected		Fixed amount per separately used or inhabited part of a rating unit situated in Zone B	728.46	1,725
	Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)		Fixed amount per rating unit in Zone B	364.23	95

	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone B	728.46	0
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone B	72.85	9
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone B	728.46	0
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone B	145.69	13
	Non residential/commercial - Commercial - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone B	728.46	0
	Non residential/commercial - Commercial - Connected		Additional fixed amount per pan for the third and any subsequent pans	364.23	40

			situated in Zone B		
	Residential - Connected		Fixed amount per separately used or inhabited part of a rating unit situated in Zone C	882.96	433
	Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)		Fixed amount per rating unit in Zone C	441.48	0
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone C	882.96	0
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone C	88.30	1
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone C	882.96	0

	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone C	176.59	0
	Non residential/commercial - Commercial - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone C	882.96	0
	Non residential/commercial - Commercial - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone C	441.48	2

Wastewater - Zones D and E	Residential - Connected	Wastewater activities within the relevant zones	Fixed amount per separately used or inhabited part of a rating unit situated in Zone D	581.42	907
	Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)		Fixed amount per rating unit in Zone D	290.71	13
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone D	581.42	0
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone D	58.14	0
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone D	581.42	0
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone D	116.28	0

	Non residential/commercial - Commercial - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone D	581.42	0
	Non residential/commercial - Commercial - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone D	290.71	0
	Residential - Connected		Fixed amount per separately used or inhabited part of a rating unit situated in Zone E	715.14	96
	Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)		Fixed amount per rating unit in Zone E	357.57	29
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone E	715.14	0
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone E	71.51	0



	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected	Wastewater activities within the relevant zones	Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone E	715.14	0
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone E	143.03	0
	Non residential/commercial - Commercial - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone E	715.14	0
	Non residential/commercial - Commercial - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone E	357.57	19

Urban Stormwater	Rating units within the stormwater catchment areas (Horotiu, Huntly, Matangi, Meremere, Ngaruawahia, Pokeno, Port Waikato, Raglan, Taupiri, Te Kauwhata and Tuakau)	District wide stormwater activities as per the long term plan	Fixed amount per rating unit	164.00	1,628
Travers Road land drainage	Travers Road land drainage - Class A	Land drainage activities	Amount per hectare of land area	181.04	2
	Travers Road land drainage - Class B			120.70	2
	Travers Road land drainage - Class C			90.52	2
Tamahere structure plan stormwater	Rating units within the Tamahere structure plan catchment area	Existing stormwater infrastructure	Fixed amount per rating unit	189.00	185
Tamahere rural stormwater	Rating units within the Tamahere stormwater catchment area	Tamahere rural stormwater activities	Fixed amount per rating unit	29.11	24
Tamahere land drainage	Rating units within the Tamahere land drainage catchment area	Land drainage activities	Amount per hectare of land area	6.59	10

Community Boards	Huntly ward	Direct costs of operating all the community boards within the district	Fixed amount per rating unit	18.20	54
	Ngaruawahia ward			18.20	46
	Onewhero-Tuakau ward			18.20	68
	Raglan ward			18.20	43
	Taupiri ward			18.20	4

Taupiri Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work	Loan Instalments - Fixed amount per rating unit	276.47	17
			Balance of Loan - Fixed amount per rating unit	517.50	0
Rangiriri Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work	Loan Instalments - Fixed amount per rating unit	320.31	2
			Balance of Loan - Fixed amount per rating unit	862.50	0
Te Ohaki Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work	Loan Instalments - Fixed amount per rating unit	402.85	10
			Balance of Loan - Fixed amount per rating unit	1,932.00	0

Te Ohaki Capital Wastewater Scheme	Connected Marae in scheme area	Covers the capital cost and interest charges of the work	Loan Instalments - Fixed amount per rating unit	6,393.23	6
			Balance of Loan - Fixed amount per rating unit	0.00	0
Tauwhare Pa Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work	Loan Instalments - Fixed amount per rating unit	580.15	21
			Balance of Loan - Fixed amount per rating unit	2,782.29	0
Whaanga Coast Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work	Loan Instalments - Fixed amount per rating unit	2,136.20	38
			Balance of Loan - Fixed amount per rating unit	13,851.00	0

## **Policies and Plans**

## **Significance and engagement policy**

Council adopted their Significance & Engagement Policy (SEP) in August 2014. The SEP is a device for letting the public know what decisions or matters the Council and the community consider being important, how the Council will assess the importance of those matters, and how and when the community can expect to be consulted on both. The SEP will guide the Council's assessment of significance in decision-making and the level of engagement applied to those decisions.

## **Revenue and finance policy**

### **Overview**

The council has reviewed each individual activity with a view to determining an equitable funding policy. In doing so the council considered the nature of the service and the benefits and beneficiaries for each service. Items taken into account during that deliberation were:

- Community outcomes to which an activity contributes
- The distribution of benefits between the community as a whole, identifiable parts of the community and individuals
- The period during which the benefits are expected to occur
- The extent to which actions, or inactions, of individuals or groups contribute to the need to undertake the activity
- Costs and benefits of funding the activity distinctly from other activities.

The list of activities and the funding mechanisms used for each service are included in the table below, along with some explanation of the terminology used.

The funding of operating expenditure and capital expenditure are in accordance with the sources listed in section 103 (2) of the Local Government Act 2002.

### **Funding of operating expenses**

The council sets its long-term revenue to fund its on-going operation and asset maintenance programme as outlined within this plan. The sources used depend on the council's analysis of individual services and are outlined in the table below.

The table outlines the funding mechanism used for individual activities. These mechanisms fall under three headings: General rates (including uniform annual general charges), targeted rates and fees & subsidies. In addition to these sources, the council receives revenue from investments. The details of the investment activity are included separately within this plan. Within this plan, the net revenue from investments is projected to be used to reduce the requirement for general rates.

Group	Activity	Funding Source		
		General Rates	Targeted Rates	Fees
Water Supply	Water Reticulation	Residual	Majority	Fees
	Water Treatment and Supply	Residual	Majority	
Wastewater	Wastewater Reticulation	Residual	Majority	Fees
	Wastewater Treatment and Disposal	Residual	Majority	Fees
Stormwater	Stormwater	Residual	Majority	
Roading	Passenger Transport	Residual		Subsidies
	Road Safety	Residual		Subsidies
	Corridor Maintenance	Residual		Subsidies
	Network Development and Maintenance	Residual		Subsidies
Group	Activity	Funding Source		
		General Rates	Targeted Rates	Fees
	Bridges	Residual		Subsidies
	Footpaths	Full		
Council Leadership	Governance (Council and Chief Executive)	Full		
	Maaori Liaison	Full		
	Council	Full		
	Elections	Full		
	Committees and Community Boards	Residual	Partial	
	Council Support	Full		



Organisational Support	Communications	Full		
	Business Improvement	Full		
	Human Resources	Full		
	Health and Safety	Full		
	Finance and Treasury	Full		
	Rates	Full		
	Information Management	Residual		Fees
	Legal Counsel	Full		
	Corporate Property and Plant	Full		
	Management, Infrastructure Planning, Infrastructure Design and Operations	Residual		Fees
Sustainable Environment	Animal Control	Residual		Fees
	Building Quality	Residual		Fees
	Consents	Residual		Fees
	Environmental Health and Liquor licensing	Residual		License Fees
	Monitoring and Enforcement	Residual		Enforcement fees
	Regulatory Support	Residual		Fees
	Emergency Management (civil defense and rural fire)	Full		
	Waste Minimisation and Refuse	Residual	Majority	Fees

Sustainable Communities	Economic Development	Residual	Partial	
	Strategic and District Planning (includes Structure Planning, Resource Management Act policy etc.)	Full		
	Customer Delivery	Full		
	Leisure Facilities (Aquatic Centres, Libraries and Parks & Reserves)	Residual	Partial	Availability
<b>Group</b>	<b>Activity</b>	<b>Funding Source</b>		
		<b>General Rates</b>	<b>Targeted Rates</b>	<b>Fees</b>
	Community Facilities (Cemeteries, Property, Toilets, Pensioner housing etc.)	Residual	Partial	Market
	Grants and Donations	Full		

### Explanation of notations made in the table.

1. **Full** means that all, or almost all, of the cost of the activity is funded from that particular source. If the comment is made in the rates column it does not preclude making minor charges for the service but indicates that the charges are a negligible part of the total funding.
2. **Availability** means that the cost of having the service available is met from that funding source. For these services council believes that charges can be a major barrier to access for some members of the community. Revenue in these services reflects revenue from programmes, hire of the facility and added value services.
3. **Subsidy** means that a portion of the activity is funded from a government subsidy. In some instances the subsidy makes a relatively minor contribution, but in others, such as roading, the subsidy is a substantial contributor to the cost of the activity. Those subsidies are identified within the individual plan of the activity.
4. **Petrol tax** is a local government share of the petrol tax levied by central government. It is used to contribute to the costs of road maintenance.
5. **Majority** means the majority of the service is funded from this source. When used in the fees and charges column it reflects the view that the services should be recovered from users but that legislation imposes some constraints which may mean that full recovery is not possible.

6. **Market** means that the council attempts to set its charges at a level that is affordable for the users and competitive with similar services either within the district or outside the district. It is used where market rates are not sufficient to meet the full costs of the service. The balance is funded from rates.
7. **Residual** indicates that a portion of funds comes from this source. It reflects that in some circumstances there are constraints on council charges, or that the alternative revenue source may include enforcement revenue which is imposed to achieve compliance and may not always cover the costs of enforcement.
8. **Licence and enforcement fees** can be charged for some services. Licence fees may be set by the council or by regulation, and may not always cover the full costs of the service. Enforcement fees are charged to achieve compliance and do not necessarily meet the full costs of the enforcement activity.
9. **Partial** reflects that the service will be partially funded from targeted rates.

