

Agenda for an extraordinary meeting of the Waikato District Council to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY 28 FEBRUARY 2018** commencing at **1.00pm**.

*Information and recommendations are included in the reports to assist the Board in the decision making process and may not constitute Council's decision or policy until considered by the Board.*

1. **APOLOGIES AND LEAVE OF ABSENCE**
2. **CONFIRMATION OF STATUS OF AGENDA**
3. **DISCLOSURES OF INTEREST**
4. **REPORTS**
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GJ Ion  
**CHIEF EXECUTIVE**  
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### **Open Meeting**

<b>To</b>	Waikato District Council
<b>From</b>	Jacki Remihana Acting General Manager Service Delivery
<b>Date</b>	16 February 2018
<b>Prepared by</b>	Jacki Remihana Acting General Manager Service Delivery
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	CCL2018
<b>Report Title</b>	Options for 2018-28 LTP Consultation – Waters Business Case

## **1. EXECUTIVE SUMMARY**

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The Water CCO Better Business Case and addendum (BBC) has now been completed on four options for Council to include as part of the 2018-28 Long Term Plan consultation.

## **2. RECOMMENDATION**

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**THAT** the report from the Acting General Manager Service Delivery be received;

**AND THAT** Council confirm the preferred option from the Better Business Case and addendum is 3a – Water Governance Board, to be referred to in the consultation document as 4 – Water Governance Board;

**And further** that the issue be consulted on as part of the Long Term Plan consultation process.

## **3. BACKGROUND**

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The Waters CCO project has been progressing for some time and Council has been kept abreast of progress as it has proceeded. On March 2017, Council approved funding for staff to undertake an analysis of three options available for it to consider for the formation of a CCO via a Better Business Case Model.

Through the completion of the BBC, another option surfaced which has been referred to as 3a.

## **4. DISCUSSION AND ANALYSIS OF OPTIONS**

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### **4.1 DISCUSSION**

Through the work undertaken to assess options for the future delivery of the ‘three water’ (water, wastewater and Stormwater) services for Council, a variation to option 3 has emerged, being called 3a. Option 3a is essentially the same as Option 3 with a difference in the way it would be governed. The other Options stay the same as previously discussed with Council.

### **4.2 OPTIONS**

The detailed options considered are as follows:

- Option One – status quo  
No change to current operations
- Option Two – Shared Waters Management Company  
This option refers to a three waters asset management/operation run by a newly formed three-Council CCO. In this option waters assets remain owned by the respective councils and the finances of each council remain separate.
- Option Three – Council Waters Company  
This option refers to a three waters asset-owning CCO to manage and operate the delivery of water services. The CCO would be 100% owned by WDC with a governance structure that includes Waikato-Tainui.
- Option Three (a) – Waters Governance Board  
Option 3a replaces being an asset-owning, limited liability company to a Waters Governance Board appointed by WDC.

## **5. CONSIDERATION**

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### **5.1 FINANCIAL**

The project has been completed within approved budgets. The options provided offer a range of financial outcomes. Both option 3 and 3a offer lower costs in excess of \$28 million over the first ten year operating period.

### **5.2 LEGAL**

Legal implications are fully discussed in the business case and addendum.

### **5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT**

The reasoning behind each option and the benefits offered are detailed in the business case and addendum.

## 5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

(Ascertain if the Significance & Engagement Policy is triggered or not and specify the level/s of engagement that will be required as per the table below (refer to the Policy for more detail and an explanation of each level of engagement):

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>	Through the BBC formation staff have worked with key stakeholders to ensure that the BBC is a robust document.				

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
	X		Internal
	X		Community Boards/Community Committees
	X		Waikato-Tainui/Local iwi
X			Households
X			Business
			Other Please Specify

The options will be included as part of the 2018-28 Long Term Plan Public Consultation document.

## 6. CONCLUSION

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For most key benefits, Options 3 and 3a score the same within the BBC, however Option 3a offers Council greater ease and will likely have lower cost of implementation.

## 7. ATTACHMENTS

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Attachment I: Better Business Case and addendum

# Business Case

## A RECOMMENDATION FOR THE PROVISION OF WATER, WASTEWATER AND STORMWATER SERVICES FOR WAIKATO DISTRICT COUNCIL

<b>Prepared by:</b>	Water CCO Project Team
<b>Prepared for:</b>	Waikato District Council
<b>Date:</b>	7 February 2018
<b>Version:</b>	16.0
<b>Status:</b>	Final

# Better Business Case

## Document Control

### Document Information

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Document Set ID	1891148
Document Owner	Gavin Ion
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### Document History

Version	Issue Date	Changes
1.0-8.0	13 October 2017 – 17 November 2017	Project Team edits
9.0	6 December 2017	Feedback from Gavin Ion and Sue O’Gorman
10.0	11 December 2017	Feedback from Gavin Ion, Sue O’Gorman, Tony Whittaker and project team
11.0	15 December 2017	Feedback from ELT and project team prior to creating version 12 for Chief Executive and Project Steering sub-group Approval
12.0	20 December 2017	Feedback from PSG sub-group meeting 20 <sup>th</sup> December. Contains some outstanding questions for Watercare. Some financials have been added.
13.0	23 January 2018	Feedback from meeting with Watercare on 22 January and debrief with Chief Executive and GM Service Delivery.
14.0	31 January 2018	Feedback from meeting with Watercare on 25 January and subsequent debrief with Chief Executive and GM Strategy and Support. As presented to Council Governance Group on 1 February. No changes requested.
15.0	1 February 2018	Final as presented to Council for LTP Workshops in the week beginning 5 February 2018.
16.0	7 February 2018	Final with a correction in the number of Current Programme Delivery Staff and a correction to the Key Benefits table.

### Document Review

Role	Name	Review Status
<i>Project Manager</i>	Noel Robinson	Draft
<i>Project Team</i>	Internal Staff plus Jeanette Tyrell	Draft
<i>Stanton Reid</i>	Mike Stanton	Draft
<i>Project Steering sub group</i>	Gavin Ion, Tony Whittaker, Tim Harty	Draft

<i>ELT</i>	Internal Staff	Draft
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### Document Sign-off

<b>Role</b>	<b>Name</b>	<b>Sign-off Date</b>
<i>Chief Executive</i>	Gavin Ion	

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## Definitions and Terminology

<b>3 Waters:</b>	Water, wastewater and stormwater.
<b>3 Waters Strategy:</b>	Strategy produced for Future Proof by Hamilton, Waikato and Waipa councils in 2012.
<b>AMP:</b>	Activity Management Plan
<b>BBC:</b>	Better Business Case methodology developed by NZ Treasury National Infrastructure Unit (NIU).
<b>Capex:</b>	Capital expenditure.
<b>CCO:</b>	Council Controlled Organisation. An entity in which one or more local authorities control 50% or more of the voting rights or has the right to appoint 50% (or more) of the organisation's directors.
<b>CSF:</b>	Critical Success Factor
<b>Current Operations:</b>	Refers to the way in which the Waikato District Council currently provides water, wastewater and stormwater services.
<b>CWC:</b>	Council Waters Company – An entity that would be 100 per cent owned by WDC. Existing water-related assets, debt and equity would be transferred to the new company. Expert advice and resources would be provided by Watercare Services Limited (Watercare) and Waikato-Tainui.
<b>Discount Rate:</b>	A percentage annual rate used to calculate the present value (PV) of cash flows which will occur in the future. For this business case a nominal (including inflation) rate of 8% per annum has been used.
<b>FTE's:</b>	Full time equivalent staff members.
<b>Future Proof:</b>	Future Proof is a growth and infrastructure planning partnership between Waikato District Council, Hamilton City Council, Waipa District Council, Waikato Regional Council, New Zealand Transport Agency and Tangata Whenua.
<b>Gearing:</b>	A measure of how indebted an organisation is, calculated here as debt divided by equity times 100 e.g. if you owned a house worth \$500,000 and had a mortgage of \$200,000 you would have a gearing ratio of 66.6% calculated as $\frac{\$200,000}{(\$500,000 - \$200,000)} \times 100$ .
<b>LGA:</b>	Local Government Act 2002
<b>LGC:</b>	Local Government Commission. The Commission is an independent statutory body whose main role is to make decisions on the structure and representation requirements of local government in New Zealand.
<b>LOS:</b>	Level of Service. In its 2007 publication Developing Levels of Service and Performance Measures, the National Asset Management Steering (NAMS) Group defines Levels of Service as the descriptions of the service output for an activity or service area against which performance may be measured. In broad terms it can be thought of as standards for service quality, delivery, reliability and resilience.
<b>Low Case:</b>	The most likely financial forecasts CCO scenario which uses conservative assumptions for opex and opex savings.
<b>LTP:</b>	Long-Term Plan. Ten year plans that councils are required to prepare and update every 3 years. Current plans are being produced (in draft form) for the 2018-28 period.
<b>NIU:</b>	National Infrastructure Unit. A department within Treasury reporting to an independent National Infrastructure Board, which in turn reports to the Minister of Infrastructure.
<b>Nominal Dollars:</b>	A value expressed in monetary terms for a specific year or years, without adjusting for inflation.
<b>Not-for-Profit:</b>	A not-for-profit organisation is one that does not earn profits for its owners. All the money earned by or donated to a not-for-profit organisation is used in pursuing the organisation's objectives. Typically, not-for-profit organisations are charities or other types of public service organisations. A not-for-profit organisation may report a profit or income surplus in any given year so that it can raise funds for growth and investment to further benefit its objectives.
<b>Opex:</b>	Operational expenditure - The ongoing, routine costs incurred in managing an activity. It includes maintenance, loan servicing, depreciation and administration expenditure.

<b>Options:</b>	The three options which are the subject of this business case i.e. Current Operations; Shared Waters Management Company (SWMC) and Council Waters Company (CWC).
<b>Hamilton:</b>	Hamilton City Council
<b>High Case:</b>	A more optimistic financial forecasts CCO scenario which uses more optimistic assumptions for opex and opex savings than the Low Case.
<b>PV:</b>	Present Value. Value today of a cash flow or series of cash flows that will occur at some future date or dates. It is calculated by applying a Discount Rate which considers of how risky or how likely it is that the cash flow will occur.
<b>SOI:</b>	Statement of Intent - A key public document agreed between a CCO and its council shareholder/s describing the activities and intentions of the CCO for the year. It will typically include key performance indicators (KPIs) that the CCO is expected to meet. It also provides the basis of accountability for the CCO's performance.
<b>Sub-Region:</b>	The sub-region refers to the three districts of Waikato, Waipa and Hamilton.
<b>SWMC:</b>	Shared Waters Management Company – Refers to a model in which planning, asset management, operations and other associated waters services would be provided by an entity that would be co-owned by Hamilton City Council, Waikato District Council and Waipa District Council but without the transfer of assets.
<b>Waikato Mayoral Forum:</b>	The Waikato Mayoral Forum represents 11 local authorities in the Waikato Region Hamilton, Hauraki, Matamata-Piako, Otorohanga, South Waikato, Thames- Coromandel, Taupo, Rotorua, Waikato, Waipa, Waitomo, and the Waikato Regional Council.
<b>WDC:</b>	Waikato District Council
<b>WOL:</b>	Whole of Life
<b>Waipa:</b>	Waipa District Council

# 1. Executive Summary

The purpose of this business case is to enable Waikato District Council (WDC or Council) to make a clear decision between Current Operations, a non-asset owning Shared Waters Management Company (SWMC) and an asset-owning Council Water Company (CWC) for delivery of the three water services for WDC.

At the time of concluding this business case the Hamilton and Waipa decisions regarding progressing the SWMC were announced. The decision by Waipa to not join a CCO has meant a three-council SWMC is now not possible. The content of this business case has not been amended to reflect this decision in order to demonstrate the options actually considered by WDC. Although a two-Council SWMC between WDC and Hamilton is possible, it is considered that the value proposition of the SWMC will have been diminished by the withdrawal of Waipa. Hence for comparison purposes the analysis has been left unchanged.

This business case follows on from earlier work as detailed in Appendix A - Background - Previous Projects (this is not the beginning of the story as it relies heavily on facts and analysis presented in earlier work investigating options for the provision of water services within the Hamilton, Waikato and Waipa sub-region). This is based on publicly available documents and also work led by Watercare to present the new CWC option. (refer Preliminary Business Case 22 June 2017)

The three options being considered have evolved from previous business cases and legislative guidelines. They are:

## 1. **Current Operations (including ongoing investment in waters infrastructure)**

The Current Operations option is where WDC continues with the current service delivery model of planning, operating and funding its own waters department.

## 2. **A non-asset owning Shared Waters Management Company (SWMC)**

This option refers to a waters asset management operation entity run by a newly formed three council owned Council Controlled Organisation (CCO). In this option waters assets remain owned by the respective councils and the finances of each council remain separate.

Hamilton City Council and Waipa District Council have been considering a two council owned model. However, on 19 December 2017 the Waipa District Council announced that it would not be forming a 2-council Shared Waters Management Company with Hamilton City. This effectively removes the 3-council Shared Waters Management Company option as described in the Mott MacDonald report.

## 3. **An asset-owning Council Waters Company (CWC)**

This option refers to an asset-owning CCO to manage and operate the delivery of water services. The CCO would be 100% owned by WDC with a Board of Directors that includes Waikato-Tainui. Water services would be provided by Watercare Services Ltd (Watercare) under a commercial contract.

The case for change in the way water services are provided by WDC is well recognised and documented as follows:

- The need to meet the pressures associated with population growth;
- The challenges in attracting and retaining experienced waters operations staff;

- The need to meet existing and anticipated tougher environmental, regulatory and public health standards;
- The significant capital investment required for WDC and all councils;
- The experience overseas shows significant opportunity for economies of scale.

## 1.1 Key recommendation

The conclusion and recommendation reached in this business case is for WDC to adopt a CWC model for the delivery of water services for the Waikato District Council.

This conclusion was reached following an evaluation of the three prescribed options by an internal WDC project team.

The CWC model scores highest due to the benefits; its lower risks compared with the SWMC; and the speed of implementation.

The financial impact on ratepayers will be clarified during LTP discussions.

This recommendation, if confirmed by WDC, will inform the LTP process. No decision to form a CWC could be made until the public has been consulted in accordance with WDC's Significance and Engagement Policy.

## 1.2 Key Benefits

The following key benefits will be better realised from the CWC model to provide a more efficient water service for our customers. These will be due, in part, to the size and influence of partnering with Watercare and Waikato-Tainui:

Benefits	Current Operations	SWMC	CWC
Shared governance and an enhanced relationship with Iwi will lead to a more effective partnership in achieving improved environmental outcomes as far as water services are concerned		✓✓	✓✓✓
Access to world-class expertise in water and wastewater that WDC can't afford on its own	✓	✓✓	✓✓✓
Realisation of significant financial savings from joint procurement and cost-efficiencies		✓✓	✓✓✓
Attracting and retaining expert waters staff prepared to work in the district for a specialist waters organisation		✓✓	✓✓✓
Optimising the use of water services to support the district's economic and population growth	✓	✓✓	✓✓✓
Advice and expertise of experienced, independent directors whose sole focus would be on ensuring our district has the most efficient and cost-effective water, stormwater, and wastewater services without political influence		✓	✓✓✓
Access to cutting edge technology and infrastructure to ensure adherence to world-class safety standards and give effect to WDC's Zero Harm commitments	✓	✓	✓✓✓
The ability to better respond to increasing regulatory demands and higher quality standards in relation to the delivery of water and wastewater. This is particularly important given the recent report on Havelock North		✓✓	✓✓✓

Access to greater resources for emergency response, such as access to 24 hour a day / 7 day a week services		✓✓	✓✓✓
Cost of Implementation	✓✓✓	✓✓	✓
Ease of Implementation	✓✓✓		✓
Risk Assessment	✓	✓✓	✓✓✓

Key: ✓ - Acceptable

✓✓ - Improvement

✓✓✓ - Significant Improvement/Best Option

Blank indicates this does not apply

## 1.3 Consideration

This business case has been prepared primarily using publicly available reports. Due to time constraints and project scope, the focus has been to summarise this information to enable a WDC Council decision. It should be noted that the information obtained from earlier reports has not been revisited and has been relied upon.

## 2. Introduction

### 2.1 Acknowledgements

This report focuses on the evaluation of differing models presented by third parties, albeit in conjunction with WDC staff. Actual text from the various studies associated with the subject matter has been retained where relevant. The report uses the 2015 Cranleigh business case as a base and uses the specific Mott MacDonald/Scottish Water International and Watercare reports for the two options (i.e. Shared Waters Management Company and the Council Water Company - to be considered alongside the Current Operations). This information is publicly available.

It is noted that WDC did not contribute financially towards the Mott MacDonald/Scottish Water International report which means the information available to Council is limited to that report's content. Data supplied by each council (Hamilton, Waipa and WDC) to develop the detailed Cranleigh model has been used in the SWMC option.

### 2.4 Approach

This business case has been developed using a modified version of the Better Business Case (BBC) format recommended by New Zealand Treasury for all government departments. The BBC requires five key cases to be completed. This is a simplified detailed business case, the format being justified by the extensive work undertaken in previous business cases and reports. Once the public have been consulted, and a decision has been made, a detailed implementation plan, which outlines procurement and implementation requirements, could be developed.

This case has been prepared by a WDC project team led by an external project manager independent of other interested parties. A central feature of this business case is that it has been undertaken with transparency and in accordance with a robust project management framework to keep key stakeholders informed. Since both financial and non-financial considerations are critical in decision-making on this matter a multi-criteria assessment methodology has been used. This reflects the approach Cranleigh used in the core business case.

This business case will form a part of WDC's 2018-28 Long Term Plan (LTP) and associated consultation and approval process.

## 3. Strategic Case

### Summary:

- There has been a high level of central government interest in drinking water, wastewater and stormwater with broad agreement that there is a need for change in the way water services are delivered. Whilst the country waits for policy and legislative direction from a new government, under current legislation WDC is mandated to provide water services in the most efficient and cost-effective manner to households and businesses.
- New local government legislation was introduced in 2014 to encourage collaboration between councils and for better asset management by councils. An amendment to the LGA was proposed in 2016 (as part of the Local Government Act Amendment Bill No. 2) for the Local Government Commission to be empowered to recommend the establishment of CCOs. This legislation is pending.
- By 2022 the gap between asset renewals expenditure and depreciation for the local government sector could be between \$6 billion and \$7 billion.
- Phase 2 of central government's three waters review, sparked in part by the gastroenteritis outbreak in Havelock North in August 2016, was released 6 December 2017. This is likely to lead to an improvement in water standards.
- Waikato-Tainui is a co-governance partner with WDC and any decision related to the health and well-being of the Waikato River is made jointly as part of a JMA.
- There have been several reports written on the future opportunities for the water businesses in the Waikato region that have led to this project to determine the best option for the future provision of water services within the Waikato district.
- The case for change is well recognised; particularly the need to meet the pressures associated with population growth; the challenges in attracting and retaining expert waters operations staff; the need to be compliant with current and new environment standards; possible public health impacts and the significant capital investment and resulting affordability challenges required across the three waters for both WDC and all councils in the sub-region.

This strategic case considers the contextual drivers for change and ensures WDC is able to make the appropriate business decision on how water services will be provided in the future, delivering better outcomes for customers, the environment and in accordance with WDC's legislative mandate.

### 3.1 Strategic Context – National

The content of this section has been either copied directly, or is derived, from the core Cranleigh report, 6 May 2015.

The provision of quality infrastructure is essential to support New Zealand's growth and prosperity. Water services are a key social and economic enabler, are vital for health and environmental reasons and are a pre-requisite to residential, commercial and industrial development across New Zealand. This requirement is a given irrespective of which party is in power. Whilst the country waits for policy and legislative direction from a new government, under current legislation WDC is mandated to provide water services in the most efficient and cost-effective manner to households and businesses.

The Local Government Infrastructure Expert Advisory Group (EAG) issued a raft of infrastructure recommendations in its 2013 report. Among these were specific recommendations to regionalise water services and manage their operation independent from political decisions (the recommendations pertaining to regionalisation and political independence are supported by substantial international experience and research demonstrating that larger water utilities deliver greater economies of scale due to lower marginal costs of production).

The 2014 amendment to the Local Government Act 2002 encourages collaboration through shared services, requires councils to conduct cost effectiveness reviews for service delivery arrangements every three years, develop 30-year infrastructure strategies, and meet new requirements for asset management planning and risk management arrangements for these assets.

A further amendment to the LGA was proposed in 2016 (as part of the local Government Act Amendment Bill No. 2) for the Local Government commission to be empowered to recommend the establishment of CCO's. This legislation is pending and it is unclear at this stage whether the new government will progress this bill.

In 2014, the Office of the Auditor General (OAG) released a report 'Reflections from Our Audits: Our Future Needs – Is the Public Sector Ready?'. The OAG noted that local authorities need to better understand their local economy to better plan for the longer term, and improve their management of infrastructure and capital needs.

Significantly, the OAG found that from 2007 to 2013, local authorities consistently spent less than they intended on capital works, including on asset renewals. The OAG expects this under-investment to grow. If actual spending trends continue to match forecast, the OAG estimates that by 2022 the gap between asset renewals expenditure and depreciation for the local government sector could be between \$6 and \$7 billion.

The Thirty Year New Zealand Infrastructure Plan, released by the National Infrastructure Unit (NIU) in 2015 raised asset management maturity, compliance with regulation, extensive asset renewals and inefficient governance models as significant challenges facing water services.

The report acknowledged the improvements and savings delivered by Watercare in Auckland and signalled support for exploring Waikato's sub-regional governance and service arrangements to generate efficiency gains. The Wellington Water model was also presented as a case study and NIU stated that in future they expect to see more water operations extending beyond local authority boundaries.

### **3.2 Strategic Context – Local Response**

In WDC's 2015-25 LTP the three waters capital investment was proposed to address growth, level of service (LOS) improvements and renewals. Since that time, WDC has committed additional wastewater expenditure in an attempt to reduce the level of dry-weather overflows across the district and to obtain better data on the quality of the network. Several independent reports have been commissioned across the sub-region to identify and evaluate options for delivery with a focus on collaborative solutions.

### **3.3 Waikato-Tainui Relationship**

Waikato-Tainui is a co-governance partner with WDC and any decision related to the health and well-being of the Waikato River is made jointly as part of a Joint Management Agreement (JMA) between WDC and Waikato-Tainui (in place since 2010). Waikato-Tainui also has a long-

standing relationship with Watercare with the former being a key stakeholder whose views need to be considered by the latter. A Watercare/Waikato-Tainui Memorandum of Relationship was originally signed in 1998.

Waikato-Tainui's aim is to ensure the restoration and protection of all waterways and obtain recognition of their role in the management of water in their rohe (tribal area). This is particularly important to Waikato-Tainui given the majority of tribal membership, who are also ratepayers, live in the Waikato district. Waikato-Tainui works, on their behalf, to provide the best possible outcomes – environmentally, culturally, socially and economically.

Waikato-Tainui, as kaitiaki, engage and participate in decision-making on matters that relate to water in their rohe (tribal area).

### 3.4 Supporting the Case for Change

As noted in the Waikato Water Future Delivery Options (2014) and as shown by Cranleigh's investigations, there is an increasingly pressing need and case for change. The strategic context and case for change was reviewed and supported in a Decision Support Workshop conducted in January 2015 by Cranleigh. Many factors were driving change (refer core Cranleigh report, 6 May 2015). These included:

- **Growth** – From the Waikato Water Report 'The 2013 census reveals that three councils (Hamilton, Waikato & Waipa) experienced very high growth, about 10% over the last census period. 92% of growth in the region was in these three areas and 63% of the region's total population is in these three areas. It is also noted that the Future Proof Strategy forecasts that the Hamilton, Waikato and Waipa population will likely double by 2061.' The councils are already struggling to provide water for new water intensive industries which may wish to locate in the sub-region.
- **Staff** - The challenges in attracting and retaining expert or experienced waters operations staff; (added subsequent to Cranleigh report)
- **Environmental and Regulatory Compliance** – A number of councils have faced compliance issues in terms of drinking water and wastewater standards. An important focus of councils' long-term plans (LTPs) is making the necessary investments to resolve these issues.
- **Capital Investment** – The three councils are planning substantial capital investment over the next 10 years. At the time of preparing the report (refer Cranleigh report, 6 May 2015) this was expected to total \$764m in nominal dollars. The main drivers were: expansion for growth; improved LOS and renewal (replacement of worn out assets). Bringing the three council water businesses together offered the potential to achieve economies of scale. This was expected to be evident in all parts of the business, including procurement and financial management.

Overseas experience, such as in the State of Victoria, Australia, consistently showed amalgamation of water business generated greater economies of scale than were initially estimated.

The Decision Support Workshop held in 2015 supported six broad objectives and six critical success factors. This project team has expanded on the objectives adding in three new ones to more fully explore impacts around the customer and staff.



The updated assessment criteria are summarised in Appendix B – Assessment Criteria.

### 3.5 Public health considerations

In August 2016, a water borne infection contaminated the Hastings District Council water supply. A public inquiry was launched due to the significant illness in the Havelock North community. The findings released on 6 December 2017 have signalled increased expectations to meet water supply and treatment standards to protect the public health of our communities. While not explicitly allowed for in the initial objectives for risk reduction, recent water issues have amplified the need to improve the management and delivery of water services.

### 3.6 Prior Decisions and Outcomes

The core Cranleigh report of May 2015 recommended creating an asset-owning CCO and a Record of Agreement was drafted in line with this recommendation. Each council voted to support this approach prior to the 2016 local body elections, on the basis that one of the first orders of business for each individual council would be to reconfirm the decisions of each prior council.

WDC was the only council to reconfirm the decision post-election with Hamilton and Waipa instead opting to investigate the benefits of creating a non-asset owning model. Both Hamilton and Waipa have made it clear that neither will consider forming an asset-owning CCO. Hamilton and Waipa have consulted with the public on a non asset-owning model (two-council SWMC) and on 19 December 2017 the Waipa District Council voted to withdraw from this two council model.

Taxation, inconsistencies around volumetric charging and collectability of in-train development contribution income was raised as an issue and although it is not an impediment to a full asset-owning CCO, it does create a risk of an inefficient structure. The Local Government Amendment Bill would have addressed some of these concerns, however, following select committee hearings the legislation was put on hold. It is not known whether these enabling legislative changes will be revisited by the new government.

With a Hamilton/Waipā/WDC sub-regional asset-owning CCO off the table, WDC has commissioned this business case to compare the non-asset owning model being proposed by Hamilton and Waipa (the SWMC model) and a Waikato district asset-owning CCO utilising expertise and resources from Watercare and Waikato-Tainui (the CWC).

### 3.7 Scope and Methodology

Waikato District Council is seeking a robust business case, based on the findings of previous analysis, that provides detailed evaluation and recommends the most appropriate service delivery option.

The review of tariff structures including water metering or fixed rate options, community engagement or consideration of water allocation within the catchment is outside of the scope of this report.

- **Financial Model Development.** The Current Operation option is used as a comparative for both the SWMC and CWC options. It relies on WDC's draft 2018-28 LTP financial model.

The Financial model for the SWMC relies on the work previously undertaken by Cranleigh. WDC finance staff were involved in reviewing the Cranleigh model in 2015 to confirm that the Current Operation data was correctly represented and interpreted. The individual council

models were consolidated to give a sub-regional view. Ernst & Young conducted a peer review of Cranleigh's financial model for completeness, accuracy and logic. The current Mott MacDonald/Scottish Water International report assumes a position of efficiencies between that of the Enhanced Shared Services (ESS) and sub-regional asset-owning CCO models, by applying the Wellington Waters business model against the same base data and assumptions contained in the Cranleigh work.

The financial model for the CWC option was developed using WDC's 2017/18 Annual Plan and 2015-25 LTP financial statements as a base case. The detailed information was supplied to Watercare by WDC's finance staff with their base model reconciling back to that data. Anticipated procurement and employment savings have been applied in a staged manner.

As the base case comparatives used by each alternate delivery model differs, the estimated procurement savings identified in each report have been applied proportionately against the draft 2018-28 budgets to provide a consistent assessment of benefits.

- **Financial Structure.** Many factors determine the optimum financial structure for an asset owning CCO. These include net revenues and their predictability, initial asset values, initial debt, future funding needs, equity between customer groups and partners. Neither the SWMC or CWC financial models include balance sheet considerations. Under the SWMC model, the assets remain in council ownership. Under the CWC model it has been assumed that council ownership would be 100 per cent and debt optimisation would be the same as available under the Current Operations.
- **Structures and Organisational Design.** Good governance arrangements will be essential to the success of either alternate delivery option. This will require professional oversight of management and the appropriate representation of the interests of councils and the water service customers that they represent. Factors which needed to be considered include: relative risks, size of customer base, and future growth requirements. Pro forma organisational structures were developed for both alternate delivery options with staff numbers being established by mapping existing staff positions for the Councils to the relevant CCO functions. Duplicate positions in the SWMC were removed and benchmarks applied to estimate future staffing requirements. Local and international benchmarks were considered along with accepted best practice to develop appropriate governance structures.
- **BBC (Better Business Case) Development and Methodology.** The project team has used a simplified version of the BBC framework and methodology to develop the business case. This framework is mandated by NZ Treasury for all government departments and is widely used across other public sector agencies including councils.

## 4. Economic Case

### Summary:

- The three options being assessed are those that have evolved from previous business cases.
- Current Operations is now undergoing a structure review to support the separation of water and wastewater operations into two separate teams.
- High levels of investment are required for continued regulatory compliance.
- The Current Operation offers a workable solution, but one which will offer basic service delivery at a higher cost than other options.
- The SWMC option is a non-asset owning shared water company co-owned by three councils. Hamilton and Waipa have consulted on a two-council version of this option.
- The SWMC option is the only sub-regional option currently available to the three councils. It meets all the councils' identified investment criteria.
- The CWC option is an asset-owning CCO 100% owned by WDC with Waikato-Tainui and Watercare as partners.
- The CWC option is recommended as it scored highest on the evaluation criteria and is the lowest risk option (as assessed by the Waters CCO Project Team).

### 4.1 Summary of Options

This business case has assessed the three options that evolved from previous business cases and the legislative guidelines that have been provided. The options considered are:

#### 1. Current Operations (including ongoing investment in waters infrastructure)

The Current Operation option is where WDC continues with the current service delivery model of planning, operating and funding its own stormwater, wastewater and drinking water operations and teams.

#### 2. A non-asset owning Shared Waters Management Company (SWMC)

This option refers to a three waters asset management/operation run by a newly formed three-Council CCO. This option is based on that proposed by Hamilton City Council in April 2017 and formally supported by Waipa District Council in May 2017. In this option waters assets remain owned by the respective councils and the finances of each council remain separate.

#### 3. An asset-owning Council Waters Company (CWC)

This option refers to a three waters asset-owning CCO to manage and operate the delivery of water services. The CCO would be 100% owned by WDC with a governance structure that includes Waikato-Tainui.

### 4.2 Approach to Options Development and Evaluation

Before evaluating the options, it was necessary to understand the detail of earlier studies. This relied on reviewing the previous Cranleigh reports, the new Mott MacDonald/Scottish Water International and Watercare studies, and the current position of WDC operations.

The BBC framework is primarily designed to evaluate a proposed investment project. In this case we are seeking to identify the best service delivery model therefore the framework has been adapted accordingly. We have evaluated the options over 10-years due to differing periods used in the SWDC and CWC models.

### 4.3 Option 1: Current Operations

Waikato District Council owns and operates water, wastewater and stormwater assets. Revenue sources funding those assets include targeted rates, service fees, commercial and trade waste charges and development contributions. Volumetric charging (water meters) is in place for Waikato customers, with remaining connections due to be metered by the end of the 2017/18 financial year.

Debt is raised by WDC for specific capital works and is funded by those ratepayers who receive the benefit of those works. WDC has a small shared services arrangement in place with Hamilton and Waipa covering laboratory services, trade waste and water education.

Points to note:

- A substantial proportion of ratepayers do not use the water, wastewater and stormwater networks. This may raise equity issues if general rates are used to fund water services or WDC debt capacity is used for water services potentially compromising other WDC activity.
- The Programme Delivery team, which sits outside the waters unit, manages the physical build projects and related contracts. Seven FTE's support this activity.
- One vacancy exists in the Waters team in mid-December 2017. Downers is supporting the waters reticulation team whilst other consultants are supporting waters activities such as Asset Management. A review is in progress to support the separation of water and wastewater operations into two separate teams who will only deal with water or with wastewater. This process is expected to add 5 FTE's over and above the current structure.
- The waters unit operates out of WDC's Ngaruawahia head office (20 FTE's), and the various depots and treatment plants across the district (14 FTE's).

#### 4.3.1. Organisation and Governance

WDC operates water planning, asset management and operational activities as a single business unit within the Service Delivery team. The unit receives support from corporate services such as HR, IT and finance and is ultimately responsible (through the Chief Executive) to WDC's elected representatives.

The Programme Delivery team, which sits outside the Waters team, project manage the capital work programme. This team has a reporting line directly to the General Manager Service Delivery.

The Waters business unit has relationships with other WDC teams such as consenting, district planning, roading and economic development.

While WDC has capable staff there have been staff vacancies during 2017. Water engineer roles are on the skill shortage list for New Zealand. WDC currently lacks the scale to develop excellence in operations and gain true efficiencies.

A structure review is in progress to support the separation of water and wastewater operations.

### 4.3.2. Environmental and Regulatory Compliance

WDC's drinking water is compliant with current standards but this is as a result of a cost and labour intensive programme of work. A number of wastewater treatment plants do not comply with consents as noted in the last audit. WDC has put considerable focus on improving compliance through the next LTP process. Capital expenditure programmes are designed to address these issues over the forecast period at a high cost, in excess of \$20 million, excluding major plant upgrades. There is a risk that future councils (from 2019 and other triennial elections) may decide on a change in priorities. There is also the impact of policy changes in freshwater in relation to the National Policy Statement and the Healthy Rivers Plan Change 1.

### 4.3.3. Resilience

While WDC could address resilience issues within the district, gains from optimising the network on a sub-regional basis would be difficult to put in place due to the limitations of the Current Operations model. Supporting ongoing resilience is challenging due to: the lack of dedicated water resources, the aging (and in some cases unknown) state of WDC assets, and WDC being unable to make investment in assets over years.

### 4.3.4. Risk

Based on the Cranleigh report, a risk evaluation workshop was undertaken with council engineering and finance officials on Friday 13 February 2015. The purpose of the workshop was to identify key risks that would affect change in service delivery. The Current Operations was rated as a higher risk than the CWC option. While staying with the current operation is regarded as sub-optimal, it does avoid possible coordination issues and conflicting agendas that may occur in multi-party options. (refer Cranleigh report, 6 May 2015)

### 4.3.5. Financial

Under the Current Operations option, WDC is proposing a substantial increase in rates and water charges to fund necessary capital expenditures and increase in debt. While this is a viable strategy it misses the opportunity for long-term improvements in affordability supported by economies of scale available to sub-regional solutions.

### 4.3.6. WDC Impacts

- Under the Current Operations model it will be difficult to achieve the necessary service improvements;
- The attraction and retention of key water staff has become increasingly difficult and is expected to continue.

### 4.3.7. Customer Service

**Water service delivery:** This is the output of the product (water) to the end customer with a key focus being on quality; quantum; efficiency and ease of access to both the service and support staff.

From a customer perspective, Current Operations (and the service received) will still be challenged due to inefficiencies within the waters business unit as per the procurement economies of scale, cost benefits, regulatory compliance and access to skilled staff as described in the Cranleigh reports.

**Customer Experience Journey:** This is the contact a customer makes to either enquire, complain or make a service request. This includes communication to the customer regarding scheduled or emergency works.

With Current Operations, the customer will continue to receive a personalised WDC experience (across multiple services) with a commitment to first point resolution and low customer effort.

The customer will also continue to be able to access in person resolution/enquiry support at any of our five council service locations.

**Customer perception/brand awareness:** This is the customers recognition of who the water supplier is and how they feel about that provider.

Decision making timeframes will continue to have a lag period due to WDC governance and meeting structure as described in the Cranleigh reports.

#### 4.3.8. Staff Impact

Under the Current Operations model the Waters team is understaffed and relying on external contractors and consultants. It is expected that current work practices and culture of the Waters Unit will remain appropriately aligned and consistent with WDC values.

Further information is available in Appendix C – Staff Impact.

#### 4.3.9. Option Summary

In summary, the Current Operations option can be regarded as a workable solution, but one which will offer basic service delivery performance at a higher cost and with some significant risk when compared with other options. (refer Cranleigh report, 6 May 2015). Affordability over the 2018-2028 LTP period will be a challenge.

### 4.4 Option 2: Shared Waters Management Company (SWMC)

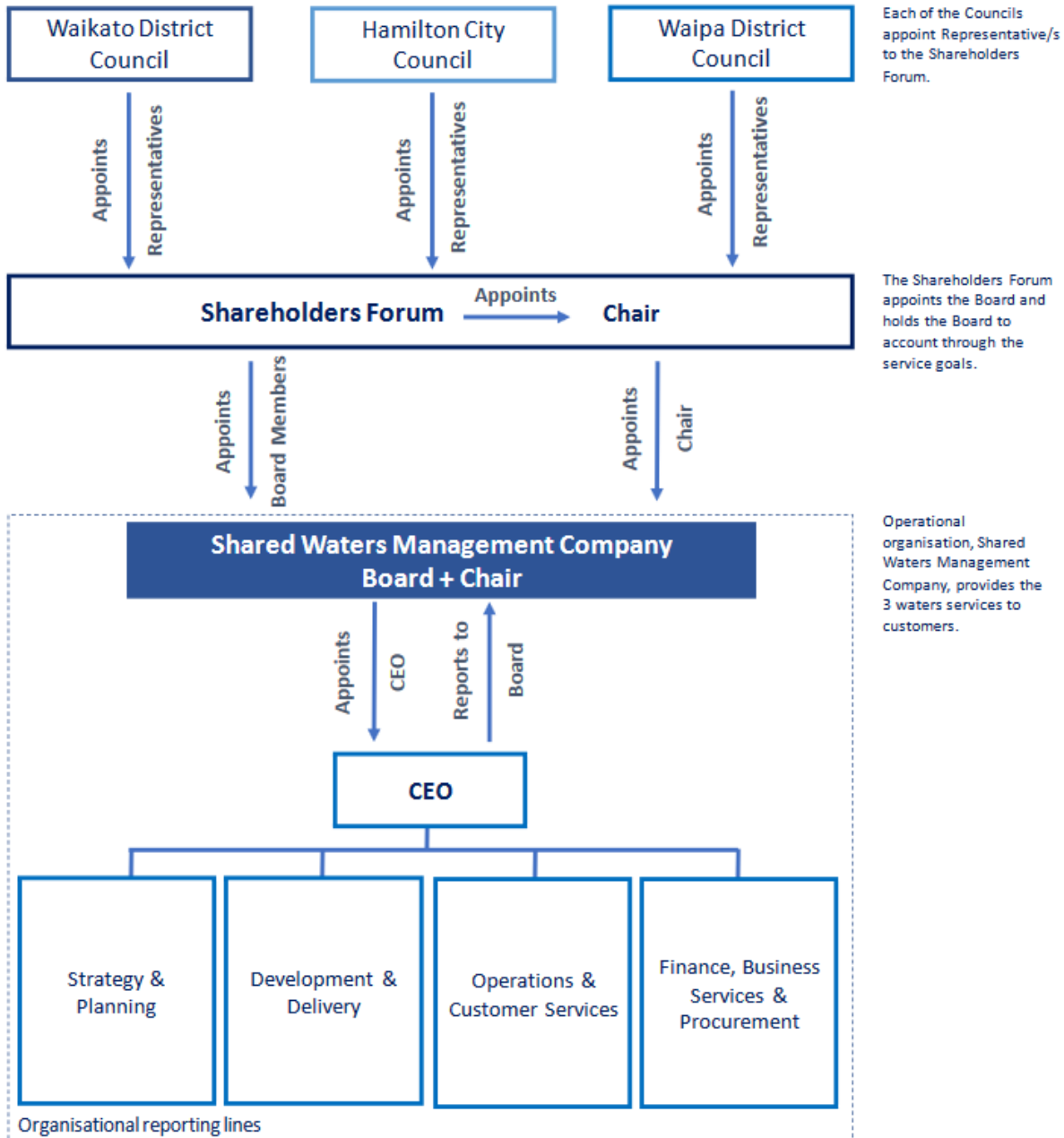
Hamilton, WDC & Waipa already operate a limited shared service arrangement comprising joint resourcing for water education, laboratory analysis and trade waste. These activities are housed at Hamilton for all three councils and costs are shared on an agreed basis. In addition, WDC's drinking water for the southern districts (Gordonton, Puketaha, Horsham Downs, Eureka, Matangi and Tamahere) is provided by Hamilton under contract.

The formal transfer of all waters assets and water-related debt into a shared business was not supported by either Hamilton or Waipa. Instead Mott MacDonald and Scottish Water International Services were commissioned to undertake further evaluation using data from the Cranleigh study but applying a management CCO approach similar in ownership structure and operations to Wellington Water Limited. This is referred to as the SWMC model.

Under the SWMC model planning, asset management, operations and other associated services would be provided by a new entity. The entity would be co-owned by the three councils but without the transfer of assets or water-related debt. Wellington Waters currently operates this arrangement for 3 waters across Wellington City, Hutt City, Upper Hutt City and Porirua City Councils. Wellington Waters is an expansion of the earlier two-council model, Capacity Infrastructure Services, and is still transitioning to the optimal operations model of full asset owning.

