

LOOKING FORWARD



ITEMS WE WANTED FEEDBACK ON AND DECISIONS MADE BY COUNCIL

This section outlines the key issues, which Council sought feedback from the community on -

Maintenance of Roothing Network

Increased maintenance expenditure on rebuilding the pavements on the unsealed network is required to maintain the structural integrity and the smooth riding of these roads. Refer to pages 173-187 for more information on Transportation Services.

Decision

Council budgeted \$1,710,239 to rebuild the pavements on the unsealed network.

Renewal of Roothing Network

Council is increasing its expenditure on renewal of existing sealed road pavements by approximately 5kms, to 18kms per annum to ensure that the network integrity is maintained. Refer to pages 173-187 for more information on Transportation Services.

Decision

Council has budgeted \$6,003,963 on the renewal of existing sealed road pavements. This will enable 17 kms of road per annum, to be renewed.

Water Quality

Council as a Water Supply Authority is required to ensure the water supplies provided meet the provisions of the Health (Drinking Water) Amendment Act 2007. This requires all water supplies to comply with the New Zealand Drinking Water Standards 2005 (and amendments). To comply with the requirement Council will be upgrading its water treatment plants and reticulation systems during the 2009-2019 LTCCP. Refer to page 158 for more information.

Decision

Council will continue with the upgrade of its water treatment plants and reticulation systems during the period of this LTCCP.

Cemetery Charge

In line with other Councils, Council is proposing to increase fees for burials over a three-year period to recover 75 percent of the cost of providing cemeteries and burials. The remaining 25 percent public good component of the costs will be funded through General Rate. Refer to Volume 3 for more detail charges

Decision

No submissions were received on the proposed increase for burials. Therefore Council has adopted the change.

Water Metering

Council proposes to undertake a study of options/benefits/effects of residential water metering within the District. Currently all rural properties that receive a public water supply are metered. Council has a policy of metering all commercial properties, and all new ones. A four-year programme is underway to meter those commercial properties that are not currently metered.

The townships of Meremere, Te Kauwhata, Taupiri and Hopuhopu have residential metering. The townships of Raglan, Huntly and Ngaruawahia do not currently have residential metering.

Funding is provided in the 2009-2019 LTCCP to install meters in these areas.

Metering has the benefit of allowing customers to better manage their costs through controlling water use. There can be substantial benefits to Council and subsequently water users by reducing the need to increase the capacity of our treatment plants and reticulation. Treatment plants and reticulation systems need to be designed and built to provide water for peak usage. Water metering can help reduce this peak. Refer to pages 158-168 for more information.

Decision

Council will undertake a study of options/benefits/effects of residential water metering within the District.

Kerbside Recycling and Refuse Collection

Council has recently reviewed the terms of its kerbside recycling and refuse collection contract (excluding Raglan) to encourage the contractor to proactively assist Council to reach its target of zero waste by 2020. As a result, the cost of the targeted rate has increased in line with actual cost increases. The contract provides for ongoing increases that will be phased in over the new few years. More information on Solid Waste Management can be found on pages 137-140

Decision

Council has adopted the increase in charges for kerbside recycling and refuse collection.

Development Contributions Policy

Development contributions provide a source of funding for future capacity upgrading works. These works offset the cumulative depletion of the spare capacity within each infrastructural network caused by new users. For example, where Council has to build a bigger water treatment plant in order to supply water to more properties it would not be fair to charge that cost to the existing ratepayers because they do not benefit from the greater capacity of the new plant. However, it is equitable to charge this cost to the developers creating the new properties that are responsible for the extra demand for water. In most cases there is an element of benefit to the existing ratepayers and the cost of this benefit would be charged to these ratepayers. From our example of a new water treatment plant there could be improved water quality.

For a more detailed explanation refer to the full Development Contributions Policy set out in Volume 2.

Decision

Changes to the rate of development contributions has been made and adopted by Council. These are detailed in the Development Contributions Policy set out in Volume 2 and Fees and Charges for 2009/2010.

Treasury Risk Management Policy

This policy serves to determine how Council manages its treasury function. Some of the key objectives are to ensure compliance with all legislation, all borrowings are properly approved, that Council minimises the cost of borrowings and maximises the return on investments. The policy covers matters such as how Council invests surplus funds, which normally arise after each rating instalment date, and how Council borrows money to fund various works projects, including setting limits for borrowings.

For a more detailed explanation refer to the full Treasury Risk Management Policy set out in Volume 2.

Decision

No submissions were received on this policy. It has therefore been adopted unchanged.

Raglan Wharf Replacement

In 2001, Council undertook repairs to extend the life of the Raglan Wharf by ten years. In 2011 further work is required to extend the life of the wharf. The Raglan Wharf is viewed as a strategic asset by Council and one that should be protected. Provision is made in the LTCCP to upgrade the wharf. More information can be found on page 89.

Decision

Council received a number of submissions on the replacement of the Raglan Wharf. Council has decided to replace the Wharf as notified in the LTCCP. The existing buildings on the Wharf will be refurbished as necessary (rather than replaced).

Raglan Endowment Land Development

Council is consulting on a proposed development for Raglan endowment land in Wi Neera and Lower Bow Streets. Council is proposing to work with a developer to ensure the sites are developed in a manner consistent with the Raglan community.

Decision

Council received some submissions on this development and will continue to work with the community as to how this land should be developed.

Pensioner Housing Rental Increase

Council is proposing to increase pensioner housing rent by \$10 per week effective 1 July 2009 and then \$5 per week effective from 1 July 2010 thereafter. This increase is required to recover an increase in operational and maintenance costs.

Decision

Council received a number of submissions regarding the increase in the rent but has elected to proceed with the increase because:

- (a) The rentals have not increased since October 1998.
- (b) The rentals are significantly below corresponding units in other Councils.
- (c) Council is seeking a full cost recovery of this service.

Building Control Fee Increase

As a result of further work associated with the regulations surrounding building accreditation and in line with other fees charged by Councils in the region, Council is proposing a 10% increase in building control fees.

Decision

Building control fees will increase by 10%.

Funding of Depreciation

Depreciation is a charge to the general rate and targeted rates to cover the diminishing value of assets over the period of their useful lives. In certain cases within the roading network the full cost of depreciation is not charged to general rate because of the availability of subsidies for the construction and renewal of these assets.

Decision

The funding of depreciation has had a large impact on Councils budget, and Council is proceeding on the basis of legislation and best practice.

Library Services Received Through Hamilton City Council

Library services are currently provided for Waikato District residents by free membership at Hamilton City and Waipa District Councils.

It is proposed that a partial fee of \$28.15 will be charged to users of Hamilton City Libraries from 1 July 2011.

This is subject to agreement with Hamilton City Council.

Decision

Council has agreed to pay Hamilton City Council an additional \$50,000 in 2009/2010 and 2010/2011 to enable Waikato District residents access to Hamilton libraries. From 1 July 2011 residents will be charged a partial fee of \$28.15 to recover some of the increased cost. Staff will work further with Hamilton City to implement how this fee is to be collected.

General Rate Contribution to Water and Wastewater

A general rate contribution has been made in 2009/2010 and 2010/2011 to the water supply account to assist with the affordability of the schemes and to reflect the public benefit of a suitable water supply. General rate contributions are also required in years 3-8 to assist to bring the wastewater targeted rate account back to credit by the end of the LTCCP period. This makes the budgeted rate affordable and reflects the public benefit of having suitable wastewater schemes in operation.