### **Bases for selection of mechanisms to fund operating expenses**

1. **User charges** are used for services where there is a benefit to an individual. If it is possible to efficiently impose a charge, the council does so, on the basis of either recovering the full cost of the service, the marginal cost added by users, or a rate that the market will pay.

The market rate becomes an issue to limit the potential for charging. It applies in circumstances where the council believes that a charge set too high will reduce use and therefore, diminish the value of the facility to the community, and impose a greater cost on ratepayers. In selecting market rate the council has made a judgement that the community values the existence of the facility and would rather fund it from rates than for it to close.

2. **General rates** is used to fund those services where the council believes there is a public benefit even though it may not be to the whole community. It typically funds “public goods” for which there is no practical method for charging individual users as the benefit is wider than just specific users. An analysis of benefits indicates that there is no difference in incidence between multiple targeted rates and a differentiated general rate.

General rates fund a range of services which are used by individual ratepayers to varying extents. The council uses the general rate rather than a number of targeted rates in order to achieve a simpler rating structure. That simpler structure makes it easier for ratepayers to understand how they are being rated and it is also simpler and cheaper to administer. Rates are regarded as a tax which funds the collective community benefit, rather than being any form of proxy for use of a service.

The general rate is applied on a uniform basis on the capital value of all rateable property across the district in accordance with the generally accepted principles of taxation.

3. **Uniform annual general charges** are used to fund people-related, rather than property-related services, including libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental consents planning, area offices and democracy/local government.
4. **Targeted rates** are also used to fund community benefits and wider public goods. A targeted rate means a rate to be used exclusively to pay for that operating expense. It is used in circumstances where the council believes that the benefits from the services are such that the principles of a general rate approach (noted above) are not sufficient and that they should be targeted to a particular beneficiaries group or groups.

It is also used where the council considers that the level of charge is outside the council's control and the extent of the impost should be clear to the community.

5. **Grants and subsidies** are used where they are available. This includes petrol tax.
6. **Borrowing** is not generally used to fund operating expenses, but is used as a tool to smooth out major lumps in the capital replacement and acquisitions programme.

The council may choose to borrow for an operating expense to give a grant to a community organisation that is building a community facility.

7. **Income from dividends, interest and net rental income** is used to offset the cost of provision of other services. Income from interest and dividends is included as revenue in the Finance & Treasury activity. This revenue is applied to the council's general purposes. Income from rental of property is applied to the activity which is the primary user of a facility.
8. **Licence fees** are charged where they are available as a mechanism. They are set as for user charges but may have constraints on the level of the fee. These constraints are established under various legislation.
9. **Enforcement fees** are charged when possible. The purpose of the fee is to promote compliance rather than to raise revenue. At times enforcement fees will recover the full cost and at other times it will not depending on the level of compliance and also the extent to which the charges are limited by statute or the courts.

### **Predictability of rates and rate increases**

The council is aware that the public needs to be able to predict their rates if they are to have confidence in the rates system. While it is not possible to provide absolute predictability in all years within the three year planning cycle, it is possible to provide greater stability and predictability in the years when properties are not re-valued.

The council considers the benefit splits (amounts recovered from ratepayers for services through the general and targeted rates) within the Revenue & Financing Policy is robust.

However, the council is always conscious of the impact of applying different increases to individual rates. This can mean that rates rises for individual ratepayers vary significantly to the average expected rates rise. In this case, the council may determine in any given year, which is not a revaluation year, that it will apply increases in individual rates to achieve a more even distribution of rates rises. This is done in the interests of predictability and affordability for the ratepayer, which is an underlying goal of both the Long Term Plan and the Revenue & Financing Policy.

## **Funding of capital**

1. **Rates** in all forms will be used to fund an on-going replacement programme and may be used to fund a portion of capital acquisition work. This will be balanced against the affordability for the current ratepayers and the extent to which a capital replacement or acquisitions programme is even over the period of the plan. Over the period of the plan the council will get to the point where asset renewals are being met from operating revenue, and also a contribution is being made to levels of service and growth capital.
2. **Borrowing** can be applied to all capital works subject to the preceding statement on the use of rates. The council views debt as a smoothing mechanism and a means of achieving equity between time periods. However the council does not have an unlimited capacity to borrow and the community does not have unlimited capacity to service those loans into the future. Therefore, the council adopts a prudent approach to debt and its capital programme to ensure that the burden of debt and the interest cost does not place an impossible burden on the community. In doing so the council is conscious of its peak debt and its on-going funding stream for debt servicing and work programme.
3. **Grants and subsidies** are used where they are available.
4. **User charges** are used for connection services where there is a benefit to an individual. If it is possible to efficiently impose a charge, the council does so, on the basis of either recovering the full cost of the infrastructure, the marginal cost added by users, or a rate that the market will pay.
5. **Proceeds from asset sales** may be used to fund capital works or repay debt. The preferred option will be for debt repayment with any new works funded from new debt draw down. This method is favoured due to its transparency and the neutral effect it has on rating. There is no major planned asset sales programme over the period of this plan, but assets which are no longer required for strategic or operational purposes may be sold.

- 6. Development and Financial contributions** The district's community is growing. That growth drives a significant portion of our capital work requirement to maintain levels of service to a growing community. As the cost of growth is driven by development the council considers that it is equitable that a development should make a contribution to the costs that are being imposed. Otherwise, existing ratepayers would subsidise new ratepayers and this is inconsistent with council's principles. An exception might occur if development contributions would impose an excessive burden on developers and new ratepayers and this conflicted with council's overall development objectives for the district. In this case, the principle of affordability may mean that some degree of subsidisation is appropriate.

The council has a Development Contributions Policy and a Financial Contributions Policy to obtain contributions to fund the infrastructure required due to district growth. The infrastructure includes roading, water, wastewater, stormwater and community infrastructure (i.e., parks & reserves, libraries, etc). Further details about development and financial contributions and the projects they are used to fund can be found in council's Development Contributions Policy and Financial Contributions Policy.

## **Rate remission and postponement policies**

### **I. Remission of Penalties**

#### **Objective**

To enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the due date.

#### **Conditions and Criteria**

In this part of this policy, the term 'individuals' means ratepayers who are natural persons. Penalty remissions will be considered where an applicant meets any of the following criteria:

- a) Individuals on benefits or other low-incomes or who have been made redundant/unemployed, have no other means, and who have exhausted all other avenues of relief.
- b) Individuals suffering significant family disruption, eg serious illness or accident of self or a close family member, death of a close family member or separation/divorce.
- c) Individuals in cases of extenuating circumstances, e.g. loss of records by fire or theft.
- d) Individuals who contact the council prior to a penalty date to advise that they will not have funds available to pay the rates instalment until after the due date, and payment is made within fourteen (14) days of the due date. (Limited to one penalty within any two (2) year period for any particular ratepayer).
- e) Where the council accepts an agreed payment arrangement, penalties added subsequent to the commencement of the payment arrangement may be remitted at the end of the relevant rating year, provided that the payment arrangement is being honoured.
- f) Where the council accepts an agreed payment arrangement to clear accumulated arrears and current rates, penalties may be remitted at the end of each rating year provided the payment arrangement is being honoured and the payments have the effect of reducing the arrears. The penalty remitted may include either instalment penalties, arrears penalties or both.
- g) The ratepayer has a good payment history (being 2 clear years without incurring penalties).
- h) Penalties may be remitted in other situations where, in the opinion of the Council, it would be just and equitable to do so.

All applications for remission of penalties must be in writing and must be made by the ratepayer of the rating unit concerned.

Decisions under this policy are delegated to officers as set out in the Council's delegations manual.

## **2. Remission & Postponement Policy – Maaori Freehold Land**

### **Objective**

To provide for the fair and equitable collection of rates from all sectors of the community, while recognising that certain Maaori-owned land has particular characteristics, features or ownership structures, or there are other circumstances which may make it appropriate to provide relief from rates.

Specifically, the policy is intended to:

1. Recognise situations where there is no occupier or no persons gaining an economic or financial benefit from the land
2. Set aside land that is better left unused because of its natural features
3. Recognise matters related to the physical accessibility of the land
4. Recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes
5. Facilitate development or use of the land where the council considers rates based on actual land value make the actual use of the land uneconomic.
6. Where only a part of the block is occupied, grant remission for the unoccupied part of the land.

### **Approach**

In establishing this policy, regard has been had to the following matters:

1. In terms of section 91 of the Local Government (Rating) Act 2002, Maaori freehold land is liable for rates in the same manner as if it were general land.
2. The council is required to consider whether it should have a policy on rates relief on Maaori freehold land.
3. The council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.
4. Applications for relief meet the criteria set by the council.
5. The policy does not provide for the permanent remission or postponement of rates in respect of the property concerned.

### **Conditions**

The Council will consider rate remission for land if the following conditions and criteria are met:

- I. Application for remission of rates must be made by the owners or trustees of the land for which the remission is sought.
  - a) Maaori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maaori Land Court. Only land that is the subject of such an order may qualify for remission under this policy.
  - b) Owners or trustees making application must include the following information in their applications:
    - i) The details of the property for which remission is being sought
    - ii) The objectives (as outlined under 'Objectives' above) that will be achieved by providing a remission, together with an explanation as to how the land fits within the objectives



- iii) Documentation that proves the land which is the subject of the application is Maaori freehold land, as defined at (2) above.
- c) Where after due enquiry the owners of an unoccupied block cannot be found, the Council may apply a remission without the need for a request.
- d) Decisions as to remission of rates, and the extent of any remission, are at the sole discretion of the council, and apply only to the rating year for which the application is made.