#### 4.4.1. Organisation and Governance

The proposed ownership and governance structure, as detailed in the Mott MacDonald Shared Waters Management Study discussion paper released 10 October 2017, is as shown below:



This arrangement provides the following:

- An equal or equitable shareholding (and voting rights) to each of the three councils through a Shareholders Forum;
- Each council nominates councillor appointees to the governing Shareholders Forum (this could also be used as the establishment committee) and these representatives appoint a chair;
- The Shareholders Forum is responsible for nominating and appointing an independent Board of directors and a chair (appointments are based on merit) to govern and oversee the strategy for the SWMC. All the directors are independent of the council organisations (i.e. a councillor (or employee) from one of the shareholder councils cannot be appointed);

- The Board of directors is charged with providing the governance and oversight to the operational SWMC. Including the appointment of and support to a Chief Executive (CE);
- The CEO provides the operational management, develops and implements the company strategy and reports to the Board;
- Both the Shareholders Forum members and the Board of directors are rotated / re-appointed on a periodic basis (such as three yearly); and
- An operational and/or service delivery mandate is developed and agreed through the Shareholders Forum for the SWMC and endorsed by each council owner.

In addition to the above formal arrangement, the week-on-week planning and operational interaction between the SWMC and its council owners can be facilitated through a Council/SWMC representative group working at the tier 2 and 3 executive level. This arrangement has been in place for Wellington Water and provides effective communication between the relevant council officers and their utility counterparts to ensure a “no surprises” environment and good alignment through an ongoing collaborative working arrangement. This group could be established at the outset to ensure an effective working relationship.

Key features of the SWMC model are as follows:

- Each council retains ownership of their own water assets, collects associated revenues and raises and repays any necessary debt;
- A new entity would be established and the staff for the SWMC would be employed by this new entity;
- The revenue stream would mature over time but is probably best to be allocated in proportion to the customer base;
- Capital works and renewals programmes will be agreed via each council’s Activity Management Plan (AMP) and LTP and incorporated into the SWMC service plan and funding requirements;
- Annual funding (it is essential that this is ring-fenced for each council’s capital works and renewals programmes) will be provided for the SWMC to allocate to the renewal and capital projects in accordance with the LTPs;
- Arms length governance from each council to minimise conflict with the business operations, agree the strategy at the governance level through service goal setting and providing a stronger long-term focus on water infrastructure planning; and
- Potential for a technical advisory reporting line which oversees the technical excellence of the entity and the solutions it puts forward (as championed by Wellington Water in its model).

The SWMC offers the potential to create an entity that is focused on the delivery of water infrastructure services across the Waikato sub-region that will over time become a “centre of excellence” and assume a “trusted advisor” status. The proposed structure and governance arrangements should assist with ensuring independence from individual council politics and ensure that water services are delivered to customers effectively and efficiently.

Limitations around asset ownership and varying levels of service provision across the three councils will need to be addressed through the development of a service plan. This challenge will require strong leadership across the SWMC executive team and the board. Effective communication and cooperation between SWMC and the council owners through the



Shareholders Forum will be fundamental to building the role of “trusted advisor” and good will over time.

The business will have powers to contract with suppliers separately to assist with its service delivery across the three councils and there are a number of aspects around funding and the organisational working principles that will need to be agreed by each of the councils.

The ownership of business activities would need to be established at the outset. The three councils would need to develop a record of agreement that highlights the activities to be undertaken by the new entity, where they would be shared and collective responsibilities would lie. (refer Mott MacDonald Shared Waters Management Study discussion paper, 10 October 2017)

#### 4.4.2 Environmental and Regulatory Compliance

Constraints of expenditure by the individual councils to keep rates affordable and encourage growth will be challenging. The councils will also not be able to have joint bylaws or contracts. The SWMC would need to balance requirements alongside safer, lower risk three waters provision. It is the view of the Mott MacDonald/Scottish Water International report that a SWMC for water services would provide greater transparency for customers and offer opportunities for prioritising investment to meet statutory obligations providing an improved level of service. However, this may not occur as it will still be under council control. Improvements in drinking water and wastewater discharge compliance is likely to be high up on the service level goals agreed by the Shareholders Forum but will still require funding from each sovereign council to action.

#### 4.4.3 Resilience

Some good examples of improved resilience around the physical assets were identified as part of the 2015 study such as the ability to build combined larger and more reliable treatment plants over time, and the ability to better feed the different water supply networks and rationalise storage reservoirs. Some of these initiatives could show both financial benefits along with resilience improvements to the infrastructure if considered across the sub-region. The same level of resilience is arguably more difficult and costly to achieve for each of the individual councils.

A greater degree of collaboration will ensure stronger resilience, through adopting a broader strategic approach to regional issues and releasing a greater potential to leverage central government and regional council support through joined-up thinking. Wellington Water was able to unlock central government funding using this approach, to help future-proof assets against earthquakes. (Refer Mott MacDonald Shared Waters Management Study discussion Report, October 2017)

#### 4.4.4 Risk

As part of the core Cranleigh work, a risk evaluation workshop was undertaken with council engineering and finance officials on Friday 13 February 2015. They identified key risks that would affect change in service delivery. The Cranleigh work evaluated the CWC model and an Enhanced Shared Service (ESS) model and judged the ESS model to have a higher risk than staying with Current Operations. The Mott MacDonald report of October 2017 states that the SWMC option being described would sit between the ESS and CCO options that were developed in the 2015 study. The Mott MacDonald report goes on to say that the SWMC would have ‘An enhanced ability to manage risk (including public health risk)’.

#### 4.4.5 Financial

The SWMC option has been forecast to produce operating and capital expenditure savings as set out in the following table. These are nominal amounts which include inflation.

SWMC potential savings - Ten years 2018/19 to 2027/28	Opex	Capex	Establishment	Combined
	\$m	\$m	\$m	\$m
Low (\$5 m establishment)	2.7	4.3	3.3	3.7
High (\$10 m establishment)	8.9	12.9	1.7	20.1

Efficiencies are unlikely to be realised within the first two years of establishment owing to the costs of consolidating operations into one entity. The largest savings will be realised over the 30-year period. However this has been excluded from the main body of the report to ensure the options are comparable. The operating savings are: direct staff savings, professional fees, other operating costs and overhead or indirect costs. They also include the additional costs of establishing and running a SWMC and the stranded overheads left in councils. Transition and establishment costs are expected to be between \$5 and \$10 million over a three-year period.

Capital expenditure efficiencies will not be distributed evenly across the three councils. Detail on the anticipated savings for WDC are not provided in the Mott MacDonald report. Operational efficiencies are likely to be returned on a per customer basis across all three shareholders.

#### 4.4.6 Council Impacts

The following impacts on the three councils are anticipated:

**Council viability.** The removal of water and wastewater activities from current operations would be a major change for the councils in terms of staffing, planning, IT, HR and other corporate services. Councils will retain liability for assets and consents. In addition, it can be argued that the reallocation of water services to a jointly-owned water utility will allow councils to better focus their resources and efforts on their other core activities. Such activities may not offer the same economies of scale as water and will continue to benefit strongly from local input and decision making.

**Rates rebates.** The central government rates rebate scheme will continue for qualifying customers.

**Limitations:**

As noted in the Mott MacDonald 'Shared Waters Management Study Discussion Report' released in October 2017. Limitations that must be addressed are:

- Non-standard working processes and systems across the three councils;
- Restrictions associated with delivering programmes of work;
- Funding restrictions limited to an annual basis from each individual council;
- Different asset management IT systems and working procedures;
- Differences in levels of services among the three council customers;

- Differences in reporting requirements for each of the councils;
- The three councils' objectives are not fully aligned in one plan; and
- Understanding of cross function support functions.

#### 4.4.7 Non-Financial Benefits

The following non-financial benefits are attributable to the SWMC model:

- Development of a centre of excellence;
- Improvements to asset management strategy especially with regard to stock and product standardisation;
- Ability to attract good quality people and develop recognised experts in the industry;
- Ability to develop roles and skill sets with greater specialisation;
- Singular sub-regional strategic direction;
- Improved resilience;
- Increased operational flexibility;
- Stronger water focus at the customer support level;
- Improved network asset and growth planning – Dedicated staff resources engaging with relevant council and stakeholder groups to understand and develop cohesive growth plans;
- Improved compliance with resource consents and drinking water standards through improved management and organisational focus;
- Increased autonomy by providing an arm's length objective view and a focus on delivering long term water infrastructure services. This means it is less likely to be influenced by the day-to-day conflicts around the trade-offs of affordability and public misperception of risk;
- Expandable model;
- Standardisation of LOS across the sub-region.

#### 4.4.8 Customer Service

**Water service delivery:** This is the output of the product (water) to the end customer. Quality; quantum; efficiency; ease.

From a customer perspective, the service received will be an improvement on the current model due to the shared service efficiencies.

**Customer Experience Journey:** This is the contact a customer makes to either enquire, complain, request. This includes communication to the customer regarding scheduled or emergency works.

The SWMC model would see a customer being serviced through a combined contact centre where all three councils would share access and responsibility for a united customer data base. The customer would need to be re-educated to understand that the waters service

experience would not afford multi-channel service resolution (as happens under the current model). Any other query would see the customer transferred back to WDC.

**Customer perception/brand awareness:** This is the customers recognition of who the water supplier is and how they feel about that provider.

Delayed transition from separation to CCO could have significant negative reputational impact. On the flip side, done well (effectively and efficiently delivering on promises made) this could have a positive impact on WDC reputation.

Part of the transition would need to include mitigations to ensure that customers have a confidence that WDC has an equal voice at the governance table; to ensure deliverables to our community are equal to the other partners.

Through appropriate change management activity and quality communication throughout all changes in the way service is delivered can be mitigated. The output needs to be customers fully understanding what it is they will receive and from where and any transfer between organisations needs to be seamless.

#### 4.4.8 Staff Impact

The merging of three water teams from three individual Councils will likely lead to the development of new work practices. In addition it is almost certain that a culture will be developed that differs from WDC. The SWMC will recruit staff from all three councils removing duplicate positions and enabling the sharing of this limited resource.

Further information is available in Appendix C – Staff Impact, including any implications relating to WDC employment agreements.

#### 4.4.9 Option Summary

The SWMC option was the only sub-regional option available to the three councils. It met all the councils' identified investment criteria listed in the Strategic Case while offering customers the potential for lower increases in water services charges over time.

Business case savings are forecast to total \$20.1 m over 10 years.

Hamilton City Council and Waipa District Council have been considering a two council owned model. However, on 19 December 2017 the Waipa District Council announced that it would not be forming a 2-council Shared Waters Management Company with Hamilton City. This effectively removes the 3-council Shared Waters Management Company option as described in the Mott MacDonald report.

### 4.5 Option 3: Council Waters Company (CWC) Model

Under the CWC model, a new CCO entity will take responsibility for the provision of water services to the Waikato district. The entity would be 100 per cent owned by WDC. Waikato-Tainui would be offered board representation as a key partner.

This entity will enter into a commercial arrangement with Watercare to provide full management oversight, provision of materials and labour, asset management, customer support and customer billing services.

Watercare's scope of work would include drinking water, wastewater and stormwater management but not solid waste.

Watercare currently operates in this manner for water and wastewater service provision across the greater Auckland region. The company has provided wastewater treatment to Tuakau and Pokeno since 2010, and drinking water to these communities since 2015. CityCare, Watercare's service provider, also maintains services in the north of the Waikato district. Waikato-Tainui is a co-governance partner with WDC (Joint Management Agreement in place since 2010) and has a Memorandum of Relationship with Watercare dating back to 1998.

Watercare would provide end to end management of Stormwater services. While they do not currently provide any Stormwater services they have the expertise in house and will provide full planning and management.

Key features of the CWC model are as follows:

- It will require the establishment of a separate legal entity to deliver water services;
- It would take the form of a 'Limited Liability' company with no power under its constitution to declare and pay any dividends to its shareholder (WDC). The CWC will act as a not-for-profit organisation;
- It would own the three water assets, collect associated revenues and raise and repay any necessary debt;
- Corporate and support service staff would be employed by the CWC. However, Communications will be provided by both Watercare (project-based) and CWC, and Finance by both CWC and WDC;
- WDC will own 100% of the CWC shares and voting rights;
- It will aim to deliver services and operations at the lowest cost while still maintaining prudent management. Key decisions about 3 waters will become the responsibility of a Board of Directors, based on an agreed Statement Of Intent with WDC, which is informed by a Letter of Expectation from WDC;
- It would allow WDC to leverage Watercare's substantial economies of scale;
- Watercare's procurement, project and asset management processes, IT systems and software would be adopted to deliver efficiencies, subject to an effective contract to achieve this;
- The required operations staff will be transferred to Watercare, where exposure to specialist processes will enhance skills and provide career growth opportunities;
- A detailed operations review will determine which support staff will be best located in WDC's Ngaruawahia premises; and
- Watercare will operate the three waters plants and facilities in the Waikato district.

#### 4.5.1 Organisation and Governance

The following organisational and governance features have been considered for the CWC model:

- **Governance:** The CWC Board will be an independent board of directors appointed by WDC (the elected body). WDC (the elected body) will issue a Letter of Expectation which would be used to inform a draft Statement of Intent (issued by the CWC Board). WDC will comment on the draft SOI and the CWC Board will finalise it. The independent board of

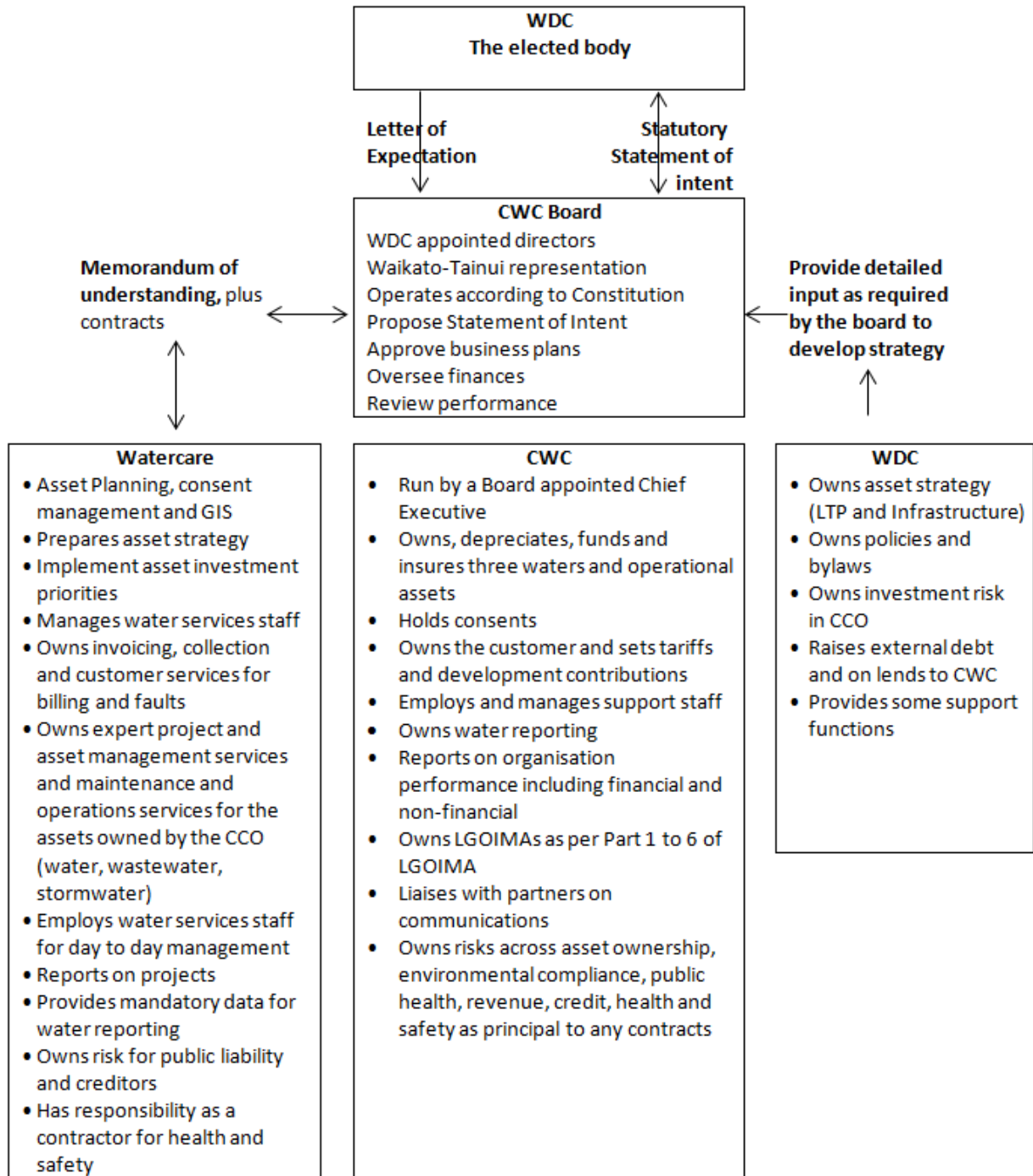
directors will include representation from Waikato-Tainui.

- **Independent board:** The CWC must have a board of directors which operates independently of political pressures, and outside of election cycles, remaining accountable to WDC (elected body) as well as its community and environmental stakeholders through the Statement of Intent. Elected members (including community board members) should not be directors. It is recommended that members serve a fixed term with a rolling rotation of tenure.

The board would be responsible for governance and operational oversight of the CWC and would appoint the Chief Executive of the CWC.

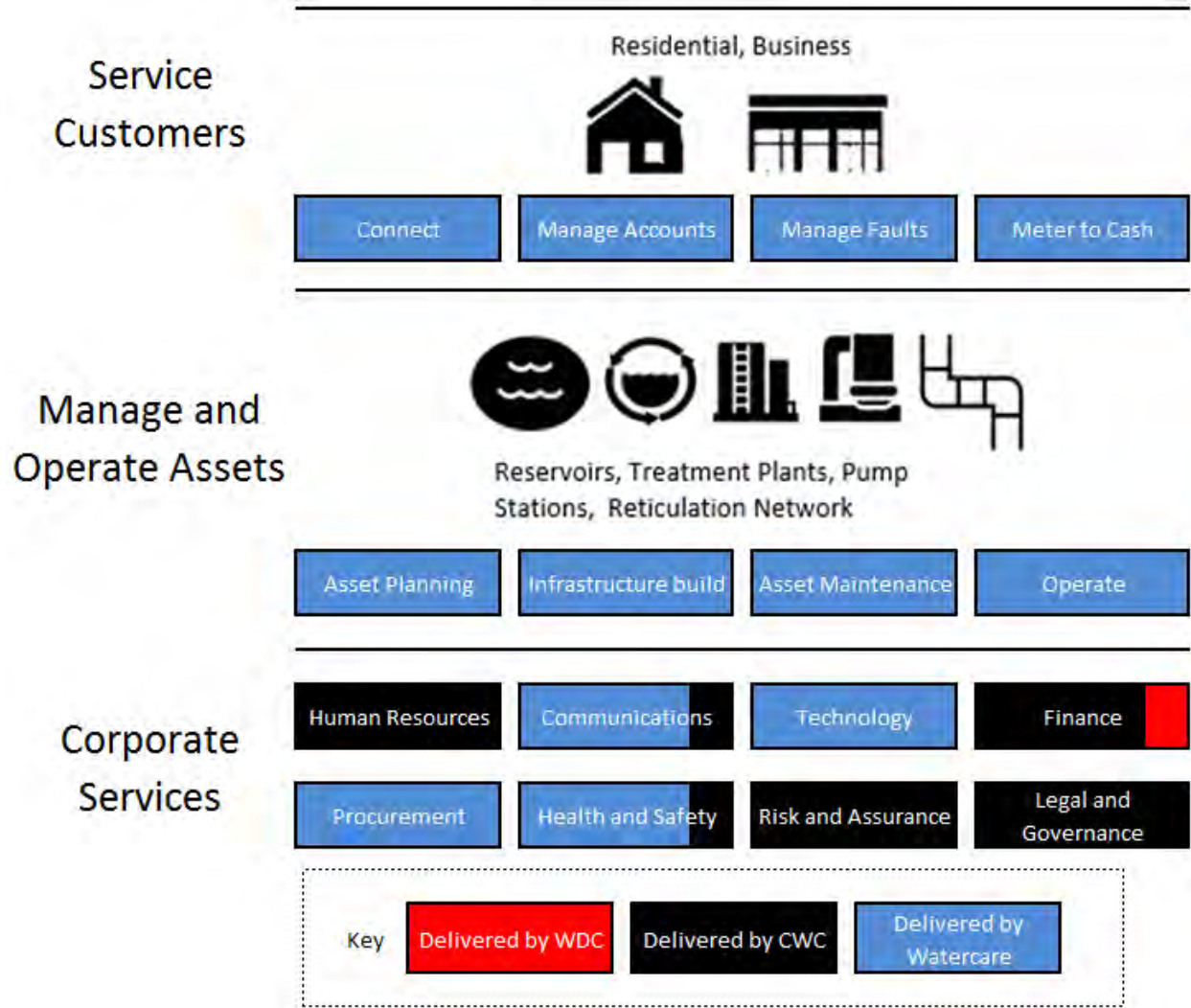
- **Stakeholder representation and management:** The CWC Chief Executive would provide operational management, develop and implement company strategy, reporting directly to the CWC Board. Watercare would provide multiple services directly to the CWC, via transactional contracts, for the provision of services. They would be paid an annual fee for this to cover: management of water services staff, project and asset management, maintenance and operations, project and mandatory reporting, invoicing, revenue collection, and customer services for billing and faults. WDC would continue to own the infrastructure strategy and LTP, policies and bylaws.
- **More efficient decision making:** Fewer parties and separation from political influence will aid in developing more strategic longer-term thinking and faster decision-making on priorities and operational matters.

The proposed governance structure is as shown below:



The following diagram shows which functions will be performed by the parties. This does not necessarily represent the ultimate accountability for each function.

The business would be split into four areas for servicing customers, and four areas for managing and operating assets (see below). Note where Watercare is referred to as the service provider, it is anticipated that a dedicated CWC contact centre function (phone, email, online presence etc.) would be in place within Watercare:



### Service Customers

- Connect:** This service will be provided by Watercare and requests for meter connection would go through Watercare. Watercare would manage the installation and billing. The CWC would transition from council-levied development contributions to infrastructure growth charges managed and collected directly by the CWC;
- Manage accounts:** The Watercare team would manage data, relationships and complaints. Land Information New Zealand (LINZ) will provide customer and property data, and customer calls will be managed by Watercare. Ongoing commercial customer relationship management would sit with Watercare. Complaints would be logged into the Watercare system and assigned to the Watercare team depending on its nature. Complaint reporting would come from Watercare;
- Manage faults:** The Watercare team would log, manage and respond to faults and close off with the customer;
- Meter to cash:** This service would be provided by the Watercare team, meter readings would be undertaken by Watercare contractors. Watercare would manage the billing and revenue collection. Any hardship funding would be managed by the CWC, similar in nature to the rates rebate scheme in place for councils (noting any hardship fund under the CWC would be a charge against CWC finances). Legislation would need to change for waters customers to receive central government rebates.



## Manage assets and operations

- **Asset Planning:** Watercare would develop strategy and deliver the planning, management of consents, and geographical information systems (GIS). Assets would be owned by the CWC but Watercare would add these assets to their waters asset management systems;
- **Infrastructure Build:** Some Programme Delivery staff at WDC assigned to waters projects may be transferred to Watercare. This reflects the fact that there will still be a requirement for integrated planning with other services like Rooding. Commercial and tendering, management of standards, infrastructure design, build and commission would be managed by Watercare;
- **Asset Maintenance:** The operations and maintenance of Pokeno and Tuakau water, wastewater and stormwater assets has already been contracted out to CityCare until 2019. The balance of the network would be operated and maintained under Watercare's current model.;
- **Operate:** Water and wastewater treatment services would be provided by Watercare. Laboratory services would be critically reviewed for the most value and this may require transitioning from the current shared service arrangements to using the Watercare laboratories.

## Support functions

Contract quality and performance and management of regulatory compliance would be provided by Watercare. Certain corporate services will be provided by WDC and charged to the CWC and the remainder would be cross-charged by Watercare through an annual management fee. The CWC are responsible for Health & Safety as principal to the contract. A key challenge will be how the CWC and Watercare would operate together for Health & Safety as overlapping PCBUs.

### 4.5.2 Environmental and Regulatory Compliance

The CWC would be likely to deliver improved environmental and regulatory compliance. The key reason for this is that directors will become personally liable for any significant environmental and regulatory compliance breaches. (refer core Cranleigh work, May 2015)

Water and Wastewater resource consents issued under the RMA will be transferred to the CWC and the board will be responsible for compliance along with compliance with Drinking Water Standards.

With Waikato-Tainui at the governance table, the CWC is likely to have a broader environmental focus. Waikato-Tainui has known and well-regarded expertise in regards to environmental, and other issues which this relationship would provide formal access to.

### 4.5.3 Resilience

The CWC model enables key strategic decisions to be made with the objective of a more stable supply and reduces the probability of failure. This is supported by the ability to exploit network synergies and using a single coordinated asset management plan and greater financial flexibility. A larger pool of staff in one entity reduces problems due to the departure of key staff. (refer core Cranleigh report, 6 May 2015)

In addition the CWC may be able to access significant resources in the event of an emergency and these resources would be able to be focussed on issue resolution. The scale of partnering

with Watercare may also enable access to mobile plant and equipment to keep services operational. There may be greater potential to leverage central government and regional council.

#### 4.5.4 Risk

As stated earlier a risk evaluation workshop was undertaken as part of the core Cranleigh work in 2015. The CWC option was rated as having the lowest risk. This option scored best or equal best in most categories reflecting the stronger governance, independent structure, business focus and resourcing. (refer core Cranleigh report, 6 May 2015)

While the current one-Council asset-owning CWC option is not the same multi-Council asset-owning CCO structure that was defined in the Cranleigh work, the current CWC model still retains the benefits of stronger governance, independent structure, business focus and resourcing compared to Options 1 and 2.

However, in the current CWC model and in the event that the Watercare contracts are terminated or not renewed, there may be little in-house Waters Management capability remaining in WDC. To mitigate this risk the arrangement with Watercare will need to consider how this would be managed.

#### 4.5.5 Financial

The full financial impact for ratepayers will not be known until draft LTP financials are available.

The CWC option has been forecast to produce operating and capital expenditure savings against Current Operations as set out in the following table. These are nominal amounts which include inflation.

CWC potential savings - Ten years 2018/19 to 2027/28	Opex	Capex	Establishment	Combined
	\$m	\$m	\$m	\$m
	17.6	15.7	5.0	28.3

Watercare has advised they will be in a position to provide maximum benefit to WDC where processes are closely aligned to Watercare's 'business as usual' processes e.g. billing - if the process is the same except with different branding on the invoice.

The value of the financial efficiencies / savings will transition over time to full value. The establishment costs will be amortised over time as considered appropriate. The operating savings are: direct staff savings, professional fees, vehicle costs, power and gas, chemicals, contracts and overheads. The 10-year savings are net of estimated establishment costs and any stranded overheads left at WDC. Transition and establishment costs are expected to be \$4-5 million.

Capital expenditure efficiencies have been estimated at 10% in each year.

#### 4.5.6 WDC Impacts

The following impacts on WDC are anticipated:

**Stranded overheads.** Most of WDC Information Management costs along with rates and some other finance team costs, service delivery management and corporate costs will be stranded. Total stranded overheads amount to \$574,000 each year as estimated by Watercare.

The central government rates rebate scheme would not be available to waters customers in the Waikato district. A similar scheme could be created by the CWC, but would require funding by the company itself..

#### 4.5.7 Non-Financial Benefits

Due to the establishment of the CWC model, the following benefits may be realised:

- Shared governance with Iwi may lead to a more effective partnership in achieving, for example, improved environmental outcomes as far as water services are concerned;
- Increased scale and shared governance with Waikato-Tainui may allow the entity to have a stronger voice in legislative reviews;
- Advice and expertise of experienced, independent directors whose sole focus would be on ensuring our district has the most efficient and cost-effective water, stormwater, and wastewater services;
- More efficient decision making: Fewer parties and separation from political influence will aid in developing more strategic longer-term thinking and faster decision-making on priorities and operational matters;
- Leveraging central or regional funding for investment may be more likely;
- Transparency and focus by having all revenues, expenses, assets and liabilities in the CCO. Resilience issues are more likely to be highlighted and it will be more difficult for resources to be diverted to non-water activities;
- Improved compliance with Resource Consents and Drinking Water Standards through independent governance and accountability, improved management and organisational focus;
- The CWC is an expandable model which will allow other stakeholders to join.

Due to the size and influence of partnering with Watercare the following benefits may be realised:

- Access to world-class expertise and scale (greater staffing, planning and technological resources) in water and wastewater (via Watercare) that WDC cannot afford on its own;
- Ability to attract and retain expert waters staff, prepared to work in the district for a specialist waters organisation, through improved opportunities for staff in training and exposure to wider industry;
- Realisation of significant financial savings from joint procurement and cost-efficiencies;
- Optimising the use of water services to support the district's economic and population growth;
- Access to cutting edge technology and infrastructure to ensure that we build resilient communities and that the way water services are provided is done in accordance with world-class safety standards. This will directly give effect to WDC's Zero Harm commitments;
- The ability to better respond to increasing regulatory demands and higher quality standards in relation to the delivery of water and wastewater. This is particularly important given the report on Havelock North;
- In the event of an emergency, the scale of the newly created entity will enable access to mobile plant and equipment to keep services operational;

- Access to Watercare’s manned 24 hour operations and control centre in Newmarket. This lowers the risk profile of events that occur after hours;
- Improved operational risk management through access to specialist processes, procedures and expertise already in place at Watercare.

#### 4.5.8 Customer Service

**Water service delivery:** This is the output of the product (water) to the end customer. Quality; quantum; efficiency; ease.

As an improvement to the efficiencies of delivering on water services, it is assumed that decision making is likely to be faster with the CWC board as decision makers.

**Customer Experience Journey:** This is the contact a customer makes to either enquire, complain, request. This includes communication to the customer regarding scheduled or emergency works.

Under the CWC model, the customer would become a water utilities customer managed by Watercare. The model and customer experience would be identical to an Auckland Council resident/ratepayer except they would be greeted as a WDC customer. This will not be a separate contact centre serving WDC residents/ratepayers.

From a customer journey experience perspective, it is assumed that transition would be simple (dependant on data being easily transferrable). The Watercare customer service model would be replicated to capture the WDC database. The CWC proposal is to deliver the same service provided to Auckland Council resident/ratepayer, to WDC resident/ratepayer. The service will not be tailored to the WDC resident/ratepayer or current WDC business model.

Post transition all customer services relating to water would be managed out of Auckland. This customer experience journey would be completely separated from WDC. This would impact on any multi service enquiry (e.g. customer wants to raise a fault and while on the line also wants to enquire about their rates notice). It is assumed that this will not be a seamless experience for the customer as they will need to be transferred back to WDC.

There will need to be a good connection between the Watercare and WDC planners to enable the consenting process to operate smoothly.

**Customer perception/brand awareness:** This is the customers recognition of who the water supplier is and how they feel about that provider.

It is assumed that through WDC partnering with Waikato-Tainui our customers will value and appreciate their role as guardians of local waterways and this will impact their commitment to environmental improvements/sustainability. This presents the opportunity to improve brand perception through community engagement, publicity and education.

Through appropriate change management activity and quality communication throughout, all changes in the way service is delivered can be mitigated. The output needs to be customers fully understanding what it is they will receive and from where and any transfer between organisations needs to be seamless.

#### 4.5.9 Staff Impact

For information on staff impact see Appendix C – Staff Impact.

#### 4.5.10 Option Summary

The CWC option would deliver the highest level of benefits both financial and non-financial. It meets all WDC's identified investment criteria listed in the Strategic Case while offering customers significantly reduced water services charges. Savings are forecast to total \$28.3m over 10 years.

### 4.6 Summary Options Assessment

#### 4.6.1 Option Assessment

Assessment of the options is not based solely on financial considerations. In January 2015, as part of the core Cranleigh work, a decision support workshop was held with council personnel. A range of criteria and weightings were agreed to support a multi-criteria decision analysis. Six broad objectives and six critical success factors were decided on. This project team has expanded on the objectives adding in 3 new ones to more fully explore impacts around customers and staff. Weightings across all the objectives and critical success factors were updated to accommodate the extra objectives and to reflect changes that have occurred over the last 2 years.

The updated assessment criteria are summarised in Appendix B – Assessment Criteria.

#### 4.5.9.1 Multi Criteria Options Analysis

The results from the team assessment is below:

Assessment Criteria	Weight %	Current Operations	SWMC	CWC
<b>Objectives:</b>				
Effectiveness	20%	12%	14%	16%
Efficiency	20%	12%	18%	16%
Improved Financial Sustainability	10%	6%	8%	9%
Alignment	10%	6%	9%	8%
Reducing Risk	10%	6%	8%	9%
Community Voice/ Focus	5%	5%	5%	2%
Customer Experience Journey	10%	9%	8%	8%
Customer perception/brand awareness	5%	3%	4%	3%
Staff Impact	10%	8%	6%	7%
<b>Critical Success Factors:</b>				
Strategic fit	22%	15%	20%	18%
Value for Money	15%	9%	11%	14%
Capacity and capability	10%	6%	8%	9%
Affordable	18%	13%	14%	16%
Achievable	20%	12%	12%	18%
Regulatory Compliance	15%	9%	12%	14%
<b>Overall Weighted Score</b>	Out of 100	<b>66%</b>	<b>79%</b>	<b>83%</b>

#### 4.6.2 Option Comparison

##### 4.6.2.1 Risk Assessment

As part of the core Cranleigh work, a risk evaluation workshop was undertaken with council engineering and finance officials on Friday 13 February 2015. The purpose of the workshop was to identify key risks that would affect change in service delivery.

The Current Operations was rated as a higher risk than the CWC option. While staying with the current operation is regarded as sub-optimal, it does avoid possible coordination issues and conflicting agendas that may occur in multi-party options. (refer core Cranleigh report, 6 May 2015)

Cranleigh rated the Enhanced Shared Service (ESS) model to have a higher risk than staying with Current Operations and an Asset-Owning CCO to be the least risky option. The Mott MacDonald report of October 2017 states that the SWMC option being described would sit between the ESS and CCO options that were developed in the 2015 study. The Mott MacDonald report goes on to say that the SWMC would have 'An enhanced ability to manage risk (including public health risk)'

The CWC option was rated as having the lowest overall risk in the core Cranleigh work of 2015 and notes 'This option scored best or equal best in most categories reflecting the stronger governance, independent structure, business focus and resourcing'.

#### 4.6.2.2 Options Assessment Summary

The different assessments of each option are brought together in the following table

Decision Factor	Current Operations	SWMC	CWC
Multi – Criteria Score	66%	79%	83%
Combined Savings (10 years)	NA	\$20.1m	\$28.3m
<b>Overall Ranking</b>	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>

The CWC ranks the highest in the multi-criteria assessment and is recommended as the preferred option. It meets the agreed investment objectives, is lower risk and offers financial benefits.

The option of an asset-owning CCO:

- can offer better economies of scale through expanding the relationship with Watercare;
- offers higher levels of expertise in asset management and water services;
- offers improved opportunities for staff.

The CWC option is particularly well-suited to meet the demands of growth within the district and particularly in the northern Waikato. WDC currently has a contract with Watercare for the provision of water and waste water services in the northern Waikato but this needs to be extended.

It is expected that a more efficient service will create some headroom to allow investment back into assets whilst growing staff capabilities. The best efficiencies will be realised where contract outcomes are as close to the Watercare operations model as possible.

## 5 Commercial Case

### Summary:

- The establishment of a CCO in accordance with the CWC model would require: a 'Limited Liability' legal entity; acquisition of WDC's assets and business; raising of CCO debt.
- Setting up a memorandum of understanding between stakeholders.
- Agreement for service to be developed as a collaborative effort between WDC and Watercare operational staff.
- Establishing a separate agreement for supply of services by Watercare which includes customer billing, customer care, technology and asset management.
- Creating a separate agreement for supply of selected corporate services from WDC.
- Establishing how the CWC and Watercare would manage Health & Safety for the two 'Persons Conducting a Business or Undertaking' (PCBU).

This section outlines the broad approach WDC would need to follow to set up the asset-owning CWC.

A detailed design and establishment plan for the SWMC model was not investigated in the most recent Mott MacDonald Shared Waters Management Study 10 October 2017, and would need to be determined at a later date.

A more detailed design and establishment plan for the recommended CWC option has been outlined by Watercare. While the timeline may need to be altered, the order, timing and duration of activities within the plan are not likely to change significantly. CCO establishment, including implementation report, technology transition plan, people transition and communications is estimated to take 6 to 9 months.

First Steps for the CWC model:

- The establishment of a separate legal limited liability entity to deliver water services;
- Set up a memorandum of understanding between stakeholders;
- Staff from Watercare and WDC collaborate to develop a suitable agreement for service;
- Establish a separate agreement for supply of services by Watercare which includes customer billing, customer care, technology and asset management;
- Create a separate agreement for supply of selected corporate services, yet to be defined, from WDC;
- Determine how the CWC and Watercare will meet their Health & Safety obligations as two PCBUs.

Once a final decision has been made, it is estimated a phased transition from the current service delivery model to the new chosen model would begin immediately.

## 6 Financial Case Outline

### Summary

- The analysis demonstrates that the CWC and SWMC models are similar with greater benefits coming from the economies of scale offered through the CWC model by partnering with Watercare.
- Over the first ten years these financial benefits range between \$3.7m and \$28.3m.
- The reduction in customer water, wastewater and stormwater costs compared to the Current Operation charges is estimated at between \$2.7m (1%) and \$17.6m (9%) in the first ten years.
- The projected savings are after allowing for the establishment and transition costs of a CCO, estimated at \$4-5 million for CWC and between \$5 and \$10 million for the SWMC, net of ongoing council monitoring costs and estimated stranded overheads.

### 6.1 Overview

Council operates water, wastewater and stormwater services across a large dispersed geographical area. It is anticipated that reservoirs, reticulation and treatment plants could be better planned for and operated through the creation of economies of scale by partnering sub-regionally; either to the south with Hamilton City and Waipa district councils or to the north with Watercare.

From a purely financial perspective, many factors determine the optimum financial structure for an asset-owning CCO. These include net revenues and their predictability, initial asset values, initial debt, future funding needs, equity between customer groups and partners. Neither the SWMC nor the CWC financial models include balance sheet considerations. Under SWMC the assets remain in council ownership, and under the CWC model it has been assumed that Council ownership would be 100 per cent and debt optimisation would be the same as available under Current Operations.

### 6.2 Methodology

The analysis compares financial information available for the Current Operations, SWMC and CWC models. Financial forecasts for the Current Operations model are based on Council's draft 2018-28 LTP. The original Cranleigh business case projected from 2015/16 to 2035/36 and relied on data within Council's draft 2015-25 LTP as well as the 30-year Infrastructure Strategy. This review only looks at the LTP period and does not consider the 30-year horizon. Each model has been prepared taking inflation into account and is expressed in nominal dollars.

Both the SWMC and CWC options have been assessed based on proportionate efficiency savings identified for operational and capital expenditure, rather than incorporating the actual numbers provided in the Mott McDonald and Watercare reports. These reports pre-dated the draft 2018-28 LTP and each option was developed using a different Current Operations base case.

The SWMC option was developed using the original draft 2015-25 LTP and 30-year infrastructure strategy data supplied to Cranleigh as a base, and was broadened to include information gathered from Wellington Waters. The base case in the SWMC option is a combined view for all



three councils. The analysis assumes operational efficiencies are split proportionate to WDC's relative customer base.

The CWC option was developed using an updated version of council's 2015-25 LTP which incorporated changes made to work programmes for the wastewater continuous improvement programme launched in 2016/17 to address the level of dry-weather overflows in the network. The infrastructure strategy was not included in the development of this option. The proportionate efficiencies applied to Council's draft 2018-28 LTP provide a better comparison than the actual numbers provided in each report due to the inconsistencies in base case data.

In both options, operational savings are not expected to be realised in the first two years and instead would be phased over year three and beyond. The scenarios provide a low and high estimate of efficiencies; these ranges are covered in the tabular comparisons. Establishment costs and stranded overheads have been included in the analysis. The analysis does not extend to balance sheet and key financial ratios instead focusing on revenue and expense impacts.

Under the Cranleigh asset-owning CCO model, debt optimisation was applied, which essentially changes the reliance on revenue to fund activities. This in turn allowed for savings to be passed on to customers.

WDC's current operations had proportionately higher debt for water services than both Hamilton and Waipa, as inter-generational funding is currently a key funding principle for Council. Neither option covered in this business case provides for debt optimisation. In the SWMC the assets and capital funding requirements remain with the parent councils and it is assumed that as a single council entity, CWC has the same opportunity for debt optimisation that would be available to Council under the Current Operations option.

The key outputs from the financial analysis measure:

- Operational and capital expenditure savings compared to the Current Operation;
- Estimated reduction in three waters charge to customers.

### 6.3 Shared Waters Management Company (SWMC)

The SWMC model assumes that the coordination and management of three waters activities are combined into one entity housed within one premise, with a two-year transition phase.

The following table represents the expected expenditure savings in the first ten-years over the Current Operations:

SWMC savings	Operational \$000's	Capital \$000's	Establishment	Total \$000's
Low estimate	2,698	4,285	3,333	3,650
High estimate	8,944	12,854	1,667	20,131

The key saving assumptions include:

- A reduction of 3 FTE's from WDC;

- General operating savings of 1% for the low estimate and 4.7% for the high estimate;
- General savings on capital expenditure of 2% for the low estimate and 7% for the high estimate.