Decision

Council agreed not to proceed with the general rate contribution in 2009/2010 and 2010/2011 to the water supply account that had been intended. The result is that the targeted rate account will take until year 6 to return to credit. Some minor general rate contribution will still be made to reflect the public benefit of these services.

Proposed Rate Increases

Decision

Council has confirmed a general rate increase for 2009/2010 at 4.99%. Proposed rate increases for the following years are as follows:

Year	% Draft LTCCP	% Final LTCCP
2010/2011	4.83	2.88
2011/2012	5.02	2.96
2012/2013	5.54	2.63
2013/2014	6.70	3.71
2014/2015	6.35	2.90
2015/2016	6.45	3.48
2016/2017	6.07	3.55
2017/2018	5.49	3.72
2018/2019	5.65	3.28

The following issues do not directly impact on the LTCCP and separate consultation has been undertaken.

Future Proof

Future Proof sub-regional community is made up by Hamilton City, Waipa and Waikato Districts, the Morrinsville area and the associated administrative area of Environment Waikato. Dealing with the impact of long-term growth is a significant challenge for this community.

Refer to page 50 for more information.

Decision

Council adopted the Future Proof strategy on 29 May 2009 (WDC0905/27/1). A copy of the strategy is available on Councils website.

Waikato District Growth Strategy

The proposed doubling of the Waikato District's population over the next 50 years has necessitated the development of a district wide growth strategy. Council's growth strategy is based on Scenario 2 of Future Proof, and this has been supported by way of submissions during the consultation period.

This direction sees Council focus on growing and revitalising the district's towns while recognising the importance of protecting the productive potential of rural land.

Refer to page 53 for more information.

Decision

Council adopted the District Growth Strategy on 24 March 2009 (WDC0903/08/1/6). A copy of the strategy is available on Councils website.

District Plan Variations to Implement Growth Strategies

Provision is being made in the budget for a variety of changes to the District Plan in order to implement the Waikato District Growth Strategy. The initial focus will be on tightening rules around rural subdivision.

Decision

Budget has been confirmed to enable the changes to the District Plan that are required due to the implementation of Councils District Growth Strategy.

ITEMS THAT WILL BE OF INTEREST TO YOU

Waikato Foundation Trust

During restructuring of the electricity industry in the late 1980's the Waikato Foundation Trust was formed. Waikato District Council, Hamilton City Council and Waipa District Council are capital beneficiaries of the Waikato Foundation Trust. The Trust supported projects which contributed to the various community outcomes of the Council's, as well as focussing on the economic, social and environmental well-beings.

The Trustees have now resolved to wind up the Trust and Council will receive a capital sum to be used to benefit the community. Council has resolved to use the sum by forming our own Trust that continues to support projects within the Waikato District that further one or more of the nine community outcomes or one or more of the four well-beings. The base capital is expected to be between \$2 - \$3 million.

New Zealand Local Authority

Protection Programme (LAPP)

Central government has a Disaster Recovery Plan, which states that beyond a threshold, central government will only pay 60% of restoration costs, damaged by a natural disaster. Local government are responsible for the remaining 40%, therefore effectively moving the onus from the taxpayer to the ratepayer. The LAPP Fund was established in 1993, to help its local authority members pay their share of infrastructure replacement costs for water, sewage and other uninsurable essential services, which are damaged by natural disaster. Council is currently assessing what the benefits and the impacts are of joining this fund.

Boundary Changes

As part of an agreement between Hamilton City Council and Waikato District Council, Hamilton's boundaries are to be extended in the east and north of the city to cope with future expansion. Subject to due process, the agreement between the two councils will see the land and its residents become part of the city in time for the local authority elections in 2010.

The eastern area of land is a large part of Ruakura between Morrinsville Road and Greenhill Road, largely owned by Tainui Group Holdings and Chedworth Properties. Council has provided for a boundary adjustment to incorporate the Ruakura area into Hamilton City Council. The boundary reorganisation process is still to take place and will include public consultation. In addition there are district plan matters to be resolved with key landowners in the area. These matters will need to be addressed prior to any transfer taking place. Whilst the

transfer of land is planned for 2010, Council will continue to receive compensation for the loss of rating income until 2018. This amounts to \$347,908.

The second portion of land to transfer is near the north western part of the city between the proposed Horotiu/Te Rapa Bypass and the present city boundary along Ruffell Road. The rating income from the land being transferred is \$94,863.

The majority of the new land coming to the city has been identified for industrial and commercial use.

Governance of Auckland

The Royal Commission into the Governance of Auckland and the subsequent government decision to form a super city has potential implications for the role and shape of local government in New Zealand. Of particular relevance to the Waikato District is the southern boundary of Auckland which is as yet undecided. The Royal Commission proposed a boundary change that would have seen additional land added to the Waikato District area. The Local Government (Auckland Council) Bill identifies the areas included by the Royal Commission (specifically the Mangatawhiri River and Mangatangi Stream catchments and that part of Franklin District situated between the Mangatangi Stream catchment and the Firth of Thames) but also refers to the boundary as being as close as practicable to the existing boundary of the Auckland Region. The Bill proposes that the matter is referred to the Local Government Commission to determine by 1 March 2010.

The Council has been in discussions with other councils including Franklin District Council about this matter. Discussions continue and the Bill has been referred to a select committee for consideration.

At this stage, the Council has been unable to determine the financial, asset management, service level, social and cultural impacts of the Bill. The financial consequences may include impact on infrastructure and asset management programmes. The Local Government Commission will also need to assess the community of interest impacts, as part of the process they will undertake to determine the final boundaries of Auckland.

As a result of this uncertainty, the Council is taking a clear interest in developments but cannot reflect the impacts of changes arising from this matter. The outcomes are at this stage still uncertain and there is insufficient information available to make any informed decisions.

Once a final decision has been made on the boundaries for the Waikato District, there will almost certainly be an amendment to this LTCCP and this will be consulted on with the community.

GROWTH STRATEGIES

Future Proof

Introduction

Hamilton City Council, Environment Waikato, Waipa and Waikato District Councils have recently completed the sub-regional growth strategy, known as Future Proof. This strategy covers the administrative areas of the three territorial authorities and the associated area of Environment Waikato. Other key organisations and groups involved in the project include tangata whenua, New Zealand Transport Agency and Matamata-Piako District Council.



With the population of the sub-region predicted to nearly double over the next 50 years, from 223,500 people to 437,700 people, collective planning and action between government, residents and businesses is critical to its long-term viability. Complex issues have been considered including future urban and rural land use, natural and cultural resources, roads and essential infrastructure.

This growth strategy aims to manage growth in a collaborative manner for the benefit of the Future Proof area both from a community and physical perspective. The strategy will also provide a platform for ongoing co-operation and implementation.

The strategy is underpinned by following the key principles that will take the sub-region forward and contribute to the effective management of growth:

- Protect versatile and quality farmland for productive use.
- Enhance, maintain and create ecological areas, landscapes, cultural and heritage values.
- Restore the health and well being of the Waikato River.
- Promote planning for an energy efficient and low carbon emissions sustainable environment.
- Provide housing and lifestyle choice with a greater emphasis on good urban design outcomes.
- Reinforce Hamilton's City Heart as the main retail and commercial centre of the sub-region.
- Ensure local communities are supported by strong town centres.
- Ensure that green spaces separate settlements.
- Protect existing and future infrastructure and transport corridors.
- Direct development away from hazard areas and mineral locations.