## **Criteria**

Rates will be remitted where the land meets any or all of the following criteria:

- a) The land is unoccupied and no income is derived from that land
- b) The land is better set aside for non-use because of its natural or cultural features
- c) The land is inaccessible and is unoccupied
- d) The land carries a best potential use value that is significantly in excess of the economic value arising from its actual use.
- e) Maori freehold land that exceeds 2 hectares and on which a Maori meeting house is erected.
- f) The land is only partially occupied (Note that in this case the Council may remit rates of the unoccupied part only).

## **3. Postponement Policy - Financial Hardship**

### **Objective**

To give ratepayers whose financial circumstances affect their ability to pay their rates an option to postpone the whole or part of their rates for an agreed period of time.

### **Postponements in cases of financial hardship**

#### **Conditions and criteria**

1. When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be taken into consideration including the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust, the ratepayer's age, physical or mental disability, injury, illness and family circumstances.
2. If after due enquiry the council is satisfied that financial hardship exists (or would exist if the rates or a portion of the rates were not postponed), the council may postpone part or all of the rates.
3. An application will only be considered where the following criteria are met:
  - i) The application must be made on the prescribed form.
  - ii) Only the person registered as the owner of the rating unit or their authorised agent may make an application for postponement
  - iii) The applicant must be a natural person
  - iv) The owner must have owned a residential property in the Waikato District for not less than five years,.
  - v) The rating unit must be the owner's permanent place of residence.
  - vi) The rating unit is used solely for residential purposes
  - vii) The owner has not less than 25% equity in the property as determined by council.
  - viii) The owner must not own any other rating units, investment properties or other realisable assets in the Waikato District or any other district.
4. The owner must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

5. The council will charge an annual postponement fee of 10% on the postponed rates for the period between the due date and the date they are paid. This fee will cover the council's administration and financial costs and may vary from year to year.
6. Any postponement will apply from the beginning of the rating year in which the application is made.
7. Where an application is granted, the rates will be postponed until the earlier of:
  - ii) The death of the ratepayer(s); or
  - iii) Until the ratepayer(s) ceases to be the owner of the rating unit; or
  - iv) Until the ratepayer(s) ceases to use the property as his/her permanent place of residence; or
  - v) Until a date as determined by the council in the postponement agreement or
  - vi) Until the property is no longer used solely for residential purposes;
  - vii) The ratepayer no longer meets the qualifying criteria as set out in the prescribed declaration form which must be completed and returned to council every two years for review.

All rates that have been postponed will become payable when qualification of postponement ceases.
8. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
9. Postponed rates will be registered as a charge on the certificate of title of the rating unit, under the Statutory Land Charges Registration Act 1928. All costs incurred by council associated with registering the statutory land charge will be borne by the applicant. No dealings with the land may be registered by the ratepayer while the charge is in place except with the consent of the Waikato District Council.
10. When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the applicant and Council that contains the following terms:
  - a. the amount of rates postponed
  - b. The timeframe and conditions upon which the postponed rates will become payable.
  - c. Arrangements for the payment of future rates
  - d. Acknowledgement that the postponed rates will be registered as a first charge against the land
  - e. Requirement that the applicant seeks legal or other professional advice prior to signing the agreement
  - f. Signature of both parties.
11. When postponed rates have been paid by the ratepayer the Council will remove the land charge registered on the title of the rating unit.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual

#### **4. Remission Rating of Community, Sporting and Other Organisations Policy**

##### **Objectives of the policy**

- To facilitate the operation of charitable groups, non-profit sporting and other community facilities which meet the needs of Waikato district residents.
- To assist the organisation's survival.
- To make membership of the organisation more accessible to the general public, in particular young persons and disadvantaged groups.

##### **Conditions and criteria**

Organisations applying for a rates remission must meet the following criteria:

1. The organisation must operate on a non-commercial basis. Community facilities which are operated for private pecuniary profit of any members of the organisation do not qualify for any rates remission.
2. Any application for rates remission must be made to the council prior to the commencement of the rating year; rates remissions will not be applied during the rating year or retrospectively.
3. An application for rates remission must include the following information in support of the application:
  - a) Objectives of the organisation
  - b) Funding and financial information
  - c) Information on activities and programmes
  - d) Membership or client details.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

A full remission of the General Rate and Uniform Annual General Charge may be applied to land which is owned or used by community, sporting and other organisations for the purposes of providing community facilities accessible to the general public. Such organisations include all sports clubs (except horse and greyhound racing clubs), arts clubs, scouts and youth clubs, St John/Red Cross, community and church halls, whether they are charitable organisations or not, and the Hamilton Zoo.

A 100% remission of the General Rate and Uniform Annual general Charge may be applied to land owned or used by charitable institutions and groups which provide care of the aged and disadvantaged persons. These charitable institutions or groups are currently limited to the Tamahere Eventide Home, Assisi Home and Hospital and the Tamahere Hospital and Healing Centre. The remission applies only to the common land that provides the care and does not relate to the land owned privately within the boundaries of these institutions. 50 per cent remission of the General Rate and Uniform Annual General Charge will be granted to Tainui Awhiro and the Auckland/Waikato Fish and Game Council

Note: A mandatory remission of 50 per cent applies to land owned or used by Agricultural and Pastoral Societies incorporated under the Agricultural and Pastoral Societies Act 1908, art clubs and sports clubs (whether incorporated or not) but excluding horse and greyhound racing clubs.

## **5. Land Protected for Historic or Cultural Conservation Purposes or Land Protected for Natural Conservation Purposes Policy**

A full remission of all rates may be applied to land used to preserve its natural features.

### **Objectives of the policy**

- To protect the historic or cultural significance of certain land in the Waikato district
- To protect the natural beauty and conservation values of certain land in the Waikato district
- To preserve the natural character of the coastal environment
- To protect significant indigenous vegetation and fauna
- To encourage land owners to leave certain land undisturbed in order to prevent erosion.

### **Conditions and criteria**

1. The land must not be used for grazing, farming, residential or commercial purposes and must have discernible historical cultural or natural features.
2. If only part of the land is to be protected, whether or not identified by a registered conservation or heritage covenant, the following aspects will be taken into account to determine whether a remission should be granted:
  - a) The size of the area to be protected in relation to the size of the rating unit
  - b) The significance of the features to be protected.
  - c) Where land is to be protected for natural conservation purposes that are not under covenant, the minimum aggregate conservation area shall be 10 hectares.
3. If a remission for a natural conservation area is granted under Clause 2, the remission shall be calculated on the relevant land value as determined by Council's Valuation Service Provider. Any rates remission applies as long as the land meets the criteria stipulated in Clauses 1 to 2 above. If the land is no longer used for conservation purposes, the ratepayer will be advised that full rates are again payable.
4. In granting remissions under this policy the council may specify certain conditions before remission will be granted, such as arrangements for monitoring and access to the property. Such conditions have to be agreed to by the ratepayer in writing. Non-compliance with any condition will result in remissions being stopped.
5. Any applications for remission under this policy must be made before 1 July of the year of the initial remission. Remissions will not be granted retrospectively.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

## **6. Remission of Uniform Annual General Charge on rating units with exceptional circumstances**

A full remission of the uniform annual general charge may be applied to rating units with the following exceptional circumstances:

- Uneconomic, multiple owned Maaori rating units that are being leased by neighbouring landowners and being used as one
- Unformed or closed roads (as gazetted) owned by the council whether or not a licence to occupy has been granted to neighbouring landowners.

### **Objective**

To allow the council to act fairly and reasonably where:

1. Multiple owned Maaori rating units are being leased by adjoining owners and are being used as part of their land, but do not qualify for contiguous classification in terms of the Local Government (Rating) Act 2002; or
2. The council has allowed adjoining property owners to occupy unformed roads and use the Council owned land as part of their properties, but does not qualify for contiguous classification in terms of the Local Government (Rating) Act 2002.

### **Conditions and criteria**

1. The rating units must be:
  - a) Multiple owned Maaori freehold land or closed/unformed roads owned by the Council for which permission to occupy has been granted;
  - b) The rates notices are sent to and the rates are paid by the lessee
  - c) Used jointly as a single unit with neighbouring land owned by the ratepayer
  - d) The rating unit is of an uneconomic size.
2. If circumstances change in respect of the rating unit, the council will review whether this remission policy is still applicable to the rating unit;
3. Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

## **7. Remission of rates - Other categories**

This part of the policy is prepared pursuant to sections 102 and 109 of the Local Government Act 2002 and Section 85 of the Local Government (Rating) Act 2002.

### **Objective**

- To enable the Council to grant full rates relief for land that has a capital value of less than \$1,000, whether or not contiguous with other properties.
- To remit rates in respect of cemeteries of an area exceeding two hectares and not being used for any other purpose than as a cemetery (cemeteries less than two hectares are non-rateable)

### **Conditions and Criteria**

1. Full remission of the general rates is granted where the registered capital value of the rating unit is \$ 1,000 or less.
2. Full remission of the general rates is granted in respect of ~~an~~ land used or set aside for cemetery purposes that has an area greater than two hectares. If circumstances change in respect of the rating unit, the Council will review whether rates remission should still be granted.
3. This policy does not apply to land owned or used by any person or corporation operating a utility of any description on the land.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

## **8. Subdivision Development Remission**

### **Objective of the policy**

To facilitate subdivision development in the Waikato district.

### **Remission for unsold lots of a new subdivision**

Developers may apply for remission on the second and subsequent lots of a new subdivision that remain unoccupied or unsold after the end of the rating year in which they are first charged rates. The remission applies to the Uniform Annual General Charge and targeted rates.