The SWMC model assumes Opex efficiencies will be returned on a per customer basis across all three shareholders. The same assumption has been applied to the CWC for comparability purposes.

## 6.4 Council Waters Company (CWC)

The following table represents the expected expenditure savings in the first ten-years over the Current Operations:

CWC savings	Operational \$000's	Capital \$000's	Establishment	Total \$000's
	17,522	15,739	(5,000)	28,261

The key saving assumptions include:

- A reduction of 23 FTE's by year three of operations. (refer Preliminary Business Case);
- General operating savings of 9%;
- General savings on capital expenditure of 9%.

As above, Opex efficiencies are assumed to be returned on a per customer basis.

These assumptions will be tested in the detailed planning phase which will follow should this option be chosen.

### 6.4.1 Savings to customers

The following table shows the comparison between Current Operation rates for each service and indicative savings if all efficiencies are passed onto customers through either the SWMC or the CWC models over 10 years:

Option	Water	Wastewater	Stormwater	Total
SWMC	\$282.05	\$370.48	\$84.33	\$736.86
CWC	\$375.17*	\$525.10	\$104.79	\$1,005.06

\*Based on an average of 225 m<sup>3</sup> usage

For the purpose of the table above the split of savings between each service has not been quantified in either option and therefore savings have been applied evenly across each of the three waters activities.

It should be noted that these savings are net of changes at the parent council. Continued funding of stranded overheads may result in the incidence of previously related waters costs shifting to general ratepayers.

## 6.5 *Establishment and Transition costs*

The establishment and transition costs of forming a CCO (SWMC or CWC) includes the costs of set up and transitioning staff and overheads from the councils to the new entity. This was estimated, in the Mott MacDonald report at between \$5 and \$10 million for the three Councils.

For the CWC option establishment and transition costs have been reviewed and revised to an estimated \$4-5 million.

### 6.5.1 Taxation

As stated by the core Cranleigh report of 2015:

'Under the Current Operations, the councils are exempt from income tax. It is important to ensure that any new CCO structure has minimal taxation implications. Based on previous specialist tax advice from the Tax Team, the overall conclusion is that, provided the establishment and ongoing operation of the CCO is managed appropriately, there are unlikely to be significant, if any, adverse tax consequences.'

## 7 Management Case Outline

### Summary:

- A comprehensive implementation plan (which will be developed once decisions have been made) will be critical to ensuring any CCO is properly established and can quickly and effectively commence operations.
- An important part of the implementation plan will be establishing a strong and cohesive change management programme. This includes effective stakeholder and community consultation.
- Establishing any Water CCO is a major transformational programme of work. This will include developing a strong governance framework; identification and measurement of benefit realisation and implementation of risk management procedures and plan.
- The creation of a transactional agreement between Watercare and WDC could be formed by staff from both organisations working closely together to understand business needs, processes and requirements and develop up a suitable agreement for service. This process is seen as a truly collaborative effort and will require trust and cooperation from both parties.

## 8 Next Steps

Based on the key recommendation of this business case, approval is sought from the Waikato District Council for staff to commence development of a consultation process to be run in conjunction with Council's LTP consultation process.

## 9 Appendices

### 9.1 Appendix A - Background - Previous Projects

Since 2012 Hamilton, WDC and Waipa have been working together to review options for the most efficient and cost-effective management of water, wastewater and stormwater services across their sub-region. Reports and recommendations have been commissioned and completed.

A timeline and a summary of the historical reports and their key recommendations are shown below.

<b>Date</b>	<b>Author</b>	<b>Recommendation</b>
<b>Dec 2012</b>	Participate Ltd For Waikato Mayoral Forum	Establish a regional Shared Services for Water/Wastewater. Investigate a Regional CCO
<b>Mar 2013</b>	PWC For Hamilton City Council, Waipa District Council, Waikato District Council	Establish shared services and consolidate the workforces. There are potential savings and operational improvements to be made by the Councils working together in both the reticulation and plant operations spaces.  A full integration of teams would achieve the full benefit.
<b>Apr 2014</b>	Participate Ltd For Waikato Mayoral Forum	Accept the case for a Sub-Regional Waters CCO with a Centre of Excellence. Develop a detailed business case.
<b>May 2015</b>	Cranleigh For Hamilton City Council, Waipa District Council, Waikato District Council	Transfer water and wastewater assets into a jointly owned not-for-profit, asset-owning CCO. Retain ownership of storm water assets but outsource management of those assets to the CCO.
<b>Jun 2015</b>	Cranleigh For Hamilton City Council, Waipa District Council, Waikato District Council	If not possible to proceed with a CCO option WDC should establish a Waters business unit and seek to leverage its existing relationship with Watercare Services Ltd
<b>Nov 2016</b>	Morrison Low For Waipa District Council	Establish a self-funded CCO, after transitioning through an initial phase of a Council-funded CCO. This is in the best interests of all the Councils, whether as an interim step towards an asset-owning CCO, or as a destination in its own right.
<b>June 2017</b>	Watercare and Waikato District Council	Draft Preliminary Business Case

Date	Author	Recommendation
Oct 2017	Mott MacDonald For Waipa District Council and Hamilton City Council	Although a multi-council asset-owning CCO provides greater benefits overall, the ease of implementation and the delivery of improvements means a SWMC would offer significant benefits to the councils and their communities.

### 9.1.1 Documents

The previous business cases and other key documents can be found on the Waikato Water Study website ([www.waterstudywaikato.org.nz](http://www.waterstudywaikato.org.nz)). Key documents and links are listed below.

- 2015 Business Case for Water Services – Delivery Options
  - [Part A: Summary Report](#)
  - [Part B: Detailed Report](#)
- 2015 Report to Waikato District Council
  - [Expanded Watercare Relationship](#)
- 2016 Report to Waipa District Council by Morrison Low
  - [Waikato Sub-Regional Waters CCO](#)
- 2017 Hamilton City Council Report and Draft Shared Waters Management Company Record of Agreement
  - [Waters Study \(Water, Wastewater and Stormwater - sub-regional\)](#)
- 2016 Mott MacDonald Review of Wellington Water
  - [Analysis of Three Waters in the Wellington Region](#)
- 2017 Mott MacDonald Shared Waters Management Study Discussion Document
  - [Waikato Waters Discussion Report](#)

## 9.2 Appendix B – Assessment Criteria

### 9.2.1 Objectives

Broad Objective	Detailed Objectives	Weighting
<b>Effectiveness</b>	<ul style="list-style-type: none"> <li>▪ Provide better customer services in terms of reliability (including fewer water restrictions and increased security of supply), quality and responsiveness</li> <li>▪ Lift customer product and service quality through improved organisational, managerial and financial focus</li> <li>▪ Promote and value the efficient and sustainable use of water</li> </ul>	20%
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>▪ Improve the cost effectiveness of service through:               <ul style="list-style-type: none"> <li>– Better long term and more joined-up planning, development and management of the networks on a sub-region basis</li> <li>– Generating long term/sustainable savings</li> <li>– Maximising economies of scale</li> <li>– Manage water assets in a financially sustainable way based on asset condition understood and depreciation fully funded</li> </ul> </li> </ul>	20%
<b>Costs lower than LTP</b>	<ul style="list-style-type: none"> <li>▪ Deliver services that over, the long term, cost less than they would under the Current Operations option</li> </ul>	10%
<b>Alignment</b>	<ul style="list-style-type: none"> <li>▪ Achieve regulatory compliance</li> <li>▪ Meet agreed customer expectations</li> <li>▪ Capability to manage future environmental/regulatory outcomes</li> <li>▪ Maximise influence over regulatory outcomes</li> </ul>	10%
<b>Reducing risk</b>	<ul style="list-style-type: none"> <li>▪ Resilient organisation that drives long term value through being fit-for-purpose               <ul style="list-style-type: none"> <li>– Infrastructure</li> <li>– Human capital</li> <li>– Financial capacity</li> <li>– Technical capacity</li> </ul> </li> </ul>	10%
<b>Community voice/focus</b>	<ul style="list-style-type: none"> <li>▪ Appropriate governance to ensure the community continues to have a voice</li> </ul>	5%
<b>Seamless Customer Experience Journey</b>	<ul style="list-style-type: none"> <li>▪ Contact a customer makes to either enquire, complain or request</li> <li>▪ this includes communication to the customer.</li> </ul>	10%
<b>Positive Customer perception / brand awareness</b>	<ul style="list-style-type: none"> <li>▪ recognition of who the provider is and how customers feel about the provider</li> </ul>	5%
<b>Minimise Staff Impact</b>	<ul style="list-style-type: none"> <li>▪ Integrated Team - impact on other departments. E.g. building department interacting with waters</li> <li>▪ Brand as an employer</li> <li>▪ Location</li> </ul>	10%

### 9.2.2 Critical success factors (CSF)

CSF	Generic Description	Specific to Water Services	Weighting
<b>Strategic fit and business needs</b>	How well the option: <ul style="list-style-type: none"> <li>meets the agreed investment objectives, related business needs and service requirements, and</li> <li>integrates with business strategies and plans.</li> </ul>	<ul style="list-style-type: none"> <li>Strong customer focus</li> <li>Supports the sub-regional Three Waters Strategy and associated goals</li> <li>Meets future growth requirements.</li> </ul>	22%
<b>Potential value for money</b>	How well the option: <ul style="list-style-type: none"> <li>optimises value for money from both organisational and society perspectives, and</li> <li>minimises associated risks</li> </ul>	<ul style="list-style-type: none"> <li>Delivers value for money over the long term (30 years)</li> <li>Delivers benefits for the sub-region and each of the three councils (i.e. avoids benefitting one council at the expense of the others)</li> <li>Reduces risk/better risk mitigation (compared to what it otherwise would be).</li> </ul>	15%
<b>Service provider capacity and capability</b>	How well the option: <ul style="list-style-type: none"> <li>matches the ability of potential service providers to deliver, and</li> <li>appeals to providers</li> </ul>	<ul style="list-style-type: none"> <li>The service provider delivers in an appropriate timeframe</li> </ul>	10%
<b>Potential affordability</b>	How well the option: <ul style="list-style-type: none"> <li>is financially sustainable, and</li> <li>can be implemented within funding constraints</li> </ul>	<ul style="list-style-type: none"> <li>Affordable to the community</li> </ul>	18%
<b>Potential achievability</b>	How well the option: <ul style="list-style-type: none"> <li>is likely to be delivered given organisational ability to respond to the changes required, and</li> <li>matches the level of available skills required for successful implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Is supported by the community</li> <li>Deals with the issue of stranded overheads</li> <li>Supports retention and development of high quality staff.</li> </ul>	20%
<b>Achieves regulatory compliance</b>		<ul style="list-style-type: none"> <li>Meets environmental, water quality, health and safety and other relevant legal and regulatory requirements.</li> </ul>	15%

### 9.2.3 Scoring system

The scoring system previously agreed is below:

5.0	Strongly meets the criteria in <u>all respects</u>
4.5	
4.0	Meets the criteria in <u>most respects</u>
3.5	
3.0	Only <u>partly meets</u> the criteria
2.5	
2.0	Does not meet the criteria (but <u>does not contradict</u> it)
1.5	
1.0	Fails to meet and is <u>contrary</u> to the criteria. A score of 1 for any Critical Success Factor removes the option from further consideration

### 9.2.4 Pros and Cons

Pros		
Current Operations	SWMC	CWC
1. Capable local team providing satisfactory service	1. More focused organisation	1. Single focus organisation
2. Sense of local ownership	2. Rationalisation and reprioritisation of routine tasks	2. Rationalisation and reprioritisation of routine tasks
3. Supportive of other council activity	3. Strategic asset management of whole network	3. Strategic asset management of whole network
4. Covers part of council overhead	4. Enhanced resilience - security of supply	4. Enhanced resilience - security of supply
5. Local council oversight on behalf of local community	5. Lower assessed risk profile	5. Lowest assessed risk profile
	6. Benefits from professional independent governance	6. Benefits from professional independent governance
	7. Delivers procurement savings	7. Delivers procurement savings
	8. Better economies of scale	8. Increased economies of scale
	9. Development of a centre of excellence	9. Integration into an established centre of excellence
	10. Ability to develop roles and skill sets with greater specialisation	10. Improved opportunities for staff through relationship with Watercare
	11. Ability to attract good quality people and develop recognised experts in the industry	11. Ability to attract good quality people and develop recognised experts in the industry
	12. Improved resilience	12. Greatly improved resilience
	13. Improved compliance with resource consents and drinking water standards through improved management and	13. Improved compliance with Resource Consents and Drinking Water Standards



	<p>organisational focus</p> <p>14. Improved environmental outcomes through improved focus and enhanced Iwi relationships</p> <p>15. Expandable model</p>	<p>through improved management and organisational focus</p> <p>14. Improved environmental outcomes through improved focus and enhanced Iwi relationships</p> <p>15. Expandable model</p>
	<p>16. Stronger water focus at the customer support level</p> <p>17. Central government funded rates rebates will continue to be available to qualifying customers</p> <p>18. Improvements to asset management strategy – stock, products standardisation</p> <p>19. Singular sub-regional strategic direction</p> <p>20. Increased operational flexibility</p> <p>21. Improved network asset and growth planning – Dedicated staff resources engaging with relevant council and stakeholder groups to understand and develop cohesive growth plans</p> <p>22. Increased autonomy – by providing an arms length objective view and a focus on delivering long term water infrastructure</p> <p>23. Standardisation of LOS across the sub-region</p>	<p>16. Removal from political influence</p> <p>17. Opportunity to change organisational culture</p> <p>18. Improved focus on matters of interest to local Iwi through Waikato-Tainui board representation</p> <p>19. Improved operational risk management through access to specialist processes, procedures and expertise already in place at WSL</p> <p>20. Focused decision making - by professional, expert directors with expertise in water and wastewater and whose sole focus is to provide cost-effective, efficient and affordable services to the Waikato district</p> <p>21. Accessing high quality IT solutions present in WSL</p>
<p><b>Customer support</b></p> <p>1. Personalised service in person and via other communication channels</p>	<p><b>Customer Support</b></p> <p>1. Moving from one Council to three is likely to be easy for customers to understand and connect with</p> <p>2. WDC maintaining some decision making control</p>	<p><b>Customer Support</b></p> <p>1. Established customer service model</p> <p>2. Increased speed of decision making</p> <p>3. Improvement in water service delivery</p>
<b>Cons</b>		
<p>1. Struggle to attract, retain and develop staff</p> <p>2. Lacks sufficient scale to gain true efficiencies</p> <p>3. Overall risk profile assessed as medium</p>	<p>1. Leaves council with some stranded overheads</p> <p>2. Additional costs required to support separate entity – income tax, additional legislative requirements</p>	<p>1. Leaves Council with some stranded overheads</p> <p>2. Additional costs required to support separate entity – income tax, additional legislative requirements</p>

<p>4. Difficulties in prioritising water activities over time</p> <p>5. Weight of capital investment profile negatively impacts investment in other council activities</p> <p>6. Negative environmental and health impacts</p>	<p>3. Implementation challenges – significant effort to align systems and procedures</p> <p>4. Accountability to Council is more remote</p> <p>5. Difficulties with alignment of interests and levels of service between councils</p>	<p>3. Implementation challenges – significant effort to adopt new systems and procedures</p> <p>4. Accountability to Council is more remote</p> <p>5. Inability to access central government rates rebate scheme for customers</p>
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## 9.3 Appendix C – Staff Impact

### 9.3.1 Staff Impact

The table below outlines the possible employee impacts for the three options.

Both the SWMC and CWC options outline a change management process. Within both options the process indicates possible redundancy payments and job losses as a result of role reductions either at management level or through a selection process.

It is important to assert that the organisational structures outlined in the SWMC and CWC options, as well as its respective implementation process, should only be considered proposals at this stage. WDC are required to, and would, consult with all affected staff as well as unions on any change management process. Staff and unions must be given the right to provide feedback on the change management process, timeframes for implementation, and the proposed organisation structure. WDC would consider any feedback before making a final decision.

Moreover, another important note is that any transfer of WDC employees to either the SWMC or CWC must follow the provisions outlined in the terms and conditions of all WDC employment agreements. Specifically, when part or all of the business is transferred or sold to a new employer the employee can choose to: 1. take redundancy; 2. transfer to the new employer under existing terms and conditions; 3. transfer to new employer under new terms and conditions.

<b>Current Operations</b>	<b>SWMC</b>	<b>CWC</b>
<ul style="list-style-type: none"> <li>Retains all current water services staff</li> </ul>	<ul style="list-style-type: none"> <li>Transfers employment of all 'direct WDC water services' roles</li> <li>The option outlines a contestable recruitment process where staff are required to apply for the new roles in the SWMC structure</li> <li>'Non-successful' staff are expected to remain at their Council. WDC have provisions around redeployment and redundancy</li> <li>The process indicates provisions for 'Redundancy Payments'</li> <li>Cranleigh report notes all three Councils 'employ 217 FTE staff water activities'. During a transition period of 'three years, staff numbers can be reduced to 181 by reducing duplication of roles'. This is based on not back filling roles and historical turnover statistics</li> <li>It is likely that reduction of staff numbers will sit at the management level</li> </ul>	<ul style="list-style-type: none"> <li>Transfers all 'direct WDC water services' roles to Watercare</li> <li>Some support staff will be transferred to the CWC, and possibly some to Watercare</li> <li>The option suggests a selection process whereby staff are required to apply for positions with CWC and Watercare</li> <li>There is reference to redeployment of 'non-selected' staff</li> <li>The process indicates provisions for Redundancy payments</li> </ul>
<ul style="list-style-type: none"> <li>Vacancies currently exist throughout the Waters Unit</li> <li>To meet service levels the Waters Unit utilises a</li> </ul>	<ul style="list-style-type: none"> <li>Merges '217 FTE staff' across the three Councils</li> <li>This provides greater resource assurance</li> </ul>	<ul style="list-style-type: none"> <li>Utilises resources and staff from Watercare and WDC</li> </ul>

<p>number of external contractors and consultants</p>		
<ul style="list-style-type: none"> <li>Retains all other Council-wide services staff</li> </ul>	<ul style="list-style-type: none"> <li>Customer service and billing services will remain at WDC</li> <li>Non-water related functions would sit in the SWMC structure. These functions include – Customer Services, Communications, Stakeholder Relations, Finance &amp; Procurement, ICT, HR, H&amp;S, Risk Assurance. Actually roles and numbers are not specified in the structure however there is an indication of estimated savings for each Council</li> <li>WDC has not undertaken an exercise of determining whether there would be savings as a result of transferring the above functions to SWMC</li> </ul>	<ul style="list-style-type: none"> <li>Transfers overall ‘ownership’ of the customer service function to the CWC</li> <li>All customer service functions will be contracted out to Watercare</li> <li>Transfer of all water related work functions currently done by WDC finance, billing and planning to the CWC, which then contracts, as appropriate, to Watercare</li> <li>Some non-water related functions will be absorbed by the CWC, e.g. HR and certain Comms</li> <li>Although some savings are expected for water related work functions, WDC has not undertaken an exercise of determining whether there would be savings as a result of transferring the above functions to the CWC</li> </ul>
<ul style="list-style-type: none"> <li>Waters operations will remain on WDC premises</li> </ul>	<ul style="list-style-type: none"> <li>Water operations would be relocated to a yet to be confirmed location but would remain in the Waikato region</li> <li>There is expected to be a transition period whilst the new structure is finalised</li> </ul>	<ul style="list-style-type: none"> <li>Operations staff will remain ‘physically located in the Waikato’, where this is most effective</li> </ul>

### **Open Meeting**

<b>To</b>	Waikato District Council
<b>From</b>	Tony Whittaker General Manager Strategy and Support
<b>Date</b>	16 February 2018
<b>Prepared by</b>	Brian Cathro Corporate Business Planner
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301 / 1902516
<b>Report Title</b>	<b>Proposed Long Term Plan 2018-28 Consultation Document for Notification</b>

## **I. EXECUTIVE SUMMARY**

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The Local Government Act 2002 (“LGA”) was amended in 2014 and now requires councils to prepare a Consultation Document for consultation on their Long Term Plan rather than through a draft Long Term Plan and associated summary document. The purpose of this report is to present the proposed Consultation Document and associated supporting information in accordance with the LGA.

The Consultation Document has been updated following initial Audit New Zealand (“Audit NZ”) feedback. Audit NZ will be providing further feedback to Council following a review by the Office of the Auditor-General on 20-21 February. The intention is to incorporate this feedback and approve the proposed Consultation Document for public notification on 14 March 2018. Submissions close on 16 April 2018. Hearings and deliberations have been scheduled to be held between 18 May and 22 May 2018. The full Long term Plan 2018-28 is scheduled to be approved by Council on 27 June 2018.

The following documents are included as appendices to this report:

Appendix 1: Long Term Plan 2018-28 supporting information

Appendix 2: Proposed Consultation Document

A separate report is being considered at this meeting regarding a recommendation for the delivery of water services for Waikato District Council.

## **2. RECOMMENDATION**

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**THAT the report of the General Manager Strategy and Support be received;**

**AND THAT pursuant to section 93G of the Local Government Act 2002, subject to Audit New Zealand feedback and to any amendments, the Long Term**

**Plan 2018-28 supporting information, and the proposed Consultation Document be approved and publicly notified on 14 March 2018, with the closing date for submissions being 16 April 2018, in accordance with section 83 (special consultative procedure) of the Local Government Act 2002;**

**AND FURTHER THAT submissions on the Consultation Document be considered and, if requested, be heard by Council at a meeting to be held on 16 May 2018 or as early thereafter as possible;**

**AND FURTHER THAT council staff continue to work with Hamilton City and other local government partners in the region to put a detailed proposal on fuel tax to the Government for further consideration.**

### **3. BACKGROUND**

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The preparation for the Long Term Plan 2018-28 was initiated early in 2017. A large number of workshops have been held with councillors since then. Workshops were held (some items were workshopped numerous times) on the following:

- Councils goals/objectives
- Levels of service and targets
- Priority projects
- Key issues for inclusion in the Consultation Document
- Significant Forecasting Assumptions
- Financial Strategy
- Infrastructure strategy
- Activity Management Plans
- Proposed Fees and Charges

The 2018-28 Long Term Plan process follows legislative requirements which affect the information being presented for consultation, the process for consultation and the order of adopting documents by Council.

Council is required to consult on the Long Term Plan "Consultation Document" (which has prescribed content) and to consult on specific policies (if they have changed).

Council must also adopt the supporting information that the "Consultation Document" relies on and as necessary information that will enable Audit New Zealand to audit the underlying information and verify the quality of that information (Section 93C and 93G of the Local Government Act 2002).

At the conclusion of the submission period the Council will deliberate on all the submissions received and staff will refine the Long Term Plan and the policies to reflect the Council's decisions. The final Long Term Plan will then be audited by the Auditor-General along with any supporting information. Council will adopt the policies, the Long Term Plan and then set the rates for the 2018/19 financial year.

Fees and charges have been reviewed as part of the preparation of the draft Long Term Plan 2018-28. The proposed Schedule of Fees and Charges for 2018/19 to 2020/21 can only be confirmed after public consultation has been undertaken in accordance with the special consultative procedure set out in the LGA. Any confirmed changes in the fees and charges will take effect from 01 July 2018. This process is being run concurrently with the Long Term Plan consultation process.

## **4. DISCUSSION**

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### **4.1 Appendix I: Long Term Plan 2018-28 – Supporting Information**

This appendix includes supporting information for the 2018 Long Term Plan Consultation Document. This information includes the following:

#### **4.1.1 Financial Strategy**

The Financial Strategy must be prepared as part of the Long Term Plan. Its purpose is to:

- a) Facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
- b) Provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

It must include:

- a) A statement of the factors that are expected to have a significant impact on the local authority during the consecutive financial years covered by the strategy, including:
  - i. The expected changes in population and the use of land in the district or region, and the capital and operating costs of providing for those changes; and
  - ii. The expected capital expenditure on network infrastructure, flood protection, and flood control works that is required to maintain existing levels of service currently provided by the local authority; and
  - iii. Other significant factors affecting the local authority's ability to maintain existing levels of service and to meet additional demands for services; and
- b) Include a statement of the local authority's:
  - i. Quantified limits on rates, rate increases, and borrowing; and
  - ii. Assessment of its ability to provide and maintain existing levels of service and to meet additional demands for services within those limits; and
- c) Specify the local authority's policy on the giving of securities for its borrowing; and
- d) Specify the local authority's objectives for holding and managing financial investments and equity securities and its quantified targets for returns on those investments and equity securities.

The Financial Strategy is included as supporting information during the consultation phase and becomes part of the final Long Term Plan when it is adopted in June 2018.

#### **4.1.2 Infrastructure Strategy**

The Infrastructure Strategy must be prepared as part of the Long Term Plan and must cover the next 30 years. Its purpose is to:

- a) Identify significant infrastructure issues for the local authority over the period covered by the strategy; and
- b) Identify the principal options for managing those issues and the implications of those options.

The Infrastructure Strategy is included as supporting information during the consultation phase and becomes part of the final Long Term Plan when it is adopted in June 2018.

#### **4.1.3 Significant forecasting assumptions**

The significant forecasting assumptions that underpin the Long Term Plan are included as supporting information during the consultation phase and becomes part of the final Long Term Plan when it is adopted in June 2018.

#### **4.1.4 Performance measures**

With the changes in the Local Government Act 2002 there is a requirement to include mandatory performance measures. These measures have been included with associated targets that have been assessed as appropriate and achievable.

The mandatory measures along with all other measures have been work-shopped with council over several sessions to ensure awareness of the proposed measures but also comfort on the proposed targets. Several iterations were created with feedback from wider staff and councillors.

#### **4.1.5 Financial statements**

The following financial statements have been included as supporting information and will form part of the final Long Term Plan:

- Prospective funding impact statement for each group of activities
- Prospective Statement of Comprehensive Income
- Prospective Statement of Changes in Equity
- Prospective Statement of Cash Flows
- Prospective Statement of Financial Position
- Statement of Financial Reserves
- Funding Impact Statement.

#### **4.1.6 Financial policies**

- Development Contributions 2018 – draft
- Revenue and Financing Policy LTP 2018-28
- Statement of accounting policies



## 4.2 Appendix 2: Proposed Consultation Document

- The proposed Consultation Document attached (Appendix 1) incorporates information required by legislation. The Consultation Document needs to include the following to provide a fair representation of the matters included in the Long Term Plan:
  - The key points of the financial strategy
  - The key points of the infrastructure strategy
  - Description of each issue with the options considered and the implications on debt, rates and level of service
  - Significant changes to the way the council funds its expenditure
  - Graphs and charts to show the changes to rates, debt and levels of service
  - Examples of the rating impact on different categories of land and ranges of property values
  - Report from the auditor-general on whether the document gives effect to the purpose set out in legislation and on the quality of the supporting information.

### 4.2.1 Consultation Items – Options

Two key issues have been identified in the Consultation Document and for those issues we have included a summary of the main options considered and consequences.

### 4.3 District Wide fuel tax

A proposal to support the introduction of an 11.5 cents per litre regional fuel tax was put to the Council during the Long Term Plan debate. While the Government's preference is for a fuel tax in Auckland only, Council gave a direction for staff to work with Hamilton City and other local government partners in the region to put a detailed proposal to the Government for further consideration. Should this be approved, and consultation with the public supports this move, revenue from the fuel tax will be used to help fund transport and roading improvements and to possibly reduce the amount of rates you pay.

## 5. CONSIDERATION

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### 5.1 Financial

Staff have amended the 10 year budgets with the direction given at the February 2018 Council workshops.

The forecast average rating impacts are listed below and fall within estimations given by staff at the workshop.

The total average general rates increase over the next 10 years is:

<b>Year</b>	<b>Average GR increase for existing ratepayers</b>
2019	6.24%
2020	4.8%
2021	3.73%
2022	3%
2023	3%
2024	3%
2025	3%
2026	3%
2027	3%
2028	3%

## **5.2 Legal**

Council has a statutory obligation to have a long term plan in accordance with section 93 and schedule 10 of the Local Government Act 2002 and this plan is required to be reviewed every three years.

Council is also required to follow the special consultative procedure set out in section 83 of the Local Government Act 2002 before the Long Term Plan can be confirmed.

## **5.3 Strategy, Plans, Policy and Partnership Alignment**

The Long Term Plan is an important document as it outlines Council's direction for the next 10 years. It describes the activities of Council across the district and outlines how the activities are managed, delivered and funded.

## **5.4 Assessment of Significance and Engagement Policy and of External Stakeholders**

The proposed Consultation Document and supporting information aligns with Council's key planning documents and triggers Council's Significance and Engagement Policy as the Special Consultative Procedure is required to be undertaken.

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
	✓		Internal
	✓		Community Boards/Community Committees
✓			Households
✓			Business

The submission period will run parallel with the proposed Fees and charges Schedule between 14 March and 16 April 2018, public notices to this effect will be placed in local papers.

Copies of the Consultation Document will be distributed to all households in the district and will be available for viewing at Council offices, libraries and on the website.

## **6. Conclusion**

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Council is required to consider and approve the proposed Consultation Document and supporting information in accordance with requirements of the Local Government Act.

## **7. ATTACHMENTS**

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The following documents are included as appendices to this report (attached separately):

Appendix 1: Long Term Plan 2018-28 supporting information

Appendix 2: Proposed Consultation Document

## Financial strategy

### Balancing Affordability and Growth

The Council is achieving this by:

- Doing more with existing budgets.
- Moving costs of services to those who use them.
- Maintaining existing assets.
- Modernising infrastructure.
- Supporting growth.

Forecast growth will see a 20 percent increase in the number of properties (6,500) over the next 10 years. This is substantial and requires a significant investment in all the Council activities to achieve our vision for liveable, thriving and connected communities.

Alongside this maintaining existing service, in an environment of increasing regulation and weather events is challenging. The Council will seek to provide value for money by finding innovative ways to deliver infrastructure and services.

Within this context the Council has developed a financial strategy that balances affordability for those paying while supporting investment to allow for and arising from population growth.

### Sustainable Growth

The Waikato district has been growing rapidly, our proximity to Auckland and Hamilton making us an attractive proposition for both business and residential development. Growth will occur in the Waikato due to factors outside of our control. How the Council responds to growth drives whether that growth enhances the council vision for liveable, thriving and connected communities.

The Council's forecast growth will mean 6,500 properties for 12,000 more people. Much of this growth will occur in towns (40:60 urban to rural population in 2019, rising to 43:57 by 2028), changes in population and land use on rural properties is not forecast to be significant. This requires significant planning, working with the community and other agencies. It will result in an investment in roads, water, wastewater, stormwater and community infrastructure often in advance of the people arriving. By providing this trunk infrastructure investment in advance of growth it will avoid adverse consequences to public health, safety and the environment.

Growth capital will initially be funded by borrowing, this will include the Housing Infrastructure Fund (\$37 million plus 10% contingency) and this will be interest free for 10 years. Where subsidies and external funds can be earned, this will reduce the initial debt. Development contributions will be paid when developments are completed, and this revenue will reduce debt. The remainder will be paid over 25 years by existing ratepayers and by new ratepayers as they arrive.

The capital investment in growth is shown in Figure 1. This chart shows a large investment in trunk infrastructure in the first 3 years of the plan, continuing from the investment started in 2018. With the trunk infrastructure in the right place, it will create sufficient capacity to support forecast growth in our main urban areas, which allows for local developer investment to continue in those later years.

The day-to day costs resulting from population and land use changes will cost \$275 million over the 10 years, which is around 20% of total operating costs.

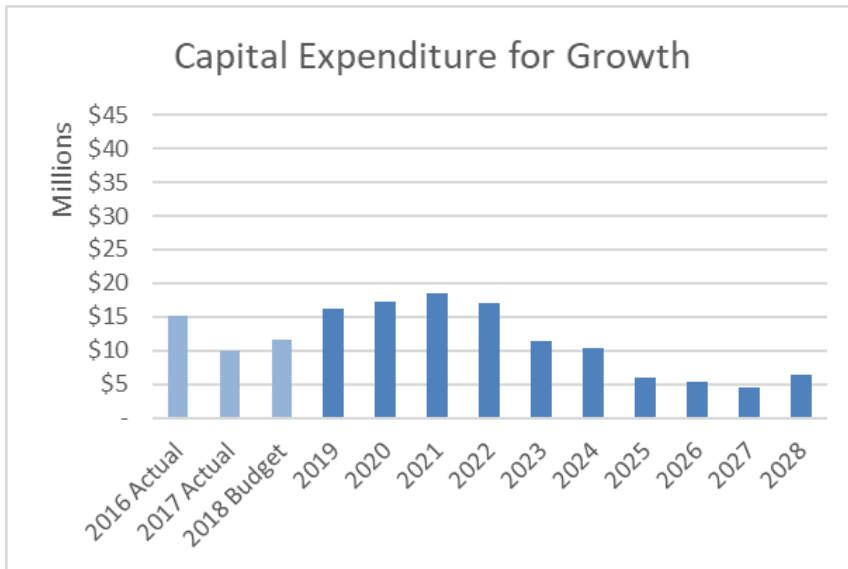


Figure 1: Capital Expenditure for Growth (\$million)

## Maintaining Existing Assets

The Council looks after \$1.7 billion of assets, 88 percent of which are infrastructure assets. These assets have been the backbone of our community's services for decades. The quality of these services contributes a lot to whether a community is liveable and thriving.

The Council invests a lot of resources in professional asset management practices to ensure they are well maintained to the end of their economic lives and are renewed at that moment when it is most cost effective to do so. Getting this right has a big influence on the affordability of services.

For Roading there have been great efficiencies resulting from the Council's innovation of its Roading Alliance. With the waters activities the Council is proposing to partner with Watercare Services and Waikato Tainui which will deliver further efficiencies.

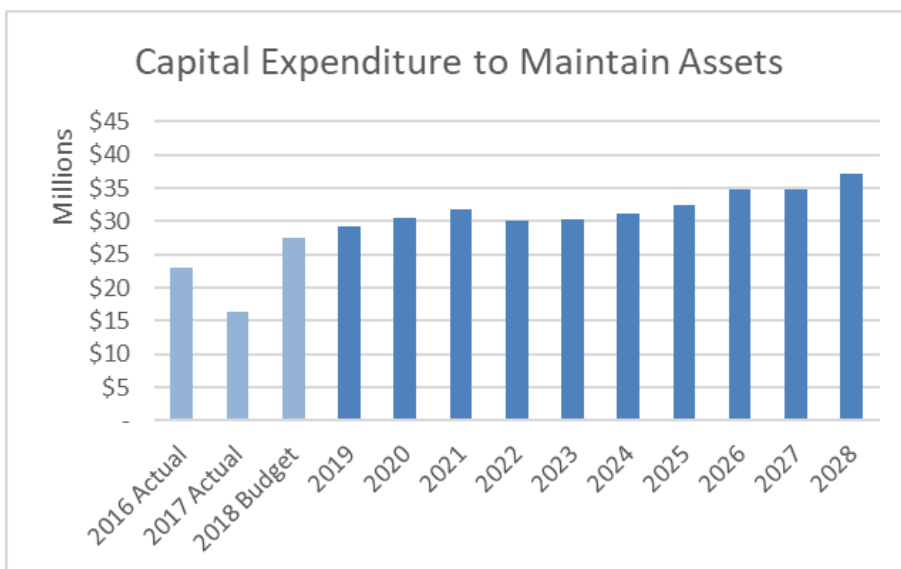


Figure 2: Renewal Expenditure to maintain asset service levels (\$million)

Figure 2 above shows the Council is providing for a consistent investment between \$29 to \$37 million in each year of the Plan. This level of investment is more than annual depreciation (forecast at \$25 million) reflecting the scale of asset replacements budgeted in this 10-year period some of which are earlier than planned for due to the need to address upgrades to support growth.

The chart shows an increased investment largely in wastewater renewals from 2018.

A significant element of the Council's financial strategy is for infrastructure assets to maintain up to date asset valuations which recognise the current replacement cost of assets and then fund the consequential depreciation cost. This provides for an appropriate allocation of cost to those who benefit from the services the assets provide each year and overall is the most cost-effective approach to ensure current and future generations pay an affordable share of the asset renewal. For each asset type any funds are accounted for in asset replacement reserves.

Along with everyday maintenance this capital renewal budget will ensure that service levels enjoyed today are continued to be enjoyed by communities.

## Better Services

Communities that are thriving have a high degree of liveability have a good range of modern services. Communities often desire many improvements which need prioritising to balance affordability with service levels.

Figure 3 shows an increased investment in the first three years of the plan. 70 percent of the investment being on better services on the roads and waters services. Investing in better services levels on core infrastructure is essential to building modern communities, however communities need access to other services like playgrounds and libraries if people are to feel their community is liveable and thriving. The Council must therefore balance investment choices between core infrastructure and community infrastructure and services,

The regulatory environment is imposing more cost to protect people and the environment including healthy rivers, drinking water standards and consent conditions. While these are good and provide better service levels they add cost which is included in the graph below.

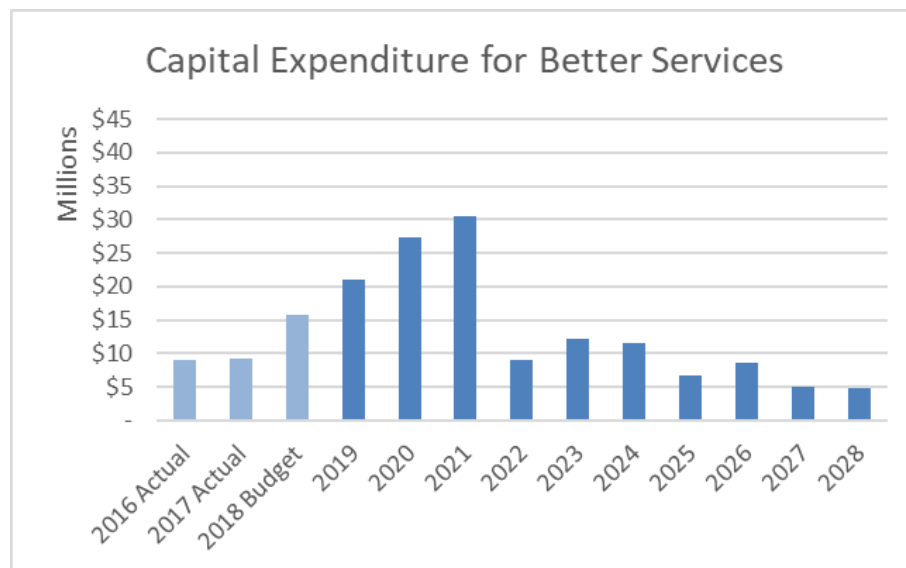


Figure 3: Capital Expenditure for Better Services (\$ million)

## Managing Debt

The increased investment in the next three years in growth, renewals and service levels has the consequence of increasing debt (see Figure 4). Debt rises by \$89 million in the first three years reflecting the level of investment. After that debt increases less than \$8 million in the following 3 years (2022 to 2024) and then decreases as debt repayments exceed new investment. The Council will repay \$132 million of debt over 10 years.

A Housing Infrastructure Fund (HIF) loan is planned, with borrowing starting in 2020 and increasing over the remainder of this Plan as investment on HIF approved projects is made. This borrowing is interest free for 10 years (saving \$8 million in interest payments). The borrowing is recognised as debt in Figure 4. and on the Council balance sheet.

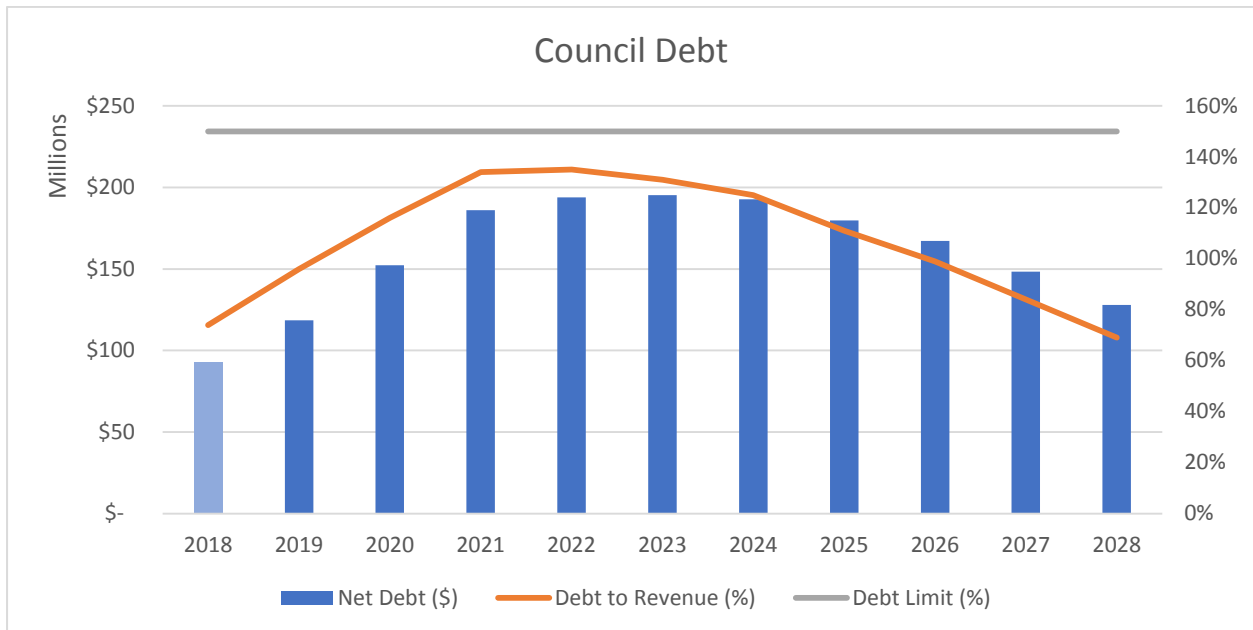


Figure 4: Debt levels (\$million) and Debt limits

#### Debt Limit

**Net debt will not exceed 150 percent of revenue.**

\* Net debt equals financial liabilities less financial assets (excluding trade and other receivables)

The Council has set its debt limit using her debt to revenue ratio. This is one of the main methods used by the Council's funders to determine the affordability of debt. People who have borrowed home mortgages will know how important income is to the banks decision to lend money.