This strategy provides a framework for co-operatively managing growth and setting goals for future implementation. This will allow the costs and resources required to fund and manage infrastructure such as transport, wastewater, stormwater, recreation and cultural facilities to be identified and provided for.

Each of the strategy partners will be responsible for the implementation of the strategy and the continued involvement of tangata whenua, other agencies, the private sector, and the wider community.

The Strategy

It is well recognised and supported by the consultation feedback that scenario one – Business as Usual – is not sustainable.

A combination of scenarios 2 and 3 has been chosen as the preferred option and the strategy has been prepared on this basis.

The strategy focuses on effective governance across a region that shows strong leadership and integration between the key parties. The aim is to create a place of choice for those looking for opportunities to live, work, invest and visit, with a diverse and vibrant metropolitan centre linked to thriving towns and rural communities.

The strategy will assist with the maintenance, protection and enhancement of natural environments, landscapes and heritage sites as well as ensuring the partners work closely with tangata whenua to help restore the health of the Waikato River. Infrastructure will be well planned for the future to ensure it is affordable, efficient and able to cope with growth as and when it occurs.

The key features of this strategy include:

- A focus on providing housing and lifestyle choice.
- Increased densities in new residential development and more intensive redevelopment of existing urban areas that will reduce the need for dependence on cars with more people walking, cycling and using public transport.
- Hamilton city will be a vibrant and lively place that people want to live, work and play in and will retain its position as the centre of New Zealand's fourth largest urban area. At its heart it will have a vibrant and diverse mix of uses.
- The sub-region's towns will retain and enhance their individual identities as distinct towns that support people living, working and playing in. They will have thriving business centres that provide local employment opportunities.
- Development is directed away from hazard areas.
- Green spaces separate settlements.
- Planning focuses on resilience of communities and providing for an energy efficient and low carbon emission future.
- Protection of future infrastructure corridors, energy sites and mineral locations.

- Protection of versatile and productive farmland through limiting rural lifestyle developments.
- Maintenance and enhancement of biodiversity.
- Integration of transport and land use planning.

Links to Other Local Growth Strategies

Future Proof is not a strategy that stands alone; it is a key component of the creation of a sustainable region for the next 50 years. Future Proof will provide an overall framework for aligning other plans and strategies of local and central government agencies and other organisations that deal with growth. Other strategy documents that will be influenced by Future Proof include the Regional Transport Strategy, each of the partner Councils' growth strategies, long-term community plans and district plans and the Regional Policy Statement.

The focus of Future Proof is:

- Long term vision and outcomes.
- Growth forecasts for the sub-region.
- Broad environmental constraints and opportunities.
- Distribution and timing of growth in settlements and rural areas.
- Major infrastructure, including strategic roading projects.

The Future Proof strategy will be implemented through:

- The Environment Waikato Regional Policy Statement.
- The Environment Waikato Regional Transport Programme and Regional Land Transport Strategy.
- Long Term Council Community Plans.
- City and District Growth Strategies.
- District Plans.

City and District Growth Strategies are being developed in parallel with the Future Proof project and will be aligned with Future Proof. The focus of these strategies is:

- Implementation within settlements.
- Local environmental constraints and opportunities.
- Distribution and timing of development.

City and District Growth Strategies will be implemented through:

- Long Term Council Community Plans.
- District Plans, Structure Plans and zoning.

Strategy Implementation

The success of any strategy is reliant upon an efficient and integrated planning process. It is essential that the community has full opportunity to participate and provide input into any decision making process.

Implementation is an ongoing process that will continue to be addressed as part of the partners' own programmes, plans and strategies. It will also be important to continue to engage and involve tangata whenua, other government and non-government agencies, the private sector, and the wider community.

Integration at this phase is critical to the success of Future Proof as it involves identification of key funding options for significant infrastructure including roading, water, wastewater, stormwater and recreation and cultural facilities.

Strategy implementation requires ongoing partnerships and establishing the entities responsible for managing implementation and monitoring outcomes. Future Proof's success will be determined by the long-term, formal commitment to collaboration between the key agencies and authorities.

It is anticipated that the approved Future Proof strategy will be formally adopted by all partners by 30 June 2009 to coincide with the adoption of this LTCCP. Further information regarding the Future

Proof Strategy can be found on the website www.futureproof.org.nz or at local libraries and Council offices throughout the sub-region.

Waikato District Growth Strategy

The proposed doubling of the Waikato District's population over the next 50 years has necessitated the development of a district wide growth strategy.

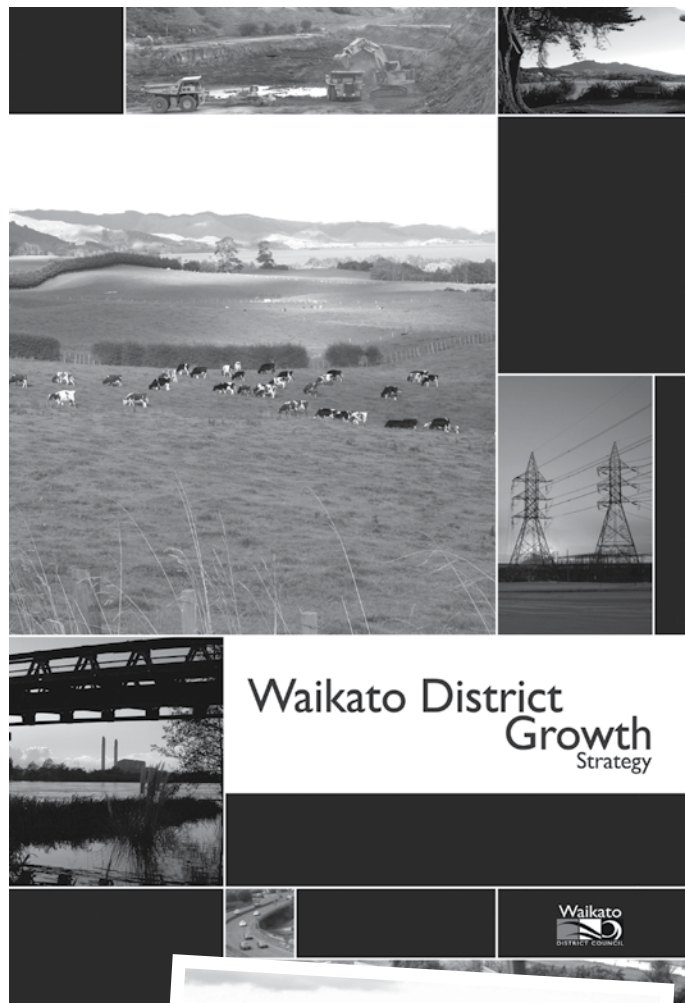
The strategy identifies four key issues that will influence population and economic growth in the district which are:

- The increasing growth pressure from outside the district;
- Continued improvements to transport corridors.
- The economic influence of the 'Golden Triangle' (Auckland, Hamilton, Tauranga).
- The strength of key national assets in the north-south corridor.

Some significant philosophical shifts in thinking have taken place as this strategy has been planned and consulted upon.

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 and urban sprawl is reduced. This will mean some tightening of the rules around countryside living and rural subdivision.