### **Conditions and criteria**

1. The subdivided new lots must be unsold and unoccupied after the end of the rating year in which they are first charged rates.
2. The land must be vacant land.
3. Rates remission will apply to the second and subsequent lots of the subdivision.
4. The owner must apply for rates relief and provide reasons why rates relief should be granted and supporting evidence.
5. Each application will be considered on its merits, taking into account the following factors:
  - a) The landholdings of the owner within the Waikato district
  - b) The extent of the subdivision
  - c) The impact of the request on development in the district
  - d) The anticipated sales process of the subdivided lots
  - e) The rating account must be up to date prior to application.
6. The term rates include penalties payable on unpaid rates.
7. Decisions under this policy are delegated to officers as set out in the council's Delegations Manual.

## **9. Postponement of rates for a new subdivision on the grounds of financial hardship**

### **Objective**

To assist developers.

A postponement of part of the rates may be granted in respect of a subdivision development on the grounds of financial hardship. This policy applies to all classes of land (including Maaori freehold land).

### **Conditions and criteria**

1. Rates will be postponed until the new lots have been sold or leased.
2. The owner/developer must apply for postponement of rates in writing, provide reasons why rates should be postponed and supply supporting evidence.
3. Each application will be considered on its merits, taking into account the following factors:
  - a) the landholdings of the owner within the Waikato district
  - b) the extent of the subdivision

- c) the impact of the request on development in the district
  - d) The anticipated sales process of the subdivided lots.
4. Postponement of rates will be granted to the extent that the owner still pays the quantum of rates which were payable before the property was developed.
  5. If rates postponement is granted, a postponement fee will be charged which will be treated as part of the rates. The postponement fee will cover the council's administration and financial costs.
  6. Postponed rates will be registered as a statutory land charge on the certificate of title for the land concerned.
  7. Any postponement will be for a maximum period of five years.
  8. The term 'rates' includes penalties payable on unpaid rates.

Decisions under this Policy are delegated to officers as set out in the council's Delegations Manual.

## **10. Remission Policy on uncollectible rates**

### **Objectives**

To allow for situations where all practicable methods of enforcing rates collection have been exhausted and it is in the Council's financial interests to remit such rates.

### **Conditions and criteria**

1. All rates both arrears and current including any targeted rates will be remitted where council considers the objective will be achieved in so doing. This policy will be applied at council instigation.
2. Properties receiving a remission under this policy must be reviewed every year.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

## Policy on Maaori participation in decision making

### Introduction

The Local Government Act (LGA) 2002, Section 81 (1), requires councils to:

- (a) establish and maintain processes to provide opportunities for Maaori to contribute to the decision-making processes of the local authority; and
- (b) consider ways in which it may foster the development of Maaori capacity to contribute to the decision-making processes of the local authority; and
- (c) provide relevant information to Maaori for the purposes of paragraphs (a) and (b).

Section 82 (2) of the LGA further requires that a local authority ensures that it has processes in place for consulting with Maaori.

Provisions in the Waikato-Tainui Raupatu Claims (Waikato River) Settlement 2009 and the Joint Management Agreement (JMA) set out principles and objectives for engagement between the council and Waikato-Tainui, which commits to an enhanced relationship, the focus being on the importance of establishing a meaningful working relationship with the iwi.

### Policy

The council recognises the importance and significance of co-management with Waikato-Tainui, in relation to the health and wellbeing of the Waikato River and its tributaries, and also the restoration and protection of the river, and is committed, in its decision-making activities, to:

- providing open, honest and transparent decision-making processes on matters relating to the river and other matters of interest to the council and the iwi;
- ensuring that the outcome of the decision-making process is achieved in an enduring manner;
- building and improving upon the existing good quality relationships between the council and the iwi;
- increasing and improving Maaori engagement and participation in the decision-making process; and
- applying the principles of the Treaty of Waitangi.

The council will therefore consider the following in its decision-making activities:

- Maintain and enhance the social, cultural, environmental and economic wellbeing of Maaori through an ongoing process of collaboration with Waikato Tainui.
- Recognise the cultural significance of the Waikato River and its tributaries by ensuring meaningful engagement in decision-making and the co-management of the river.
- Recognise existing social and cultural characteristics of the community by ensuring meaningful engagement in decision-making concerning the river and its tributaries.
- Establish decision-making protocols and opportunities for ongoing and meaningful engagement in the decision-making process that are robust, sustainable and accessible to Maaori.
- Meet the needs of individuals and groups in decision making processes and recognize the existing social, cultural, environmental and economic wellbeing of communities.
- Consider arrangements for matters in which Maaori indicate they may have an interest and where decision-making would be enhanced.
- Reflect the cultural diversity, character and perspectives of the district in its decision making.



## **Water and Sanitary Services Assessment and Waste Management Plan Statement**

Council is required under the Local Government Act 2002 to identify any significant variations between the proposals outlined in its 10-Year Plan and its:

- a). Assessment of Water and Other Sanitary Services.
- b). Waste Management and Minimisation Plan.

### **Assessment of Water and Other Sanitary Services.**

The Water and Sanitary Services Assessment details all water and sanitary services across the district's boundaries, including public and services. The assessment focuses on protection of public health and wellbeing of the community.

### **Waste Management and Minimisation Plan**

Under the Waste Minimisation Act 2008, Council has a legal responsibility to promote effective and efficient waste management and minimisation. Council's draft 2012 Waste Management and Minimisation Plan (required by the Waste Minimisation Act) provides a strategic framework for how this will be achieved. Council's vision is to become recognised as a national leader in the minimisation of waste and to ensure that innovative and sound waste management practices underpin the city's environmental, social, economic and cultural well-being.

### **Statement of Significant Variation**

Council's 'Water and other Sanitary Services' Assessment was adopted in 2008. It includes all services relating to water supply, wastewater and storm water services, public toilets, cemeteries and interments and solid waste. This assessment is required by the Local Government Act 2002 and aims to determine whether public health in the district is adequately protected through the provision of these services, both now and in the future. No further assessments have been undertaken since the 2009-19 Long Term Plan was adopted.

The proposals contained in Council's 2015-25 10-Year Plan have been reviewed against the Assessment of Water and Other Sanitary Services. There are no significant variations between the proposals outlined in this plan and the current assessment contained in the Long Term Plan 2009-19.

## **Earthquake prone, dangerous and insanitary buildings policy.**

### **Introduction and background**

Section 131 of the Building Act 2004 (the Act) requires that all territorial authorities adopt policies on earthquake-prone and dangerous and insanitary buildings.

### **Earthquake-prone buildings**

The definition of an earthquake prone building is set out in Section 122 of the Act as follows:

“Having regard to its conditions and to the ground on which it is built, and because of its construction, the building:

- will have its ultimate capacity exceeded in a moderate earthquake (as defined in the regulations); and
- would be likely to collapse causing:
- injury or death to persons in the buildings or to persons on any other property; or
- damage to any other property.”

The Act also notes that this definition does not apply to buildings used wholly or mainly for residential purposes unless that building comprises two or more stories and contains three or more household units.

The building regulations define a moderate earthquake as:

“In relation to a building, an earthquake that would generate shaking at the site of the building that is of the same durations as, but that is one-third as strong as, the earthquake shaking (determined by normal measures of acceleration, velocity and displacement) that would be used to design a new building at the site.”

### **Dangerous and Insanitary Buildings**

A building is defined as being dangerous in Section 121 of the Act if:

- “in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause:
  - i. injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
  - ii. damage to other property; or
  - iii. in the event of fire, injury or death to any persons in the building or to persons on other property is likely because of fire hazard or the occupancy of the building.”

In making this determination the council may seek advice from notified members of the New Zealand Fire Service.

A building is defined as being insanitary in Section 123 of the Act if it:

- is offensive or likely to be injurious to health because:
- of how it is situated or constructed; or
- it is in a state of disrepair; or
- has insufficient or defective provisions against moisture penetration so as so cause dampness in the building or in any adjoining building; or
- does not have a supply of potable water that is adequate for its intended use; or
- does not have sanitary facilities that are adequate for its intended use."

### **Policy objectives**

This document sets out Waikato District Council's response to the policy requirements of the Act in relation to earthquake-prone and dangerous and insanitary buildings.

The policy includes:

- The approach that Waikato District Council will take in performing its functions under the Building Act 2004;
- Waikato District Council's priorities in performing those functions; and
- How the policy will apply to heritage buildings

### **Policy statement(s)**

#### **Earthquake-prone buildings**

##### *Policy principles and approach*

##### Principles

The provisions of the Building Act in regard to earthquake prone buildings reflect the government's concern with the life safety of the public in buildings and more particularly, the need to address life safety in the event of an earthquake. The Act requires the council to develop, adopt and implement a policy for the management of earthquake prone buildings but provides discretion in the approach to be adopted and implementation of the policy. This policy document is Waikato District Council's response to the requirements of the Act.

##### Approach

In the past Waikato District Council has adopted a passive approach to the management of earthquake-prone buildings (EPB's). The council has actively engaged in the identification of potential EPB's but further investigation of the these buildings structural integrity has been at the discretion of building owners, or until such time as the council receives an application for building consent. At this stage the council has then actively pursued assessment of the identified building and structural improvements, where warranted.

Under the requirements of the 2004 Building Act the council is implementing a similar approach with the exception of buildings constructed prior to 1935.

These buildings will be labelled as priority buildings and identification, assessment and improvements of them will be actively pursued.

In adopting this approach Waikato District Council will:

- Review its whole building stock to identify buildings that are potentially earthquake prone under the Building Act 2004;
- Compile and maintain a register of identified potentially EPB's, including identifying priority buildings for full assessment;
- Advise and actively work with owners of identified potentially EPB's;
- Encourage owners to obtain an assessment of the buildings' structural integrity from a suitably qualified structural engineer;
- Work with and encourage owners of priority buildings to have structural assessments undertaken and upgrade these buildings where necessary; and
- Manage the necessity for assessment and upgrading of other potentially EPB's at the time an application for a building consent is received.