The Council's primary lender, the Local Government Funding Agency (LGFA), has determined that it will only lend to the Council up to 175 percent of revenue. The Council's Treasury Risk Management Policy has set a limit of 150% a prudent limit. This recognises that higher debt would add further to rates, which at this time, would be unaffordable ratepayers.

By setting a debt limit at 150 percent the Council has \$22 million of capacity it could spend before it would reach the 150 percent limit in 2022. Additionally, it retains 25 percent (\$36 million) capacity, between 150 and 175 percent, in case of any unplanned events.

Council's borrowing is secured by either a debenture trust deed or a floating charge over all Council rates levied under the Rating Act.

## Affordable Rates

Rates income is 66 percent of income and Council's main revenue source. During the next 10 years there will be a 20% increase in the number of rateable properties. This will create extra income to offset some of the costs of growth.

### Limits Rates Increases

**Average annual rate increases to existing ratepayers\*, are set at 15 percent in the first 3 years reducing to 5 percent from 2022.**

### Limit on Rates

**Total rates will not exceed 0.7% of the total rateable capital value\* of the District.**

\*Based on 2017 rating valuations.

The Council has set its limits on rates increases as a measure of the impact on the average existing ratepayer. This measure shows the impact of rates on typical properties by including all rates (general and targeted) charged to a property.

This measure is relatable to what people pay and therefore can be considered as a measure of affordability.

The measures are calculated based on those ratepayers that paid rates in the previous rating year. Allowing the Council to focus on how the majority of ratepayers are impacted by the increased price of rates. By doing this the Council can better grow the rates from new ratepayers, which is very important in the high growth situation the District is forecast to have.

The Council has set limits that are real and consequentially could be challenging in the event of unplanned event or compliance costs. In setting the limits this way the Council is challenging itself to be good financial managers for the District. This is a better approach than setting limits so high they never become relevant to decision making.

The total rates measure is a statutory measure which appears of little relevance to a high growth district. The total income from rates increases because the District is growing and having a limit on rates from growth does not support good financial management.



## Balancing the Books

Good financial practice is to manage the business so that operating revenues exceed operating costs. This ensures that each year the users of services are paying for what they use. A small surplus ensures funds are available for asset purchases and debt repayment.

The figure below shows that after removing development contributions and vested assets from revenue the Council is on the whole forecasting to make surpluses that allow for debt repayment. The exception is the first year of the plan where additional expenditure has been budgeted for set up and other transitional costs for a new structure for the waters area.

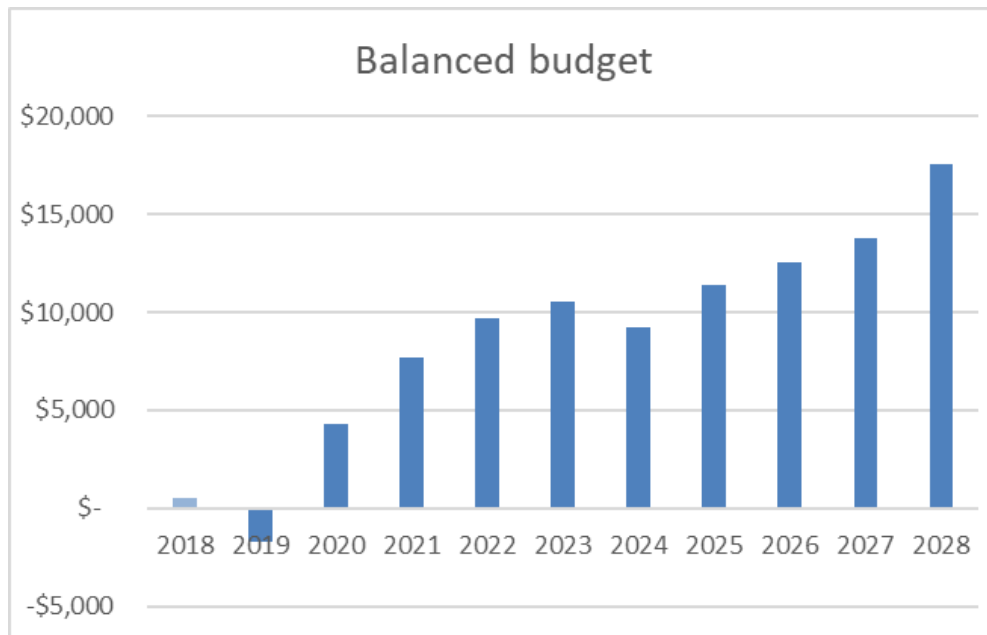


Figure 5: Balanced Budget (\$)

## Good Investments

The Council has financial, property and equity investments which are managed in accordance with the Treasury Risk Management Policy.

Investment	2017 (actual)		2018-2028
	Value \$(000)	Return	Return (forecast)
<b>Financial</b>	254	6.33%	5.4%
<b>Investment Property</b>	490	8.8%	11%
<b>Equity</b>			
Waikato Regional Airport Ltd	12,797	0%	0.39%
Waikato Local Authority Shared Services Ltd	219	0%	0%
Civic Financial Services Ltd	62	0%	0%
Waikato District Community Wellbeing Trust	0	0%	0%

The council holds investments for a strategic reason, not just for a financial return on investment. These reasons include where there is some community, social, physical or economic benefit accruing from the investment activity. The council has the following objectives in holding the above investments.

### **Financial**

Cash is held for liquidity purposes, not to make a financial gain. 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 will be fully repaid by 2023.

### **Investment Property**

The Council has one investment property in Ngaruawahia that receives a modest commercial lease return. It also has a small portfolio of non-reserve land and buildings. These properties are predominately owned for operational efficiency including offices at Raglan, Huntly and Ngaruawahia. No return on these investments is planned for.

### **Waikato Regional Airport Ltd**

The company operates Hamilton International Airport and promotes the region to tourists. The Council shareholding is 15.625 per cent.

The Council's shareholding is considered a strategic asset. While Council's ownership is largely for economic development reasons and not for financial return, the company has forecast an annual dividend of \$50,000.

### **Waikato Local Authority Shared Services Ltd**

The company has been established to cost effectively provide councils with a vehicle to procure shared services. 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.

### **Civic Financial Service Limited**

The company, established in 1960, is owned by local government to provide a range of financial services including Riskpool, LAPP and Supereasy Kiwisaver scheme. The Council's holding is historic, and no return is forecast.

### **Waikato District Community Wellbeing Trust**

The Waikato District Community Wellbeing Trust was formed from the winding up of the Waikato Foundation. 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 to support projects that deliver on the aspirations and community outcomes of the Waikato district as identified and promoted by the community.

### **Planning for the Unexpected**

Events such as the Wellington and Canterbury earthquakes and locally Cyclone Debbie and the March 2017 weather event have a significant impact on infrastructure. Much of the Council's \$1.7 billion of assets is vulnerable to local weather events and the impacts of events affecting the Waikato River.

The Council has purchased 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. A specific budget has been set aside each year to re-build the balance of the disaster recovery fund. \$122,000 has been set aside in the first year, \$172,000 in the second year and \$522,000 in the third year. This fund will continue to be replenished and built upon throughout the ten years. Additionally, a new roading budget of \$800,000 per annum is being proposed for emergency works in the event that the network sustains heavy or prolonged rainfall and a further \$300,000 of minor event emergency works budget per annum. This \$1.1 million of annual budget is additional to funds held in the disaster recovery reserve.

For really big events Council expects external financial assistance for the emergency response and recovery. Council will be expected to initially fund these costs. By setting its debt to revenue at 150% Council has a buffer to be able to fund the unexpected.

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# 30 Year Infrastructure Strategy (2018 – 2048)

## A. Strategic Alignment

### I. Purpose of Infrastructure Strategy

The purpose of this Infrastructure Strategy is to formally document the management philosophy that is applied to Waikato District Council's infrastructure assets as required under section 101b of the Local Government Act 2002 and to identify the significant infrastructure issues over the next 30 years, the principal options for managing those issues and the implications of those options.

Waikato District Council is responsible for the following activity groups covered by this Strategy and shown in the table below:

**Table 1: Activity asset description and values as at 30 June 2017 (Source: 2016/17 Annual Report)**

Activity Assets	Description	Replacement Value (\$ million)	Net Book Value (\$ million) <sup>1</sup>
<b>Water supply</b>	Water abstraction, treatment and distribution	145,930	98,594
<b>Wastewater</b>	Wastewater collection, treatment and discharge	170,778	102,283
<b>Stormwater drainage</b>	Stormwater collection and discharge	66,242	53,741
<b>Roads and footpaths</b>	Roads ( arterial, collectors, local), bridges, walkways, cycleways, traffic facilities	1,360,217	1,099,657
<b>Solid Waste</b>	Collection, transfer and disposal of household waste, recycling	Not calculated	1,578
<b>Parks</b>	Parks, reserves and open spaces	Not calculated	40,804
<b>Property, facilities and libraries</b>	Halls, swimming pools, elderly housing, harbour facilities, offices, libraries and general properties (includes library books)	Not calculated	54,231

<sup>1</sup> excludes work in progress, land and equipment

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. Waikato Regional Council (WRC) owns and manages most drainage and flood schemes in the district.

#### I.1 Overall approach

Waikato District Council is experiencing high levels of urban growth in parts of the district which border the larger urban centres of Hamilton and Auckland. There is also noticeable planned growth in Raglan and Te Kauwhata. Over the next 30 years, Council plans to build new infrastructure is required to meet development needs as well as renew existing assets to maintain its level of service and provide resilience to natural hazards.

Significant increased growth funded expenditure is required for water supply, wastewater and transportation infrastructure. Expenditure for other activities such as solid waste, parks, property and libraries will focus on renewals and maintaining levels of service.

## 1.2 Strategy layout

The Strategy document sections and corresponding Local Government Act 2002 sections are shown below.

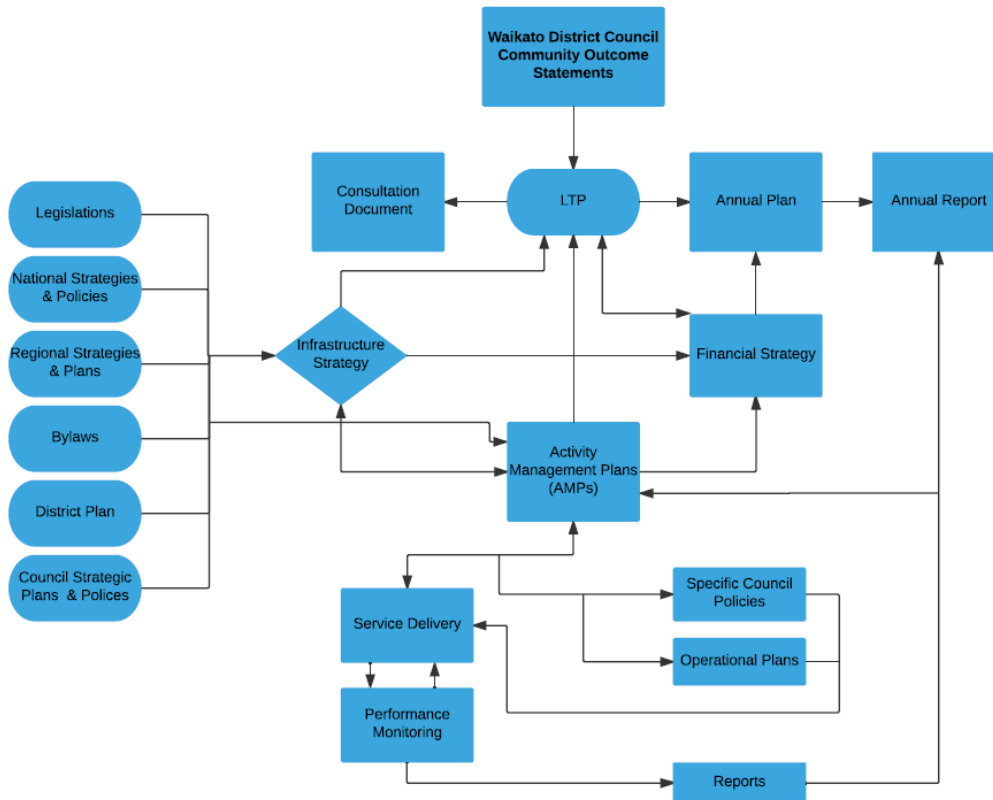
**Table 2: Strategy sections and corresponding parts of LGA 2002**

<b>Strategy sections</b>		<b>LGA 2002 (Section 101B)</b>
1	Identifies the purpose of the strategy and main activity assets	2 (a), 6(a) and 6(b)
2	Provides context by describing the District , illustrating the linkage between strategic documents and referencing the strategic statements that guide decision- making	3(e) and 4(d)
3	Describes activity management practices, including the approach for managing growth increasing service levels, ensuring infrastructure resilience, renewing existing infrastructure, and key assumptions	3 (a) to 3 (e)
4	Identifies significant issues and the response options to these. Documents benefits, uncertainties, assumptions, costs, timing and funding source	2 (a), 2 (b), 4(b) and 4(c)
5	Most likely scenario - Identifies the costs associated with the actions proposed and the links with the financial strategy	4 (a)
6	Describes key infrastructure activities and core infrastructure provided by the council within each activity	3 (e)

## 2. Context

### 2.1 Linkage with other documents

Waikato District has a number of key internal and external strategic documents in place that govern many of its activities. These relate to, and will assist in working towards the achievement of the community outcomes. The relationship between this infrastructure strategy and other documents is shown in Figure 1 below.



**Figure 1: Infrastructure strategy linkage with other documents**

The Infrastructure Strategy is part of the Long Term Plan which is adopted by Council every three years. The Strategy covers a period of 30 years to allow for planning for the long lives of infrastructure assets. The Activity Management Plans (AMPs) inform the Infrastructure Strategy which is also closely linked to the Financial Strategy.

### 2.2 Geographic context

The district lies within the northern growth corridor between the large cities of Hamilton and Auckland along State Highway 1.



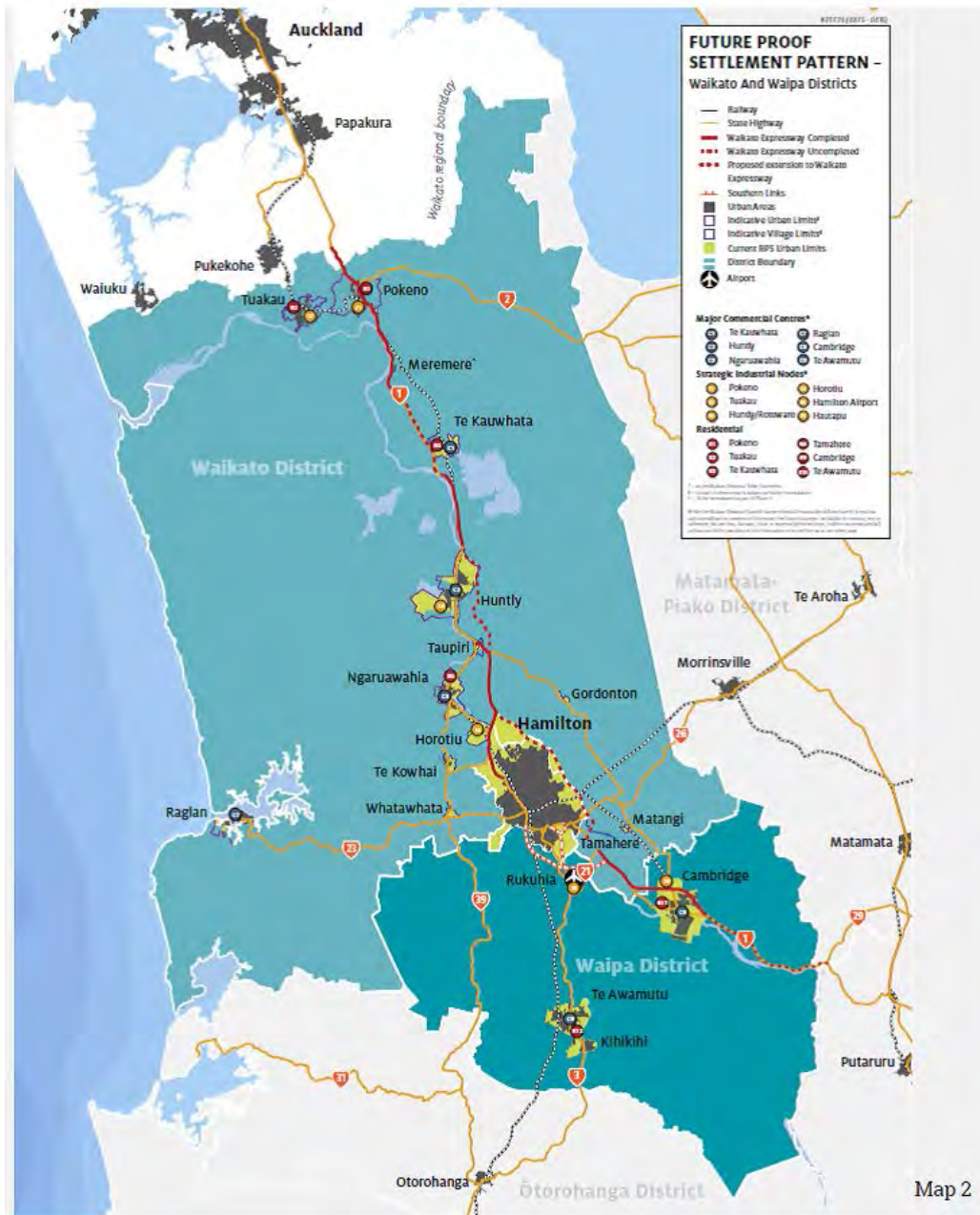


Figure 2: Waikato District (proposed urban limits to 2061)

This diverse district covers more than 400,000 hectares. The major towns are Huntly, Ngaruawahia, Raglan, Te Kauwhata and Tuakau. 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.

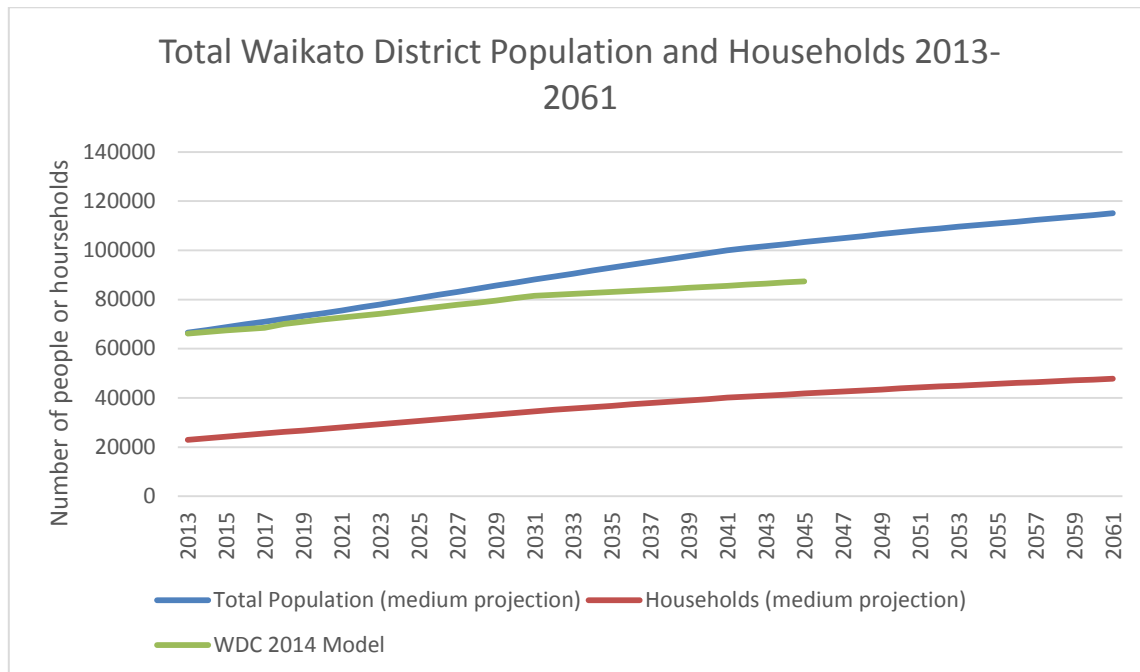
### 2.3 Population forecasts

In 2018 the District has a population of approximately 70,000. Overall, rates of growth in the Waikato District are increasing and the population is expected to continue increasing significantly in:

- North Waikato (Tuakau, Pokeno and Te Kauwhata) due to the proximity to Auckland, changes to the Auckland unitary plan to facilitate housing stock increases and intensification, completion of the expressway, and other proposed developments; and

- Hamilton fringe areas due to high demand for properties and increased subdivision in the country living and urban areas within 20km of Hamilton.

The figures below show the population and household projections for the Waikato District to 2061 and the expected town growth rates to 2051. The data was prepared by the National Institute of Demographic and Economic Analysis – University of Waikato (NIDEA) The growth rate for the next 30 years is expected to be higher than the rate predicted in 2014.



**Figure 3: Waikato District projected population (Source: AMP 2017 from NIDEA data)**

Waikato District population is projected to be 105,770 by 2048. The highest growth is currently being experienced and is predicted to continue in the urban areas of Tuakau, Pokeno and Te Kauwhata as outlined in Figure 4.. The highest rates of growth in villages and rural communities are expected in Tamahere Country Living Zone (CLZ), Waikato Western Hills, Whatawhata, Waerenga and Kainui. There are no significant areas with population decrease predicted.

Demographic information is available from the 2013 census and it is expected that the percentage of people in the older age categories will increase over the next 20 years. This is considered when planning, particularly for transport and community facilities.

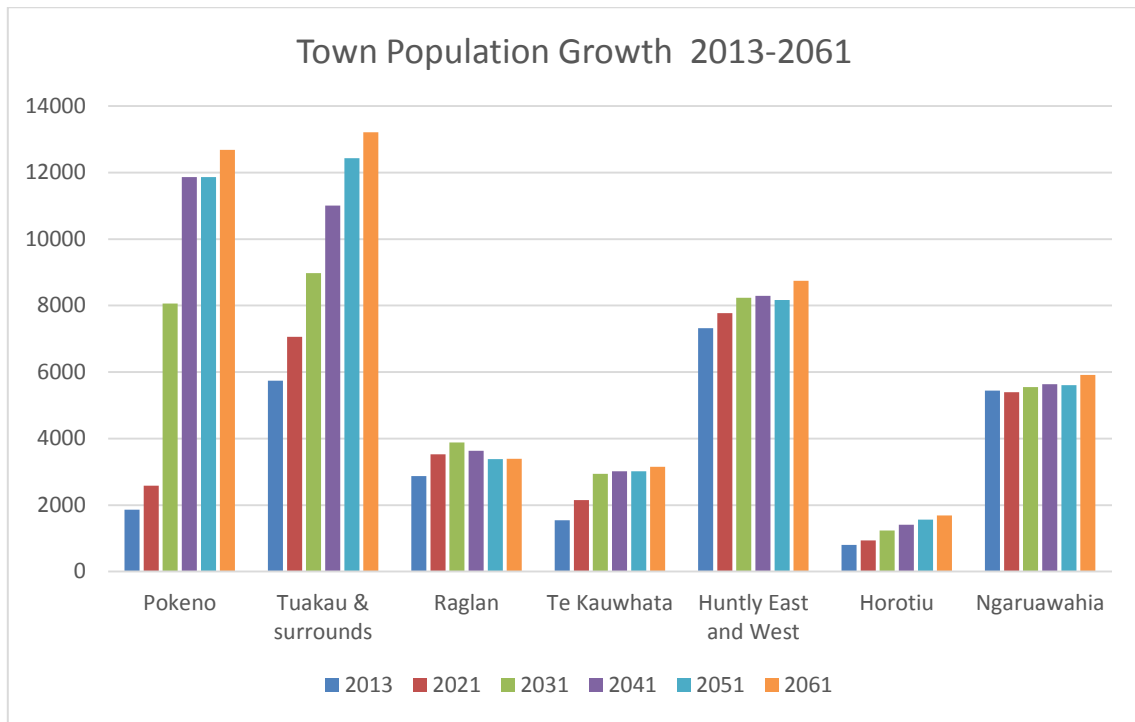


Figure 4: Town population growth 2013 – 2051 (Source: AMP 2017)

The district experiences significant pressure for development. A number of factors drive these growth pressures, such as:

- The qualities and characteristics of the Waikato landscape including bush and coastal environments,
- Employment opportunities,
- The proximity of the Auckland and Hamilton urban areas and
- The convenience of rail and strategic road corridors for industries.

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. The impact of industrial development varies according to the industry.

The following strategies, business cases and funds influence growth within the Waikato District:

- **Future Proof Growth Strategy** - is a sub-regional growth strategy specific to the Hamilton, Waipa and Waikato Districts. It was developed jointly with Waikato Regional Council, Hamilton City, Waipa and Waikato District Councils, tangata whenua and the New Zealand Transport Agency (NZTA).
- **Northern Waikato Integrated Growth Management Programme Business Case** – this business case prepared with NZTA and Auckland Council focuses on land use and supporting infrastructure in North Waikato from Huntly through to the Auckland boundary near Pokeno and Tuakau. The majority of growth over the past 10 years has occurred in rural, rural residential zones and in Pokeno. The preferred growth approach and implications are outlined in Section 5.

- **Waikato District Economic Development Strategy** – the Waikato Economic Development Strategy 2015 focuses on developing business sectors, retaining and growing Waikato businesses and attracting people to the district.
- **National Policy Statement for Urban Development** – Waikato is identified as a high growth area and must provide sufficient zoned and serviced areas for urban development. Recent work has indicated that Waikato District meets the requirements of this NPS.
- **Housing Infrastructure Fund (HIF)** - is a one-off contestable fund, aimed at accelerating short and medium-term supply of new housing in high-growth urban areas. HIF allocation process was set out in the Housing Infrastructure Fund Call for Final Proposals announced by the Government in February 2017. In a contestable process, Waikato District Council (“Council”) submitted an Indicative Business Case, which was accepted as part of an in-principle HIF portfolio by the Minister of Finance, the Minister of Transport and the Minister for Building and Construction in June 2017.

Council has been successful in bidding \$37 million from the \$1 billion Fund. This is interest free funding to build the infrastructure required to support development designed to ease the current housing crisis in major centres in the country. Council’s bid was predicated on supporting Winton Partner’s proposed Lakeside development in Te Kauwhata which will bring about 1600 residential units on stream over the next ten years. Depending on the level of funding from HIF; and the total costs to provide infrastructure solutions, the HIF funding is to be used to support Te Kauwhata’s development through waste water solutions, water supply and storage, and roading investment support.

### 3. Activity Management Practices

#### 3.1 Introduction

Council has considered the following factors in preparing 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.

#### 3.2 Asset lifecycle management

Waikato District Council uses a lifecycle management approach to manage infrastructure assets for all activities, which includes four main categories. Table 3 describes these categories and how they are funded.

**Table 3: Life Cycle Management Categories**

Category	Description	Funding source
Operation and	Work required for the day to day operation of the	General and targeted

Maintenance	network whilst maintaining the LoS	rates
Renewals works	Work that restores an existing asset to its original level of service	Replacement fund reserves
Capital works	The creation of new assets or work, which upgrade or improve an existing asset beyond its current capacity of performance	Development contributions and loans
Disposal	The cost of asset disposal which is incorporated within the capital cost of new works or asset renewals	Incorporated within replacement reserves, targeted rates and loans

Waikato District Council's asset management approach is to:

- Develop financially sustainable AMPs that are to an appropriate standard for the activity, assets and associated risks being managed;
- Ensure AMPs reflect the strategy and priorities of Council and are integrated with other relevant planning documents;
- Involve and consult with the community, Iwi and key stakeholders on determining the desired levels of service via the LTP or other means;
- Recognise the risks associated with the delivery of agreed levels of service and manage them appropriately;
- Recognise the implications of changes in demand for services and actively manage this demand wherever practical.

### 3.3 Asset information and data reliability

Waikato District Council uses asset management systems for its different activities, which have the capacity to record assets at component level and represent them spatially. Mapped geometries are connected to asset attribute information and maintained in a database where users can extract data for analysis and reporting. Depending on the activity, different management systems are used but AssetFinda is the most widely used.

Council has processes in place to maintain and update data within its systems. It has performed data confidence and reliability analyses to determine the accuracy, completeness, condition and performance of the data for each asset type. The confidence grading for asset data follows the NAMS International Infrastructure Management Manual, which rates data from 'highly reliable' to 'very uncertain' or 'unknown' based on the available information.

The data reliability for each asset type is detailed in the respective AMPs with some areas identified as opportunities for improvement as shown in the table below.

**Table 4: Focus Areas to Improve Data Reliability**

Activity	Focus Areas to Improve Data Reliability
Water Supply	Water treatment plants, reservoirs and telemetry/SCADA systems
Wastewater	Wastewater treatment plants and telemetry/SCADA systems

Stormwater drainage	Pipes, drains and point assets
Roads and footpaths	Minor structures, subgrade condition
Solid waste	Drop-off centres
Parks	Condition assessment complete. Ongoing maintenance of asset condition data
Properties and facilities	Swimming pools and Raglan Harbour condition and general properties (land and leases)
Libraries	Raglan and Tuakau libraries

The current assessment of data completeness indicates sufficient information is available to provide reliable renewals forecasts for the next 10 years and indicative forecasts for the remaining 20 years of this infrastructure strategy.

### 3.4 Condition assessment and critical assets

Council carries out scheduled condition assessments of its assets to optimise maintenance and renewal programmes. Traditionally renewal programmes have been prepared based on age and limited condition assessment information, with the exception of Transportation which has had condition based programmes in place for some time. Programming renewals based on age alone may lead to an inaccurate picture of renewals backlog.

In the last three years, Council has carried out condition assessments for its Parks and Facilities assets and implemented a more focussed programme for its Water, Wastewater and Stormwater assets.

The following criteria are used to identify assets for renewal:

- Age and condition profile
- The level of on-going maintenance
- The economic lives of the materials used
- The criticality of the asset
- Activity, financial and customer risks

Criticality assessments of all piped water, wastewater and stormwater networks were undertaken in 2014. Critical pipe assets were identified based on pipe size, location and size of catchment serviced. Criticality assessments for the water and wastewater treatment plants are programmed for 2018 onwards. Only a small proportion of water, wastewater and stormwater assets are in the most critical class, therefore renewal forecasts are not expected to change significantly.

### 3.5 Planning for changes in demand

A key issue for the district is to ensure that population growth and associated built development is managed in a way that results in efficient and high amenity urban areas and avoids compromising the characteristics of rural areas, including the productive capacity of rural land. Increasing the density of development will increase the efficient use of infrastructure, services and facilities, reduce the demand for land, and reduce travel distances.

Population growth within the region is addressed in the Future Proof Growth Strategy and Implementation Plan, which is a 30 year plan framework to manage growth in the Hamilton, Waipa and Waikato sub region

The Waikato District Development Strategy was prepared in 2015 to provide a high level strategic and spatial development guide for the district.

The District Plan directs growth within the Waikato District and sets out how activities respond to growth with rules for subdivisional development and compliance with relevant engineering standards. A District Plan review is currently underway and notification is planned for 2018. One of the key changes proposed is to bring in a deferred zoning regime for future growth cells. This will give more certainty about which land is suitable for development (i.e. can be serviced).

The Council uses structure plans as a framework to guide the development or redevelopment of a particular area. The purpose of a structure plan is to define a community vision for future development and define a spatial layout and pattern of different land uses as well as the location and distribution of key infrastructure and services. The structure plan programme is set by Council and is reviewed in response to growth demands. In some cases District Plan changes follow a structure plan adoption or the structure plan outcomes can be incorporated into the next District Plan review.

The AMPs outline in detail how the activities will respond to the changes in demand. The key proposals include:

- Infrastructure assets in the northern part of the district do not have sufficient capacity to deal with the rapid growth currently occurring in these areas. Capital projects are identified in this infrastructure strategy to provide additional capacity and address level of service gaps. Often these projects need to be completed in advance of development occurring.
- Industrial demand is addressed on a case by case basis.
- Additional community assets such as parks, libraries and walkways are identified in this infrastructure strategy.

### **3.6 Levels of service**

Activity management planning enables the relationship between levels of service and the cost of the service (the price/quality relationship) to be determined. This relationship is then evaluated in consultation with the community to determine the levels of service they are prepared to pay for.

Defined Levels of Service (LoS) can then be used to:

- Inform customers of the proposed LoS;
- Develop activity management strategies to deliver LoS;
- Measure performance against defined LoS;
- Identify the costs and benefits of services offered;
- Enable customers to assess customer values as accessibility, quality, safety, and sustainability.

In this context LoS define the quality of delivery for a particular activity or service against which service performance can be measured.

The LoS are included in the LTP with the associated performance measures and the measures targets required for each group of activities. The Annual Report compares the LoS achieved with the performance target for the activity, and gives the reasons for any significant variation between them.

According to the 2016/2017 Annual Report and WRC compliance reports, the following performance results were obtained for levels of service for activities covered in this infrastructure strategy:

**Table 5: Levels of Service Performance 2016/2017**

<b>Activity</b>	<b>Target Achieved</b>	<b>Target Not Achieved</b>
Parks & Facilities	Parks & Facilities customer satisfaction Interments within timeframe	Public toilets customer satisfaction Energy consumption
Solid Waste	% schools received solid waste education	Complaints solved within timeframes
Stormwater	Number of flooding events Compliance with discharge consents	
Transport	Customer request response times Footpaths condition	Number of crashes in local road network % of road network resurfaced
Wastewater	Number of dry weather sewage overflows Overflows or blockages response times Number of customer complaints	Compliance with discharge consents (note no formal enforcement actions were undertaken)
Water	Water Standards compliance Service interruptions response times	Number of water quality related complaints Water consumption per person Real water losses

The AMPs consider actions required to address gaps in LoS and these are summarised in Section 6 of this infrastructure strategy for each activity. Levels of service have not been consulted on in the last 3 years except for Wastewater which was consulted on as part of the 2017/18 Annual Plan process..

### **Proposed change in Wastewater LoS**

As part of the Wastewater Overflow Continuous Improvement Programme (CIP), Council intends to apply for resource consent from the Waikato Regional Council for unplanned network overflows in the district on a town by town basis..

There are changes proposed to the LoS for the wastewater activity to reduce the number of wastewater dry-weather overflows from <5 per 1000 properties per year to <1 per 1000 properties in sensitive environments and <3 per 1000 properties for non-sensitive environments. This change is in response to community expectations that rivers and harbours should be safe for recreation and food gathering.

### **3.7 Public health & environmental outcomes**

The following describes key public health and environmental issues which affect or may affect the delivery of activities within the Waikato District.

#### **Havelock North Enquiry**

The Havelock North waterborne disease outbreak in 2016 and the investigations undertaken after the event brought up many issues related to the secure provision of drinking water. The Stage 2 Report released in late 2017 listed many recommendations to prevent or reduce the risk of similar events happening again, which could result in new requirements for drinking water suppliers. The



Council may need to accommodate additional requirements into the future planning and operational management of its water supply activity via the next annual plan or LTP. Currently all water supplies have chlorination in operation and Water Safety Plans are being updated to comply with the latest advice from the Ministry of Health.

### **Healthy Rivers – Wai Ora**

Healthy Rivers – Wai Ora (proposed Waikato Regional Plan Change 1) is the response to addressing the complex problem of water quality facing the Waipa and Waikato Rivers. The proposed plan change gives effect to government legislation on the management of fresh water (passed in 2014) and Te Ture Whaimana o Te Awa o Waikato (The Vision and Strategy for the Waikato and Waipa rivers) which was adopted by central government as part of Treaty Settlement legislation. The Regional Council has a legal requirement to give effect to both of these. The proposed plan change has been notified and submissions closed in March 2017. Hearings are expected to be held in 2018. Council has considered changes to consent conditions for wastewater discharges which may arise from this Plan Change in its future planning and operational management of its activities.

Current compliance with treated wastewater discharge consents is also being reviewed and minor improvements to wastewater treatment plants may be required to avoid non-compliances.

### **Low impact design**

Waikato District Council has placed an emphasis on using Low Impact Design (LID) to manage stormwater in subdivisional developments. LID is a land planning, and engineering design approach to manage stormwater runoff as part of green infrastructure. LID emphasises conservation and use of on-site natural features to protect water quality.

Catchment management plans for each town consider LID opportunities and Council includes the required capital programme in the Activity Management Plans.

### **3.8 Resilience in relation to natural hazards**

The Activity Management Plans identify specific risks related to natural hazards and mitigation/control actions. A natural hazard can cause damage to infrastructure assets and affect levels of service. Backup is considered for most critical infrastructure assets to maintain resilience in case of asset failure. Council has increased resilience for the Huntly and Ngaruawahia water networks by providing a pipeline between the towns. Mobile generators are available for wastewater pump stations. Earthquake strengthening is planned for buildings which are earthquake prone.

Localised flooding and slips are hazards to road users and can occur during significant weather events. Staff and contractors monitor known hot spots during weather events and alternative routes are generally available.

Infrastructure activities covered in this Strategy have business continuity plans which set out how the services will be maintained during emergencies.

### **Climate change**

The New Zealand Climate Change Office indicates the Waikato District is likely to become warmer and wetter as a result of climate change with average temperatures increasing as much as 3°C over the next 70-100 years. This could result in longer, drier summers which will put extra demand on the water activity. Additionally, rising sea levels will limit growth along the coastal regions due to

potential flooding and erosion, placing development pressure on inland areas and existing infrastructure. The Activity Management Plans identify specific likely impacts on each activity when replacing or planning new assets.

### Insurance

Waikato District Council insures assets as part of the Local Authorities Shared Services (LASS) group. 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 for events such as fire, storm, earthquakes, flooding, etc.

## 4. Strategic Issues and Significant Decisions

### 4.1 Strategic issues

The strategic issues that impact Council's infrastructure are outlined below:

**Table 6: Waikato District Council's strategic issues**

Strategic issue	Description
Providing infrastructure for growing communities and businesses	Residential growth particularly in the northern part of the district and surrounding Hamilton will result in increased demand for infrastructure. Additional capacity at water/wastewater treatment plants, and new assets such as roads and pipes will be needed to service growth. Providing infrastructure also allows new industries and businesses to locate to Waikato District and supports tourism.
Building liveable communities	Libraries, halls, parks, service centres, and transfer stations are all needed to provide a liveable and sustainable community. Some of our growth areas do not have suitable facilities in place.
Getting around safely	Crash rates in Waikato District are high. Unsealed roads have potential safety issues in areas with flood scouring, unevenness, corners or high use. There are potential safety issues for local roads when the Huntly and Hamilton sections of the Waikato Expressway open.
Looking after our environment	We would like to improve the health of our rivers, beaches and natural areas. WRC is implementing the Healthy Rivers plan change to give effect the Vision and Strategy for the Waikato River. The impacts of development on waterways and natural areas needs to be managed and the quality of discharges to the Waikato River improved over time..
Partnerships	Many projects require working with NZTA, neighbouring TLAs, Watercare, developers or community groups. Joint procurement and/or delivery of projects increasing.
Optimising asset life-cycle management	Understanding our assets better helps us meet customer expectations. Condition and performance monitoring will help us understand when existing assets need to be replaced and move from reactive to planned maintenance

## 4.2 Significant decisions

The Significance and Engagement policy specifies 7.5% of operating budget is one of the factors considered to assess the significance of a decision. The operating budget for 2019 is approximately \$100 million, therefore projects over \$7.5 million are included in the table of significant decisions below. Other projects that have a direct link to Council's vision or strategic issues for the district are also included in the table. Renewal projects are not included unless they are likely to also include a change to LoS.