Structure Plans will be developed to better plan and co-ordinate how 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.



KEY COUNCIL PLANS, POLICIES AND STRATEGIES

The following key policies, strategies and plans have all contributed to the preparation of this LTCCP.

The District Plan, for example, governs land use in the district. The LTCCP factors the impact of the current and proposed District Plans and their implications for demand and growth into our work programmes and in determining the future look and feel of the district.

Community Plans are in effect project-based mini strategic plans at a local level. The impacts of these plans and the direction set by the individual communities have been incorporated into the LTCCP.

Core documents that have influenced Council's selection of projects and strategic direction in the LTCCP include –

- State of the Environment Report.
- FutureProof.
- Waikato District Draft Growth Strategy.
- Walkway Strategy.
- Conservation Strategy.
- Reserves and Recreation Strategy.
- Arts and Heritage Policies.
- Reserve Management Plans.

District Plan

The District Plan contains the Council's objectives, policies and rules regarding land use in the Waikato district. The Operative District Plan (notified in 1992 and mostly operative in 1995) has been under review since 2002 and a new proposed District Plan was notified in September 2004. Most parts of the proposed District Plan are now operative but we continue to work through the remaining District Plan appeals.

Community Plans

Over the past few years, Council has been consulting with communities within the district, and has developed 14 Community Plans to date. These plans capture the shared vision of the community, and outline the key issues and projects facing that community over the next 6-10 years. The first of the original plans (Raglan Naturally) was updated during 2008 and the other plans are scheduled for review after six years from inception.

The plans provide a clear focus for Community Boards and Committees to progress key issues within their area. They also provide local input into Council's decision-making process and contain community views, not necessarily Council views. Nevertheless, Council finds the Community Plans an invaluable tool in assessing the priorities of local communities.

State of the Environment Report

Council is required to undertake environmental monitoring so we can assess the effectiveness of our environmental goals. The three-yearly State of the Environment Report provides an overview of our environment and it documents Council's environmental policies and methods for managing the environment.

FutureProof

As mentioned on page 50, Future Proof is about developing a unified and sustainable way to manage the sub-region (Hamilton, Waipa and Waikato Districts, the Morrinsville area and the associated administrative area of Environment Waikato) into the future.

Waikato District Growth Strategy

As previously mentioned on page 53 the proposed doubling of our population over the next 50 years has necessitated the development of a district wide growth strategy.

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 and urban sprawl is reduced.

Waikato District Walkway Strategy

This strategy outlines how Council seeks to achieve its vision - a variety of safe, easily accessible and attractive walkways form part of an integrated transport network and help make the Waikato a desirable place to live in and visit.

Conservation Strategy

The Waikato District Conservation Strategy presents the way in which this Council will undertake its responsibilities for managing biodiversity. The focus here is on implementation – clarifying what Council will do to play its part in achieving the national and regional targets that have been defined.

Reserves and Recreation Policy

This policy states the Council's role in providing recreational facilities including the purchase, development and sale of reserves. It contains objectives and policies to guide Council's decision-making. The aim is to ensure Council approaches the task of providing facilities in a consistent and systematic manner so that the community receives

maximum benefit from Council expenditure. This is achieved by clarifying community requirements and by having clear policies.

Arts Policy

In developing the Arts Policy and Strategy, Council has recognised the key role of the arts in the district's social, cultural and economic development, and as a vehicle for urban renewal and district marketing. The arts play a vital role in improving the lives of citizens and should be encouraged for their social and cultural value as well as commercial potential. Support for the arts enables Council to help meet its responsibilities for community well-being under the Local Government Act 2002, its commitment to vibrant and healthy communities and its support for economic development.

The Arts Strategy aims to support new and established local artists, develop new opportunities for artistic expression, and to increase the enjoyment of and participation in the arts across all sectors of the Waikato community. It also aspires to promote the sense of Waikato as a cultural destination to the outside world.

Heritage Policy

Council understands that as well as promoting development, growth and the future; we must consider and preserve the past. The information we collect and protect helps us to prepare for the future and to learn from earlier mistakes and triumphs.

This Heritage Policy is intended to cover the full range of techniques and methods, which Council has at its disposal, and which will cover activities undertaken, by all parts of Council. This policy is founded on principles of retention, protection and recognition of our heritage and culture, both privately-owned and Council-owned.

Reserve Management Plans

Council has also initiated the development and/or review of Reserve Management Plans for major reserves within the District. To date plans are being updated and developed for Wainui Reserve, Puketirini and Lake Kainui.

Key Financial Policies

These are contained in Volume Two of the LTCCP. Volume Two includes the following policies:

- Revenue and Financing Policy.
- Treasury Management Policy.
- Policy on Partnerships between Waikato District Council and the Private Sector.
- Policy to Accept Early Payment of Rates by Lump Sum Contribution or Payment over Several Years, for Capital Work.
- Rate Remission and Postponement Policies.
- Significance Policy.
- Policy on Involving Maori in Decision Making.
- Development Contributions Policy.
- Summary of Financial Contributions Collected under the Resource Management Act 1991.



FORECASTING ASSUMPTIONS AND RISKS

Council has made a number of assumptions in preparing this LTCCP. These assumptions are necessary as the planning term for the LTCCP is 10 years and the assumptions and estimates ensure that all estimates and forecasts are made on the same basis.

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty
<p>Central Government</p> <p>No additional devolution of services to local government (i.e. there will be no unexpected changes to legislation or other external factors that alter the nature of services provided by Council.)</p>	<p>There are unexpected changes to legislation that alter the nature of services provided by Council.</p>	<p>Medium - High</p>	<p>Most changes to legislation are programmed in to Council's LTCCP and/ or are known about in advance. Based on historical trends, additional services may be devolved to local government.</p>
<p>Climate Change Impacts</p> <p>Council recognises the impact of climate change by adjusting rainfall storm intensity rates, which are used when designing stormwater and drainage systems.</p> <p>Council is also making greater provision for the impact of storm events on the roading network.</p> <p>Council allows for additional water requirements and storage during summers resulting from longer drier periods.</p> <p>As a result of the Climate Change Response (Emissions Trading) Amendment Act 2008, Genesis Energy has advised that increases in power charges will be incurred. This has been factored into the various activity budgets.</p>	<p>That Council has not made sufficient provision for climate change events, and floods occur or there is insufficient water supply to meet ratepayers' needs.</p>	<p>Low</p>	<p>That Council has not made sufficient provision for climate change events, and floods occur or there is insufficient water supply to meet ratepayers' needs.</p>
<p>Consultation</p> <p>Consultation will be undertaken as required by the Local Government Act 2002. There is a flow on impact to projects and resource consents.</p> <p>Should legislation change and more consultation or different consultation methods be required, this may increase cost and resourcing.</p>	<p>Increased resources required to meet legal requirements. Increased community expectations regarding consultation and engagement.</p>	<p>Medium</p>	<p>Increased legislative requirements around the need for consultation are occurring and more such legislation is being considered.</p> <p>The LTCCP and community planning process has established the need for more concerted and ongoing consultation with the community.</p>