*Identifying earthquake-prone buildings*

Process for Identification

Waikato District Council will:

- Identify from its records, as far as practicable, buildings which are potentially earthquake prone. Where necessary and/or appropriate the building will also be visually inspected. When making its assessment the council will take into account the condition and construction of the building and the ground upon which the building is constructed;
- Compile and maintain a list of potentially earthquake prone buildings;
- Categorise potentially EPB's as follows:
  - Priority Buildings - being those constructed prior to 1935;
  - Other buildings - all other buildings.
- Inform and consult with owners of buildings identified as being potential earthquake prone;
- Work with and encourage owners of priority buildings to have assessments carried out on their building.

### Assessment criteria

Assessments of potentially earthquake prone buildings should be undertaken by an appropriately qualified professional and use the New Zealand Society of Earthquake Engineers document Recommendations for the Assessment and Improvement of the Structural Performance of Buildings in Earthquakes.

### Taking Action on Earthquake-Prone Buildings

The council will be satisfied a building is earthquake-prone following:

- Receiving a detailed assessment of the building by a suitably qualified and experienced chartered engineer and;
- Review of the report and consideration of Sections (4) and (122) of the Act by an authorised council officer
- A record of the decision will be placed on the property file and the building owner will be advised of the decision in writing

Once a building is confirmed as being earthquake prone the council will:

- Liaise and work with the owners of the building;
- Update the council's register to confirm that the building is earthquake prone and identify the building's status on its respective property file.
- Identify the building as being earthquake prone on any Land Information Memorandum (LIM) prepared for that property.
- Invoke its powers in accordance with Section 124 and/or 126 of the Building Act 2004, or any other section which may be appropriate in the circumstances.

### Interacting with building owners

The council acknowledges that implementation of this policy will require early and on-going communication with owners of potentially earthquake prone buildings. This includes:

- Writing to and actively engaging with owners of buildings identified as being potentially earthquake prone;
- Informing these owners of the policy; its interpretation and implications; and the options available to them with its implementation;
- Working with owners to achieve mutually acceptable outcomes.

Interaction between earthquake-prone building policy and related sections of Building Act 2004

In exercising its powers under the Act in relation to earthquake-prone buildings the council will be guided by the purpose of the Act and the principles of its functions as set out in Section 4. Particular regard will be given to:

- Harmful effects on human health
- Special cultural, traditional or heritage aspects of a building
- Protecting other property from physical damage resulting from use of a building
- Preservation of buildings of significant cultural, historical or heritage value.

#### *Alterations to existing buildings*

When a building consent application is received under Section 112 for a building that is identified as being potentially earthquake-prone the council will not issue a building consent unless it is satisfied that the building is not earthquake prone and that the building work will not detrimentally affect the building's compliance with the Building Code. This will require the owner of the building to engage an appropriate expert to investigate and assess the structural integrity of the building.

Were the assessment confirms that the building is earthquake prone, and the council is satisfied with this assessment, the council will invoke its powers under Section 124 of the Building Act, as appropriate, in relation to the particular circumstances of the building in question.

#### *Change of use of buildings*

When an application is received for a building consent to change the use of a building that is identified as being potentially earthquake prone it will be a requirement of the building consent that the owner make a detailed assessment of the earthquake performance of the building to determine whether or not it is an earthquake-prone building in its existing condition.

If the building is shown to be earthquake prone then the council will require the building to be strengthened to comply as near as is reasonably practicable with every provision of the Building Code that relates to structural performance as required by Section 115(b)(i)(A).

When issuing building consents under Sections 112 to 116A of Act for an alteration, change of use, extension of life or subdivision, the council will also consider the requirements of the Act relating to dangerous and insanitary buildings. The council will require that any action necessary to reduce or remove the dangerous or insanitary situation to be undertaken at the same time as (or before if appropriate) the building work set out in the consent application.

#### Impact of the policy

The approach adopted in this policy is a passive approach in terms of general building stock and active in terms of priority buildings.

Implementation of the policy will come at a low cost to the community. While the council will actively encourage building owners, detailed assessments will be at the discretion of building owners, unless an application is received for building consent. At this time the applicant will be required undertake a structural assessment, at their cost, in order for the council to determine, and be satisfied that the building is not earthquake prone.

It is not anticipated that the policy will generate any adverse social or cultural effects within the community. Where buildings are identified that have social, cultural or historic significance the council will work with the building owners and other statutory/interest parties to address and resolve any concerns.

The approach within this policy is based on the environmental conditions particular to the Waikato District. Council will monitor the effectiveness and appropriateness of the policy and review it within five years after its adoption date.

#### Application of policy to heritage buildings

The council believes it is particularly important its heritage buildings have a good chance of surviving a major earthquake. However, the council does not wish to see the intrinsic value of these buildings adversely affected by structural improvement measures. Heritage buildings will be assessed in the same way as other potentially EPB's. The council will actively work with owners of these buildings, and the Historic Places Trust where appropriate, to identify mutually acceptable ways of managing the risk associated with these buildings.

## **Dangerous and insanitary buildings**

### **Policy principles and approach**

#### *Principles*

The provisions of the Building Act 2004 reflect the government's broad concern with public safety in buildings and the need reduce the danger to the public posed by dangerous and insanitary buildings. The Act requires the council to develop and adopt a policy for the management of these buildings but provides discretion in the approach to be adopted and implementation of the policy. This policy document is Waikato District Council's response to the requirements of the Act.

#### *Approach*

In the past Waikato District Council has adopted a reactive approach to the management of dangerous and insanitary buildings. Identification of these types of buildings is particularly difficult as a building's external appearance does not necessarily reflect its internal condition. For this reason the council has been reliant upon external sources such as building occupants, neighbours, police, fire service and other agencies to inform them of dangerous and insanitary buildings. Once a building has been brought to the council's attention, the council has then actively engaged in inspection and assessment of the buildings condition in terms of the Act. Following confirmation of a buildings status as being dangerous or insanitary the council has actively worked with building owners to find a mutually acceptable solution before exercising its powers under the Act.

Under the 2004 Building Act the council will continue to implement a similar approach to these types of buildings. The council will however exercise its statutory powers under Section 124 of the Act where action is required to avoid immediate danger or in circumstances where an acceptable solution cannot be negotiated with the building owner. The council will not actively inspect all buildings within the district but will make it a priority to quickly and efficiently respond to information received regarding potentially dangerous and insanitary buildings.

Responding to complaints about potentially dangerous or insanitary buildings

Once Waikato District Council has received information regarding a potentially dangerous or insanitary building it will:

- Check the details of the property against council records
- Have an authorised officer undertake an inspection of the building in question. In doing this, the council may seek advice from the New Zealand Fire Service, or any other professional the council deems appropriate
- Prepare an inspection record.

#### *Assessment criteria*

All inspections of potentially dangerous or insanitary buildings will involve assessment of the building's condition in terms of the definitions in Section 121 and 123 of the Act and the current building code requirements. Inspection records will be prepared in all cases.

#### *Taking action on dangerous or insanitary buildings*

The council will be satisfied a building is dangerous or insanitary following:

- Review of the inspection record and any information received from the New Zealand Fire Service and consideration of Sections (4) and (122) of the Act by an authorised council officer.
- A record of the decision will be placed on the property file and the building owner will be advised of the decision in writing

Once the council is satisfied that a building is dangerous or insanitary it will:

- Where appropriate, try to work with the owner of the building to achieve an acceptable outcome.
- Where a mutually acceptable outcome cannot be reached, or where the situation requires, the council may invoke its powers under Section 124, 126 or 129 of the Act.

#### *Interacting with building owners and complainants*

The council will endeavour to work with property owners/occupiers. Warranted officers are not required to inform or obtain approval for inspections to determine whether or not a building is dangerous or insanitary, unless the building is a household unit. In these circumstances the council must either; obtain consent of the occupier of the household unit or an order of a District Court.

Once the council has determined that a building is dangerous or insanitary it will, in the first instance, consult with the owners of the affected building to further determine the circumstances and decide on an appropriate course of action. However where the situation requires, immediate action will be taken without consultation with the building owner, to remove danger or fix insanitary conditions.

Complainants will be informed of the inspection results and the council's intended course of action to deal with the situation.

#### *Recording Information about dangerous and insanitary buildings*



All information relating to dangerous and insanitary buildings will be filed on the relevant property file. This will include a copy of the original inspection record and any further action taken. This information will also be included on any LIM prepared for the property.

### **Interaction with related sections of Building Act 2004**

In exercising its powers under the Act in relation to dangerous and insanitary buildings the council will be guided by the purpose of the Act and the principles of its functions as set out in Section 3.2.4. Particular regard will be given to:

- Harmful effects on human health;
- special cultural, traditional or heritage aspects of a building;
- protecting other property from physical damage resulting from use of a building; and
- preservation of buildings of significant cultural, historical or heritage value.

When issuing building consents, the council will also consider the requirements relating to dangerous and insanitary buildings.

### **Impact of the policy**

Implementation of this policy will have beneficial effects on the health and safety of people using buildings. The policy provides a clear framework of how the council will manage unsatisfactory building conditions. Implementation of this policy will raise people's awareness of the processes that are in place to address these situations and empower people to raise concerns about buildings and have these concerns investigated.

Application of the options available to the council in the Act to deal with dangerous and insanitary buildings will be applied with discretion. The situation of each building will be different and the council will weigh up these elements when deciding what approach should be taken to deal with the situation and remove or minimise the danger the building presents. The cost of any action taken will be borne by the building owner.

### **Application of policy to heritage buildings**

This policy applies to heritage buildings in the same way it applies to all other buildings.

Where the council receives information regarding buildings which have a heritage classification, either in the District Plan or under the Historic Places Trust, in addition to consulting with affected owners the council will consider seeking advice from the Historic Places Trust.