Table 7: Significant decisions across all activities

Asset/ Network	Issue	Strategic Link	Options	Implications/ Uncertainties /Risks	Expenditure Type			Cost (\$million)	Timing of Decision and Implementation
					Renewal	LoS	Growth		
Water Supply	Pokeno and Tuakau do not have enough reservoir storage or network capacity to cope with expected growth	Providing infrastructure for growing communities and businesses	<ul style="list-style-type: none"> <li>Provide additional reservoirs and upgrade networks (preferred)</li> <li>Restrict growth.</li> </ul>	Growth in Pokeno has been occurring faster than predicted.		✓	✓	\$10.6	Decision 2018 LTP Design/Construction 2021-25
	Te Kauwhata does not have enough treatment plant capacity, reservoir storage or network capacity to cope with expected growth (based on HIF fund)	Providing infrastructure for growing communities and businesses	<ul style="list-style-type: none"> <li>Upgrade water treatment plant, provide additional reservoir storage and upgrade network (preferred)</li> <li>Connect Te Kauwhata to Watercare supply</li> </ul>	Part of the growth in Te Kauwhata is dependent on a private plan change.  Approval of HIF funding detailed business case.		✓	✓	\$19.3	Decision 2018 LTP Design/Construction 2019-21
Wastewater	Te Kauwhata Wastewater Treatment Plant (WWTP) does not have enough capacity for growth and the community do not want treated wastewater discharge to Lake Waikare. (Based on HIF fund)	Providing infrastructure for growing communities and businesses	<ul style="list-style-type: none"> <li>Upgrade Te Kauwhata WWTP and discharge to the Waikato River (preferred)</li> <li>Transfer Te Kauwhata wastewater to Huntly and provide additional treatment plant capacity at Huntly.</li> <li>Upgrade Te Kauwhata WWTP and discharge to Lake Waikare</li> </ul>	Approval of HIF funding detailed business case. Until the new WWTP is commissioned, the existing Te Kauwhata WWTP will need to cope with additional flow and loads, with potential non-compliance with consent requirements and environmental effects.  Resource consent will be required for a continued discharge to Lake Waikare after 2028 or an alternative discharge to the Waikato River.		✓	✓	\$44.9	Decision 2018 LTP Design/Construction 2019-21
	The resource consent for the discharge of treated wastewater from the Raglan WWTP expires in 2020 and more stringent environmental outcomes are expected to be required.	Looking after our environment	<ul style="list-style-type: none"> <li>Relocate the treated wastewater discharge from the harbour to an ocean outfall (preferred).</li> <li>Upgrade the wastewater treatment plant and discharge higher quality treated wastewater into the harbour.</li> </ul>	The requirements of new consent are unknown.  Technology is changing so new processes may be available to improve effluent quality.  The community may not support continued discharge to the harbour or ocean.		✓		\$15.6	Decision 2021 LTP Design/Construction 2023-24

Asset/ Network	Issue	Strategic Link	Options	Implications/ Uncertainties /Risks	Expenditure Type			Cost (\$million)	Timing of Decision and Implementation
					Renewal	LoS	Growth		
	Meremere WWTP resource consent expires in 2018, more stringent environmental outcomes are expected	Looking after our environment	<ul style="list-style-type: none"> <li>Pump Meremere WW to Pokeno for eventual discharge to the Watercare network (preferred)</li> <li>Upgrade the Meremere WWTP and continue discharge to the Waikato River.</li> </ul>	Current WWTP is non-compliant with resource consent conditions at times so may be difficult to renew consent for a short period. Some minor improvements are planned to optimise plant until new pipeline is in place. The route for the new pipeline to Pokeno runs alongside state highway 1 which could result in increased requirements and costs.		✓		\$2.3	Decision 2018 LTP Design/Construction 2020-21
	Operating the small Te Kowhai and Matangi Wastewater Treatment Plants is costly and higher density growth is possible in these areas in future.	Partnerships	<ul style="list-style-type: none"> <li>Pump Te Kowhai and Matangi Wastewater to the Hamilton network (preferred).</li> <li>Upgrade the wastewater treatment plants and expand land disposal area when needed.</li> </ul>	The capacity of the Hamilton wastewater network is unknown. The distances involved may make the wastewater septic producing odour and damaging pipes.		✓	✓	\$12.5	Decision 2027 LTP Design/Construction 2029-33
	Ngaruawahia and Huntly WWTP resource consents expire in 2029, more stringent environmental outcomes are expected	Looking after our environment	<ul style="list-style-type: none"> <li>Treat Ngaruawahia and Huntly wastewater in a combined new WWTP to improve effluent quality (preferred).</li> <li>Upgrade the Ngaruawahia and Huntly WWTPs to improve effluent quality.</li> </ul>	The requirements of new consent are unknown and may depend on improvements made at other discharges. Technology is changing so new processes may be available to improve effluent quality.		✓	✓	\$60.5	Decision 2027 LTP Design/Construction 2029-33
Stormwater drainage	Catchment management plans identify deficiencies in current networks, growth impacts and where improvements are needed	Looking after our environment	<ul style="list-style-type: none"> <li>Carry out programme of stormwater improvements to mitigate flooding and environmental effects in existing networks (preferred).</li> <li>Do nothing.</li> </ul>	Models are under development for some areas which will confirm requirements. Accurate asset and topographical information is needed for models. Climate change predictions may change.		✓		\$11.5	Decision 2018 LTP Design/Construction 2019-2028
Roads and footpaths	Growth in Te Kauwhata will increase demand in the network and result in issues with safety and congestion (some projects from HIF Funds)	Providing infrastructure for growing communities and businesses	<ul style="list-style-type: none"> <li>Implement road network improvements and walkway/cycleway projects identified in North Waikato Growth Business Case (preferred).</li> <li>Restrict growth.</li> </ul>	Increased accidents if upgrades not implemented.  Approval of HIF funding detailed business case.		✓	✓	\$11.1	Decision 2018 LTP Design/Construction 2021-2028

Asset/ Network	Issue	Strategic Link	Options	Implications/ Uncertainties /Risks	Expenditure Type			Cost (\$million)	Timing of Decision and Implementation
					Renewal	LoS	Growth		
	The Wainui Walkway and Bridge in Raglan is nearing the end of its useful life and requires replacement. The bridge is one lane which results in delays at peak times	Getting around safely	<ul style="list-style-type: none"> <li>Replace Wainui Bridge with 2 lane bridge (preferred).</li> <li>Replace Wainui Bridge with 1 lane bridge.</li> </ul>	Unexpected development in Raglan and increasing visitor numbers could increase safety issues or delays at peak times..	✓	✓		\$7.6	Decision 2021 LTP Design/Construction 2023-26
	Commuter traffic from Pokeno contributes towards congestion, limited public transport options are available	Building liveable communities Partnerships	<ul style="list-style-type: none"> <li>Provide a Park-n-Ride facility in Pokeno (preferred).</li> <li>Investigate other public transport options such as rail</li> </ul>	Growth could occur faster or slower than predicted		✓		\$13.6	Decision 2042 LTP Design/Construction 2044-48
	Traffic volumes between Pokeno and Tuakau are expected to increase significantly resulting in safety issues and congestion.	Providing infrastructure for growing communities and businesses. Getting around safely	<ul style="list-style-type: none"> <li>Upgrade routes between Tuakau and Pokeno (preferred)</li> <li>Restrict growth</li> </ul>	Growth could occur faster or slower than predicted.		✓	✓	\$22.5	Decision 2027 LTP Design/Construction 2029-38
	Tuakau Bridge has limited capacity	Providing infrastructure for growing communities and businesses.	<ul style="list-style-type: none"> <li>Upgrade Tuakau Bridge to take increased traffic loads (preferred).</li> <li>Restrict growth</li> </ul>	Growth could occur faster or slower than predicted	✓	✓	✓	\$39.6	Decision 2039 LTP Design/Construction 2039-43
<b>Solid Waste</b>	North Waikato area does not have access to a resource recovery centre to divert waste from landfill	Building liveable communities	<ul style="list-style-type: none"> <li>Provide new resource recovery centre in Tuakau or Pokeno (preferred)</li> <li>Upgrade Te Kauwhata transfer station to service the North Waikato Area</li> <li>Work with Auckland Council or private enterprise to ensure suitable facilities are available in Pukekohe.</li> </ul>	Sites for resource recovery centres may need resource consents. Potential for community partner involvement.		✓		\$3.1	Decision 2024 LTP Design/Construction 2024-26
<b>Parks</b>	Condition assessment of Parks assets has found more assets are in poor condition than expected and many need replacing to meet levels of service	Optimising asset life-cycle management	<ul style="list-style-type: none"> <li>Increase expenditure on renewals (preferred)</li> <li>Maintain existing renewals expenditure</li> </ul>	Assets which are not up to suitable safety standards present risks to public health and safety.	✓			\$20.5	Decision 2018 LTP Implementation 2019-28
<b>Property and Facilities</b>	Pokeno community does not have a library facility/service centre	Building liveable communities	<ul style="list-style-type: none"> <li>Provide new library and service centre (preferred).</li> <li>Require Pokeno residents to travel to Tuakau.</li> </ul>	Changing demand for library services and digital technology.		✓		\$3.1	Decision 2018 LTP Design/Construction 2019-22

### 4.3 Major projects

The location of major capital projects is shown below.

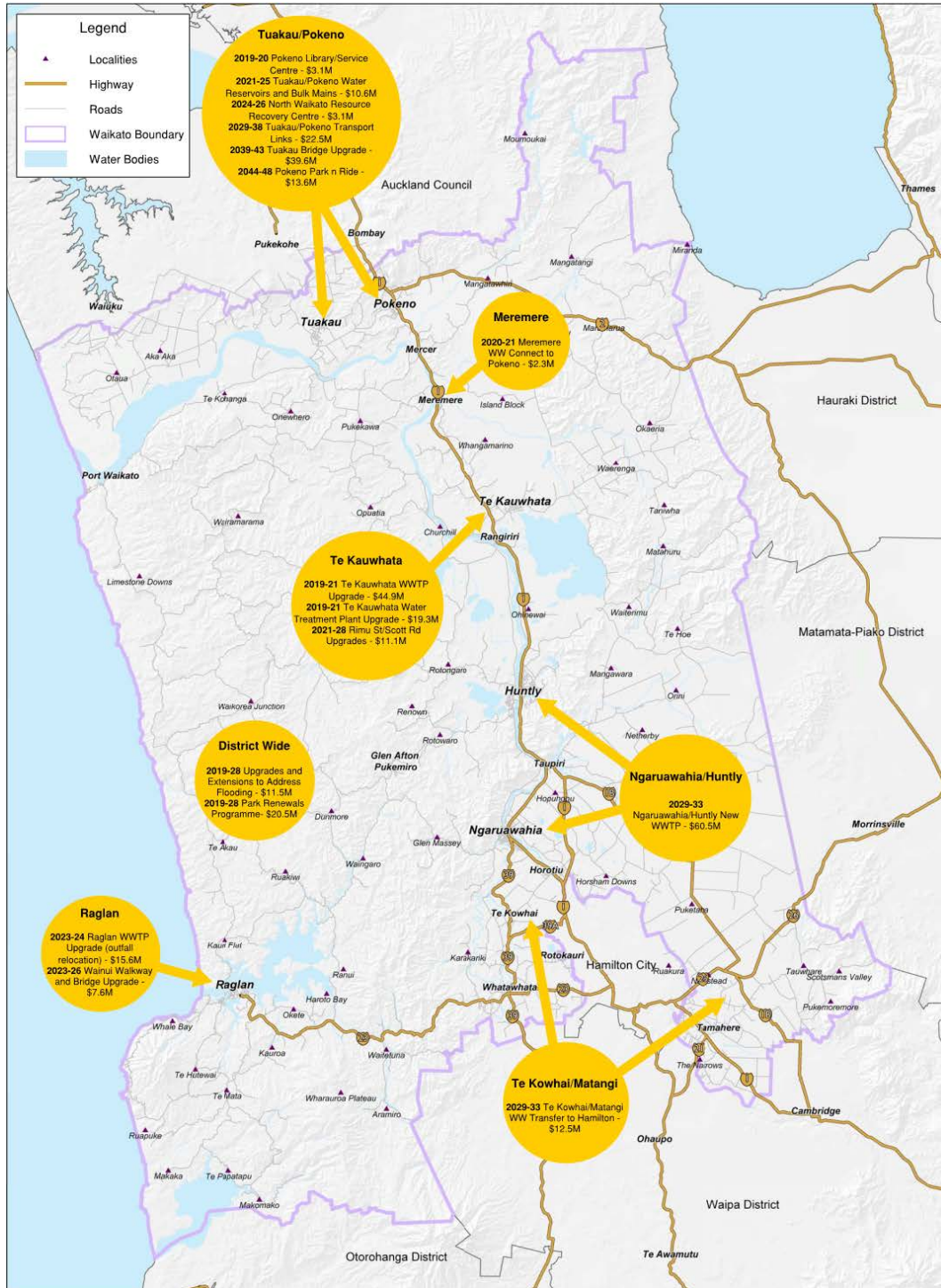


Figure 5: Location of major infrastructure projects 2018-2048

#### 4.4 Assumptions and risks

The LTP document and AMPs provide information on significant forecasting assumptions. The key assumptions that relate to the activities covered in this infrastructure strategy are outlined below.

Table 8: Key Forecasting Assumptions

Forecasting Assumption	Level of Uncertainty	Implications
No future legislation changes	Medium	Legislation changes relating to drinking water (e.g. Health Act) may occur due to the recommendations of the Havelock North enquiry. This may increase operational costs. Changes to the Resource Management Act could increase the cost of infrastructure construction projects.
Local Government Structure does not change	Low	Shared service and other joint arrangements may be affected resulting in increased operational costs.
Changing Weather patterns will not cause flooding or water shortages	Medium	Difficulty meeting levels of service for water supply and stormwater.
Development occurs in areas zoned in District Plan	Low	Development outside planned areas would be more expensive to service and could use up capacity provided for other developments.
Growth rates are medium as per NIDEA forecast	Low	Slower growth could result in excess infrastructure capacity and delays recovering infrastructure costs via development contributions. Faster growth could result in difficulty meeting levels of service.
Waikato and Waipa River Co-Management Arrangements do not change	High	The 5 yearly review could result in additional staff time to implement recommendations.
Useful Lives will not change	Medium	Insufficient budgets are available for renewals or renewals are undertaken prior to the end of asset life.
Waste Levy and NZTA subsidies will remain the same	Medium	Should Council not receive the level of income predicted, expenditure in these areas may need to be reduced
No changes in customer expectations for levels of service	Medium	If levels of service are significantly altered this could impact on operating and capital budgets
Natural Disaster/Emergency events can be funded out of normal budgetary provisions	Low	The scale and nature of the event will determine the effect on Council's financial position



## 5. Most Likely Scenario

### 5.1 Expenditure summary

The preferred decisions outlined in Section 4 have been modelled to prepare the most likely scenario for the next 30 years. Expenditure is anticipated to be spread across the activity areas as outlined in the table below. The term ‘3 waters’ means the activities of water supply, wastewater and stormwater.

Table 9: 30 year capital and operational expenditure

Infrastructure Activity	Operational Expenditure	Capital Expenditure
	2018/19 to 2047/48 (\$ million)	2018/19 to 2047/48 (\$ million)
3 Waters	\$1,609	\$370
Parks	\$851	\$103
Property/facilities and Libraries	\$1,062	\$116
Roads and footpaths	\$2,300	\$1,011
Solid waste	\$346	\$8
<b>TOTAL</b>	<b>\$6,169</b>	<b>\$1,609</b>

The figure below shows the expected overall operational expenditure for the infrastructure services from 2018 to 2048, by activity.

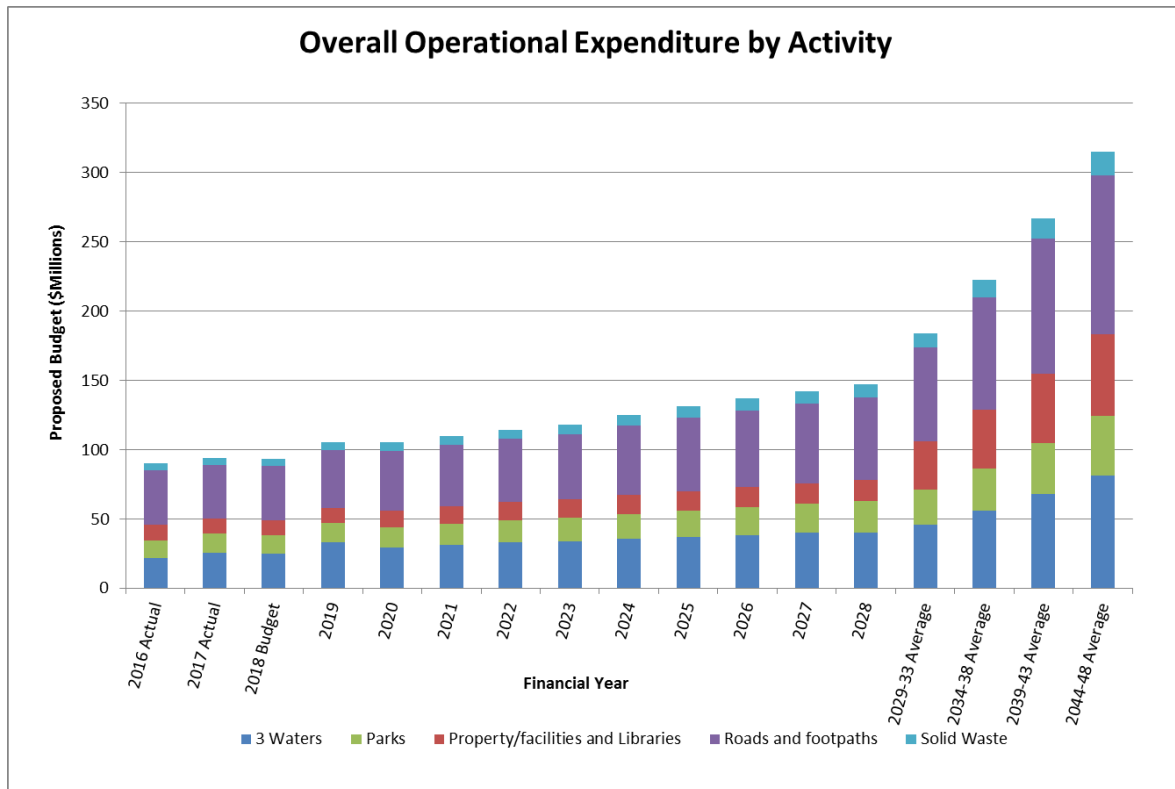


Figure 6: Overall forecast operational expenditure 2018/2048

Operational costs increase due to the impact of increasing number of assets and inflation. Growth is expected to result in increased costs such as electricity, chemical costs, maintenance activities and staff costs. The consequential operational costs or savings for capital projects are estimated and included the in forecast.

The following figure shows the expected overall capital expenditure for the infrastructure services from 2018 to 2048, by activity.

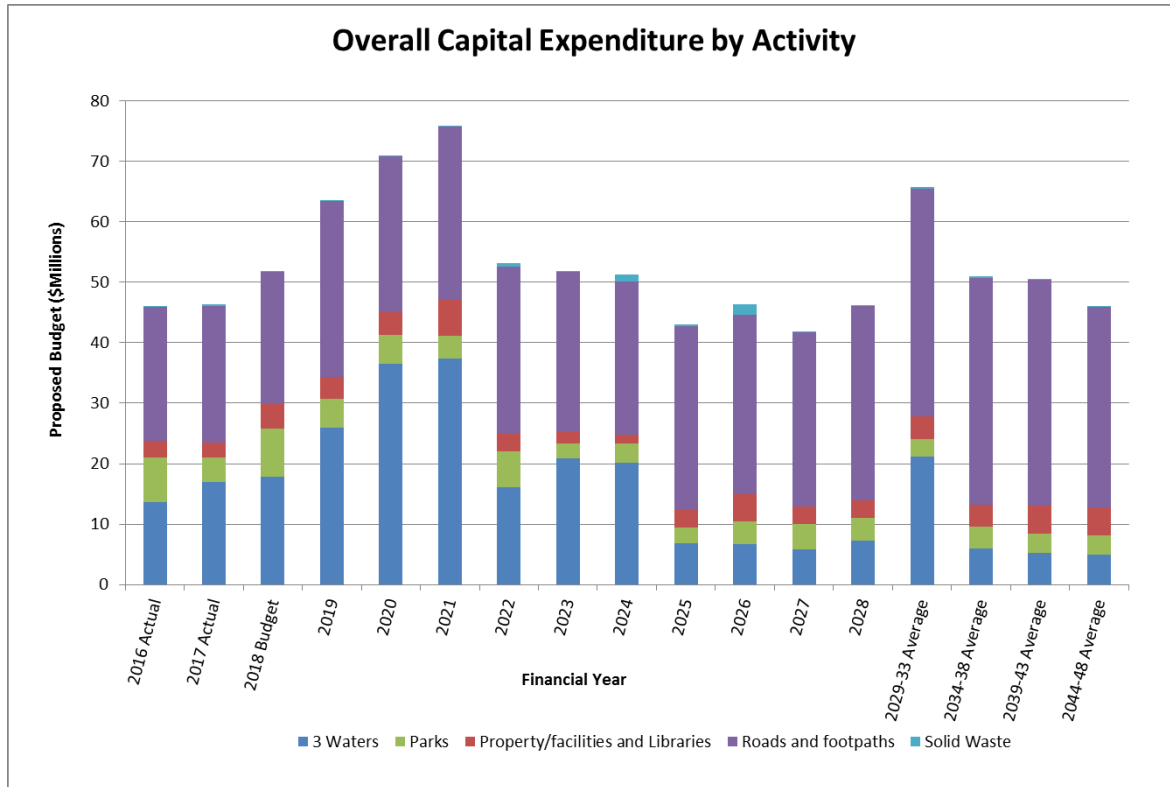


Figure 7: Overall forecast capital expenditure 2018/2048

Section 6 outlines the key capital projects that make up the overall forecast. The peak in expenditure in the first 3 years of the infrastructure strategy is related to the requirement to provide infrastructure in advance of expected development in Te Kauwhata and Pokeno. After 2029 further work is expected to improve wastewater discharges in Huntly and Ngaruawahia and Roads expenditure increases to avoid impacts of growth on congestion and safety in Pokeno and Tuakau.

### 5.2 Links to financial strategy

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.

The HIF also provides benefits to Council ratepayers by reducing interest payments. The driver for capital expenditure is categorised into growth, levels of service or renewal so that growth related expenditure can be recovered by development contributions over time.

## 6. Key Infrastructure Activities

### 6.1 Water supply

The water supply activity applies to all drinking water supplies owned and managed by Council. Our levels of service for water supply are:

- 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.

These levels of service are generally met, however, water models have shown some parts of the water network are not able to meet the fire code flow requirements. Average water use per person is expected to reduce once metering has been in place for a few years and bulk metering and leak detection are used to reduce water loss.

As outlined in the Consultation Document, Council is proposing to establish a Council-appointed Waters Governance Board, including Waikato-Tainui representation.. The Board would control all the 3 waters operations and service delivery, but the Council would retain ownership of the infrastructure and would continue to provide the background corporate support required. Watercare Services Ltd would provide waters management services under a contract for supply

While not offering the level of independence of a separate asset-owning company, this option provides the service delivery and commercial benefits as well as being simpler and cheaper to establish, removes the risk of creating a tax liability and allows the Council to continue to collect development contributions for waters services, to recover costs through targeted rates and offer rates rebates options for low-income ratepayers.

Levels of service will be maintained as presently agreed, but it may offer an opportunity to raise levels of service in the future. Savings are forecast to total at least \$28.3 million over 10 years and these savings have been included in this infrastructure strategy.

#### *Activity summary*

The water supply activity is made up of:

- 759km pipes
- 12 pump stations
- 28 reservoirs
- 7 treatment plants

#### *Financial projections*

The figures below outline the expected operational and capital requirements for water supply for the next 30 years.

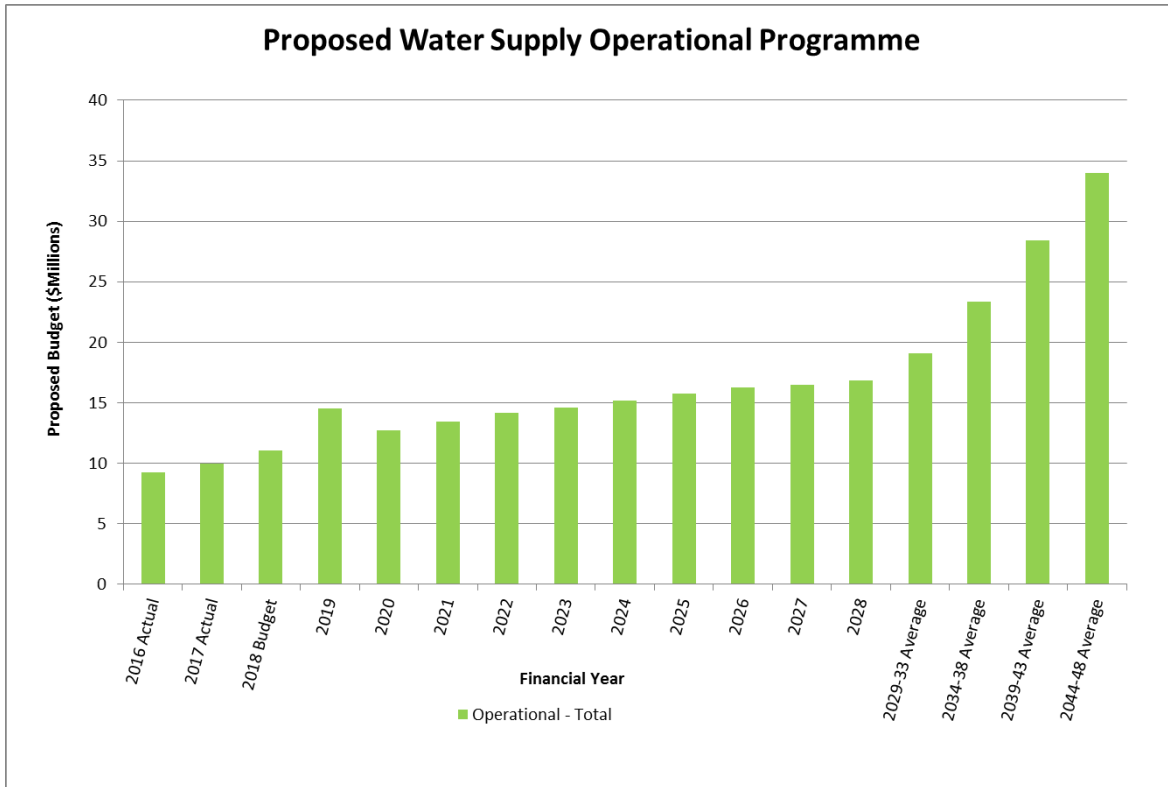


Figure 8: Planned water supply operational expenditure

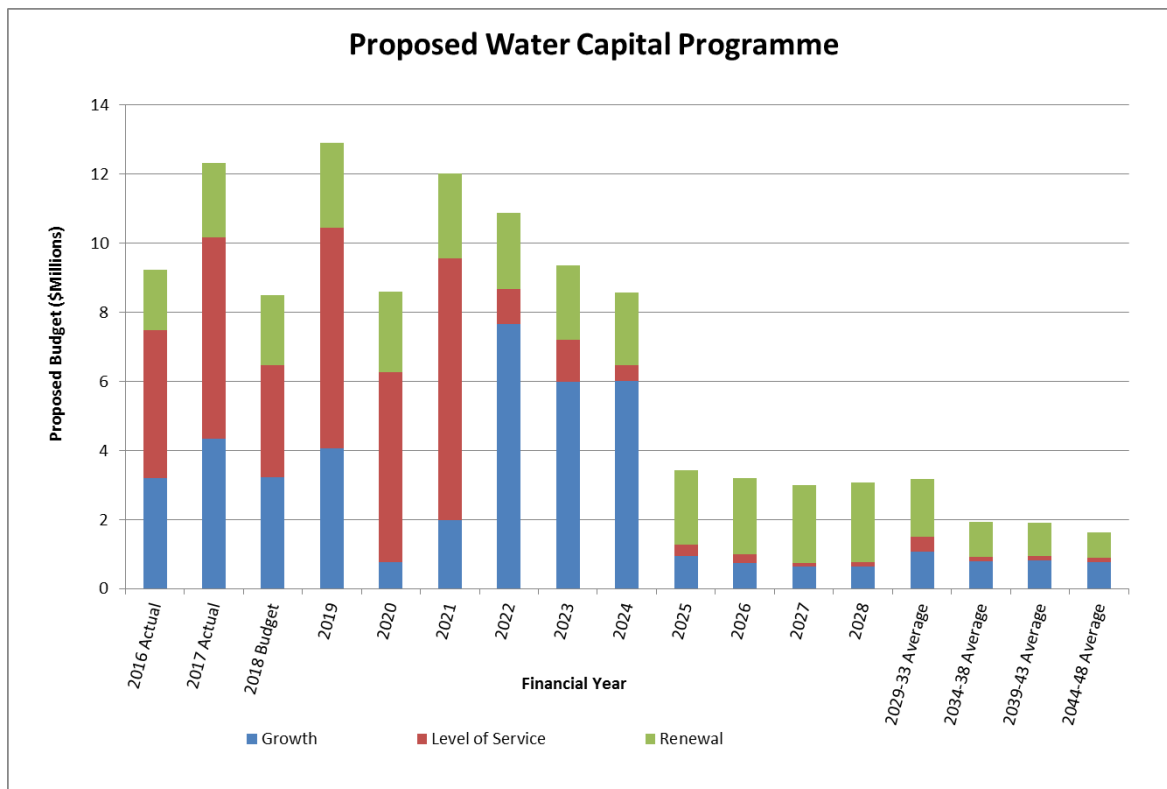


Figure 9: Planned water supply capital expenditure

Growth and Level of Service expenditure in the first 6 years of the LTP is higher due to the requirement to upgrade the Mid-Waikato water treatment plant and provide reservoirs and bulk mains for Pokeno, Tuakau and Te Kauwhata and Southern Districts. An additional bulk water main for Raglan is planned in 2019 to improve resilience. Providing at least 24 hours storage in the reservoirs provides resilience in case of mains failure or loss of supply. Over the first 10 years of the LTP it is planned to replace AC water mains that are nearing the end of their useful lives and have a higher likelihood of bursting.

## 6.2 Wastewater

The wastewater activity involves the collection, treatment and disposal from urban areas across the district. Our levels of service for wastewater are:

- 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

There are changes proposed to the performance measure for wastewater to reduce the number of dry-weather overflows from less than 5 per 1000 properties to less than 1 per 1000 properties in sensitive environments and less than 3 per 1000 properties for non-sensitive environments within 10 years. Actions are also underway to address non-compliances of wastewater treatment plants with consent conditions.

It is proposed the wastewater activity would be delivered by the Waters Governance Board as outlined in section 6.1.

**Activity summary**

The wastewater activity is made up of:

- 297 km pipes
- 83 pump stations
- 9 treatment plants
- 10 schemes

Wastewater from Pokeno and Tuakau is discharged to the Watercare network.

**Financial projections**

The figures below outline the expected operational and capital requirements for wastewater for the next 30 years.



Figure 10: Planned wastewater operational expenditure 30 year projection

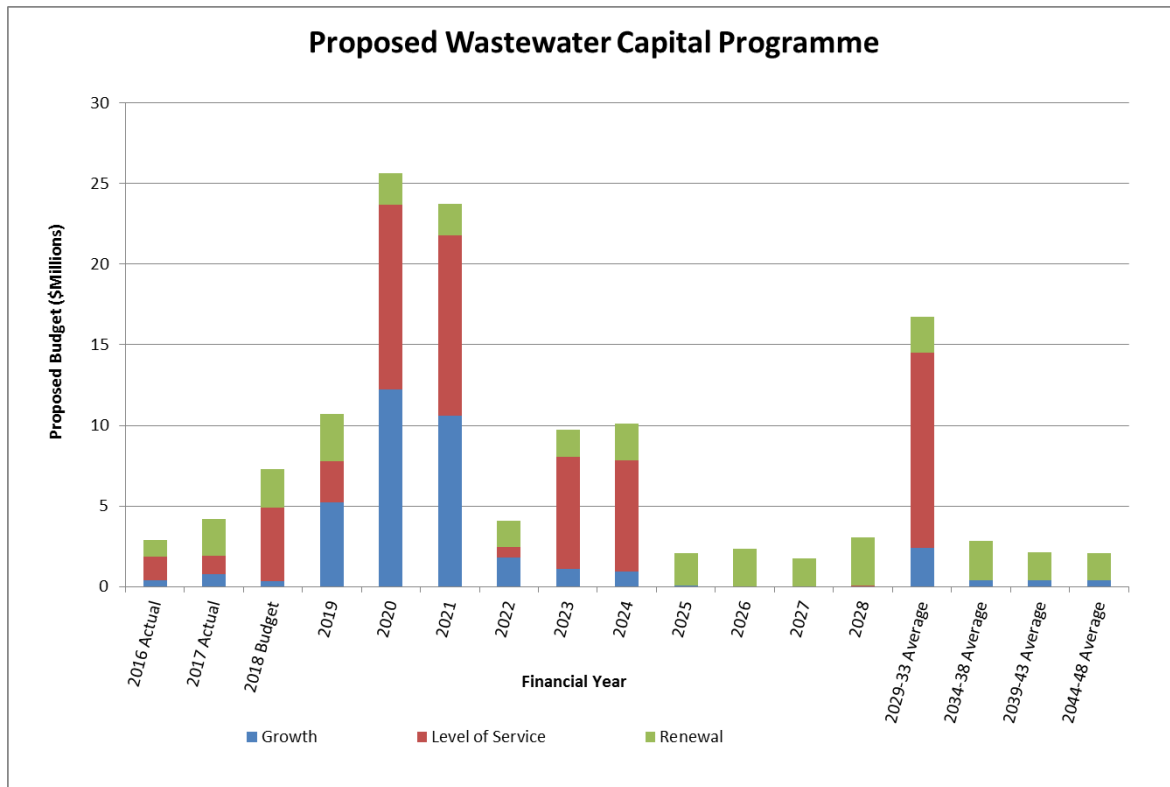


Figure 11: Planned wastewater capital expenditure 30 year projection

Providing wastewater treatment plant capacity and upgrading pump stations is required ahead of growth in Te Kauwhata, Horotiu and Pokeno resulting in higher expenditure for the first 3 years of the LTP. An alternative discharge location is expected to be needed for Raglan treated wastewater around 2023-24 which would be implemented following the renewal of the resource consent. Continued expenditure on network renewals will be targeted at areas where poor pipe condition is contributing to issues such as overflows. Expenditure between 2029-2033 relates to upgrading of the Ngaruawahia and Huntly wastewater treatment plants following the resource consent renewal and further growth related upgrades in Pokeno,

### 6.3 Stormwater drainage

The stormwater activity applies to urban stormwater schemes and Council maintained open drains and associated assets. Our levels of service for stormwater are:

- The stormwater system 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

Catchment management plans for each network identify where there are gaps in meeting these levels of service and what is needed to address this.



It is proposed the stormwater activity would be delivered by the Waters Governance Board as outlined in section 6.1.

**Activity summary**

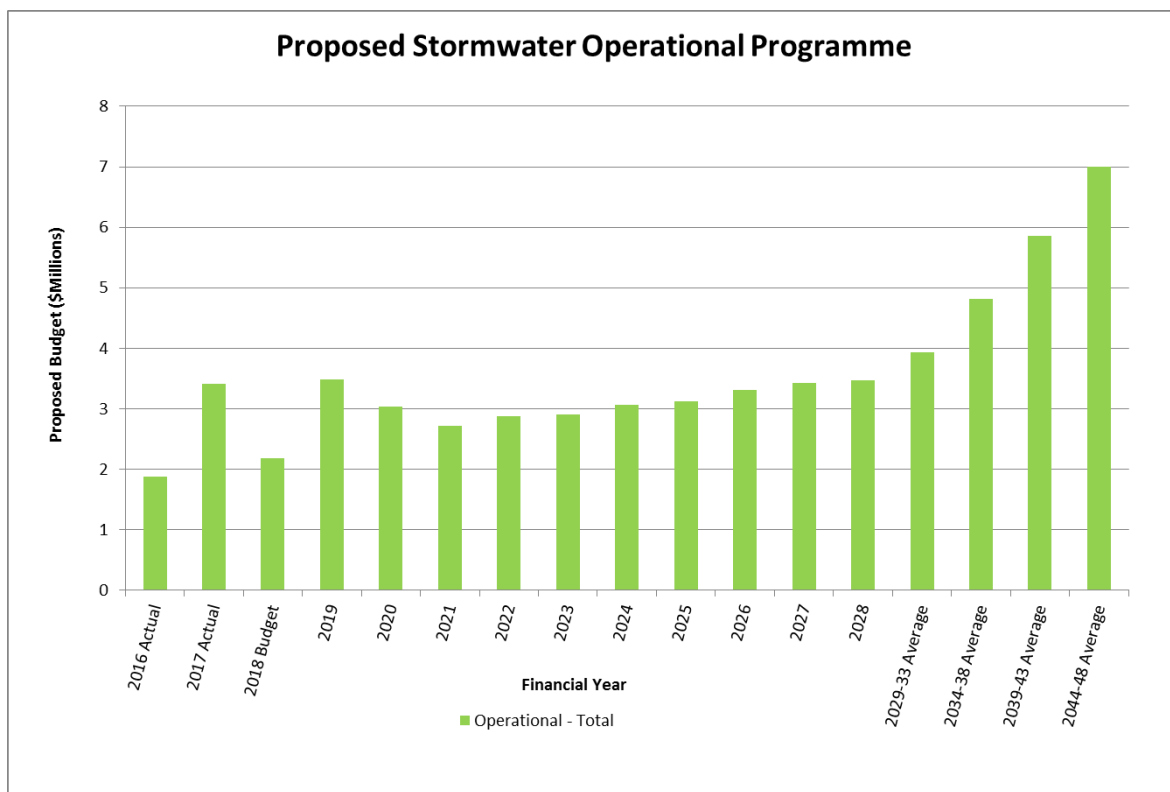
The stormwater activity is made up of:

- 129km pipes
- 13km maintained open drains
- 10 ponds

This activity is managed in conjunction with the Transportation (Roading) activity and the Waikato Regional Council.

**Financial projections**

The figures below outline the expected operational and capital requirements for the stormwater activity for the next 30 years.



**Figure 12: Planned stormwater operational expenditure 30 year projection**

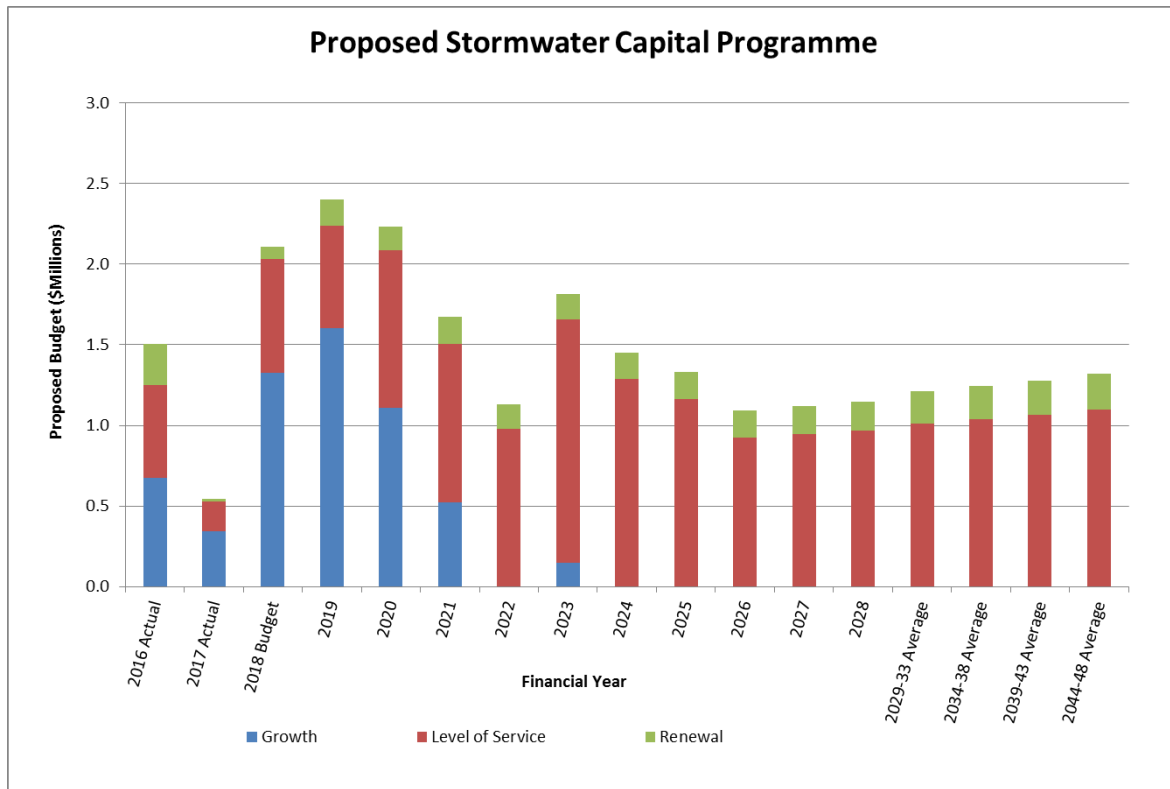


Figure 13: Planned stormwater capital expenditure 30 year projection

The growth related stormwater expenditure in the first 3 years of the LTP is focussed in Pokeno to address impacts of development on the local streams. Works will be undertaken each year to mitigate flooding impacts and stormwater quality effects where feasible to meet levels of service.

### 6.4 Roads and footpaths

The roads and footpaths activity applies to all roads and transport network managed by Waikato District Council. Council also has the responsibility as the road controlling authority to promote safe use of the roading network throughout the district. Our levels of service for roads and footpaths are:

- 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.

#### Activity summary

The roads and footpaths activity is made up of:

- 1,812km sealed roads, 608km unsealed roads

- 198km footpaths, cycleways and walkways
- 203km of culverts and 232 bridges
- 3,787 street lights
- 109 bus shelters

This activity is delivered as part of the Waikato District Alliance (joint venture between the Council and Downer NZ) and is partially funded by the NZ Transport Agency. No changes are planned to how the activity is delivered.

**Financial projections**

The figures below outline the expected operational and capital requirements for the Roads and footpaths activity for the next 30 years.