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty
<p>Council Policy There will be no significant changes to Council policy as summarised in this Plan.</p>	<p>New legislation is enacted that requires a significant policy response from Council.</p> <p>Election of a new Council with different objectives to the current Council.</p>	<p>Medium</p> <p>Medium</p>	<p>Changes to Council policy to deal with new legislative and Council requirements are part of normal business.</p> <p>Any significant change to Council policy would be assessed in terms of impact upon Council's financial position.</p> <p>Community expectations may differ from current policy guidelines and this may necessitate changes in thinking and action.</p>
<p>Depreciation Method It is not anticipated that the method of depreciation for the Council will change from the current method i.e. straight line.</p>	<p>A change in depreciation method will not be reflected in prior periods. Therefore, information for comparisons will be inconsistent.</p> <p>Operating expenses could be understated or overstated.</p>	<p>Low</p>	<p>In accordance with accounting standards, the chosen method should reflect the expected pattern of consumption of economic benefits and be applied consistently from period to period. The Council's expected pattern of consumption of economic benefits from property, plant and equipment is not expected to significantly change. Therefore, the depreciation method is unlikely to change.</p> <p>In the event that a change of method was approved or accounting standards changed, operating expenses might alter which could affect the accuracy of the financial information in the LTCCP.</p>
<p>Depreciation Expense Council is assuming that present estimates of depreciation are adequate.</p>	<p>Depreciation expense calculations could prove to be inaccurate due to asset revaluations or through improvements or changes in Asset Management Plans.</p>	<p>Medium</p>	<p>Council is required to fund depreciation. Depreciation is based on an accurate assessment of asset valuations. The accuracy of depreciation is therefore linked to the forecast impact of asset revaluations that are driven by a number of factors that are difficult to estimate.</p>

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty
<p>District Plan</p> <p>No fundamental changes to the District Plan or Proposed District Plan will be made (other than changes identified through Future Proof and WDC's Draft Growth Strategy)</p>	<p>The District Plan governs land use and can impact on the levels and type of growth that takes place in the District.</p>	<p>Medium</p>	<p>The District Plan details how land can be used in the District. If the District Plan differs markedly from the existing provisions and changes signalled in the Proposed District Plan, 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.</p> <p>If growth is curtailed then demands would be lower and budgets may be too high.</p>
<p>Dividend Income</p> <p>It is assumed that Council's involvement with Council Controlled Organisations and Civic Assurance generates dividends in line with the LTCCP.</p>	<p>The profitability targets are not achieved.</p>	<p>Medium</p>	<p>The performance of the Council Controlled Organisations can be affected by market conditions and workloads. This is a series of financial performance targets that may or may not be achieved.</p>
<p>Drainage Districts</p> <p>Responsibility for all drainage districts located within the Council's boundary will be transferred to Environment Waikato on 1 July 2011.</p>	<p>The transfer doesn't take place.</p>	<p>Low</p>	<p>If the transfer does not occur in 2011 budgets (revenue and expenditure) will be understated, as the drainage districts would not have been allowed for.</p>
<p>Emissions Trading Scheme</p> <p>As national and international commitments to resolving global environmental issues potentially increase, there could be some implications for Council on how we operate sustainably on a day-to-day basis. Central government's programme on addressing climate change issues has resulted in the Emissions Trading Scheme, which intends to encourage industries and businesses to cut back on greenhouse gas emissions.</p> <p>Whilst Council has accounted for some impact such as an amount determined by our energy suppliers, Council has not identified any other areas where the impact of this scheme will impact financially, for example, Council does not own any landfills, or forests over 1 hectare.</p>	<p>There are unexpected changes to legislation that alter the nature of our decision, that there is no significant impact on us as a Council.</p>	<p>Low</p>	<p>That Council has not made sufficient provision for the emission of gases in our District. The new government has also signalled that the legislation is to be reviewed.</p>

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty
<p>Future Proof</p> <p>The Future Proof sub-regional growth strategy is currently being developed. The LTCCP signals that Council has based its budgeting on scenario 2; a sustainable growth strategy for the district.</p>	<p>Another scenario or a combination of scenarios is selected and this may impact on growth settlement patterns and intensification of development.</p>	<p>Medium</p>	<p>The selection of another scenario or a mixed scenario may impact on asset management plans and work programmes.</p>
<p>Governance</p> <p>Representation reviews – the structure of the elected representation on Council will not fundamentally change from that adopted for the 2007 elections.</p>	<p>Through representation reviews, Council could be faced with additional or fewer elected members. This could be by way of changes to numbers of Councillors, Community Board members or through Maori representation.</p>	<p>Low</p>	<p>Council could be required to fund additional costs arising from an alternative governance structure to that which is already in place.</p> <p>This could impact on levels of staff resources required to service Council meeting structures. In addition, Council could be required to fund additional remuneration for elected members.</p> <p>Conversely, costs could be overstated if a smaller governance structure were put in place.</p> <p>A full review of representation requirements will be undertaken in time for the 2013 elections.</p>
<p>Impact of Strategic Agreement with Hamilton City Council</p> <p>The LTCCP incorporates the impact of the Strategic Agreement which has been adjusted and updated following recent discussions between the two Councils.</p> <p>It is assumed that the first part of Horotiu (Northern Te Rapa - HT2A area) will transfer to Hamilton City in 2010.</p> <p>It is also assumed that the second part of Horotiu (HT2B area) and Ruakura will transfer to Hamilton City effective 2018.</p> <p>It is assumed that all other boundary changes are undertaken and completed in line with agreed timeframes.</p>	<p>The Local Government Commission does not approve boundary changes.</p> <p>Impact of boundary changes impact negatively on Council's rating income.</p>	<p>Medium</p>	<p>Waikato District Council and Hamilton City Council have agreed on changes (over time) to the boundaries between the two Councils.</p> <p>The timing of proposed boundary changes has recently been reviewed.</p> <p>The Local Government Commission is aware of the agreement but no specific application has been lodged to adjust the boundaries at this stage.</p> <p>The Local Government Commission has the final say. The LTCCP assumes that the changes proceed. If they do not then Council may have more rating income than budgeted.</p> <p>The Local Government Commission could also approve alternative and/or additional boundary changes that could reduce rating income for Council.</p>

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty												
<p>Inflation</p> <p>Inflation will be reflected in Council's costs. The Council will use national indices provided by SOLGM and BERL as a basis for adjusting costs. This approach is considered to provide consistency in cost movements across all local authorities.</p> <p>The inflation rate ranges from 2% to 3.8%.</p>	<p>Council is subject to inflation in a number of ways. 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.</p>	<p>High</p>	<p>Inflation is affected by external economic factors.</p> <p>Council's costs and the income required to fund those costs will increase by the rate of inflation.</p>												
<p>Inflation - Development Contributions</p> <p>Council has assumed that development contribution levies will be inflation indexed by 2.5% per annum.</p>	<p>Council is subject to inflation in a number of ways. 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.</p>	<p>High</p>	<p>Inflation is affected by external economic factors.</p> <p>Council's costs and the income required to fund those costs will increase by the rate of inflation.</p>												
<p>Interest Rates</p> <p>Council will be a net borrower over the LTCCP period and the cost of debt has been budgeted at the following rates:</p> <table border="1" data-bbox="159 1668 454 1825"> <thead> <tr> <th></th> <th><i>Existing Debt</i></th> <th><i>New Debt</i></th> </tr> </thead> <tbody> <tr> <td>2009/2010</td> <td>7.06%</td> <td>6.73%</td> </tr> <tr> <td>2010/2011</td> <td>6.98%</td> <td>7.30%</td> </tr> <tr> <td>2011/2012</td> <td>7.96%</td> <td>8.08%</td> </tr> </tbody> </table> <p>Thereafter 8.08%.</p> <p>These rates are based on external treasury specialist advice using the Reserve Bank projected OCR rates plus a borrowing margin of 1.5% for new debt.</p>		<i>Existing Debt</i>	<i>New Debt</i>	2009/2010	7.06%	6.73%	2010/2011	6.98%	7.30%	2011/2012	7.96%	8.08%	<p>Interest rates are likely to change from those used in calculations of forecasts.</p>	<p>High</p>	<p>Interest is affected by external economic factors.</p> <p>Council's costs of borrowing and lending will change according to projected interest rates.</p> <p>Council's debt portfolio is increasing; movements in interest rates could affect Council's financial position.</p>
	<i>Existing Debt</i>	<i>New Debt</i>													
2009/2010	7.06%	6.73%													
2010/2011	6.98%	7.30%													
2011/2012	7.96%	8.08%													