### **Reference material attached:**

- Appendix A(i) Earthquake Hazard Zones NZS 3604:2011
- Appendix A(ii) Overview of Buildings Not Complying with Current Standards

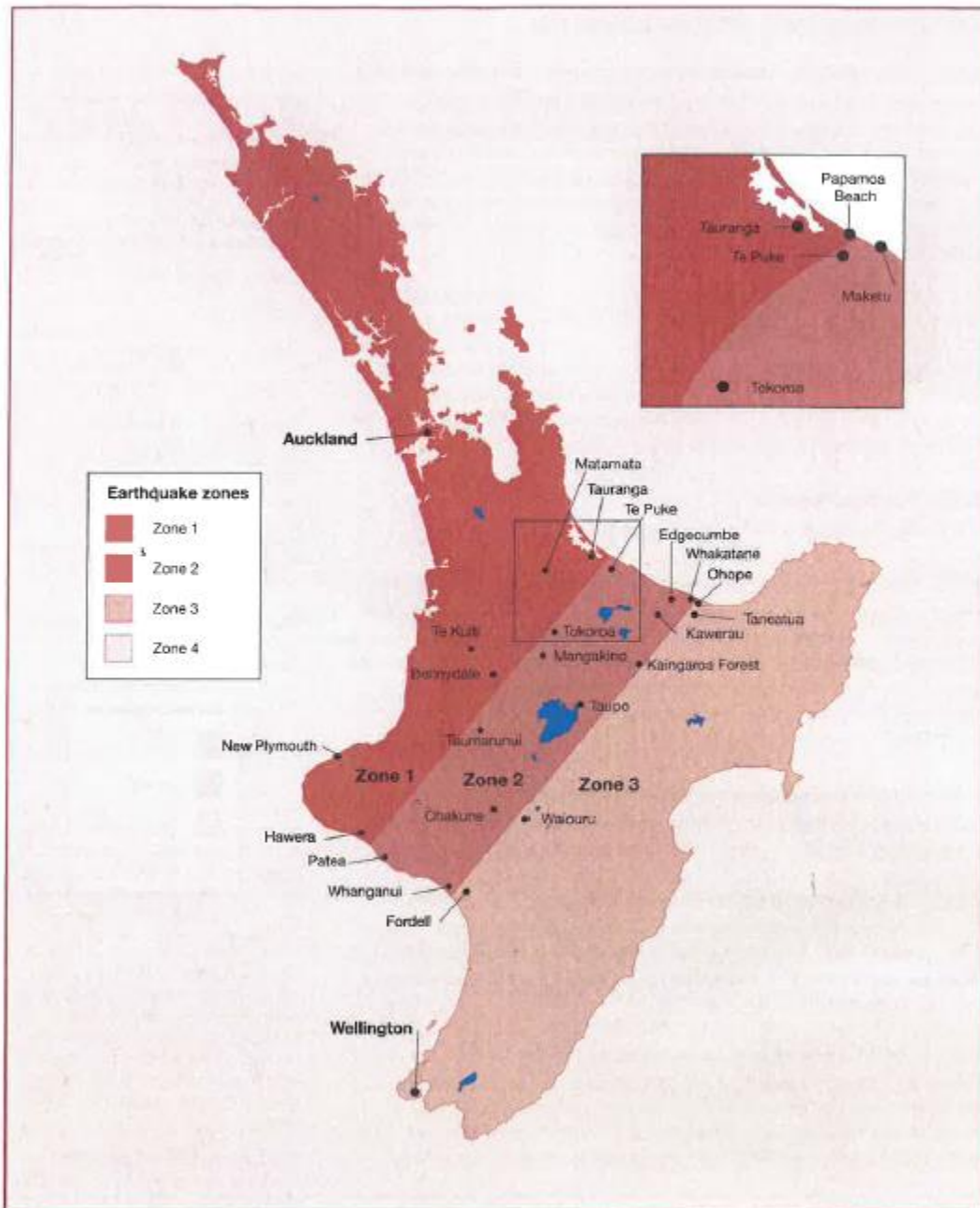


Figure 5.4 – Earthquake zones (see 5.3.2)

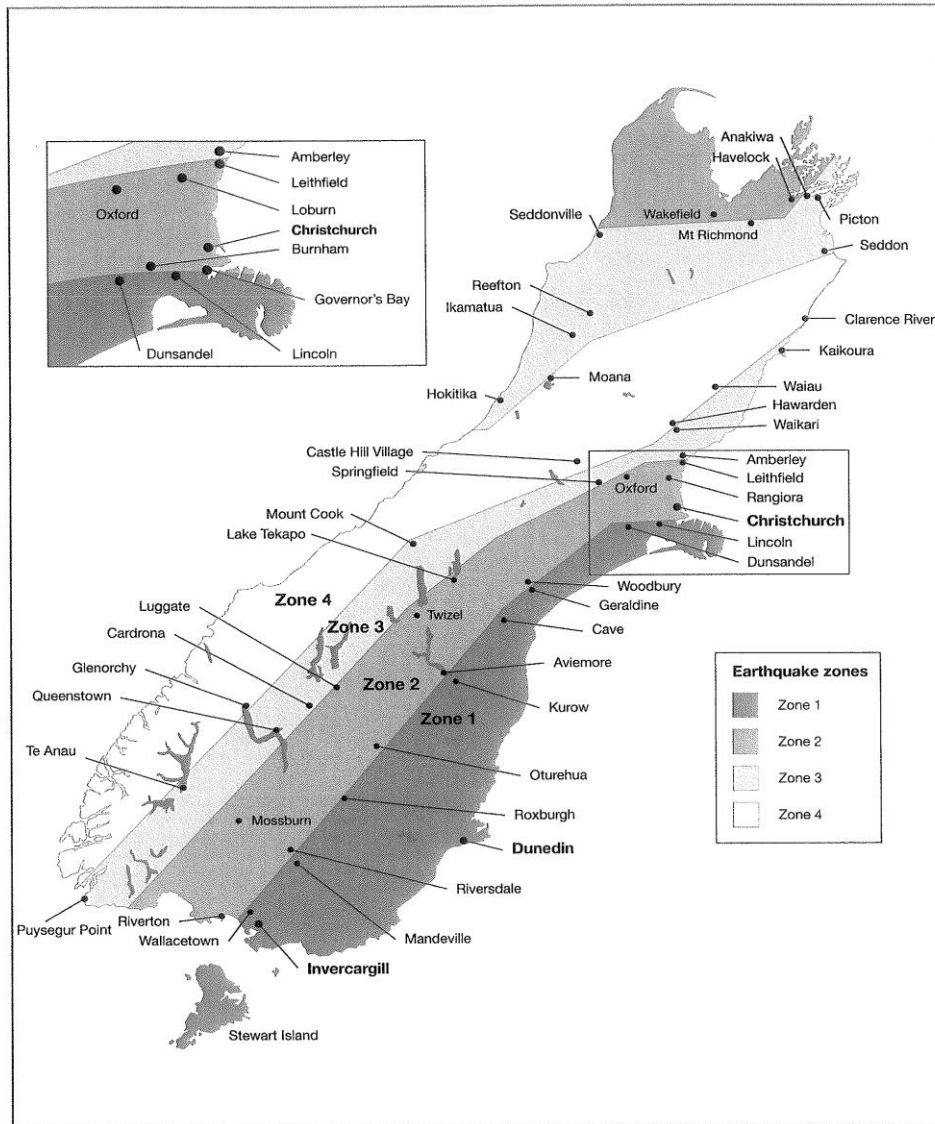


Figure 5.4 – Earthquake zones (continued) (see 5.3.2)

### Earthquake Zones

- Zone 1 Low
- Zone 2 Medium
- Zone 3 Very High
- Zone 4 Extremely High

## **APPENDIX A (ii) – Overview of buildings not complying with current standards**

### **History**

The relevant history of the development of the form of commercial buildings and design standards for earthquake in New Zealand is summarized as follows:

#### ***Before 1935:***

Commercial buildings were generally constructed of unreinforced masonry  
Little or no consideration of earthquake effects.

#### ***From 1935 until 1965:***

Buildings became increasingly larger (higher)  
Lateral strength provided to a uniform load level  
Inadequate detailing to enable ductile response.

#### ***From 1965 until 1976:***

Buildings were designed for variable lateral load according to seismic zone  
Design lateral load did not vary with building type and ductility  
No mandatory detailing to enable ductile response  
Only general requirements in the terms of the regularity of structural configuration.

#### ***Since 1976***

Buildings have been designed for variable lateral load according to seismic zone  
Design lateral load varied according to building type and ductility  
Appropriate detailing required to achieve assumed ductility  
Guidance as to acceptable structural configurations.

The loadings standard published in 1976 therefore represented a significant improvement in seismic design standards. There were similar advances in seismic codes in California in the mid-1970's. There have been only minor refinements of the fundamental concepts since, and so 1976 is referred to as the onset of "modern" or "current" standards for earthquake design.

It must be acknowledged that the principles behind the development of these current standards were applied to a number of buildings designed from the late 1960's, and these are likely to perform appreciably better than others of this era.

In light of the events in Christchurch a review of the current standard is currently being undertaken by the government.

There are likely to be changes to both the Building Act and Standards in respect of building design for earthquakes loadings.

Depending on the outcome of that review and any changes as a result of the review, the council may have to review the policy.

Time frames around this process are uncertain and depend on the date the review is released.

## Council Controlled Organisations

The council operates four Council Controlled Organisations (CCO's). These organisations independently manage facilities and deliver services. The following information explains what the organisations do and how their performance is measured.