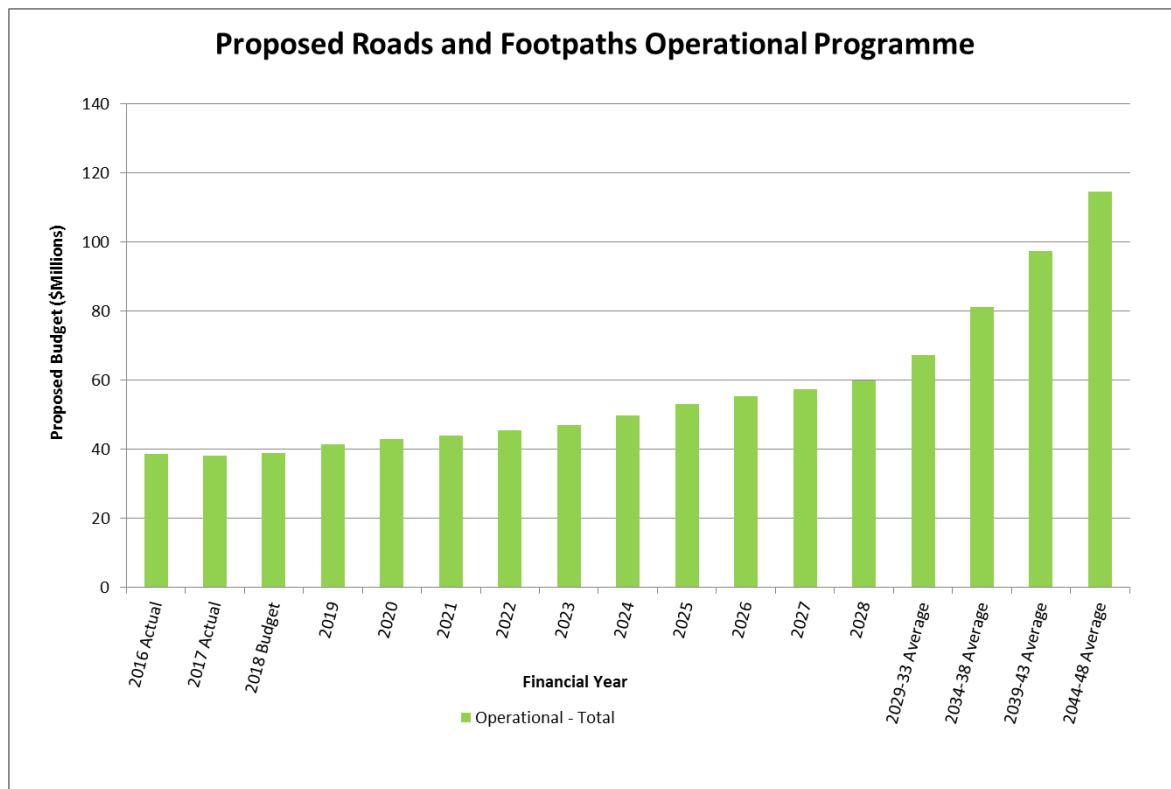


Figure 14: Planned roads and footpaths operational expenditure 30 year projection

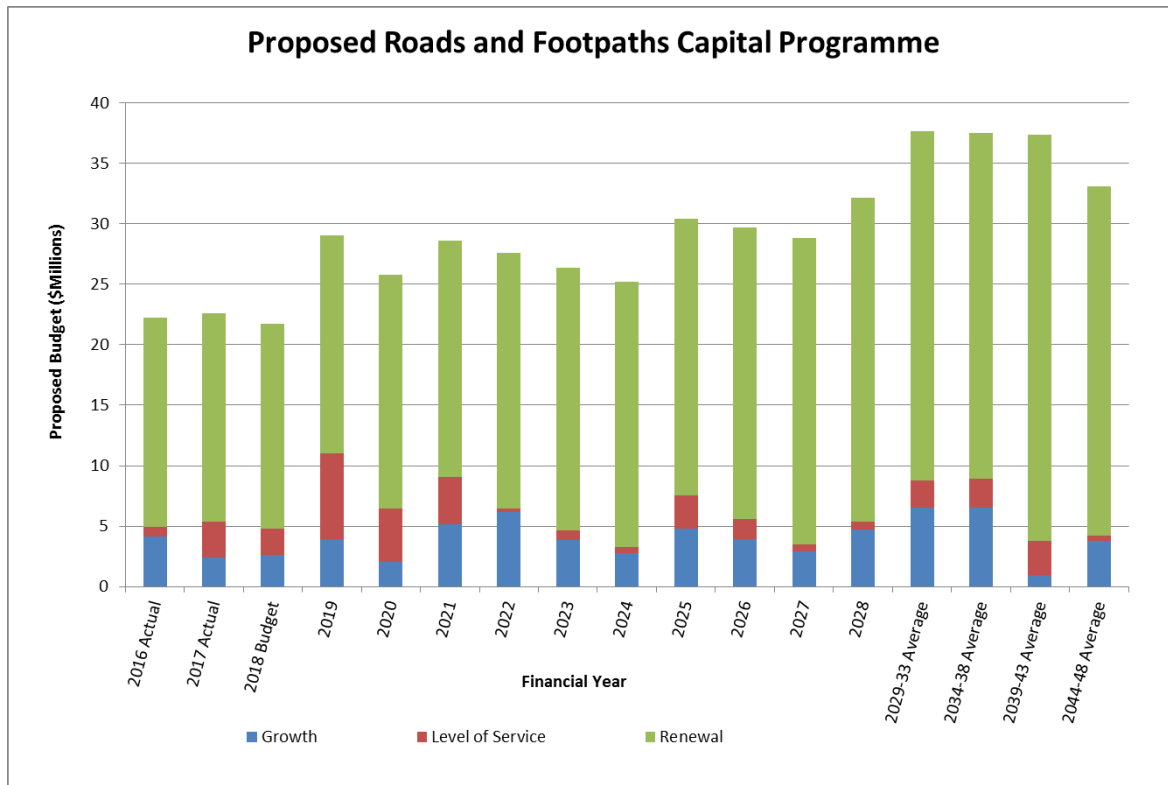


Figure 15: Planned roads and footpaths capital expenditure 30 year projection

A programme business case approach has been developed to optimise renewals and maintenance expenditure for the roading activity. Growth and level of service projects are provided for Te Kauwhata and Pokeno/Tuakau links to address safety and congestion issues. Bridges, including Wainui Bridge in Raglan and Tuakau bridge will require replacement. The final section of the Te Awa cycleway will be constructed between Hamilton and Cambridge. When the Waikato Expressway Huntly and Hamilton sections are completed, the amount of local road Council will need to maintain will increase, resulting in increased renewal and maintenance costs.

### 6.5 Solid waste

The solid waste activity applies to all reuse and recycling collection, processing and disposal services provided by Council. Our levels of service for solid waste are:

- Information on Council’s waste and recycling services is available to communities
- Refuse and recycling services are convenient, reliable and efficient.

This activity is delivered under various contracts. No changes are planned to how the activity is delivered.

#### Activity summary

The solid waste activity is made up of:

- Kerbside rubbish and recycling collection contract for 20,500 properties
- Education programmes for schools and early childhood centres
- 2 transfer stations
- 1 resource recovery centre
- Food waste collection and composting in Raglan
- 2 drop-off centres
- 8 closed landfills

Council's Waste Management and Minimisation Plan has a vision of working towards zero waste.

**Financial projections**

The figures below outline the expected operational and capital requirements for solid waste for the next 30 years.

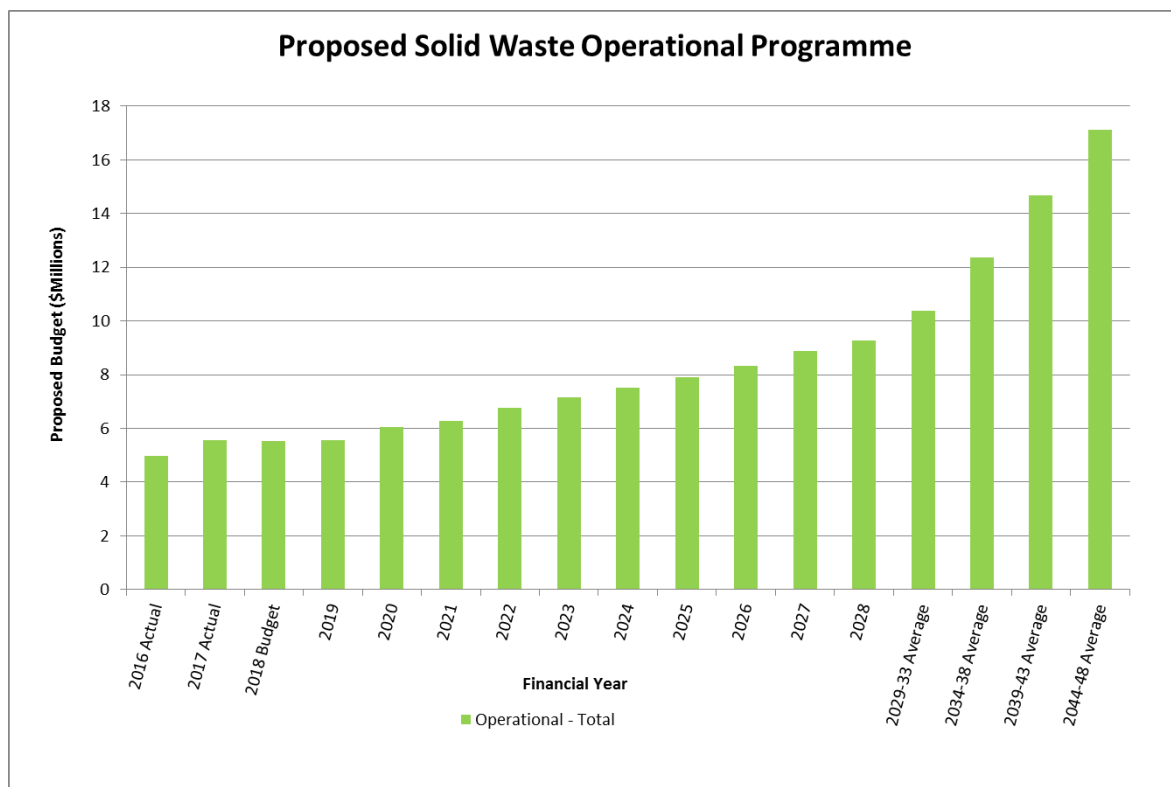


Figure 16: Planned solid waste operational expenditure 30 year projection

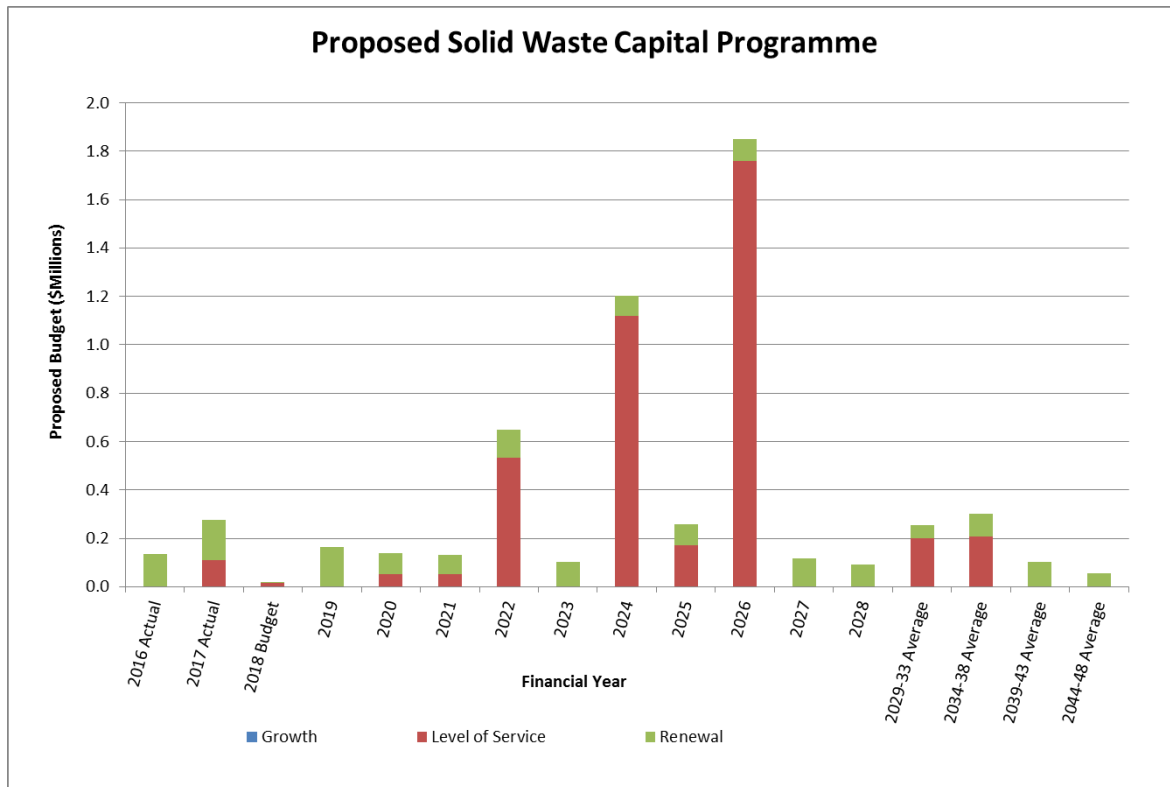


Figure 17: Planned solid waste capital expenditure 30 year projection

Changes to the Huntly transfer station are proposed in 2022 to improve the recovery to materials and reduce volume going to landfill. A new northern transfers station is planned for development in 2024-2026 to provide a more convenient service for this community and provide enhanced resource recovery. Food collection and composting will be considered from 2028 onwards,

### 6.6 Parks

The parks activity applies to all parks (including public toilets and cemeteries) assets and services managed by Waikato District Council. Our levels of service for parks are:

- Parks are safe, appropriate and well maintained;
- Local cemeteries provide the community with a pleasant environment which takes account of the cultural and religious needs of the community;
- A diverse range of play opportunities are provided to the community;
- Public toilets are accessible, clean and fit for purpose; and
- Council owned natural areas are maintained and planted where appropriate.

This activity is delivered under various contracts. No changes are planned to how the activity is delivered.

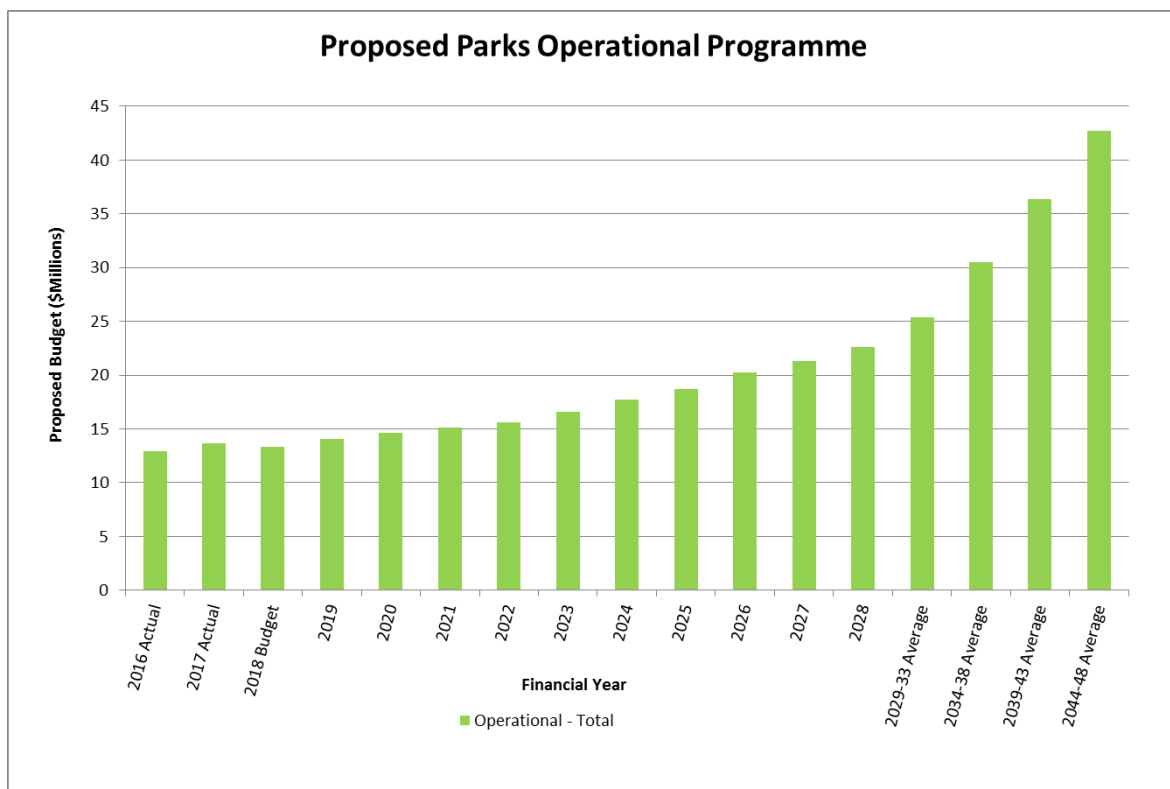
#### Activity summary

The parks activity is made up of:

- 250 ha of sports and recreation
- 52 ha neighbourhood parks
- 7 ha Public garden
- 1,098 ha Natural reserves
- 64 ha of cultural heritage sites
- 213 ha of outdoor adventure reserves
- 13 ha of civic space
- 300 ha of recreation and ecological linkages
- 19 cemeteries
- 51 playgrounds
- 2 camp grounds
- 51 public toilets
- 26 boat ramps
- 2015 street trees

**Financial projections**

The figures below outline the expected operational and capital requirements for parks for the next 30 years.



**Figure 18: Planned parks operational expenditure 30 year projection**

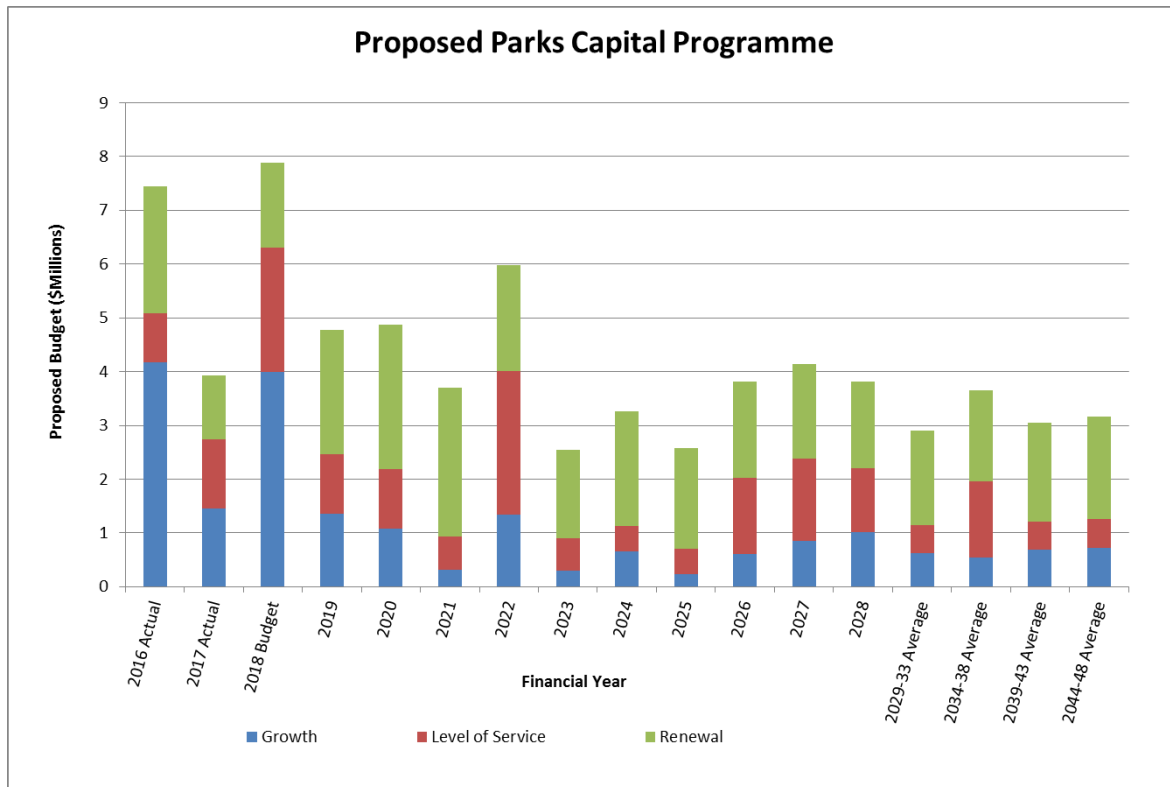


Figure 19: Planned parks capital expenditure 30 year projection

Renewal expenditure for parks and reserves has increased due to condition surveys finding that many of the assets were in poor condition. New or upgraded playgrounds, walkways, boat ramps and skateparks are planned to provide suitable recreation spaces throughout the district. Whangarata cemetery will be developed in Tuakau.

### 6.7 Properties and facilities

The properties and facilities activity applies to all halls, swimming pools, elderly housing, harbour facilities and general properties managed by Waikato District Council.

Our level of service for properties and facilities is to ensure Council provides safe, accessible and well maintained community and leisure facilities, public toilets and general properties which contribute to the community’s lifelong learning, recreational, economic and cultural needs.

This activity is delivered under various contracts. No changes are planned to how the activity is delivered.

#### Activity summary

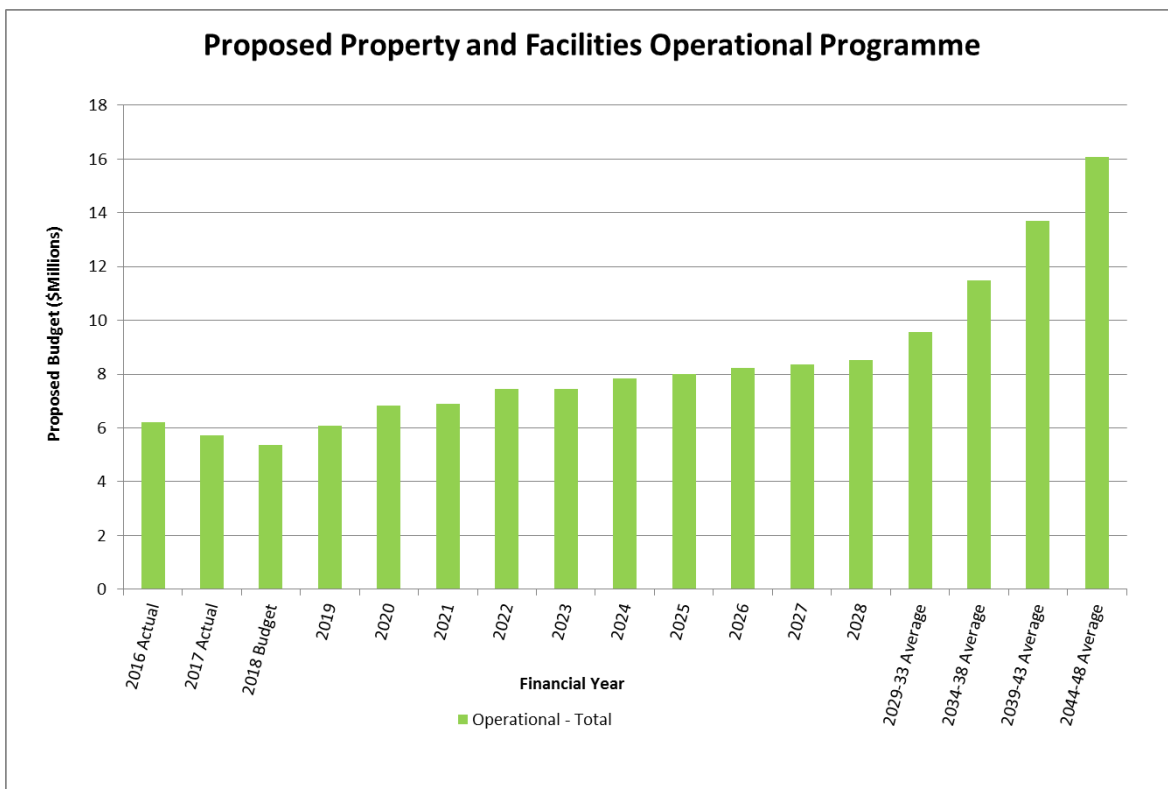
The properties and facilities activity is made up of:



- 35 community/town halls
- 29 general property
- 5 corporate properties
- 4 Housing for the Elderly
- 3 pool complexes
- Raglan Harbour assets

**Financial projections**

The figures below outline the expected operational and capital requirements for properties and facilities for the next 30 years.



**Figure 20: Planned properties and facilities operational expenditure 30 year projection**

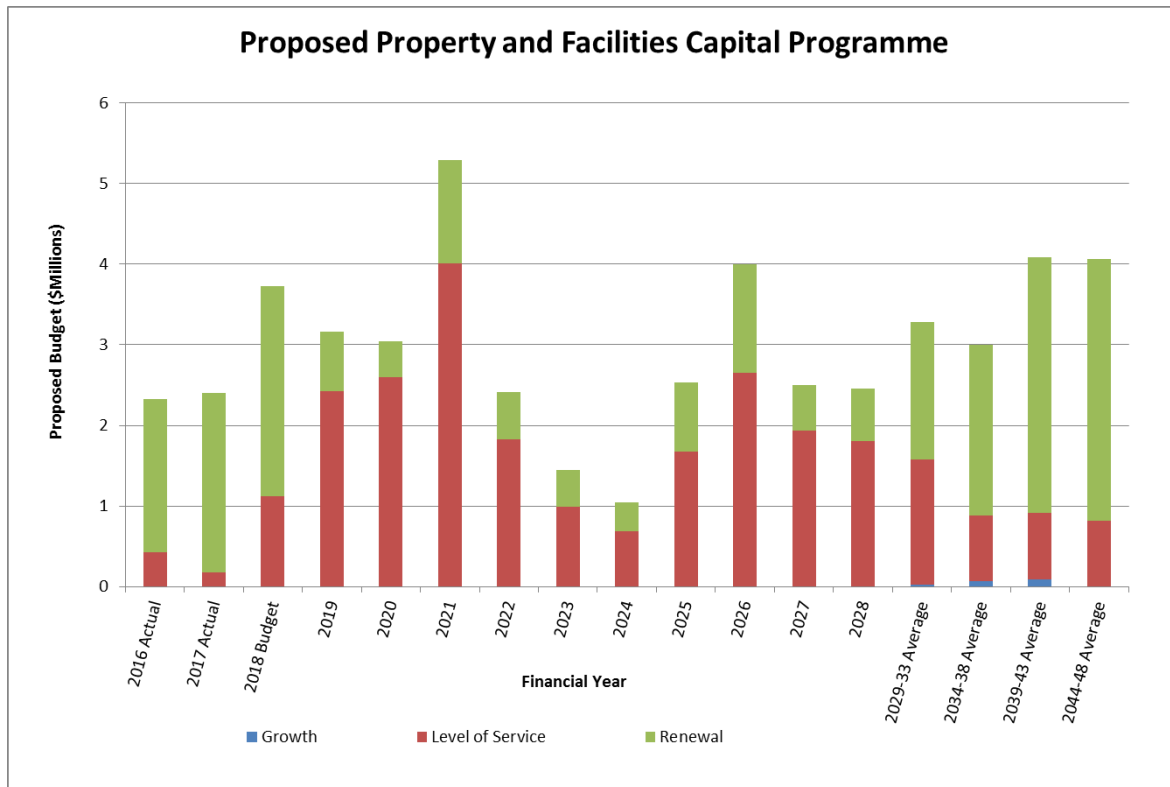


Figure 21: Planned properties and facilities capital expenditure 30 year projection

A new library and service centre is planned for Pokeno in 2021-22. Other libraries and community centres require upgrades to meet levels of service. A dog pound is planned for Tuakau in 2020 to allow Council to meet levels of service. Increased renewals are expected from 2029 onwards reflecting the age and condition of many of the buildings.

### 6.8 Libraries

The libraries activity applies to all six libraries that are owned and managed by Council. Our level of service is that library facilities 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.

There are two changes planned for the libraries activity performance measures:

- Removal of a requirement for a set percentage of books that are less than 5 years old
- inclusion of an access to programmes delivered goal

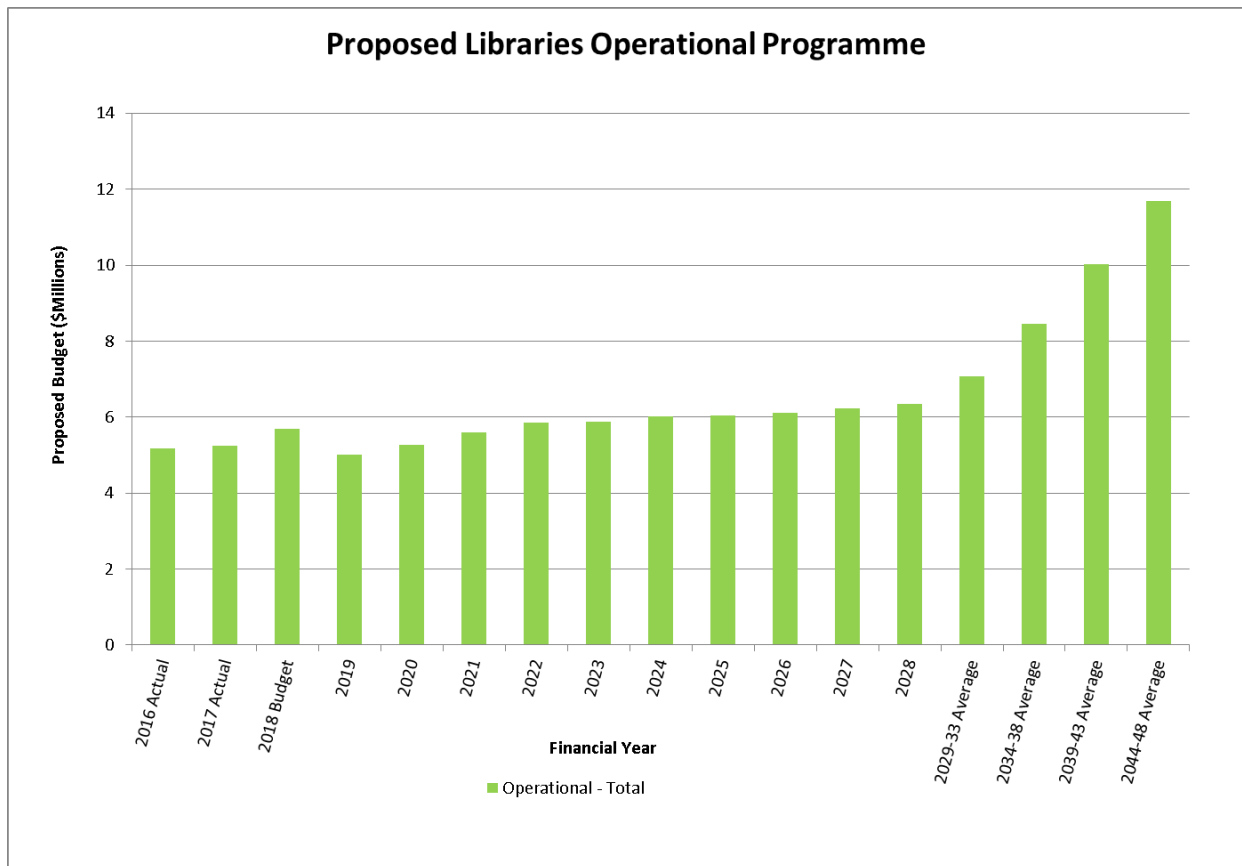
This activity is delivered by Council staff. No changes are planned in how the activity is delivered.

#### Activity summary

The libraries activity is made up of: 6 public Libraries servicing about 15,000 library members accessing 94,000 collection items per year.

**Financial projections**

The figures below outline the expected operational and capital requirements for libraries for the next 30 years.



**Figure 22: Planned libraries operational expenditure 30 year projection**

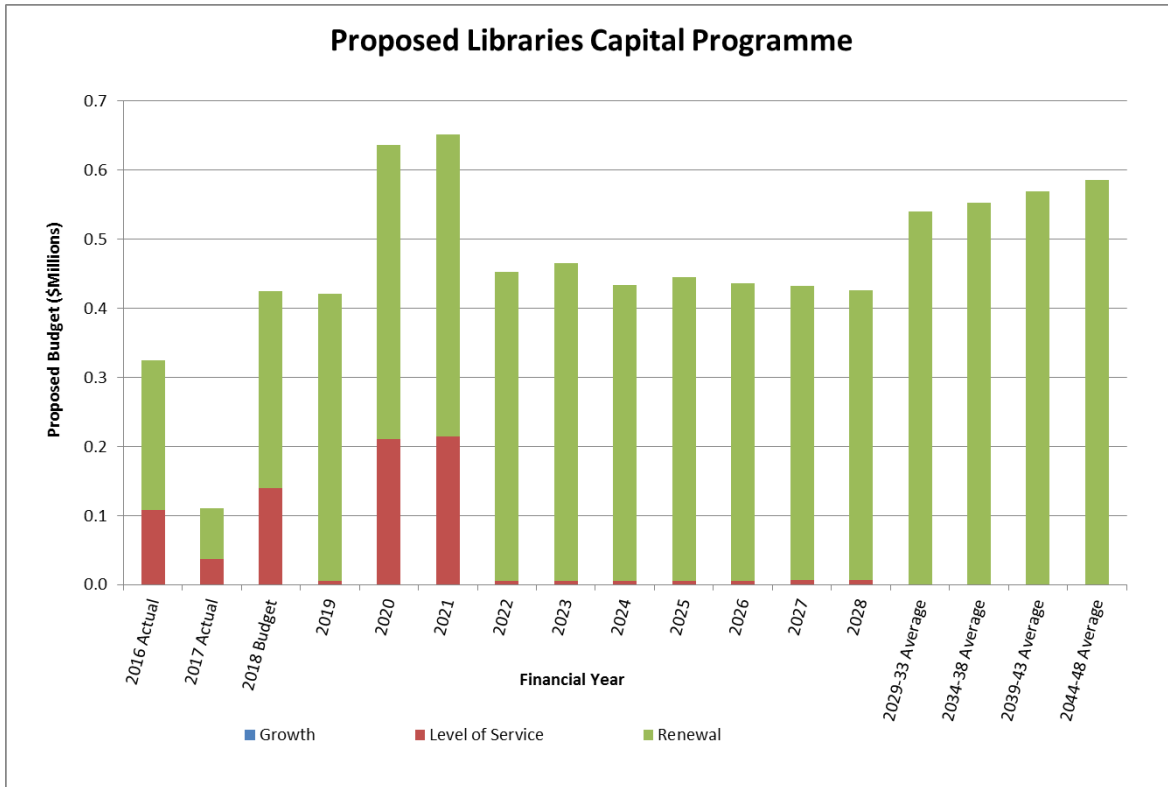


Figure 23: Planned libraries capital expenditure 30 year projection

A small capital programme is proposed to provide resources for new libraries, further digital devices and renew existing library resources. Buildings and fitout are covered under property and facilities activities.

## 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 Activity Management Plans and Asset Management Plans.
2. No assumption has been made in relation to currency variations, as the council has no significant foreign currency exposure.

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<b>Legislative Changes</b>			
This plan is based on current legislation and no adjustments have been made for future changes in legislation.	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 giving Councils the ability to prepare for implementation. Based on historical trends, additional services have been transferred from central government to local government in the past.</p> <p>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 or long term plans following a period of consultation. Should consultation be required, this would allow Council to adjust budgets accordingly.</p> <p>It is expected that any changes would be made to encourage efficiencies in service delivery. As part of giving effect to the requirements of S17A of the Local Government Act, Council has undertaken an assessment of services that can be reviewed. Such a review will be as part of normal business operations.</p>

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<b>Local Government Structure</b>			
<p><u>Reorganisation</u></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><u>Shared Services</u></p> <p>We will continue to pro-actively explore opportunities and participate in shared services as a way to provide such services cost-effectively.</p>	Low	The Government signals changes within Local Government that results in a change to our organisation. The likely impact would be to the structure of our organisation or to the services we offer that we have not anticipated or planned for.	<p>Future shape or form of local authorities could change.</p> <p>This may have consequences for how services are provided and by whom.</p>
<b>Changing Weather Patterns</b>			
<p>The effects of changing weather patterns on infrastructure is well known and demand management plans aim to factor in that information which is relevant to our infrastructure.</p> <p>The timing 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 to encourage water conservation via a water metering programme and localised on-site storage requirements.</p>	Medium	That the council has not made sufficient provision for climate change events or there is insufficient water supply during periods of drought to meet ratepayer's needs.	<p>If land use planning does not take into account the potential effects of rising river levels during storm events there is a real risk of development happening on land that is prone to flooding. However, this is being mitigated based on modelling that is being undertaken by the Waikato Regional Council.</p> <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>

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<b>District Plan</b>			
<p>That the district plan informs land use planning which 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>	<p>Low</p>	<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 (e.g. through strategic land use plans) and from the objectives and policies contained in the proposed regional policy statement, this could impact where growth occurs and on funding the infrastructure required to support that growth.</p> <p>If growth that is inconsistent with an agreed settlement pattern 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>This could result in planning for growth becoming uncoordinated and disjointed which could ultimately lead to undesirable planning outcomes.</p> <p>If growth is curtailed then demand for services should be lower and budgets may be too high.</p>
<b>Growth</b>			
<p>Based on the National Institute for Demographic and Economic Analysis projections for the Waikato region, the district's population is expected to grow from the current 72,137 (2018) to 84,376 (2028).</p>	<p>Low</p>	<p>That the projections for population growth and likely location over the next ten years vary significantly from the assumed rates.</p>	<p>A key assumption is that the settlement pattern for the district identified in the Future Proof Growth &amp; Development Strategy and to be given effect to in the Regional Policy Statement will be maintained. A key principle here is that most of this growth will occur in the main towns (Tuakau, Pokeno, Te Kauwhata, Huntly, Ngaruawahia (including Taupiri and Horotiu) and Raglan as opposed to the rural areas. Ultimately Council will want to get to a situation where 80% of the growth is occurring the towns - to support economies of scale and hence cost-efficiencies; and to safeguard the productive capacity of the rural land. Factored into this this thinking are the effects of the growth of Auckland and Hamilton.</p> <p>Should growth estimates be higher than projected and planned for 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>

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<b>Co-Management Arrangements</b>			
<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>As a result of the 5 year review by the Waikato River Authority on implementation, effectiveness and achievement of the vision and strategy, it is likely that staff time to implement the recommendations will increase.</p>
<b>Useful Lives of the councils assets</b>			
<p>The useful life estimates of our assets and asset values will not change significantly for the duration of this plan.</p> <p>Useful lives are identified for each component of assets. They are assessed based on many factors including construction method, material, age, condition assessments, obsolescence and expected remaining economic potential.</p> <p>Useful lives are regularly reviewed at revaluation and during maintenance.</p> <p>The condition assessment work being undertaken on underground assets is improving the quality of planning.</p> <p>Please refer to Statement of Accounting Policies for depreciation rates on page 136</p>	Medium	<p>Useful lives estimates change as a result of asset revaluations or through adjustments in Asset Management Plans.</p> <p>Funding for renewal programmes does not coincide with renewal expenditure. Operating expenses could be under or overstated.</p>	<p>Council operates advanced asset management practices which require the useful lives of the components assets to be reassessed at each revaluation and during maintenance.</p> <p>Changes to the useful lives of assets have a direct impact on the renewal profiles of assets, for example where asset replacements are delayed. The result of this is an increase in depreciation reserves for a period of time as this is the funding source for asset replacements.</p> <p>If the useful lives of our assets are inaccurate then:</p> <ol style="list-style-type: none"> <li>1. Council may have insufficient funds to undertake the renewal works. Council may be able to extend borrowing to complete the works on time; this may come at higher cost. Alternatively services levels may have to reduce until funding is available. This scenario would also likely mean that rates are understated in the years leading up to the renewal.</li> <li>2. Council may have allocated excess funding to renewal programmes. This may result in other works not being undertaken at preferred times resulting in the community receiving lower service levels. This scenario likely means that rates were higher than they needed to be in the years prior the planned renewal.</li> </ol> <p>Accurate assessment of useful lives has a large impact on Council achieving its intergenerational equity principles.</p>



Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty																						
<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.	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>Borrowing costs</b>																									
The council will be a net borrower over the next ten years and the cost of debt has been budgeted for:	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.																						
<table border="1"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>4.49%</td> </tr> <tr> <td>2020</td> <td>4.28%</td> </tr> <tr> <td>2021</td> <td>4.32%</td> </tr> <tr> <td>2022</td> <td>4.42%</td> </tr> <tr> <td>2023</td> <td>4.55%</td> </tr> <tr> <td>2024</td> <td>4.66%</td> </tr> <tr> <td>2025</td> <td>4.58%</td> </tr> <tr> <td>2026</td> <td>4.66%</td> </tr> <tr> <td>2027</td> <td>4.74%</td> </tr> <tr> <td>2028</td> <td>4.77%</td> </tr> </tbody> </table>	Year	Percentage	2019	4.49%	2020	4.28%	2021	4.32%	2022	4.42%	2023	4.55%	2024	4.66%	2025	4.58%	2026	4.66%	2027	4.74%	2028	4.77%			
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Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<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>Revaluation Movements</b>			
Provisions for revaluations has been budgeted as follows:  Roading and waters asset - annually.  All other assets – three yearly (with different classes valued on alternate years to spread the impact of changes in depreciation expenses.	Low	The revaluation results in a higher or lower value of assets and this will have an impact on costs.	Asset values could increase by more or less than our estimate. This could impact on the level of operating costs for different activities.  Large asset valuation changes could impact on councils ability to fund asset renewals
<b>Housing Infrastructure Fund (HIF)</b>			
We will receive \$40 million of interest free funding as indicated by MBIE to support development in Te Kauwhata.	Low	Final funding application is unsuccessful in June 2018	Would have higher charges for water/wastewater development contributions and water/wastewater targeted rates would have to be adjusted upwards during the LTP period.  Operational reserves would not handle the interest costs and that we would likely be pushed above our debt limits, but within LGFA borrowing limits.