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty
<p>Investment Income</p> <p>Interest income is estimated based on the expected level of surplus funds on hand at various times during the year.</p>	<p>The cash flows that will generate the surpluses may differ from what was expected.</p>	<p>Medium</p>	<p>The main source of cash surpluses are the rates instalments. Anticipating how much will be paid on the instalment dates rather than spread evenly through the year is subject to uncertainty. The financial effect could be either over or understating the interest income received.</p>
<p>Legislation Changes</p> <p>It is assumed that there is no significant legislative change that will impact on how Council operates or the activities of Council.</p>	<p>There is considerable uncertainty arising from the 2008 central government elections in terms of post-election legislative reform.</p> <p>For example, the Government has proposed changes to the Resource Management Act and has signalled that the Sale of Liquor Act will change. Changes to the Dog Control Act are also possible.</p>	<p>Medium to High</p>	<p>The risk is that changes will significantly impact on the way Council operates.</p> <p>Changes to the Resource Management Act are to some extent dependent upon the new government.</p> <p>The Sale of Liquor and Dog Control Act changes are to some extent dependent upon events in the community and government response.</p> <p>The financial uncertainty will be around the introduction of changes and training needs for staff.</p>
<p>Levels of Service</p> <p>Changes in customer expectations regarding service levels will not alter significantly</p>	<p>There are significant changes in customer expectations regarding levels of service.</p>	<p>Medium</p>	<p>If through customer demand, levels of service are significantly altered, this could impact on operating and capital budgets.</p>
<p>Natural Disaster</p> <p>There will be no natural disaster requiring emergency work that cannot be funded out of the budgetary provisions.</p>	<p>That there will be a natural disaster event(s) requiring emergency work that cannot be funded out of normal budgetary provisions.</p>	<p>Medium</p>	<p>The potential effect of a natural disaster on Council's financial position is dependent upon the scale, duration and location of the event.</p>

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty
<p>New Zealand Transport Agency (NZTA) Subsidies NZTA requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs.</p>	Changes in subsidy rate and/or variation in criteria for inclusion in subsidised works programme.	High	New Zealand Transport Agency sets the level of Financial Assistance Rates for a three year period. The level is not guaranteed for the duration of the LTCCP.
<p>Planning Information Performance data for assets is reliable.</p>	Asset data results in an over-estimation or under-estimation of the need for renewal or replacement.	Low	The forecast financial information is based on current Asset Management Plan information. As new information is gathered, this may affect forecast asset expenditure needs. When any new information comes to hand, forecast financial information will be changed. The net effect overall may not be significant.
<p>Political Situation It is assumed that there are only occasional instances of political activism in the District.</p>	Political activism increases significantly during the period.	Medium	If the level of political activism increases this may affect the staff involvement in dealing with ownership and media issues.
<p>Population Growth Over the next ten years the projected population growth for the District is estimated to be 18.6% or 1.7% per annum.</p> <p>Over the past 20 years the population growth has averaged 1.2%, with the past 5 years at 2%. This latter increase has been in the non-urban areas consistent with higher demand for countryside living and rural residential sections following the trend of people moving away from the cities such as Auckland and Hamilton.</p>	<p>Should the population growth be higher than projected, then there would be extra pressure on Council to provide and maintain additional infrastructure.</p> <p>Should the population growth be lower than projected there would be extra pressure on Council to maintain existing infrastructure services.</p>	<p>Low</p> <p>Low to Medium</p>	<p>Population projections have their foundation in Statistics New Zealand Census data and forecasts. These are further supplemented by projects undertaken for the sub-regional growth strategy Future Proof. Both depend on a standard set of demographic assumptions around fertility, mortality and migration. Fertility and mortality tend to follow long-term trends. Some towns have younger populations, others have an older one. Migration is the one that tends to have the most degree of variability and is influenced by opportunities available. The more attributes and the wider the range of jobs, activities and facilities a place has the more inward migration (growth) is likely to occur.</p> <p>Council is undertaking the development of structure plans for our major towns which seek to build on each town's attributes and responding to the community's desires to provide the foundations for more jobs, activities and facilities.</p>

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty
<p>Population Growth (continued) We expect continued demand for country living type of housing. There is a substantial existing supply and proposals to supplement these with a variety of smaller lot subdivisions in the range of 1000 – 2500m2.</p> <p>Projected growth for the next ten years is as follows:</p> <p>Projected High Growth Areas (70-120 people per year):</p> <ul style="list-style-type: none"> ■ Te Kowhai - 700 ■ Horotiu - 800 ■ Te Kauwhata - 1,000 ■ Tamahere/Tauwhare - 1,040 ■ Kainui - 1,200 ■ Ngaruawahia - 1,200 <p>Projected Medium Growth Areas (21-41 people per year):</p> <ul style="list-style-type: none"> ■ Te Uku - 245 ■ Gordonton - 400 ■ Waikato Western Hills - 415 <p>Projected Low Growth Areas (20 or fewer people per year):</p> <ul style="list-style-type: none"> ■ Eureka - 175 ■ Matangi - 180 ■ Whatawhata - 200 ■ Waerenga - 185 ■ Maramarua - 160 ■ Te Akau - 100 ■ Raglan - 140 ■ Huntly East - 150 ■ Huntly West - 100 ■ Whitikahu - 50 ■ Meremere - 50 ■ Taupiri - 40 			<p>District, regional and national policies and developments also have a substantial impact on growth and infrastructure provision. Those with a potential to impact either negatively or positively on these assumptions include:</p> <ul style="list-style-type: none"> ■ Transport policy and infrastructure, punitive pricing policies and project delays could for instance have highly negative effects. ■ Environmental Policy: Pricing and standard changes could have substantial impacts to the primary production sector, as could bio-security breaches. ■ Energy Generation Policy: Changes or deferment of the current renewable emphasis in energy production would also bring about some reasonable impacts but may be replaced by building of base load plants in the District. ■ Previous economic down turns have seen a drift of population from south to north and from small towns to larger cities. A major emphasis in undertaking the district growth strategy and structure planning for each of our settlements is to drive economic opportunities to provide more local jobs and increase services in these communities to sustain social connectedness, thereby averting major population losses. ■ Several towns including Meremere, Huntly, Horotiu and Ngaruawahia lost population during the last census of 744 or 2% of the total District Population. However, there was an overall net gain in the District of 700+ with substantial growth in countryside living around the city fringes of 1,215. We anticipate a lower level of loss from our towns and a slightly lower proportion of gain in countryside living, but overall a net gain should continue. <p>We have made allowance for a period of higher unemployment in the District associated with the current recession which will see household crowding increase as it has in the past. This will have an effect on new housing starts which have been adjusted down, rather than the overall population.</p> <p>These and other risks have been taken into account when assessing the growth assumptions. On balance there appears more pressure for development over the full of period of the LTCCP. The influence of recent government policies in this regard will continue to reinforce generally positive gains to the District.</p>