### Strada Corporation Limited

Strada Corporation Limited (formerly Tanlaw Corporation prior to 1 July 2009) was established in 1992 as a wholly owned Council Controlled Organisation (CCO). The council wished to separate the planning and development of its work programme from the physical works. Strada was established to achieve this and to operate as a profitable business for the council's benefits, and ultimately Waikato District ratepayers.

Since its formation, the company has generally traded profitably and provided significant dividends that supplemented the council's income. However, because of the economic recession, the company has struggled to make a profit in recent years.

The road contracting market is now very competitive, and the council is able to obtain a fair price in this market. The reasons for ownership of the company have been reviewed and we have now determined that the council should own Strada for the purpose of a financial return.

Strada provides services to Waikato District Council and a number of other clients. The relationship between the council and Strada Corporation is at arm's length and most of the work is fully contestable through the tender process.

Strada's operations include:

- Civil engineering
- Road construction
- Maintenance
- Quarry operations
- Drainage
- Subdivision work

Measures	2016	2017	2018
Ratio of consolidated shareholder's funds to total assets	80%	80%	80%
Net profit after tax as a percentage of average shareholders' funds	4%	5%	6.5%
Debt/equity ratio	35:65	35:65	35:65
Interest coverage	2.6:1	3.3:1	5:1

## Waikato Regional Airport Limited

In December 1995, the council along with four other local authorities purchased the Crown's 50 per cent shareholding in the Waikato Regional Airport Limited. The purchase increased the council's shareholding to 15.625 per cent. At the time the council considered the airport to be a significant infrastructural asset for the region and important to economic growth and development. The council's shareholding is considered a strategic asset. The airport also operates a tourism subsidiary which aims to promote the region to tourists. The council contributes separately to this entity.

The council has elected to retain its shareholding for the purpose of this long term plan. In addition, the Local Government Act defines the shareholding in an airport as a strategic asset.

The airport operates to:

- Provide affordable, reliable and safe access to the air transport system
- Enhance the economic development of the Waikato region.

Measures	2016	2017	2018
Earnings before interest, taxation and depreciation (EBITDA)	\$1.93M	\$1.90M	\$1.87M
Net surplus/(deficit) after tax	(573,000)	(701,000)	(760,000)
Net profit after tax to shareholders' funds	-1%	-1%	-1%
Net profit after tax to total assets	-1%	-1%	-1%
Net cash flow (operating & investing)	35,000	28,000	101,000
Total liabilities/shareholders' funds: (debt/equity ratio)	26:74	25:75	24:76
Applicable to parent company (airport) operations only			
Percentage of non-landing charges revenue to total revenue	64%	64%	64%
Interest rate cover	2.73	2.76	3.00

## Local Authority Shared Services Limited

Local authorities of the Waikato region established the Local Authority Shared Services (LASS) Limited during 2005/2006, the 12 local authorities of the region, being Environment Waikato; Hamilton City Council; Hauraki District Council; Matamata – Piako District Council; Otorohanga District; Rotorua District Council; South Waikato District Council; Taupo District Council; Thames-Coromandel District Council; Waikato District Council; Waipa District Council and Waitomo District Council, jointly own the company.

These local authorities have worked closely together over the years on mutually beneficial joint projects. The councils believe the company will generate saving through economies of scale and through additional purchasing power and the ability to recover costs.

There are currently four major initiatives operating under the LASS umbrella, plus a support role for the collaborative workstreams of the Waikato Mayoral Forum.

**Shared Valuation Data Service (SVDS).** This operational system is providing timely and accurate valuation data to member Councils and shareholders. The SVDS has become the accepted valuation database for the region. The revenue shown in the financial statements is based on the assumption that there will continue to be external commercial sales of the SVDS data. However, central government or council decisions on open data provision could reduce or eliminate the commercial sale of SVDS data in the future.

**Waikato Regional Transportation Model (WRTM).** This model became fully operational in February 2010. This model provides accurate information to Councils and external users (for a charge) for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region, and is jointly funded by the NZ Transport Agency.

**Joint Procurement Initiatives.** LASS is a party to a number of joint procurement contracts between the company, shareholding Councils and suppliers. Some contracts (e.g. insurance brokerage services; various collective insurance policies; courier and postal services; historic aerial photography) involve all of the shareholding councils. Other joint procurement contracts have been negotiated, involving only some of the shareholding councils (e.g. the Professional Services Panel; computer-generated print, mailhouse and e-services). Further procurement opportunities are continually being identified and a number are currently under active investigation (e.g. asset valuation services; pipe procurement).

The **Waikato Regional Aerial Photography Service (WRAPS).** WRAPS was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. So far, there have been three WRAPS contracts – 2002, 2007 and 2012. In 2012, the WRAPS members were the councils of the Waikato Region, plus the Department of Conservation and Waikato University. The next contract is due in 2016/17. Discussions are currently being held with other parties to assess their willingness to join the syndicate. Both Land Information New Zealand (LINZ) and the NZ Transport Agency (NZTA) have indicated potential interest, which would reduce the cost to the participating councils. WRAPS became a LASS-managed project in December 2014.

## Measures

<b>TARGET</b>	<b>METHOD</b>	<b>MEASURE</b>
<p><b>Procurement</b></p> <p>Joint procurement initiatives for goods and services for LASS councils will be investigated and implemented.</p>	<p>Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for integration.</p>	<p>A minimum of three new procurement initiatives investigated per annum and business cases developed if considered appropriate.</p> <p>Initiatives which are implemented shall provide financial savings and/or improved service levels to the participating councils.</p> <p>New suppliers are awarded contracts according to the LASS Financial Delegations Policy.</p>
<p><b>Collaborative Projects</b></p> <p>Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.</p>	<p>The focus is on shared services which will benefit all councils.</p>	<p>A minimum of three priority projects for collaboration are identified per annum.</p> <p>If considered of value, business cases are developed for approval by the Board, and the projects are implemented.</p>
<p><b>Existing LASS Contracts</b></p> <p>Existing contracts are managed and renegotiated as required.</p>	<p>Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.</p>	<p>The LASS Contracts Register is maintained and managed.</p> <p>Contracts which are due for renewal are tested for competitiveness and either renegotiated or tendered through a competitive process.</p>
<p><b>Cashflow</b></p> <p>The company shall maintain a positive cashflow position.</p>	<p>The Financial Accountant reviews cashflow monthly.</p> <p>The LASS Board reviews the financial statements quarterly.</p>	<p>Monthly financial statements show a positive cashflow position.</p>
<p><b>Cost Control</b></p> <p>Administration expenditure shall be managed and monitored.</p>	<p>The Financial Accountant and Chief Executive review expenditure monthly.</p> <p>The LASS Board reviews financial statements quarterly.</p>	<p>Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.</p>



<p><b>Reporting</b></p> <p>Six monthly reports provided to Shareholders.</p>	<p>The Chief Executive prepares a written report for the LASS Board every meeting.</p> <p>One 6-monthly and one Annual Report are prepared for shareholders.</p>	<p>The Board shall provide a written report on the business operations and financial position of the LASS to the Shareholders every six months.</p> <p>Note that every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the LASS are being adhered to.</p>
<p><b>Waikato Mayoral Forum</b></p> <p>The company shall provide administrative support and updates on Mayoral Forum workstreams to the Mayoral Forum.</p>	<p>Mayoral Forum projects shall be managed financially through the LASS.</p> <p>Updates on Mayoral Forum projects shall be co-ordinated by the LASS Chief Executive.</p> <p>Note: The current approved workstreams are:</p> <ul style="list-style-type: none"> <li>• Rooding (RATA)</li> <li>• Economic Development</li> <li>• Regulatory Bylaws and Policies</li> <li>• Waters</li> <li>• Waikato Spatial Plan</li> </ul>	<p>The Mayoral Forum is regularly updated on the progress of each approved workstream.</p> <p>Approved invoices for Mayoral Forum projects are paid by the 20<sup>th</sup> of the month following their receipt.</p>
<p><b>Shared Valuation Data Services (SVDS)</b></p> <p>The SVDS is reliable, well maintained and available to all users.</p>	<p>A Contract Manager is appointed for SVDS.</p> <p>Contract Manager monitors performance of contractor and reports quarterly to the SVDS Advisory Group.</p>	<p>The SVDS is available to users at least 99% of normal working hours.</p> <p>All capital enhancement work is supported by a business case and approved by the SVDS Advisory Group.</p> <p>The SVDS Advisory Group meets at least 6-monthly.</p>
<p><b>Waikato Regional Transport Model (WRTM)</b></p> <p>The WRTM is reliable, well maintained and available to all users.</p>	<p>A Contract Manager is appointed for WRTM.</p> <p>Contract Manager monitors performance of the model supplier (currently Traffic Design Group) and reports quarterly to the WRTM Project Advisory Group.</p>	<p>All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget.</p> <p>A report by the Contract Manager on any new developments and on the status of the model is provided to the</p>

		<p>LASS Board at least every six months.</p> <p>The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual), and is independently peer reviewed each time the model is updated.</p>
<p><b>Shareholder Survey</b></p> <p>Shareholders are satisfied with the performance of LASS.</p>	<p>An annual survey of shareholders is undertaken to assess satisfaction levels with LASS.</p>	<p>A survey of shareholders is undertaken each year, and the results are reported to all shareholders.</p>
<p><b>Review of Benefits</b></p> <p>Shareholders are informed of the benefits being provided to shareholding councils by LASS.</p>	<p>The benefits of LASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.</p>	<p>Information on the financial and non-financial benefits being achieved by LASS are included in the 6-monthly and Annual Report to shareholders.</p>

## Waikato District Community Wellbeing Trust

In 2010, the Waikato Foundation Trust proposed to distribute its capital fund to projects or trusts to fund projects of a community nature which will result in long term benefits to as many people as possible within the geographical area of the three constituent territorial authorities namely the Hamilton City Council, the Waikato District Council and the Waipa District Council. The Waikato District Community Wellbeing Trust was established to provide a legal entity which upon incorporation under the Charitable Trust Act 1957 may receive funds from the Waikato Foundation Trust, and be empowered to make distribution of income and capital for the charitable purposes as authorised by the trust deed.