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty						
<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/wastewater</u></p> <p>No subsidies are available.</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="168 1002 869 1125"> <thead> <tr> <th>Financial Year</th> <th>Maintenance</th> <th>Improvements and replacement</th> </tr> </thead> <tbody> <tr> <td>2018/19 onwards</td> <td>52%</td> <td>52%</td> </tr> </tbody> </table>	Financial Year	Maintenance	Improvements and replacement	2018/19 onwards	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/wastewater</u></p> <p>N/A</p> <p><u>NZTA</u></p> <p>The proposed levels of service are in line with current practice.</p> <p>Significant cost increases in labour, plant and materials.</p> <p>Emergency works funding is sourced in addition to the existing roading programme.</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/wastewater</u></p> <p>N/A</p> <p><u>NZTA</u></p> <p>Increase or decrease to funding requirements in line with the One Network Review Classification (ONRC) development..</p> <p>The annual quantity of planned work would be reduced.</p> <p>Unforeseen and sudden funding required.</p> <p>Increased demand on the network and funding requirements.</p>
Financial Year	Maintenance	Improvements and replacement							
2018/19 onwards	52%	52%							

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<b>Local Government Funding Agency (LGFA) Guarantee</b>			
Council has assumed that the Local Government Funding Agency guarantee will not be triggered for the duration of this plan.	Low	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	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.  Should the guarantee be triggered, the council would reduce work programmes to fund it.
<b>Levels of Service</b>			
Changes in customer expectations regarding service levels will not alter significantly.	Medium	There are significant changes in customer expectations regarding levels of service.	If through customer demand, levels of service are significantly altered, this could impact on operating and capital budgets.
<b>Natural Disaster/Emergency Events</b>			
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.  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.	Low	That there will be a natural disaster requiring emergency works that cannot be funded out of normal budgetary provisions.  That the government will not provide any financial assistance.	The potential effect of a natural disaster on the council's financial position is dependent upon the scale, duration and location of the event.

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<b>Ownership of a significant asset</b>			
<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>
<b>Waikato Expressway</b>			
<p>It is assumed that we will obtain more roads to manage.</p> <ul style="list-style-type: none"> <li>• Hamilton Huntly – 2020</li> <li>• Longswamp – 2019</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 SHI and SHIB</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 cost for maintenance on those sections of road lies with Council.</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. This could require further rating income to carry out operational works to extend the life of those assets.</p>

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<b>Resource Consents</b>			
<p><u>Water Supply</u></p> <p>Within the next 10 years only one 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> <p>Within the next 10 years 6 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>	<p>High</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>

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty																						
<b>Water Availability</b>																									
<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> <p>It is assumed that Council will be able to alter existing consents and allocations to meet 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.																						
<table border="1"> <thead> <tr> <th colspan="2">Projected number of rating units as at 30 June:</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>31,916</td> </tr> <tr> <td>2019</td> <td>32,551</td> </tr> <tr> <td>2020</td> <td>33,286</td> </tr> <tr> <td>2021</td> <td>34,021</td> </tr> <tr> <td>2022</td> <td>34,756</td> </tr> <tr> <td>2023</td> <td>35,491</td> </tr> <tr> <td>2024</td> <td>36,226</td> </tr> <tr> <td>2025</td> <td>36,961</td> </tr> <tr> <td>2026</td> <td>37,696</td> </tr> <tr> <td>2027</td> <td>38,431</td> </tr> </tbody> </table>	Projected number of rating units as at 30 June:		2018	31,916	2019	32,551	2020	33,286	2021	34,021	2022	34,756	2023	35,491	2024	36,226	2025	36,961	2026	37,696	2027	38,431	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>
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Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<b>Sources of funding for future replacement of significant assets</b>			
<p>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 and LGFA will continue to lend to local authorities. 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.
<b>Renewal of External Funding</b>			
The council is able to retain all external funding even if projects are delayed.	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.



Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<b>Societal Changes</b>			
<p>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.</p> <p>It is acknowledged that the percentage of people in older age categories will increase over the next 20 years however 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	<p>Changes within society may impact on the range of activities or levels of service provided by the council.</p> <p>Census information from 2013 is no longer reflective of the demographic makeup of our new district.</p>	<p>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> <p>Higher demand for services or changes to delivery of services could result in further costs.</p>
<b>National Policy Statement – Urban Development Capacity (NPS-UDC)</b>			
<p>Planning for growth takes into account Councils ability to demonstrate our requirements as a high growth council under the NPS-UDC. This ensures that we are able to meet the residential and commercial demand in the short, medium and long term.</p>	Low	<p>That the technical evidence shows we are unable to meet the NPS requirements.</p>	<p>If Council does not meet the NPS-UDC requirements we will need to review our land-use settlement pattern and the 30 year Infrastructure Strategy to cater for any shortfall.</p>

### 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.

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021+	
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.	Percentage of residents satisfied that they were able to contact their councillor as and when required	83%	90%	90%	90%	90%	
	Council meets obligations to iwi under formal and informal agreements	Number of joint committee meetings held per annum	4 (2 Waikato Tainui, 2 Maniapoto)	4 (2 Waikato Tainui, 2 Maniapoto)	4 (2 Waikato Tainui, 2 Maniapoto)	4 (2 Waikato Tainui, 2 Maniapoto)	4 (2 Waikato Tainui, 2 Maniapoto)	
		Number of identified or notified breaches/objections under Joint Management Agreements, MOU's and MOA's	0	0	0	0	0	
		Number of governance hui held between council and iwi / hapu groups	7	minimum of 4	minimum of 4	minimum of 4	minimum of 4	
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	100%	100%	100%	100%	100%	
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	100%	100%	100%	100%	100%	
	Council considers the content of all available reports and analysis in its decision making process		100%	100%	100%	100%	100%	
	Council considers the content of all available reports and analysis in its decision making process	Percentage of district plan changes that are undertaken as per the RMA statutory process	New	100%	100%	100%	100%	

### 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.

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021+	
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	99%	95%	95%	95%	95%	
		The percentage of complaints regarding stray stock that have council personnel on site within 1 hour	95%	95%	95%	95%	95%	
		The number of reported serious dog attacks on people in public places (where medical attention is required) that occur in our district does not exceed 10 per year	New	10 or less	10 or less	10 or less	10 or less	
	Animal control services and facilities provide education to owners and promote community safety	Complete Engagement and Education Visits throughout the district	New	120 per annum/ 10 per month	120 per annum/ 10 per month	120 per annum/ 10 per month	120 per annum/ 10 per month	

### 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.

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021+	
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	51%	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	1.7%	33%	33%	33%	33%	
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	86%	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.

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021+	
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	99.9%	100%	100%	100%	100%	
	Our plans and our monitoring and enforcement activities ensure compliance with legislation and the protection of people, properties and landforms.	The percentage of current land use consents that are older than 2 years which have been monitored in the past 2 years	New	More than or equal to 80%	More than or equal to 80%	More than or equal to 80%	More than or equal to 80%	
	In order to maintain the availability of parking and ensure that vehicles are safe.	The number parking patrols that are carried out in communities that have parking controls under the bylaw.	New	More than or equal to 150	More than or equal to 150	More than or equal to 150	More than or equal to 150	
	In order to protect the environment.	The % of all High Risk consents that have been monitored at least once every 12 months	New	95%	95%	95%	95%	
	In order to minimise the impact of rubbish left in a public place	The % of time a contractor was engaged within 5 days from receiving the service request to resolution	New	95%	95%	95%	95%	

**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.

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
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.	81%	55%	55%	55%	55%
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 percentage of kerbside collection complaints that are resolved within agreed timeframes	96%	97%	97%	97%	97%

### 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.

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021+	
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 licensed food premises that are verified/inspected 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	100%	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	79%	85%	85%	85%	85%	
	Nuisance complaints are responded to in a timely fashion ensuring community health and safety	The percentage of hazardous land use information (Hail) reports that will be completed within 10 working days.	New	90%	90%	90%	90%	
		Percentage of environmental health complaints where the customer has been contacted within 3 working days	New	90%	90%	90%	90%	

### 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.

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
Tourism in the district is enhanced and Council's processes and infrastructure support and facilitate new and existing business.	The district's unique qualities are promoted to encourage more people to live, visit and invest.	The percentage increase in measureable annual tourism expenditure (Same or higher than NZ growth rate)	New	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate
		The percentage increase in number of business units in the Waikato District (Same or higher than NZ growth rate in number of business units)	Target 1.6% Actual 2.2%	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate
	Sustainable business growth is supported by efficient processes, available land and accessible infrastructure.	The percentage of customers satisfied or very satisfied that the quality of service and expertise meets their needs	New	90%	90%	90%	90%
		Business perception Survey average rating	New	Equal to or higher than 8.5 out of 10	Equal to or higher than 8.5 out of 10	Equal to or higher than 8.5 out of 10	Equal to or higher than 8.5 out of 10
		The percentage delivery of the Economic Development strategic work programme	90%	95%	95%	95%	95%



### 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.

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
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	4	4	4	4	4
		The percentage of community funding/grant recipients meeting grant obligations, as evidenced through accountability reports.	100%	100%	100%	100%	100%

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

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.

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021+	
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	92%	90%	90%	90%	90%	
		Percentage of Customers who are satisfied with the Presentation of WDC Cemeteries.	New	95%	95%	95%	95%	
		Percentage of new playgrounds built to NZS 5828:2015	New	100%	100%	100%	100%	
	Public toilets are accessible, clean and fit for purpose.	Percentage of customers who are satisfied in the annual satisfaction survey (Public toilets)	74%	75%	75%	75%	75%	
		Percentage of new public toilets built to NZS4241:1999	New	100%	100%	100%	100%	

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

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

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021+	
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 building WOF that comply	100%	100%	100%	100%	100%	
		Percentage of customers who are satisfied with the service provided at the WDC campgrounds.	New	90%	90%	90%	90%	
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.	Council pools are clean, safe and well-used.	Percentage of visitors that find the facilities clean, accessible and welcoming	New	90%	90%	90%	90%	
		Percentage of WDC Aquatic Centres that are operated under NZ Pool Safe Accreditation	New	100%	100%	100%	100%	

### 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 dispersed 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.)

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021+	
To ensure council and our communities are resilient and have the capability to respond, manage and recover from emergencies.	The Council is resilient and ready to respond in the event of an emergency.	Successfully participate in one exercise per annum that is fully moderated by an external party	New	1	1	1	1	
To ensure council and our communities are resilient and have the capability to respond, manage and recover from emergencies.		Council maintains a minimum number of trained staff to Intermediate level, to fulfil core Emergency Operations Centre roles.	New	30	30	30	30	
To ensure council and our communities are resilient and have the capability to respond, manage and recover from emergencies.		Council maintains a minimum number of trained staff to foundation level, to fulfil core Emergency Operations Centre roles.	New	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.

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
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	45%	60%	60%	60%	60%
	Opportunities for public participation in decision making are accessible, informative and understood	Percentage of customers satisfied with the ease of access and clarity of information regarding key community issues	52%	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?)	2.25	Less than 3	Less than 3	Less than 3	Less than 3
	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)	92%	90%	90%	90%	90%
		Level of customer satisfaction that the quality of libraries resources meets their needs	90%	90%	90%	90%	90%
		Percentage of time that access to a free internet service is available in libraries	100%	100%	100%	100%	100%

### 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.

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
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	4 increase	reduction by 1 on the previous year	reduction by 1 on the previous year	reduction by 1 on the previous year	reduction by 1 on the previous year
		The average quality of ride on a sealed local road network, measured by smooth travel exposure.	98%	min 91%	min 91%	min 91%	min 91%
	Footpaths are suitable, accessible and safe.	The percentage of footpaths that fall within the level of service or service standard that is set out in the long term plan	99.7%	Greater than 90% at Category 3 or better	Greater than 90% at Category 3 or better	Greater than 90% at Category 3 or better	Greater than 90% at Category 3 or better
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.	7.3%	Min 6%	Min 6%	Min 6%	Min 6%
		The percentage of customer service requests relating to roads responded to within the timeframes specified.	96%	80%	80%	80%	80%
		The percentage of customer service requests relating to footpaths responded to within the timeframe specified.	100%	80%	80%	80%	80%

**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.

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
To ensure that the council’s stormwater 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 occurred throughout the district	0	Less than 5 events per annum	Less than 5 events per annum	Less than 5 events per annum	Less than 5 events per annum
		The total number of habitable floors affected (expressed per 1000 properties connected to Councils stormwater system) per event	0	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
To ensure that the stormwater 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.	No flooding events	Less than or equal to 2 hours	Less than or equal to 2 hours	Less than or equal to 2 hours	Less than or equal to 2 hours
		The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system	3.65	Less than 6 per 1000 properties per year	Less than 5 per 1000 properties per year	Less than 4 per 1000 properties per year	Less than 4 per 1000 properties per year

### 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.

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
To ensure that the council's wastewater 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 the sewage system.	1.8	Less than or equal to 3	Less than or equal to 3	Less than or equal to 3	<=1 for sensitive environments and 3 for non-sensitive environments



Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
To ensure that the wastewater 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 median Attendance time	30 minutes	Less than or equal to 1 hour	Less than or equal to 1 hour	Less than or equal to 1 hour	Less than or equal to 1 hour
		Where Council attends to sewage overflows resulting from a blockage or other fault in its sewage system, the median Resolution time	106 minutes	Less than or equal to 4 hours	Less than or equal to 4 hours	Less than or equal to 4 hours	Less than or equal to 4 hours
		The total number of complaints received by Council about odour, system faults, blockages, response to issues with its sewerage system.(expressed per 1000 connections to the sewerage system):	7.3	Less than or equal to 10 per 1000 connections	Less than or equal to 10 per 1000 connections	Less than or equal to 10 per 1000 connections	Less than or equal to 10 per 1000 connections
To ensure that the wastewater 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 wastewater system, measured by the number of abatement notices, infringement notices and enforcement orders	0	Less than or equal to 2	Less than or equal to 2	Less than or equal to 2	Less than or equal to 2
		Council's level of Compliance with resource consents for discharge from its wastewater system, measured by the number of convictions for discharge from its wastewater system.	0	0	0	0	0

## 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).

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021+	
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 Councils drinking water supply (zones) complies with Part 4 of the drinking water standards (bacteria compliance criteria)	18 zones	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)	
		The extent to which Councils drinking water supply (larger plants) complies with Part 4 of the drinking water standards (bacteria compliance criteria)	new	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)	
		The extent to which Councils drinking water supply complies with Part 5 of the drinking water standards (protozoal compliance criteria) - Larger plants only	18 zones	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)	

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021+	
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 median Attendance time for Urgent call-outs	28 minutes	Less than or equal to 1 hour	Less than or equal to 1 hour	Less than or equal to 1 hour	Less than or equal to 1 hour	
		Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the median Resolution time for Urgent call-outs	88 minutes	Less than or equal to 4 hours	Less than or equal to 4 hours	Less than or equal to 4 hours	Less than or equal to 4 hours	
		Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the median Attendance time for Non-Urgent call-outs	1 day	Less than or equal to 5 days	Less than or equal to 5 days	Less than or equal to 5 days	Less than or equal to 5 days	
		Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the median Resolution time for Non-Urgent call-outs	1 day	Less than or equal to 5 days	Less than or equal to 5 days	Less than or equal to 5 days	Less than or equal to 5 days	
		The total number of complaints received by Council about drinking water clarity, taste, odour, water pressure or flow, continuity of supply and response to any of these issues (expressed per 1000 connections to the water system)	22	Less than or equal to 25 per 1000 connections	Less than or equal to 25 per 1000 connections	Less than or equal to 25 per 1000 connections	Less than or equal to 25 per 1000 connections	

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
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 day per resident within the Waikato District.	250 litres	270 ltrs per day	260 ltrs per day	250 ltrs per day	240 ltrs per day

Waikato District Council: Prospective funding impact statement - Water supply

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A forecast for the ten years ending 30 June 2028

	Annual plan 2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	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	302	161	169	175	180	186	191	197	203	209	215
Targeted rates	8,988	9,191	9,940	10,729	11,404	12,309	13,263	14,070	15,116	16,260	17,263
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	42	94	97	97	99	102	105	108	111	114	118
Internal charges and overheads recovered	332	273	284	291	295	324	370	405	445	494	558
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding</b>	<b>9,664</b>	<b>9,719</b>	<b>10,490</b>	<b>11,292</b>	<b>11,978</b>	<b>12,921</b>	<b>13,929</b>	<b>14,780</b>	<b>15,875</b>	<b>17,077</b>	<b>18,154</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	3,933	7,050	4,576	4,565	4,372	4,226	4,176	4,472	4,780	4,867	5,255
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	3,766	3,950	4,438	4,793	5,328	5,625	6,007	6,062	6,092	6,108	5,914
Other operating funding applications	41	36	37	38	39	40	41	42	43	45	46
<b>Total applications of operating funding</b>	<b>7,740</b>	<b>11,036</b>	<b>9,051</b>	<b>9,396</b>	<b>9,739</b>	<b>9,891</b>	<b>10,224</b>	<b>10,576</b>	<b>10,915</b>	<b>11,020</b>	<b>11,215</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,924</b>	<b>(1,317)</b>	<b>1,439</b>	<b>1,896</b>	<b>2,239</b>	<b>3,030</b>	<b>3,705</b>	<b>4,204</b>	<b>4,960</b>	<b>6,057</b>	<b>6,939</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,874	1,312	1,335	1,357	1,381	1,404	2,031	2,070	2,113	2,154	2,198
Increase (decrease) in debt	3,201	6,381	5,501	7,585	1,022	1,197	434	313	244	109	112
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	97	120	124	124	128	131	134	138	142	146	151
<b>Total sources of capital funding</b>	<b>5,172</b>	<b>7,813</b>	<b>6,960</b>	<b>9,066</b>	<b>2,531</b>	<b>2,732</b>	<b>2,599</b>	<b>2,521</b>	<b>2,499</b>	<b>2,409</b>	<b>2,461</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	3,231	4,070	764	1,982	7,650	5,991	6,019	955	752	629	644
- to improve the level of service	3,236	6,381	5,501	7,585	1,022	1,197	434	313	244	109	112
- to replace existing assets	2,023	2,451	2,338	2,440	2,202	2,156	2,106	2,156	2,208	2,261	2,315
Increase (decrease) in reserves	(1,394)	(6,406)	(204)	(1,045)	(6,104)	(3,582)	(2,255)	3,301	4,255	5,467	6,329
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>7,096</b>	<b>6,496</b>	<b>8,399</b>	<b>10,962</b>	<b>4,770</b>	<b>5,762</b>	<b>6,304</b>	<b>6,725</b>	<b>7,459</b>	<b>8,466</b>	<b>9,400</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,924)</b>	<b>1,317</b>	<b>(1,439)</b>	<b>(1,896)</b>	<b>(2,239)</b>	<b>(3,030)</b>	<b>(3,705)</b>	<b>(4,204)</b>	<b>(4,960)</b>	<b>(6,057)</b>	<b>(6,939)</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	2,428	2,710	2,937	3,116	3,346	3,568	3,759	3,961	4,075	4,188	4,299

**Waikato District Council: Prospective funding impact statement - Wastewater**  
**A forecast for the ten years ending 30 June 2028**

**142**

	Annual plan 2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	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	266	221	227	233	239	245	250	255	261	268	274
Targeted rates	9,183	10,602	11,228	11,820	12,371	13,099	13,811	14,477	15,236	15,959	16,738
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,252	1,241	1,280	1,319	1,351	1,388	1,424	1,464	1,506	1,553	1,600
Internal charges and overheads recovered	67	64	82	143	190	270	303	287	283	291	290
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding</b>	<b>10,768</b>	<b>12,128</b>	<b>12,817</b>	<b>13,515</b>	<b>14,151</b>	<b>15,002</b>	<b>15,788</b>	<b>16,483</b>	<b>17,286</b>	<b>18,071</b>	<b>18,902</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	3,970	6,197	4,473	4,681	4,188	4,130	4,445	4,426	4,798	5,736	5,736
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	3,191	4,463	4,680	5,252	5,895	6,077	6,506	6,681	6,631	6,591	6,492
Other operating funding applications	338	333	340	347	354	362	369	377	385	393	401
<b>Total applications of operating funding</b>	<b>7,499</b>	<b>10,993</b>	<b>9,493</b>	<b>10,280</b>	<b>10,437</b>	<b>10,569</b>	<b>11,320</b>	<b>11,484</b>	<b>11,814</b>	<b>12,720</b>	<b>12,629</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,269</b>	<b>1,135</b>	<b>3,324</b>	<b>3,235</b>	<b>3,714</b>	<b>4,433</b>	<b>4,468</b>	<b>4,999</b>	<b>5,472</b>	<b>5,351</b>	<b>6,273</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,900	875	889	904	919	935	1,979	2,018	2,058	2,099	2,141
Increase (decrease) in debt	4,355	2,594	11,423	11,203	679	6,954	6,917	-	-	-	89
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>6,255</b>	<b>3,469</b>	<b>12,312</b>	<b>12,107</b>	<b>1,598</b>	<b>7,889</b>	<b>8,896</b>	<b>2,018</b>	<b>2,058</b>	<b>2,099</b>	<b>2,230</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	370	5,206	12,218	10,586	1,787	1,113	921	97	-	-	-
- to improve the level of service	4,555	2,595	11,460	11,203	679	6,954	6,918	-	-	-	89
- to replace existing assets	2,345	2,880	1,931	1,924	1,602	1,640	2,264	1,966	2,342	1,745	2,969
Increase (decrease) in reserves	2,254	(6,077)	(9,973)	(8,371)	1,244	2,615	3,261	4,954	5,188	5,705	5,445
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>9,524</b>	<b>4,604</b>	<b>15,636</b>	<b>15,342</b>	<b>5,312</b>	<b>12,322</b>	<b>13,364</b>	<b>7,017</b>	<b>7,530</b>	<b>7,450</b>	<b>8,503</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,269)</b>	<b>(1,135)</b>	<b>(3,324)</b>	<b>(3,235)</b>	<b>(3,714)</b>	<b>(4,433)</b>	<b>(4,468)</b>	<b>(4,999)</b>	<b>(5,472)</b>	<b>(5,351)</b>	<b>(6,273)</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	3,108	3,403	3,631	4,140	4,626	4,762	5,021	5,273	5,393	5,471	5,586

**Waikato District Council: Prospective funding impact statement - Stormwater**  
**A forecast for the ten years ending 30 June 2028**

**143**

	Annual plan 2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	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	84	90	94	98	101	104	107	110	113	117	120
Targeted rates	1,695	1,692	1,793	1,897	2,004	2,115	2,229	2,347	2,469	2,595	2,725
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	295	267	246	255	280	312	353	377	417	459	498
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding</b>	<b>2,074</b>	<b>2,049</b>	<b>2,133</b>	<b>2,250</b>	<b>2,385</b>	<b>2,531</b>	<b>2,689</b>	<b>2,834</b>	<b>2,999</b>	<b>3,171</b>	<b>3,343</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	802	2,034	1,508	1,075	1,122	1,036	1,022	957	1,023	1,064	1,031
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	559	496	521	564	614	659	740	784	836	878	913
Other operating funding applications	4	6	6	6	6	6	6	6	7	7	7
<b>Total applications of operating funding</b>	<b>1,365</b>	<b>2,536</b>	<b>2,035</b>	<b>1,645</b>	<b>1,742</b>	<b>1,701</b>	<b>1,768</b>	<b>1,747</b>	<b>1,866</b>	<b>1,949</b>	<b>1,951</b>
<b>Surplus (deficit) of operating funding</b>	<b>709</b>	<b>(487)</b>	<b>98</b>	<b>605</b>	<b>643</b>	<b>830</b>	<b>921</b>	<b>1,087</b>	<b>1,133</b>	<b>1,222</b>	<b>1,392</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	984	343	349	354	360	366	871	889	906	925	943
Increase (decrease) in debt	706	638	976	986	976	1,506	1,288	1,163	924	946	969
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>1,690</b>	<b>981</b>	<b>1,325</b>	<b>1,340</b>	<b>1,336</b>	<b>1,872</b>	<b>2,159</b>	<b>2,052</b>	<b>1,830</b>	<b>1,871</b>	<b>1,912</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	1,325	1,600	1,110	521	-	149	-	-	-	-	-
- to improve the level of service	706	638	976	986	976	1,506	1,288	1,163	924	946	969
- to replace existing assets	74	160	148	166	155	159	163	167	171	175	179
Increase (decrease) in reserves	294	(1,904)	(811)	272	848	888	1,629	1,809	1,868	1,972	2,156
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>2,399</b>	<b>494</b>	<b>1,423</b>	<b>1,945</b>	<b>1,979</b>	<b>2,702</b>	<b>3,080</b>	<b>3,139</b>	<b>2,963</b>	<b>3,093</b>	<b>3,304</b>
<b>Surplus (deficit) of capital funding</b>	<b>(709)</b>	<b>487</b>	<b>(98)</b>	<b>(605)</b>	<b>(643)</b>	<b>(830)</b>	<b>(921)</b>	<b>(1,087)</b>	<b>(1,133)</b>	<b>(1,222)</b>	<b>(1,392)</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	681	787	824	865	899	931	971	1,008	1,044	1,079	1,115

Waikato District Council: Prospective funding impact statement - Roading

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A forecast for the ten years ending 30 June 2028

	Annual plan 2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	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	19,412	21,345	22,092	22,698	23,449	24,284	26,147	28,432	30,124	31,906	33,764
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	7,452	8,284	8,390	8,329	8,504	8,663	8,919	10,110	10,359	10,671	10,933
Fees and charges	145	154	154	175	168	183	176	192	184	201	194
Internal charges and overheads recovered	1,941	2,196	2,391	2,412	2,490	2,537	2,632	2,662	2,735	2,798	2,873
Local authorities fuel tax, fines, infringement fees, and other receipts	2,382	2,569	2,615	2,654	2,703	2,756	2,811	2,861	2,914	2,969	3,032
<b>Total operating funding</b>	<b>31,332</b>	<b>34,548</b>	<b>35,642</b>	<b>36,268</b>	<b>37,314</b>	<b>38,423</b>	<b>40,685</b>	<b>44,257</b>	<b>46,316</b>	<b>48,545</b>	<b>50,796</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	17,875	20,564	21,160	21,144	21,788	22,553	24,415	27,619	29,174	30,934	32,757
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	5,348	4,568	5,006	5,340	5,754	6,118	6,391	6,331	6,549	6,679	6,726
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding</b>	<b>23,223</b>	<b>25,132</b>	<b>26,166</b>	<b>26,484</b>	<b>27,542</b>	<b>28,671</b>	<b>30,806</b>	<b>33,950</b>	<b>35,723</b>	<b>37,613</b>	<b>39,483</b>
<b>Surplus (deficit) of operating funding</b>	<b>8,109</b>	<b>9,416</b>	<b>9,476</b>	<b>9,784</b>	<b>9,772</b>	<b>9,752</b>	<b>9,879</b>	<b>10,307</b>	<b>10,593</b>	<b>10,932</b>	<b>11,313</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	9,037	10,842	11,358	13,095	13,982	12,914	12,124	13,235	13,992	14,783	16,434
Development and financial contributions	1,772	1,012	1,030	1,048	1,066	1,085	2,206	2,251	2,296	2,343	2,391
Increase (decrease) in debt	2,095	4,791	2,461	851	124	473	416	2,467	1,341	197	241
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>12,904</b>	<b>16,645</b>	<b>14,849</b>	<b>14,994</b>	<b>15,172</b>	<b>14,472</b>	<b>14,746</b>	<b>17,953</b>	<b>17,629</b>	<b>17,323</b>	<b>19,066</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	2,635	3,906	2,034	5,161	6,206	3,845	2,749	4,774	3,929	2,941	4,731
- to improve the level of service	2,195	6,310	3,593	2,990	276	838	497	2,794	1,665	560	657
- to replace existing assets	16,923	18,032	19,362	19,586	21,137	21,685	21,979	22,860	24,063	25,330	26,755
Increase (decrease) in reserves	(740)	(2,187)	(664)	(2,959)	(2,675)	(2,144)	(600)	(2,168)	(1,435)	(576)	(1,764)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>21,013</b>	<b>26,061</b>	<b>24,325</b>	<b>24,778</b>	<b>24,944</b>	<b>24,224</b>	<b>24,625</b>	<b>28,260</b>	<b>28,222</b>	<b>28,255</b>	<b>30,379</b>
<b>Surplus (deficit) of capital funding</b>	<b>(8,109)</b>	<b>(9,416)</b>	<b>(9,476)</b>	<b>(9,784)</b>	<b>(9,772)</b>	<b>(9,752)</b>	<b>(9,879)</b>	<b>(10,307)</b>	<b>(10,593)</b>	<b>(10,932)</b>	<b>(11,313)</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	13,884	14,397	14,859	15,624	16,051	16,511	16,954	17,393	17,905	18,426	18,959



**Waikato District Council: Prospective funding impact statement - Sustainable environment**  
**A forecast for the ten years ending 30 June 2028**

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	Annual plan 2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	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	7,387	7,926	8,439	8,793	9,416	9,632	10,552	11,026	11,634	12,415	13,126
Targeted rates	2,645	3,446	5,394	5,737	6,058	6,363	6,650	6,945	7,249	7,563	7,886
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	7,161	7,347	6,391	6,709	6,723	6,763	6,804	6,847	6,893	6,943	6,992
Internal charges and overheads recovered	656	761	778	803	822	822	841	845	861	886	907
Local authorities fuel tax, fines, infringement fees, and other receipts	3,136	4,216	4,397	4,517	4,490	4,606	4,723	4,841	4,961	5,084	5,207
<b>Total operating funding</b>	<b>20,985</b>	<b>23,696</b>	<b>25,399</b>	<b>26,559</b>	<b>27,509</b>	<b>28,186</b>	<b>29,570</b>	<b>30,504</b>	<b>31,598</b>	<b>32,891</b>	<b>34,118</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	15,483	17,498	18,739	18,815	19,095	19,895	21,147	22,215	23,363	24,562	25,656
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	5,634	5,937	6,289	6,710	7,127	7,107	7,326	7,240	7,276	7,544	7,651
Other operating funding applications	8	39	56	57	59	60	61	63	64	65	67
<b>Total applications of operating funding</b>	<b>21,125</b>	<b>23,474</b>	<b>25,084</b>	<b>25,582</b>	<b>26,281</b>	<b>27,062</b>	<b>28,534</b>	<b>29,518</b>	<b>30,703</b>	<b>32,171</b>	<b>33,374</b>
<b>Surplus (deficit) of operating funding</b>	<b>(140)</b>	<b>222</b>	<b>315</b>	<b>977</b>	<b>1,228</b>	<b>1,124</b>	<b>1,036</b>	<b>986</b>	<b>895</b>	<b>720</b>	<b>744</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	107	-	1,118	172	1,761	-	-
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>107</b>	<b>-</b>	<b>1,118</b>	<b>172</b>	<b>1,761</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	16	-	51	52	534	-	1,118	172	1,761	-	-
- to replace existing assets	5	163	86	78	113	104	84	86	88	118	93
Increase (decrease) in reserves	(161)	59	178	847	688	1,020	952	900	807	602	651
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>(140)</b>	<b>222</b>	<b>315</b>	<b>977</b>	<b>1,335</b>	<b>1,124</b>	<b>2,154</b>	<b>1,158</b>	<b>2,656</b>	<b>720</b>	<b>744</b>
<b>Surplus (deficit) of capital funding</b>	<b>140</b>	<b>(222)</b>	<b>(315)</b>	<b>(977)</b>	<b>(1,228)</b>	<b>(1,124)</b>	<b>(1,036)</b>	<b>(986)</b>	<b>(895)</b>	<b>(720)</b>	<b>(744)</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	73	65	66	69	72	86	88	98	104	150	154

Waikato District Council: Prospective funding impact statement - Sustainable communities

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A forecast for the ten years ending 30 June 2028

	Annual plan 2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	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	20,209	20,097	21,518	22,131	22,990	23,916	25,433	26,341	28,179	29,354	30,729
Targeted rates	600	702	708	714	720	725	731	737	740	746	752
Subsidies and grants for operating purposes	72	60	60	60	60	60	60	60	60	60	60
Fees and charges	1,552	1,691	1,760	1,843	1,878	1,930	1,964	2,020	2,065	2,127	2,176
Internal charges and overheads recovered	286	384	360	366	380	495	627	740	886	1,061	1,250
Local authorities fuel tax, fines, infringement fees, and other receipts	1,396	1,717	1,753	1,792	1,833	1,873	1,918	1,964	2,014	2,076	2,120
<b>Total operating funding</b>	<b>24,115</b>	<b>24,651</b>	<b>26,159</b>	<b>26,906</b>	<b>27,861</b>	<b>28,999</b>	<b>30,733</b>	<b>31,862</b>	<b>33,944</b>	<b>35,424</b>	<b>37,087</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	13,401	13,992	14,995	15,055	15,453	16,164	17,362	18,356	19,966	20,857	21,906
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	5,850	5,710	5,885	6,190	6,478	6,636	6,769	6,650	6,710	6,909	7,066
Other operating funding applications	586	563	559	558	565	571	576	582	588	593	600
<b>Total applications of operating funding</b>	<b>19,837</b>	<b>20,265</b>	<b>21,439</b>	<b>21,803</b>	<b>22,496</b>	<b>23,371</b>	<b>24,707</b>	<b>25,588</b>	<b>27,264</b>	<b>28,359</b>	<b>29,572</b>
<b>Surplus (deficit) of operating funding</b>	<b>4,278</b>	<b>4,386</b>	<b>4,720</b>	<b>5,103</b>	<b>5,365</b>	<b>5,628</b>	<b>6,026</b>	<b>6,274</b>	<b>6,680</b>	<b>7,065</b>	<b>7,515</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	360	368	400	-	-	-	-	-	-	-
Development and financial contributions	1,915	2,632	2,680	2,730	2,781	2,834	2,992	3,049	3,108	3,168	3,229
Increase (decrease) in debt	3,459	2,979	3,668	3,941	4,316	1,120	639	1,461	2,501	2,599	2,324
Gross proceeds from sale of assets	-	500	511	522	534	546	559	573	587	602	618
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>5,374</b>	<b>6,471</b>	<b>7,227</b>	<b>7,593</b>	<b>7,631</b>	<b>4,500</b>	<b>4,190</b>	<b>5,083</b>	<b>6,196</b>	<b>6,369</b>	<b>6,171</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	3,988	1,350	1,074	314	1,343	300	657	238	600	855	1,014
- to improve the level of service	3,565	3,612	4,427	4,999	4,739	1,600	1,159	2,022	3,028	3,166	2,868
- to replace existing assets	2,761	3,355	3,708	4,695	2,923	2,599	2,964	3,008	3,672	2,892	2,769
Increase (decrease) in reserves	(662)	2,540	2,738	2,688	3,991	5,629	5,436	6,089	5,576	6,521	7,035
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>9,652</b>	<b>10,857</b>	<b>11,947</b>	<b>12,696</b>	<b>12,996</b>	<b>10,128</b>	<b>10,216</b>	<b>11,357</b>	<b>12,876</b>	<b>13,434</b>	<b>13,686</b>
<b>Surplus (deficit) of capital funding</b>	<b>(4,278)</b>	<b>(4,386)</b>	<b>(4,720)</b>	<b>(5,103)</b>	<b>(5,365)</b>	<b>(5,628)</b>	<b>(6,026)</b>	<b>(6,274)</b>	<b>(6,680)</b>	<b>(7,065)</b>	<b>(7,515)</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	4,563	4,689	4,842	5,186	5,417	5,659	5,923	6,043	6,177	6,514	6,648



**Waikato District Council: Prospective funding impact statement - Organisational support**  
**A forecast for the ten years ending 30 June 2028**

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	Annual plan 2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	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	(417)	3,338	4,047	5,693	6,481	7,363	6,186	5,946	5,031	4,818	4,723
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	12	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	32,881	32,881	35,023	37,708	40,609	41,821	43,911	43,831	44,389	45,562	45,693
Local authorities fuel tax, fines, infringement fees, and other receipts	789	436	508	675	459	465	472	479	486	494	501
<b>Total operating funding</b>	<b>33,265</b>	<b>36,655</b>	<b>39,578</b>	<b>44,076</b>	<b>47,549</b>	<b>49,649</b>	<b>50,569</b>	<b>50,256</b>	<b>49,906</b>	<b>50,874</b>	<b>50,917</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	20,135	21,557	22,360	23,361	23,580	23,804	24,437	24,828	25,389	26,139	26,612
Finance costs	4,393	4,623	5,374	6,360	7,099	7,461	7,596	7,089	6,584	5,921	4,848
Internal charges and overheads applied	7,519	7,505	7,878	8,405	9,159	9,580	10,232	10,420	10,847	11,479	12,013
Other operating funding applications	1,815	1,381	1,425	1,613	1,499	1,537	1,737	1,618	1,660	1,876	1,752
<b>Total applications of operating funding</b>	<b>33,862</b>	<b>35,066</b>	<b>37,037</b>	<b>39,739</b>	<b>41,337</b>	<b>42,382</b>	<b>44,002</b>	<b>43,955</b>	<b>44,480</b>	<b>45,415</b>	<b>45,225</b>
<b>Surplus (deficit) of operating funding</b>	<b>(597)</b>	<b>1,589</b>	<b>2,541</b>	<b>4,337</b>	<b>6,212</b>	<b>7,267</b>	<b>6,567</b>	<b>6,301</b>	<b>5,426</b>	<b>5,459</b>	<b>5,692</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	14,484	8,973	10,171	9,858	705	(9,865)	(13,434)	(18,761)	(19,435)	(22,992)	(24,419)
Gross proceeds from sale of assets	202	193	193	232	221	279	170	201	324	302	290
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>14,686</b>	<b>9,166</b>	<b>10,364</b>	<b>10,090</b>	<b>926</b>	<b>(9,586)</b>	<b>(13,264)</b>	<b>(18,560)</b>	<b>(19,111)</b>	<b>(22,690)</b>	<b>(24,129)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	1,468	1,415	1,334	2,768	854	66	45	212	1,056	301	124
- to replace existing assets	3,278	2,192	2,911	2,935	2,007	1,994	1,513	2,092	2,284	2,268	2,080
Increase (decrease) in reserves	8,981	6,783	8,297	8,378	4,183	(4,397)	(8,208)	(14,339)	(16,809)	(19,480)	(20,198)
Increase (decrease) of investments	362	365	363	346	94	18	(47)	(224)	(216)	(320)	(443)
<b>Total applications of capital funding</b>	<b>14,089</b>	<b>10,755</b>	<b>12,905</b>	<b>14,427</b>	<b>7,138</b>	<b>(2,319)</b>	<b>(6,697)</b>	<b>(12,259)</b>	<b>(13,685)</b>	<b>(17,231)</b>	<b>(18,437)</b>
<b>Surplus (deficit) of capital funding</b>	<b>597</b>	<b>(1,589)</b>	<b>(2,541)</b>	<b>(4,337)</b>	<b>(6,212)</b>	<b>(7,267)</b>	<b>(6,567)</b>	<b>(6,301)</b>	<b>(5,426)</b>	<b>(5,459)</b>	<b>(5,692)</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	2,211	2,090	2,419	3,010	3,363	3,194	3,045	2,517	2,260	2,315	2,316



Waikato District Council: Prospective statement of comprehensive revenue and expense

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A forecast for the ten years ending 30 June 2028

	Annual plan 2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	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	77,463	84,286	91,528	96,717	101,397	106,594	111,935	117,226	122,994	128,986	135,049
Development and financial contributions	8,445	6,174	6,283	6,393	6,507	6,624	10,079	10,277	10,481	10,689	10,902
Subsidies and grants	16,561	19,546	20,176	21,884	22,546	21,637	21,103	23,405	24,411	25,514	27,427
Finance revenue	100	130	130	130	130	130	130	130	130	130	130
Other revenue	17,879	26,927	57,350	19,780	19,707	20,422	20,804	20,790	21,455	21,582	21,967
<b>Total revenue</b>	<b>120,448</b>	<b>137,063</b>	<b>175,467</b>	<b>144,904</b>	<b>150,287</b>	<b>155,407</b>	<b>164,051</b>	<b>171,828</b>	<b>179,471</b>	<b>186,901</b>	<b>195,475</b>
<b>Expenses</b>											
Depreciation and amortisation expense	26,948	28,141	29,578	32,010	33,774	34,711	35,761	36,293	36,958	38,143	39,077
Personnel expenses	29,477	31,069	32,354	33,435	34,114	34,741	35,128	35,809	36,539	37,285	37,982
Finance costs	4,393	4,623	5,374	6,360	7,099	7,461	7,596	7,089	6,584	5,921	4,848
Other expenses	50,631	61,338	59,429	59,045	59,140	61,271	65,877	70,985	76,377	81,084	85,136
<b>Total operating expenses</b>	<b>111,449</b>	<b>125,171</b>	<b>126,735</b>	<b>130,850</b>	<b>134,127</b>	<b>138,184</b>	<b>144,362</b>	<b>150,176</b>	<b>156,458</b>	<b>162,433</b>	<b>167,043</b>
<b>Surplus (deficit) before tax</b>	<b>8,999</b>	<b>11,892</b>	<b>48,732</b>	<b>14,054</b>	<b>16,160</b>	<b>17,223</b>	<b>19,689</b>	<b>21,652</b>	<b>23,013</b>	<b>24,468</b>	<b>28,432</b>
<b>Other comprehensive revenue and expense</b>											
Gain (loss) on property revaluations	40,016	30,631	46,832	38,385	41,158	57,339	45,671	48,734	67,732	54,832	58,095
<b>Total other comprehensive revenue &amp; expense</b>	<b>40,016</b>	<b>30,631</b>	<b>46,832</b>	<b>38,385</b>	<b>41,158</b>	<b>57,339</b>	<b>45,671</b>	<b>48,734</b>	<b>67,732</b>	<b>54,832</b>	<b>58,095</b>
<b>Total comprehensive revenue and expense</b>	<b>49,015</b>	<b>42,523</b>	<b>95,564</b>	<b>52,439</b>	<b>57,318</b>	<b>74,562</b>	<b>65,360</b>	<b>70,386</b>	<b>90,745</b>	<b>79,300</b>	<b>86,527</b>