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty
<p>Rates</p> <p>No significant changes to our rating system or rating legislation take place and our rating valuation system remains unchanged.</p>	<p>Council's rating system and rating legislation, determine the basis of revenue. Any changes to these will affect Council's ability to complete our work programmes.</p> <p>Every three years Council undertakes a rating revaluation that affects the incidence of rates on individual landowners.</p>	Medium	<p>The rating system is reviewed every three years or as required by legislation.</p> <p>A change in rating legislation or the impact of the current funding review being undertaken by government could force Council to revisit how we operate and how we fund these activities.</p> <p>A change in rating method and/or a rating revaluation might impact on individual ratepayers but may have no overall impact on Council's revenue streams. This is fundamentally only a change in the method of allocation.</p> <p>Rating income is a significant source of revenue for Council. Significant changes to the level of rating or the use of rating could affect Council's ability to provide services and activities.</p> <p>The outcome of the Rates Enquiry has to date not directly affected Council's rating process. Changes in the future may impact on this outcome.</p>
<p>Regional Policy Statement</p> <p>The Regional Policy Statement will not signal any significant impact on Council's planning regimes and policy frameworks.</p>	<p>Environment Waikato has begun the process of reviewing its Regional Policy Statement. The risk is that there will be changes to it that Council will have to take account of.</p>	Medium to High	<p>It may take some time to complete the Regional Policy Statement review.</p> <p>It will then take some time to change the Waikato District Council planning documents to take account of those changes.</p> <p>There will be costs to Council in making any change to its planning documents.</p>
<p>Renewal of External Funding</p> <p>Council is able to retain all external funding even if projects are delayed.</p>	<p>A project may be delayed, which would put the external funding at risk.</p>	Medium	<p>Some projects may not proceed if external funding is not available.</p>
<p>Rental Income</p> <p>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).</p>	<p>Actual income will be higher or lower than that budgeted.</p>	Medium	<p>Level of rental income is market-driven and based on the value of land and buildings, therefore difficult to predict.</p>

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty
<p>Resource Consents</p> <p>Conditions of resource consents held by Council for its activities will not be altered significantly.</p>	<p>Conditions of resource consents are altered significantly and without sufficient warning.</p>	<p>High</p>	<p>Council is aware of its existing obligations under resource consents and also the timing of renewal of these consents.</p> <p>If Council is faced with significant changes to resource consent conditions, this could have a significant impact on the financial resources of Council.</p>
<p>Revaluation Movements</p> <p>Council will revalue its assets on a three yearly cycle commencing with Roothing in 2010, Utilities in 2011, Property and Parks and Reserves in 2012 (and thereafter three yearly).</p> <p>In preparing the LTCCP the BERL indicators have been used to estimate the revaluation increase.</p>	<p>The revaluation results in a higher or lower level of assets and this has an impact on the cost of depreciation.</p>	<p>Medium</p>	<p>Asset values could increase by more or less than our estimate. This could impact on the level of operating costs for different activities.</p>
<p>Royal Commission on the Governance of Auckland</p> <p>It is assumed that the Governance of Auckland review will have some impact on the Waikato District Council, however due to the uncertainty of knowing what the impacts will be, this has not been reflected in Council budgets.</p>	<p>Through legislation and review, the boundary between Waikato District Council and Franklin District Council may change.</p>	<p>High</p>	<p>A potential boundary change could result in infrastructure and growth issues for Council.</p> <p>The current position is uncertain because the recommendations from the Royal Commission have not flowed through to the Bill submitted to Parliament. The Bill has been referred to a Select Committee with a view to the Local Government Commission finalising boundaries in March 2010.</p> <p>A range of potential solutions exist including no boundary change, a boundary change in line with the recommendations of the Royal Commission on the Governance of Auckland, a boundary change in line with the existing Environment Waikato boundary as envisaged by the legislation or some other solution.</p> <p>Council is in contact with Franklin District Council, Environment Waikato and other interested parties on this matter. The Council will almost certainly prepare a submission and appear before the Select Committee.</p>
<p>Salary Levels</p> <p>Salaries have been set based on market salaries adjusted by the BERL/SOLGM indicators.</p> <p>The inflation rate ranges from 2.4% to 3.4%.</p>	<p>Market salaries fluctuate in response to demand and supply of labour.</p>	<p>Medium</p>	<p>The impact of the tight labour market may have an impact on overall cost levels. Projections about future salary increases may be affected by market conditions and the use of consultants.</p> <p>Salary increases for individual professions or occupations are affected from time to time by work demands and market conditions.</p>

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty
<p>Societal Changes</p> <p>It is assumed that there is no significant change in the make-up of our society or the way the community behaves or services it expects.</p>	Changes within society may impact on the range of activities or levels of service provided by Council.	Low	Society evolves over time. This can pose challenges for local government. This could be around issues such as transport, governance, legislation and the like.
<p>Staffing Levels</p> <p>Staffing levels have been based on the levels of service and expected volume levels detailed in the LTCCP.</p> <p>In particular, we have assumed the current economic crisis will last for a three year period covering the first three years of the LTCCP.</p> <p>Staffs numbers in 2009 are budgeted to be 217 and over the 10 year period will increase by 53 to 270.</p>	Staffing levels could change depending on the economic climate and growth of the District.	Medium	<p>The economic climate has meant that staffing levels are uncertain. Should the levels of activity (for example, consents) be greater or less than budget, then staff numbers would need to adjust accordingly.</p> <p>Human resource planning relies on our view of what the organisation will look like within the next 10 years.</p> <p>Market conditions also impact on our staff levels. Tight economic conditions tend to result in a greater supply of suitable labour.</p> <p>As the market conditions improve the supply of labour becomes less and it becomes more difficult to find and retain suitable staff.</p> <p>The uncertainty is about the timing and success of recruitment decisions.</p>
<p>Subdivisional Activity (Level of Contributions)</p> <p>Subdivisional activity across the District fluctuated substantially during the last LTCCP period as can be expected from a cyclical activity. Projecting this forward we expect economic constraints to limit growth in the initial periods before moving into a period of higher activity during the balance of the forecast period.</p>	<p>Estimates of subdivisional activity will be above or below actual subdivision.</p> <p>Council will be unable to stem the currently high numbers of countryside living and rural residential subdivisions.</p>	<p>High</p> <p>Medium to High</p>	<p>Demands on infrastructure are dependent on growth in the District. Part of this growth comes from subdivisional activity. Development and financial contributions resulting from subdivisional activities area used to fund infrastructure including roading, water, wastewater and parks and reserves.</p> <p>Council has embarked on an extensive programme of Structure Plans in order to take better advantage of the District's attributes. As different aspects of these are implemented, it is expected they will release unrealised demand, which should act to stabilise fluctuating market effects.</p>