The Waikato Foundation Trust was wound up and \$2.56 million was transferred to the Waikato District Community Wellbeing Trust.

The trust holds the trust fund for such purposes as the trustees consider are charitable under the law of New Zealand, and in particular:

- That promote the social, environmental and cultural wellbeing of the Waikato district and its communities; and
- That deliver on the aspirations and community outcomes of the Waikato district as identified and promoted by the community from time to time and endorsed by the Waikato District Council; and
- Fund projects that have been identified as unfunded in the Waikato District Council's Annual Plan or Long Term Plan or are included in the Council's list of Projects for External Funding.

## Measures

TARGET	OBJECTIVE	MEASURE
<p><b>Governance</b></p> <p>The Trust will be governed in accordance with the terms of the Trust Deed.</p>	<p>To comply with the terms of the Trust Deed and in particular with the duties of the Trust as set out in clause 11 of the Deed;</p>	<p>Undertake an annual legal review of compliance with the Trust Deed no later than two months after the end of each financial year.</p>
<p><b>Investment</b></p> <p>The Trust will, in accordance with the Trust Deed, invest or reinvest part or parts of the Trust Fund not immediately required for the purposes of the Trust (whether income or capital) in investments or securities, as the Trust Board considers beneficial to the Trust Fund.</p> <p>The Trust will also seek other opportunities and avenues for growing the Trust fund. The intention of the Trustees is that the real value of the Trust Fund is preserved.</p>	<p>To adhere to the Trust's <i>Management of Investment Portfolio and Distribution Policy</i>.</p> <p>To review, on an annual basis, the investment mandate and the performance of the portfolio manager.</p>	<p>At each quarterly meeting review compliance with the Trust's <i>Management of Investment Portfolio and Distribution Policy</i> during that quarter.</p>
<p><b>Funds Disbursement</b></p> <p>The Trust will, as appropriate, disburse funds towards projects that meet the Trust's criteria and that meet the objectives of the Trust Deed.</p>	<p>As per the <i>Management of Investment Portfolio and Distribution Policy</i>, to distribute total grants that do not exceed 50% of the accumulated retained net income after allowing for accumulated expenses, inflation movements and prior year distributions.</p>	<p>The distribution process is undertaken that distributes the annual fund to eligible recipients in accordance with funding targets set by the Trustees in accordance with the <i>Management of Investment Portfolio and Distribution Policy</i> for the 2015/16 year.</p> <p>Six-monthly reports are received from all successful applicants within the required timeframes.</p>

## Glossary

<b>Action Plan</b>	A plan identifying a series of actions to be taken to achieve defined outcomes.
<b>Activity</b>	Services provided by or on behalf of the council.
<b>Amortisation</b>	The reduction of the value of an asset by prorating its cost over a period of years.
<b>Annual Plan</b>	Contains details of the council's action plan for the next financial year, the budget and the level of rates required to fund that spending. It also contains details of any variation from the financial statements and funding impact statement that are included in the council's current 10-Year Plan.
<b>Annual report</b>	Report prepared once a year to assess the council's performance against its objectives, activities, performance targets and budgets as outlined in the 10-Year Plan.
<b>Asset</b>	A resource; the council's asset ownership extends over land, buildings, plant, equipment, forestry and infrastructure such as roads, bridges, footpaths, sewerage schemes, water supply and stormwater reticulation.
<b>Activity Management Plans</b>	A plan for the management of one or more assets that combine multidisciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to provide a specified level of service.
<b>Capital Expenditure</b>	Money spent to build or buy a new asset, or to improve the standard of any existing asset.
<b>Community</b>	A group of individuals and organisations that are linked together by some common factor, interest, identity or administrative boundary.
<b>Community Boards</b>	Pass on community concerns and make recommendations to the elected council and its committees.
<b>Community Outcomes</b>	The outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural wellbeing of its district or region, in the present and for the future.
<b>Community Wellbeing</b>	The overall wellbeing (quality of life) of the community taking into account economic, cultural, social and environmental wellbeing.
<b>Council Controlled Organisations</b>	A company or entity in which one or more local authority has a shareholding of 50 percent or more, voting rights of 50 percent or more, or the right to appoint 50 percent or more of the directors. Section 6(4) of the Local Government Act 2002 details entities which are exceptions.
<b>Development Contributions</b>	Payment from developers to help fund new infrastructure required by growth (as set out in the Local Government Act 2002).
<b>District Plan</b>	Required by the Resource Management Act 1991, it defines how resources and development will be managed by the district. The Plan is based on economic, cultural, social and environmental wellbeing.
<b>Equity</b>	The market value of assets less any liabilities.

<b>Funding Impact Statement</b>	A financial statement that discloses the revenue and financial mechanisms that council proposes to use.
<b>Future Proof</b>	The term used to refer to the growth strategy that is being prepared for the sub-region. Included in the sub-region are the following authorities – Waipa District Council, Waikato District Council, Waikato Regional Council and Hamilton City Council.
<b>General Rate</b>	A charge calculated using the rateable value of property that is paid to council to fund its general services but not services funded by targeted rate, fees or charges.
<b>Governance</b>	Is how the council engages with the community, oversees the effective and responsible management of resources, delivers services and sets the strategic direction for the District.
<b>Hapu</b>	A cluster of related whanau (extended family), descended from a single ancestor that has collective decision-making rights over its territory.
<b>Hearing</b>	A meeting at which members of the public speak to elected representatives and/or staff about an issue.
<b>Indicator</b>	A measure or combination of measures, either qualitative or quantitative, against which performance or progress can be assessed.
<b>Interest</b>	Interest on bank accounts, overdrafts and debt.
<b>Iwi</b>	Larger than the hapu - A cluster of related hapu, descended from a single ancestor, varying in size.
<b>Levels of Service (LOS)</b>	The extent of a service provided by the council.
<b>Local Authority</b>	A regional, district or city council.
<b>Local Government Act 2002</b>	The legislation that defines the powers and responsibilities of Local Government organisations (regional, city and district councils).
<b>Operating Costs</b>	These are costs to run the council's services on a day-by-day basis and range from maintenance of infrastructure to staff salaries.
<b>Partnership</b>	This refers to the council's relationship with groups within the community to achieve outcomes. This does not refer to a legal partnership.
<b>Passenger Transport</b>	Can also be referred to as public transport – includes buses.
<b>Rates</b>	Rates are what each property owner pays for the services provided by councils. The charge is set in accordance to the Local Government (Rating) Act 2002.
<b>Resource Management Act 1991</b>	Legislation setting out Local Government's responsibilities to promote the sustainable management of natural and physical resources. The Act includes a range of regulatory and other responsibilities for the councils, including requirements for the state of the environment monitoring and reporting.

<b>Renewals</b>	Activities required to upgrade, refurbish or replace current facilities or assets, with facilities or assets of equivalent capability or service potential.
<b>Revenue</b>	Revenue received by the council to fund the services it provides. Revenue sources include – rates; fees and charges for using a particular service; penalties and fines; and grants and subsidies.
<b>Significance</b>	The degree of importance that council has given to an issue, proposal, decision or any other matter that is likely to impact on the District's wellbeing.
<b>Strategic Plan</b>	An explanation of the overall direction and emphasis that the council's activities and programmes will take to realise the long-term vision.
<b>Strategy</b>	A plan of action designed to guide progress towards the long-term vision.
<b>Submission</b>	Feedback or proposal from an individual or group on an issue.
<b>Sustainability</b>	Using our resources in such a way that we meet the needs of the present generation without compromising the ability of the future generations to meet their own needs.
<b>Tangata Whenua</b>	Māori people who belong to a particular area by ancestral connection.
<b>Targeted Rate</b>	A rate that is levied to fund a particular service or facility.
<b>Wellbeings</b>	The four wellbeings refer to the social, economic, environmental and cultural wellbeing of communities in the present and for the future.
<b>Vested Assets</b>	An existing right to the immediate or future possession of property, resources, cash, stock and goodwill.
<b>10-Year Plan</b>	A strategic plan, covering at least 10 years, that describes a local authorities activities and the community outcomes of the authority's district or region. A council's 10-Year Plan is the basis for its accountability to the community.

# Appendices

## Appendix I - BERL adjustors

Year	Road	Property	Water	Energy	Staff	Other	Earth-moving	Pipelines	Private sector wages
2016/17	1.4	2.4	3.8	3.8	1.9	2.5	2.6	2.5	1.8
2017/18	2.2	2.5	3.0	3.9	2.0	2.6	2.4	2.6	1.9
2018/19	2.4	2.6	3.2	4.1	2.1	2.7	2.0	2.8	2.0
2019/20	2.5	2.8	3.3	4.3	2.2	2.9	2.1	2.9	2.1
2020/21	2.7	2.9	3.5	4.5	2.3	3.0	2.3	3.1	2.1
2021/22	2.8	3.0	3.7	4.7	2.4	3.1	2.4	3.2	2.2
2022/23	3.0	3.2	3.8	4.9	2.5	3.3	2.5	3.4	2.3
2023/24	3.1	3.3	4.0	5.1	2.6	3.4	2.9	3.5	2.4
2024/25	3.3	3.4	4.2	5.3	2.7	3.6	3.1	3.6	2.5



## Appendix 2 - Predicted interest rates

Year	Interest rate
2016	5.25%
2017	5.34%
2018	5.33%
2019	5.37%
2020	5.43%
2021	5.48%
2022	5.50%
2023	5.57%
2024	5.65%
2025	5.51%

## **Independent Auditors Report**