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty
<p>Although Raglan will experience a low level of resident population growth, demand for holiday homes will continue at a good level. Development constraints in other towns such as Huntly will limit their growth in the interim. There will be a continued high level of demand for countryside living and rural subdivision; however, Council is proposing policies that will refocus growth into new developments in urban areas. We therefore expect to see the levels of these increases gradually over time from their current low base.</p> <p>Council has reduced its growth projections to 200 new lots in Year 1 and Year 2, 250 in Year 3 and 400 thereafter.</p>			<p>There is a reasonable high level of uncertainty as to how the market will react to both planning policy changes and economic conditions.</p> <p>Three conditions likely to arise within the current LTCCP period:</p> <ol style="list-style-type: none"> 1. Landowners seeking to take advantage of differentials between old financial contributions and new development contributions skew overall contributions substantially. 2. Proposed zoning changes bring forward developments which otherwise would have not been developed within the current timeframe. 3. The full extent of the impacts on land development has not yet been seen. There is a strong likelihood that large-scale developments currently being proposed will not eventuate inside the currently proposed timeframes, substantially effecting infrastructure development in some areas. <p>Future Proof reinforces from a sub-regional perspective the objectives of maximising current infrastructure around existing centres.</p> <p>If actual subdivisional activity is lower than budgeted then some projects may not be able to be funded inside the expected timeframe.</p> <p>If actual subdivisional activity is higher then additional projects could have been budgeted and undertaken.</p>
<p>Waikato River Co-Management Waikato-Tainui and the Crown have recently signed an Agreement for co-management of the Waikato River.</p> <p>We are assuming co-management does not impact on the range of services or the cost structure of Council.</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 LTCCP planning.</p>	<p>Medium</p>	<p>Over the next twelve months the requirements of the co-management agreement will be determined. At this stage the impact on local government is still being determined.</p> <p>The settlement requires the formation of a Statutory Board that will look at issues such as transfer of functions.</p> <p>The risk is that Council functions may change over time or standards will change (consent standards, for example) and this will be at variance with the LTCCP.</p>

Forecasting Assumptions	Risk	Level Of Uncertainty	Reasons And Financial Effect Of Uncertainty
<p>Waste Levy</p> <p>The Government Waste Levy comes into effect on 1 July 2009. The landfill operators on behalf of the government collect it on all waste to landfill.</p>	<p>That Council does not get at least 50% share of the waste levy payable for our waste portion.</p>	<p>Medium</p>	<p>The levy is going to be \$10 per tonne in the first year. This will therefore cost Council about \$60,000 per year. Council is scheduled to get about 50% of this back for waste minimisation initiatives.</p> <p>The formula =</p> $\frac{(\text{levy collected} - \text{levy refunded}) \times \text{district's population}}{2 \text{ total population}}$ <p>About 30% of the remaining fund is expected to be contestable.</p>
<p>Wastewater Subsidies</p> <p>Wastewater projects that attract subsidy from the Ministry of Health will receive the appropriate level of funding in line with that indicated in the LTCCP.</p>	<p>That the Ministry of Health does not provide the budgeted dollars as allocated.</p>	<p>Medium</p>	<p>The projects may need to be deferred or alternative funding sourced.</p>
<p>Water</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. To be able to apply, Public Health Risk Management Plans (PHRMP) must be prepared and be approved. We are about to apply to the scheme for Raglan, Te Akau South and Hopuhopu. Budgets for these schemes do not include receiving any of this subsidy.</p>	<p>That we don't qualify (our PHRMP haven't been assessed yet).</p> <p>The scheme is over subscribed.</p>	<p>Medium</p>	<p>We haven't applied before and so there is some uncertainty with the criteria.</p> <p>We don't know whether the new government will reduce the funding available.</p>

NOTES

- Any assumptions at the activity level are contained in the individual Asset Management Plans and Activity Management Plans.
- No assumption has been made in relation to currency variations, as Council has no significant foreign currency exposure.
- Useful life's of significant assets – detail on useful life is provided in the depreciation note within the Statement of Accounting Policies.
- Sources of funds for future replacement of significant assets – details on sources of funds are detailed in Council's Revenue and Financing Policy.

LEVELS OF SERVICE AND PERFORMANCE MEASURES

The Local Government Act 2002 requires Councils to state the intended level of service provision for each group of activities, including the performance targets and other measures by which actual levels of service provision may be meaningfully assessed.

Levels of Service

Council believes that all ratepayers should have the opportunity to consider the impacts of changes to levels of service.

Over the past three years Council has consulted on all of our activities except:

- Community and Safety.
- Environmental Health.
- Water Supply.
- Parks and Reserves (Swimming Pools).
- Libraries.
- Road Safety.

Council plans to revisit the issue of levels of service over the next few years. A proposed programme of consultation for all Council activities has been developed. The programme would see all Council activities being consulted on by 2012/2013.

Clearly, a flexible approach must be taken to the rolling programme of consultation on levels of service provision. Some activities may require consultation at an earlier or later time than planned, due to changing needs. This will be reviewed annually. At the time that service levels are reviewed for each activity, respective performance measures will also be reviewed.

Unless otherwise stated, all intended service levels and performance measures contained within this LTCCP are assumed to apply for the full ten-year period, or until the scheduled year of service level review, at which time the measures will be reviewed, revised as appropriate and updated in Council's Annual Plan or LTCCP.

Performance Measures

Each activity that Council undertakes has a set of performance measures in place. This is so we can let you know how well we are performing. Staff report quarterly on how they are doing against each measure direct to Council. The results are also reported in the Annual Report.

Proposed Consultation Programme for Levels of Service.

The table overleaf identifies the activities within Council that we will be seeking feedback on over the next 5 years. This is based on a rolling cycle of reviews to ensure that the level of service for all activities are covered.

Please note that those activities for 2008/2009 that are highlighted in light gray will not be consulted on for the following reasons:

- Road signage was consulted on in 2006.
- Consultation on libraries already takes place annually. The most recent survey targets the views of approximately 320 people who visited the libraries during the survey period, and indicates strong support for the continuation of the current level of service.
- Council has consulted twice (in 2006 with several hundred submissions and 2007/2008 with minimal response) on various aspects in relation to the Huntly Swimming Pool.
- The need for consultation on community and safety has been explored at a number of different levels through Community Plans and discussions with relevant committees at a local level. The essence of this activity is Civil Defence and emergency management. Initiatives are currently underway in Tamahere, Raglan and Te Kauwhata in relation to community demand. The ongoing development of Community Plans and the consultation that has already taken place provide good feedback about level of service expectations.

ACTIVITY	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Corporate and Council Leadership					
Grants and Donations					
Corporate Services					
Property					
Community and Safety					
Area Offices (annually by separate survey)					
Environmental Services					
Building Control					
Animal Control					
Resource Management					
Environmental Health					
Community Assets					
Water Supply					
Wastewater					
Solid Waste Management	Prepaid Bags		Waste Minimisation		
Parks and Reserves		Cemeteries	Public Toilets	Walkways	Swimming Pools
Stormwater					
Libraries (annually by separate survey)					
Roading					
Roading Network Administration					
Passenger Transport					
Road Safety					
Regulatory		Consent Process	Stock Crossings		
Corridor Maintenance	Signage				
Footpaths					
Bridges					
Roading Network Development and Maintenance		Sealed Network	Unsealed Roads		