**Note 1: Reconciliation of total comprehensive revenue and expense with net operating funding per prospective whole of Council funding impact statement**

	Annual plan 2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	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	49,015	42,523	95,565	52,439	57,318	74,562	65,360	70,386	90,745	79,300	86,528
Surplus (deficit) of operating funding per prospective whole of Council funding impact statement	18,287	14,940	21,935	25,974	29,214	32,112	32,654	34,212	35,216	36,869	39,934
<b>Difference</b>	<b>30,728</b>	<b>27,583</b>	<b>73,630</b>	<b>26,465</b>	<b>28,104</b>	<b>42,450</b>	<b>32,706</b>	<b>36,174</b>	<b>55,529</b>	<b>42,431</b>	<b>46,594</b>
<b>The difference is due to:</b>											
Capital income	17,579	17,496	18,133	20,012	20,617	19,669	22,337	23,650	24,615	25,618	27,487
Vested assets	-	7,466	38,128	-	-	66	396	-	-	-	-
Revaluation of assets	40,016	30,631	46,832	38,385	41,158	57,339	45,671	48,734	67,732	54,832	58,095
Gain (loss) on sale of assets	81	131	115	78	103	87	63	83	140	124	89
Depreciation and amortisation	(26,948)	(28,141)	(29,578)	(32,010)	(33,774)	(34,711)	(35,761)	(36,293)	(36,958)	(38,143)	(39,077)
<b>Total explained difference</b>	<b>30,728</b>	<b>27,583</b>	<b>73,630</b>	<b>26,465</b>	<b>28,104</b>	<b>42,450</b>	<b>32,706</b>	<b>36,174</b>	<b>55,529</b>	<b>42,431</b>	<b>46,594</b>

## Note 2: Exchange and non-exchange revenue

	Annual plan 2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
<b>Revenue from non-exchange transactions</b>											
Revenue from rates	71,317	77,959	84,689	89,340	93,613	98,191	102,882	107,688	112,755	117,968	123,418
Vested & found assets	-	7,466	38,128	-	-	66	396	-	-	-	-
Regulatory revenue	1,584	1,743	1,776	1,810	1,846	1,885	1,927	1,969	2,015	2,063	2,113
Infringements and fines	276	273	279	279	279	279	279	279	279	279	279
NZTA government subsidies	16,488	19,473	20,103	21,811	22,473	21,563	21,029	23,331	24,336	25,439	27,351
Petrol tax	458	480	490	499	510	521	533	545	558	572	587
Other subsidies and grants	72	73	142	143	145	147	149	151	154	156	158
Other fees and charges - Council	483	388	656	404	405	706	417	433	742	455	458
Other non-exchange revenue	746	260	324	481	261	261	261	261	262	262	262
<b>Total revenue from non-exchange transactions</b>	<b>91,424</b>	<b>108,115</b>	<b>146,587</b>	<b>114,767</b>	<b>119,532</b>	<b>123,619</b>	<b>127,873</b>	<b>134,657</b>	<b>141,101</b>	<b>147,194</b>	<b>154,626</b>
<b>Revenue from exchange transactions</b>											
Water billing charges	6,146	6,327	6,839	7,377	7,784	8,403	9,053	9,538	10,239	11,018	11,631
Development & financial contributions	8,445	6,174	6,283	6,393	6,507	6,624	10,079	10,277	10,481	10,689	10,902
Other fees and charges - Council	10,624	12,174	11,370	11,866	11,898	12,100	12,283	12,495	12,690	12,920	13,128
Finance income	100	130	130	130	130	130	130	130	130	130	130
Dividends	-	50	50	50	50	50	50	50	50	50	50
Subvention payment received	-	-	-	-	-	-	-	-	-	-	-
Other exchange revenue	3,709	4,093	4,208	4,321	4,386	4,481	4,583	4,681	4,780	4,900	5,008
<b>Total revenue from exchange transactions</b>	<b>29,024</b>	<b>28,948</b>	<b>28,880</b>	<b>30,137</b>	<b>30,755</b>	<b>31,788</b>	<b>36,178</b>	<b>37,171</b>	<b>38,370</b>	<b>39,707</b>	<b>40,849</b>
<b>Total revenue</b>	<b>120,448</b>	<b>137,063</b>	<b>175,467</b>	<b>144,904</b>	<b>150,287</b>	<b>155,407</b>	<b>164,051</b>	<b>171,828</b>	<b>179,471</b>	<b>186,901</b>	<b>195,475</b>



Waikato District Council: Prospective statement of financial position

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A forecast for the ten years ending 30 June 2028

	Annual plan 2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	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	7,720	490	446	468	469	403	550	554	514	528	548
Recoverables from non-exchange transactions	6,106	4,328	4,512	4,737	4,874	4,983	5,239	5,490	5,705	5,905	6,156
Receivables from exchange transactions	7,924	4,614	4,811	5,051	5,197	5,313	5,586	5,854	6,083	6,296	6,564
Non-current assets held for sale	386	-	-	-	-	-	-	-	-	-	-
Biological assets - cattle	102	110	110	110	110	110	110	110	110	110	110
Other financial assets	59	61	50	45	46	-	-	-	-	-	-
Prepayments	616	787	813	834	743	752	766	758	796	796	828
<b>Total current assets</b>	<b>22,913</b>	<b>10,390</b>	<b>10,742</b>	<b>11,245</b>	<b>11,439</b>	<b>11,561</b>	<b>12,251</b>	<b>12,766</b>	<b>13,208</b>	<b>13,635</b>	<b>14,206</b>
<b>Non-current assets</b>											
Property, plant and equipment	1,755,574	1,859,606	1,987,593	2,073,620	2,137,221	2,213,484	2,276,535	2,333,892	2,413,183	2,473,589	2,539,118
Intangible assets	5,960	7,423	9,254	9,894	9,231	8,819	8,285	7,752	7,250	7,049	8,086
Investment property	475	490	490	490	490	490	490	490	490	490	490
Investments in CCO's and other similar organisations	3,558	13,016	13,016	13,016	13,016	13,016	13,016	13,016	13,016	13,016	13,016
Other financial assets	809	3,531	3,905	4,256	4,349	4,413	4,367	4,143	3,927	3,607	3,163
<b>Total non-current assets</b>	<b>1,766,376</b>	<b>1,884,066</b>	<b>2,014,258</b>	<b>2,101,276</b>	<b>2,164,307</b>	<b>2,240,222</b>	<b>2,302,693</b>	<b>2,359,293</b>	<b>2,437,866</b>	<b>2,497,751</b>	<b>2,563,873</b>
<b>Total assets</b>	<b>1,789,289</b>	<b>1,894,456</b>	<b>2,025,000</b>	<b>2,112,521</b>	<b>2,175,746</b>	<b>2,251,783</b>	<b>2,314,944</b>	<b>2,372,059</b>	<b>2,451,074</b>	<b>2,511,386</b>	<b>2,578,079</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Payables under exchange transactions	24,929	19,380	19,991	20,504	18,502	18,522	18,886	18,733	19,547	19,613	20,353
Taxes and transfers payable	993	913	941	966	871	872	889	882	921	924	958
Employee entitlements	3,521	2,724	2,857	2,969	3,039	3,104	3,144	3,214	3,290	3,368	3,439
Provisions	419	310	310	310	310	310	310	310	310	310	310
Borrowing	15,988	30,114	38,663	47,270	49,252	49,598	48,942	45,646	42,479	37,694	32,523
<b>Total current liabilities</b>	<b>45,850</b>	<b>53,441</b>	<b>62,762</b>	<b>72,019</b>	<b>71,974</b>	<b>72,406</b>	<b>72,171</b>	<b>68,785</b>	<b>66,547</b>	<b>61,909</b>	<b>57,583</b>
<b>Non-current liabilities</b>											
Provisions	1,578	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801
Employee entitlements	213	171	179	186	191	195	197	202	206	211	216
Derivative financial instruments	5,561	4,963	4,963	4,963	4,963	4,963	4,963	4,963	4,963	4,963	4,963
Borrowing	82,712	90,342	115,993	141,810	147,757	148,796	146,830	136,941	127,444	113,088	97,575
<b>Total non-current liabilities</b>	<b>90,064</b>	<b>97,277</b>	<b>122,936</b>	<b>148,760</b>	<b>154,712</b>	<b>155,755</b>	<b>153,791</b>	<b>143,907</b>	<b>134,414</b>	<b>120,063</b>	<b>104,555</b>
<b>Total liabilities</b>	<b>135,914</b>	<b>150,718</b>	<b>185,698</b>	<b>220,779</b>	<b>226,686</b>	<b>228,161</b>	<b>225,962</b>	<b>212,692</b>	<b>200,961</b>	<b>181,972</b>	<b>162,138</b>
<b>Net assets/equity</b>	<b>1,653,375</b>	<b>1,743,738</b>	<b>1,839,302</b>	<b>1,891,742</b>	<b>1,949,060</b>	<b>2,023,622</b>	<b>2,088,982</b>	<b>2,159,367</b>	<b>2,250,113</b>	<b>2,329,414</b>	<b>2,415,941</b>

**NET ASSETS/EQUITY****154**

Accumulated comprehensive revenue and expense	1,061,464	1,097,568	1,162,144	1,189,604	1,210,329	1,225,227	1,239,201	1,249,592	1,261,227	1,270,671	1,283,882
Other reserves	591,911	646,170	677,158	702,138	738,731	798,395	849,781	909,775	988,886	1,058,743	1,132,059
<b>Total net assets/equity</b>	<b>1,653,375</b>	<b>1,743,738</b>	<b>1,839,302</b>	<b>1,891,742</b>	<b>1,949,060</b>	<b>2,023,622</b>	<b>2,088,982</b>	<b>2,159,367</b>	<b>2,250,113</b>	<b>2,329,414</b>	<b>2,415,941</b>

**Waikato District Council: Statement of reserve funds**  
**A forecast for the ten years ending 30 June 2028**

Reserve	Purpose	Related activities	Forecast	Transfers into	Transfers out of	Balance
			Balance	fund	fund	
			1-Jul-18	2018-2028		30-Jun-28
			\$'000	\$'000	\$'000	\$'000
Conservation fund	To fund expenditure items for conservation purposes.	Sustainable environment	430	121	(388)	163
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	26	5,405	(5,193)	238
Housing for the elderly	Income from housing for the elderly is put aside for use on the properties involved.	Sustainable communities	(74)	3,818	(3,622)	122
Plant reserve	Reserve used for control of expenditure and sale proceeds for vehicle and other plant running and maintenance costs.	Organisational support	392	19,491	(19,653)	230
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	162	2,122	(2,180)	104
Raglan Kopua Holiday Park reserve	Revenue and expense for Kopua Camp at Raglan is kept separate. The camp operation is self funding.	Sustainable communities	1,325	17,478	(13,192)	5,611
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	276	1,756	(2,027)	5
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	46	-	-	46
Disaster recovery fund	Fund set aside for use in the event of a disaster.	Organisational support	418	11,209	1	11,628
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	58	28	1	87
North Waikato development reserve	Remaining funds with interest credits from the Department of Corrections for use to assist the local community.	Sustainable communities	354	172	-	526
Hamilton East property proceeds	Proceeds from the sale of the Hamilton East property held separate for property related purposes.	Organisational support	2,308	-	-	2,308
Hakarimata Restoration Trust	A restricted reserve for Hakarimata Hills Reserve Trust to record all trust operations.	Sustainable environment	16	8	-	24
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	258	30	(288)	-
Structure plan non-growth reserve	Reserve to provide funding for the non growth element of Structure Plan development.	Organisational support	897	11,810	-	12,707
Waste minimisation reserve	To manage waste minimisation grants and qualifying expenditure.	Sustainable environment	258	2,567	(2,789)	36

Reserve	Purpose	Related activities	Forecast	Transfers into	Transfers out of	Balance
			Balance	fund	fund	
			1-Jul-18	2018-2028		30-Jun-28
			\$'000	\$'000	\$'000	\$'000
Huntly College jubilee award	A restricted reserve; the interest income from which is to be used for educational sponsorship.	Sustainable communities	14	7	(1)	20
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
Huntly Social Services	A restricted reserve created by the transfer of funds from the former Huntly Social Services Coordination Committee Inc. when it was wound up in 2015.	Sustainable communities	150	56	(79)	127
Sundry reserves	Sundry reserves for township development and other operational purposes.	Sustainable communities	16,566	13,599	(8,073)	22,092
Targeted rate reserves – operational	Reserves to monitor operational costs in relation to special rates and user pays.	Stormwater, Sustainable communities, Wastewater, Water supply	(8,137)	360,367	(351,717)	513
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	9,090	295,147	(271,412)	32,825
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	650,957	489,409	-	1,140,366
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	(39,644)	94,749	(152,849)	(97,744)
			<b>636,170</b>	<b>1,329,350</b>	<b>(833,461)</b>	<b>1,132,059</b>

Waikato District Council: Prospective statement of changes in net assets/equity

A forecast for the ten years ending 30 June 2028

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	Annual plan 2017/18	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	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	1,042,700	1,065,045	1,097,568	1,162,145	1,189,604	1,210,329	1,225,227	1,239,200	1,249,593	1,261,228	1,270,671
<b>Other reserves</b>											
Revaluation	584,212	650,957	681,588	728,420	766,805	807,963	865,302	910,973	959,707	1,027,439	1,082,271
Restricted	174	182	182	182	181	180	180	179	178	177	176
Council created	18,370	17,932	18,393	19,492	22,371	26,620	32,396	37,501	42,850	47,454	51,566
Special rates and user pays	(9,331)	(8,137)	(15,745)	(18,099)	(20,891)	(23,200)	(24,120)	(22,533)	(20,141)	(16,671)	(12,005)
Capital replacement funds	7,999	9,090	8,566	8,043	9,523	14,269	19,295	22,727	25,667	27,303	30,615
Development contributions	(39,807)	(44,060)	(57,020)	(71,086)	(86,057)	(97,307)	(104,864)	(109,272)	(108,692)	(107,022)	(104,086)
Fair value through other comprehensive revenue and expense	43	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206
<b>Total net assets/equity at beginning of year</b>	<b>1,604,360</b>	<b>1,701,215</b>	<b>1,743,738</b>	<b>1,839,303</b>	<b>1,891,742</b>	<b>1,949,060</b>	<b>2,023,622</b>	<b>2,088,981</b>	<b>2,159,368</b>	<b>2,250,114</b>	<b>2,329,414</b>
<b>Comprehensive revenue and expense for the year</b>											
Accumulated comprehensive revenue & expense	8,999	11,892	48,732	14,054	16,160	17,223	19,689	21,652	23,013	24,468	28,432
<b>Other reserves</b>											
Revaluation	40,016	30,631	46,832	38,385	41,158	57,339	45,671	48,734	67,732	54,832	58,095
Revaluation (landfill)	-	-	-	-	-	-	-	-	-	-	-
Fair value through other comprehensive revenue and expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive revenue and expense for the year</b>	<b>49,015</b>	<b>42,523</b>	<b>95,564</b>	<b>52,439</b>	<b>57,318</b>	<b>74,562</b>	<b>65,360</b>	<b>70,386</b>	<b>90,745</b>	<b>79,300</b>	<b>86,527</b>
<b>Transfers to (from) accumulated comprehensive revenue &amp; expense</b>											
Accumulated comprehensive revenue & expense	9,765	20,631	15,844	13,405	4,565	(2,325)	(5,715)	(11,260)	(11,379)	(15,025)	(15,221)
<b>Other reserves</b>											
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Restricted	1	-	-	(1)	(1)	-	(1)	(1)	(1)	(1)	(1)
Council created	(3,253)	461	1,099	2,879	4,249	5,776	5,105	5,349	4,604	4,112	4,440
Special rates and user pays	(913)	(7,608)	(2,354)	(2,792)	(2,309)	(920)	1,587	2,392	3,470	4,666	12,518
Capital replacement fund	170	(524)	(523)	1,480	4,746	5,026	3,432	2,940	1,636	3,312	2,210
Development contributions	(5,770)	(12,960)	(14,066)	(14,971)	(11,250)	(7,557)	(4,408)	580	1,670	2,936	(3,946)
<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	1,061,464	1,097,568	1,162,144	1,189,604	1,210,329	1,225,227	1,239,201	1,249,592	1,261,227	1,270,671	1,283,882
<b>Other reserves</b>											
Revaluation	624,228	681,588	728,420	766,805	807,963	865,302	910,973	959,707	1,027,439	1,082,271	1,140,366
Restricted	175	182	182	181	180	180	179	178	177	176	175
Council created	15,117	18,393	19,492	22,371	26,620	32,396	37,501	42,850	47,454	51,566	56,006
Special rates and user pays	(10,244)	(15,745)	(18,099)	(20,891)	(23,200)	(24,120)	(22,533)	(20,141)	(16,671)	(12,005)	513
Capital replacement funds	8,169	8,566	8,043	9,523	14,269	19,295	22,727	25,667	27,303	30,615	32,825
Development contributions	(45,577)	(57,020)	(71,086)	(86,057)	(97,307)	(104,864)	(109,272)	(108,692)	(107,022)	(104,086)	(108,032)
Fair value through other comprehensive revenue and expense	43	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206
<b>Total net assets/equity at end of year</b>	<b>1,653,375</b>	<b>1,743,738</b>	<b>1,839,302</b>	<b>1,891,742</b>	<b>1,949,060</b>	<b>2,023,622</b>	<b>2,088,982</b>	<b>2,159,367</b>	<b>2,250,113</b>	<b>2,329,414</b>	<b>2,415,941</b>

**Waikato District Council: Prospective cash flow statement**  
**A forecast for the ten years ending 30 June 2028**

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	<b>Annual plan 2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/2022</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	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	71,155	77,693	84,419	89,154	93,443	98,008	102,694	107,496	112,552	117,759	123,200
Subsidies received	17,251	19,870	20,552	22,181	22,940	22,172	21,619	23,698	24,824	25,933	27,794
Contributions received	8,970	6,982	6,274	6,384	6,498	6,614	9,792	10,261	10,464	10,672	10,885
Receipts from other revenue	23,843	25,252	25,582	26,602	26,982	28,171	28,909	29,742	31,065	31,998	32,967
Interest received	100	130	130	130	130	130	130	130	130	130	130
Dividends received	400	-	50	50	50	50	50	50	50	50	50
<b>Payments</b>	-	-	-	-	-	-	-	-	-	-	-
Employee costs	(29,342)	(30,898)	(32,212)	(33,316)	(34,040)	(34,672)	(35,086)	(35,734)	(36,458)	(37,203)	(37,905)
Suppliers	(51,161)	(61,001)	(59,703)	(59,158)	(59,232)	(61,183)	(65,557)	(70,641)	(76,067)	(80,818)	(84,889)
Interest paid	(4,393)	(4,623)	(5,374)	(6,360)	(7,099)	(7,461)	(7,596)	(7,089)	(6,584)	(5,921)	(4,848)
Goods and services tax (net)	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash flows from operating activities</b>	<b>36,823</b>	<b>33,405</b>	<b>39,718</b>	<b>45,667</b>	<b>49,672</b>	<b>51,829</b>	<b>54,955</b>	<b>57,913</b>	<b>59,976</b>	<b>62,600</b>	<b>67,384</b>
<b>Cash flows from investing activities</b>											
Purchase of property, plant and equipment	(63,101)	(64,417)	(71,355)	(78,036)	(56,796)	(52,588)	(51,656)	(44,890)	(47,906)	(43,888)	(47,964)
Proceeds from sale of property, plant and equipment	202	693	704	754	755	825	729	774	911	904	908
Community loans repayments received	-	-	-	-	-	-	-	-	-	-	-
Purchase of intangible assets	(1,848)	(2,931)	(2,948)	(2,441)	(1,465)	(1,499)	(1,306)	(832)	(573)	(781)	(67)
Community loans granted	-	-	-	-	-	-	-	-	-	-	-
Acquisition of investments	(618)	(525)	(443)	(746)	(94)	(98)	(179)	(141)	(147)	(26)	349
Proceeds from the sale of investments	256	160	80	400	-	80	226	365	363	346	94
<b>Net cash flows from investing activities</b>	<b>(65,109)</b>	<b>(67,020)</b>	<b>(73,962)</b>	<b>(80,069)</b>	<b>(57,600)</b>	<b>(53,280)</b>	<b>(52,186)</b>	<b>(44,724)</b>	<b>(47,352)</b>	<b>(43,445)</b>	<b>(46,680)</b>
<b>Cash flows from financing activities</b>											
Proceeds from borrowings	48,300	36,356	39,200	59,424	7,929	6,385	11,478	9,615	10,036	2,459	(14,784)
Repayment of borrowings	(20,000)	(10,000)	(5,000)	(25,000)	-	(5,000)	(14,100)	(22,800)	(22,700)	(21,600)	(5,900)
<b>Net cash flows from financing activities</b>	<b>28,300</b>	<b>26,356</b>	<b>34,200</b>	<b>34,424</b>	<b>7,929</b>	<b>1,385</b>	<b>(2,622)</b>	<b>(13,185)</b>	<b>(12,664)</b>	<b>(19,141)</b>	<b>(20,684)</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>14</b>	<b>(7,259)</b>	<b>(44)</b>	<b>22</b>	<b>1</b>	<b>(66)</b>	<b>147</b>	<b>4</b>	<b>(40)</b>	<b>14</b>	<b>20</b>
Cash and cash equivalents at the beginning of the year	7,706	7,749	490	446	468	469	403	550	554	514	528
<b>Cash and cash equivalents at 30 June</b>	<b>7,720</b>	<b>490</b>	<b>446</b>	<b>468</b>	<b>469</b>	<b>403</b>	<b>550</b>	<b>554</b>	<b>514</b>	<b>528</b>	<b>548</b>

# Development Contribution Policy

Policy Owner:	Development Contributions Coordinator
Date approved:	XX
Next review date:	XX
Document number:	XX
Engagement required:	External

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## 1 Introduction

Waikato district has experienced significant growth in recent times which is expected to continue. In particular, Waikato district has seen exponential growth in the north including Pokeno and Te Kauwhata and is envisaging increased growth in other areas such as Raglan and Ngaruawahia.

Although growth is often described as positive for the community, it also presents a number of challenges. One of the greatest challenges for the council is expanding its infrastructure networks to cater for increased demand.

The cost of expanding these networks is typically high, and the issue of funding inevitably arises. A range of funding sources is available to Council including rates grants, subsidies and development contributions. Funding infrastructure for growth via general rates (or other indirect means) can be inequitable, where existing ratepayers are neither the primary cause nor the primary beneficiaries of the growth. Where new infrastructure also benefits the wider community, an appropriate funding balance must be struck.

This document sets out the Council's policy on development contributions.

## 2 Purpose

The purpose of this policy is to:

- a) Ensure that new development contributes fairly to the funding of Council's infrastructure;
- b) Establish a policy framework for the calculation and application of development contributions;
- c) Set development contribution levies at a level which supports district plan and infrastructure strategy outcomes.

## 3 Definitions

**Accommodation units** means units, apartments, rooms in one or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation. Accommodation units are classed as a residential activity.

**Activity** means a good or service provided by, or on behalf of, a local authority or a council-controlled organisation, e.g. water supply, transport networks.

**Allotment** has the meaning given to it in section 218(2) of the Resource Management Act 1991.

**Allotment area** is the total land area of an allotment.

**Applicant** is the person/persons that apply for resource consent, building consent or service connection.

**Asset management plan** means council documents outlining how each main asset class will be managed, upgraded and expanded as required.

**Capital expenditure** means the cost of capital works for network infrastructure, reserves and community infrastructure.

**Catchment** means the area served by a particular infrastructure investment.

**Commercial** means any activity involving commercial transactions, or providing commercial or administrative services, and includes, non-school activities, offices and banks; but excludes premises or activities involving industrial manufacture or production and retail trade.

For the purposes of development contributions any consents deemed to be a commercial land use type will be assessed for development contributions.

**Community facilities** means reserves, network infrastructure, or community infrastructure that development contributions may be required for in accordance with section 199 of the Local Government Act 2002.

**Community infrastructure** means land or buildings and structures on land (development assets) on land, owned or controlled by the territorial authority to provide the following public amenities:

- a) Community centres or halls for the use of a local community or neighbourhood
- b) Play equipment that is located on a neighbourhood reserve
- c) Toilets for use by the public.

**Community outcomes** means the outcomes that the Council aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions.

**Council** means the Waikato District Council.

**Development** means

- a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- b) does not include the pipes or lines of a network utility operator.



**Development agreement** means a voluntary contractual agreement made under sections 207A to 207F of the LGA between one or more developers and one or more territorial authorities for the provision, supply, or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in one or more districts or a part of a district

**Development contribution** means a contribution -

- a) provided for in this policy; and
- b) calculated in accordance with the methodology; and
- c) comprising –
  - i. money; or
  - ii. land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or
  - iii. both.

**Development contribution policy** means this policy on development contributions included in the Long Term Plan of the Council under section 102 (2) (d) of the Local Government Act 2002.

**District** means the Waikato district.

**District Plan** means the District Plan of Waikato District Council.

**Dwelling** means any building, whether permanent or temporary, that is used for the purpose of residential accommodation.

**Financial contribution** has the same meaning as Financial Contributions in section 108 (9) (a)-(c) of the Resource Management Act 1991.

**Goods and Services Tax (GST)** means goods and services tax under the Goods and Services Tax Act 1985.

**Gross Floor Area (GFA)** means the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding:

- a) car parking
- b) loading docks
- c) vehicle access and manoeuvring areas/ramps
- d) plant and equipment enclosures on the roof
- e) service station canopies
- f) pedestrian circulation space in an enclosed retail shopping centre
- g) any foyer/Lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place

**Household Equivalent Unit (HEU)** means an average residential dwelling occupied by a household of average size.

**Impervious Surface Area (ISA)** means the area of any site that is not capable of absorbing water and includes any area that is:

- a) covered by buildings
- b) covered by decks
- c) occupied by swimming pools
- d) used for parking, manoeuvring or loading of motor vehicles
- e) paved with a continuous surface with a run-off coefficient of greater than 0.45.

**Industrial** means any:

- a) premises used for any industrial or trade purposes; or
- b) premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste-management purposes, or used for composting organic materials; or
- c) other premises from which containment is discharged in connection with any other industrial or trade process;
- d) activity where people use materials and physical effort to:
  - i. Extract or convert natural resources
  - ii. Produce goods or energy from natural or converted resources
  - iii. Repair goods
  - iv. Store goods (ensuing from an industrial process)

For the purposes of development contributions any consents deemed to be an industrial land use type will be assessed for development contributions.

**LGA** means the Local Government Act 2002

**Local authority** means a regional council or territorial authority.

**LTP** means the councils Long Term Plan

**Methodology** has the same meaning as in section 197 of the Local Government Act 2002.

**Minor residential unit** means a secondary residential unit with a gross floor area that does not exceed 70 square metres (excluding garaging) The minor residential unit may be separate, or be part of a main dwelling.

**Network infrastructure** means the provision of roads and other transport, water, wastewater, and stormwater collection and management.

**Network utility operator** has the same meaning as in section 166 of the Resource Management Act 1991.

**Non-residential development means** any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural. It further includes, but is not limited to, commercial and industrial (as defined below);

**PPI** means the Producers Price Index Outputs for Construction provided by Statistics New Zealand.

**Residential development means** any activity in a residentially zoned area. Accommodation units in accordance with the Local Government Act 2002 are deemed to be residential.

**Resource consent** has the same meaning as in section 2 (1) of the Resource Management Act 1991 and includes a change to a condition of a resource consent under section 127 of that Act.

**RMA** means the Resource Management Act 1991.

**Service connection** means a physical connection to a service provided by, or on behalf of, a territorial authority.

**Service connection fee** means a charge for physically connecting to a service provided by, or on behalf of, a territorial authority.

**Subdivision** has the same meaning as in Section 218 of the Resource Management Act 1991.

**Third party funds** mean funding or subsidy, either in full or in part, from a third party. e.g. New Zealand Transport Agency subsidies for the roading network.

**Tiny residential unit** means a dwelling with a gross floor area that does not exceed 30 square metres and includes any vehicle, trailer, tent, marquee, shipping container, caravan or boat, whether fixed or moveable, used as a dwelling regardless of whether or not it connects to council services.

**Unit of demand** means the measure of demand for community facilities.

## 4 Navigating this Document

This document comprises the following sections:

- 4.1 *Section 1* provides a brief **overview of the policy**, including the purpose of development contributions, when contributions may be required, the types of development that may be charged, and other general information regarding development contributions.
- 4.2 *Section 2* addresses the **adoption and implementation** of this policy, including the date of adoption, the frequency and scope of policy reviews, and any transitional provisions.
- 4.3 *Section 3* summarises the **capital expenditures** the council expects to incur (and has already incurred) to cater for growth.
- 4.4 *Section 4* presents the **schedule of development contributions charges**, and details any limitations on the use of those funds.
- 4.5 *Section 5* provides a simple flowchart diagram that shows **how to calculate** the contributions payable on developments.
- 4.6 *Section 6* demonstrates **application of the policy** to various development activities and outlines how credits are granted.
- 4.7 *Section 7* presents the council's policy on **remissions, reconsiderations, objections, refunds, and postponement** of development contributions

- 4.8 Section 8 provides details on **additional administrative matters**, such as invoicing and payment, service connection fees and the handling of GST.
- 4.9 Section 9 outlines **how demand has been measured**, including the definition of household equivalent units.
- 4.10 Section 10 presents the methodology used to calculate charges and outlines the significant assumptions underlying this policy.

## 5 Significance

- 5.1 Any changes proposed during a review of this policy would need to be assessed against the Significant and Engagement Policy to determine the level of engagement required.

### Policy statements

## 6 Policy Overview

### 6.1 Purpose of development contributions

The purpose of development contributions under the LGA is to recover from persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

It is the Council's position that costs of growth-related capital expenditures should largely come from participants in the property development process, rather than from general rates or any other indirect funding source.

### 6.2 When development contributions may be required

According to the LGA, development contributions may be required in relation to developments if:

- a) the effect of the developments is to require new or additional assets or assets of increased capacity and, as a consequence,
- b) The council incurs capital expenditure to provide appropriately for those assets.<sup>1</sup>

The council is also entitled to require a development contribution for capital expenditures incurred in anticipation of development.

### 6.3 Relationship to Financial Contributions under the Resource Management Act (RMA)

The Council continues to levy Financial Contributions that have been assessed under previous development contributions policies.

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<sup>1</sup> In this context, "effect" includes the cumulative effect that a development may have in combination with another development.

Section 198 2A of the LGA states: 'For the purposes of subsection (2), a development contribution must be consistent with the content of the policy adopted under section 102(1) that was in force at the time that the application for a resource consent, building consent, or service connection was submitted, accompanied by all required information.'

#### 6.4 Types of development that may be charged

Any development that generates a demand for community facilities - whether residential or non-residential - may be required to pay a development contribution. Only the pipes or lines of a network utility operator are explicitly exempt under the LGA.

#### 6.5 Types of activities that may be funded

The council may charge development contributions to help fund the total capital cost of:

- a) *Network Infrastructure* – This includes roads and other transport, water, wastewater, and stormwater networks.
- b) *Community Infrastructure* – This includes land purchases or the development of assets on land owned or controlled by the council to provide public amenities, specifically community halls, play equipment on neighbourhood reserves and public toilets.
- c) *Reserves* – this includes both land acquisition and development but does not include land that forms or is to form part of any road or is used or is to be used for stormwater management purposes

Note that onsite works (within the boundaries of each development) remain the sole responsibility of developers and do not form part of this policy.

## 7 Adoption, implementation and review

### 7.1 Timing

Any application for resource consent, building consent or service connection submitted on, or after 1 July 2018 will be subject to the conditions of this policy (and any amendments).

Applications determined prior to this date will be assessed under previous development contributions policies. The method for calculating current charges payable under previous policies are available on council's website

<https://www.waikatodistrict.govt.nz/your-council/fees-and-charges/development-contributions>

Note that in order for the charges within the current policy to apply to a development that already has consent, the existing consent would need to be surrendered and a new consent obtained. Applicants would need to give consideration to the impact of any changes in the district plan that may have come into effect during the corresponding period.

### 7.2 Frequency and scope of reviews

As required by the LGA, the Council will review this policy at least once every three years (or more frequently if deemed necessary). Such reviews may be triggered by – and will take into account – the following factors:

- a) any changes to the significant assumptions underlying the development contributions policy
- b) any changes in the capital works programme for growth
- c) any significant changes in the costs of labour, construction or technology
- d) any changes in the expected nature, scale, location or timing of development
- e) any changes that require new or significant modelling of the networks
- f) any changes to the District Plan
- g) the regular reviews of the Funding and Financial Policies, and the LTP
- h) any other matters the council considers relevant.

Each review will include a detailed analysis of the factors listed above. Any proposed changes will be carefully considered, and subject to consultation under Sections 82 and 82A of the LGA.

In addition to these regular reviews, the council will, in accordance with Section 106 (2C) of the LGA, annually increase its charges (excluding the portion relating to interest) in accordance with the rate of increase (if any), in the Producers Price Index Outputs for Construction provided by Statistics New Zealand since the development contribution was last set or increased. The Council will make publicly available information setting out details of the adjustment before it takes effect.

## 8 Planning for growth

This section presents historic and future growth trends, which provide both the context and need for this policy. It also outlines capital expenditures required to service the amount of growth in the district.

### 8.1 Growth projections

Accurate growth projections are a fundamental component of any development contributions policy. They help determine the extent of capital works required to service growth, as well as the level of demand over which the resulting costs should be spread.

For the purposes of this policy, growth projections have been produced separately for residential and non-residential developments. This allows any differences in the rates of growth to be accommodated

### 8.2 Capital expenditure required to service growth

Appendix 3 contains a table presenting capital expenditures (from the LTP) that the council expects to incur to meet the increased demands resulting from growth. It also identifies historic growth-related expenditures that the council has incurred in anticipation of demand. These will also be recovered from future development through this policy. Appendix 4 relates to specific Parks and Reserves infrastructure that was completed or substantially underway in August 2014 which now falls outside the LGA definition of

‘community infrastructure’. Council is able to continue to recoup these costs via the development contributions methodology in accordance with clause 8 of schedule 1AA.

### 8.3 Policy rationale

Section 106 (2) (c) of the LGA requires the council to explain – in terms of the matters outlined in section 101(3) of the LGA - why it has determined to use development contributions to meet the expected capital expenditure set out above in Section 3.2 of this policy.

#### 8.3.1 Community outcomes

Council’s growth related capital expenditure primarily contributes to the “Economy” community outcome, as set out in Waikato District Council’s LTP:

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

The principle of sustainable growth is promoted by fairly apportioning the cost of expenditure for increased demand to developers. Development contributions provide a suitable method for funding increases in demand.

#### 8.3.2 Distribution of benefits

By definition, capital works funded by development contributions are primarily for the benefit of future residents and businesses. Their aim is to increase capacity to accommodate new users, not to improve service levels for existing users. Using development contributions to fund growth-related works therefore aligns with the principle of benefits-based funding. The benefits arising from these projects for existing communities and users is assessed and funded separately from development contributions.

#### 8.3.3 Period over which benefits occur

Due to their ‘lumpy’ nature, most capital works provide additional capacity for long periods of time. Thus, in order to achieve intergenerational equity, and avoid over-recovery of costs allocated to development contribution funding, the council must fund them over relatively long time spans, too. Development contributions facilitate this, by spreading the cost over multiple years, thereby more closely aligning the period of funding with the period of benefit. Council has used a maximum cost recovery period of 25 years as the interest impact beyond this period is deemed to be uneconomic.

#### 8.3.4 Need to undertake activity

Development related growth pressures are a key driver of capital works funded by development contributions. Hence, requiring them to be largely funded by the growth community ensures that costs are borne by those who cause them to be incurred. This is both efficient and equitable.

Non-growth related capital expenditure is not funded by development contributions. The benefits from new or improved infrastructure for existing users are funded instead by loans to be repaid via rates over time. Appraising the overall benefits to the community is an important principle in determining the correct apportionment of costs between growth and existing users.

### 8.3.5 Separation from other activities

Growth-related capital works do not usually stand-alone within the council's capital works programme; they are usually included within much larger projects that simultaneously cater for a number of different needs.

The use of development contributions to fund the growth components means council must allocate the costs of capital works between various project drivers and recover those costs accordingly in proportion to the persons who will benefit from the assets provided.

### 8.3.6 Catchments

Whilst some services, such as roading, are generally available to all district residents on an unrestricted basis, the size and diversity of geographical characteristics across the district define natural catchments for services such as water supply, wastewater and stormwater. These characteristics, as well as the nature of the specific project, have been used to define catchment areas for the recovery of development contributions. Catchment areas vary between services, for instance a wastewater network may extend further than a natural stormwater catchment. As a consequence, development contributions vary across the district depending on the extent of works providing additional capacity.

In terms of reserves and community infrastructure the proposed works form part of a district-wide network that is available to all residents. Grouping across the entire district for these activities provides, on average, a lower development charge than would be experienced via a catchment methodology and is consistent with fairness and equity considerations of council's other funding policies e.g. general rather than targeted rates fund the ongoing operational and maintenance costs of these services. Accordingly they are charged on a district wide basis.

The district comprises a large rural area with multiple small urban areas. Its significant growth areas (Te Kauwhata, Pokeno, Tuakau and Tamahere) will have relatively few HEUs, even when anticipated development is complete. The capital cost of providing reserves and community infrastructure in catchments based on these small growth centres, or indeed any other basis that is less than catchment wide, would be prohibitive on a per HEU basis. It is Council's policy that all residents should have reasonable access to reserves and community infrastructure, and to make that possible the cost must be shared by all users. Accordingly, development contributions for reserves and community infrastructure are charged on a district wide basis as it would be impractical to do otherwise.

To clarify: The council sets charges for water, wastewater and stormwater on a catchment-specific basis, but sets charges for roads, reserves and community facilities on a



district-wide basis. In addition, the council has set catchment-specific roading charges where significant area-specific works are required. E.g. new structure plan areas.

## 9 Charges, usage and limitations

### 9.1 Schedule of charges

Appendix I contains a schedule of development contributions charges.

To incentivise early development the calculated levies for each year of the LTP include a long range (20 year+) consumer price index adjustment of 2.5% per annum. If these discounts help drive development to occur earlier than anticipated this will in turn reduce the amount of interest originally estimated and trigger a review of the charges based on the factors discussed in section 2.2.

In addition to these regular reviews, the council will, in accordance with Section 106 (2C), annually increase its charges (excluding the portion relating to interest), in accordance with the rate of increase (if any), in the Producers Price Index Outputs for Construction provided by Statistics New Zealand since the development contribution was last set or increased.

The Council will make publicly available information setting out details of the adjustment before it takes effect.

### 9.2 Use of development contributions

The council will use development contributions only on the activity for which they are collected. This will be undertaken on an aggregated project basis for each catchment.

Contributions may not be redistributed across catchments or across activities, but they may be reallocated across projects within a catchment for a given activity. Thus, for instance, contributions collected for water projects in a specific water catchment will only be spent on water projects in that catchment.

### 9.3 Limitations

The council will not require a development contribution for network infrastructure, reserves or community infrastructure in the following cases:

- a) where, under S108(2)(a) of the Resource Management Act (RMA), it has imposed a condition on a resource consent in relation to the same development for the same purpose; or
- b) where the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
- c) where it has already required a development contribution for the same purpose, in respect of the same building work, on the granting of a resource consent, building consent or on the issuing of a certificate of acceptance; or
- d) where it has received, or will receive, full funding from a third party.

In addition, council will not charge a development contribution for the provision of any reserve:

- a) if the development is non-residential in nature; or
- b) for the non-residential component of a development that has both a residential component and a non-residential component.

Development contributions will not be used for the renewal or maintenance of assets. Nor will they be used for capital works projects that bear no relation to growth.

## 10 How to calculate contributions payable

The following table demonstrates how to calculate the contributions payable on a development.

Step	What to do	Where do I find it?
1. Identify catchments	Using the catchment maps, identify what catchment your development falls in for each development contribution.	Appendix 2
2. Identify contribution payable	Use the development contributions schedule to identify the contributions payable per unit of demand for the catchments identified in step 1.	Appendix 1
3. Calculate the number of Household Equivalent Units (HEU)	Use the units of demand table to calculate the number of HEUs generated for each activity.  Subtract any credits that may apply. (In general credits are given for the pre-existing status of properties. Credits may also be granted for historic payments of development or financial contributions).	Section 9  Section 6.8
4. Calculate charges for each service	Multiply the HEUs calculated in step 3 by the contributions payable identified in step 2.	
5. Aggregate charges	Calculate the total development contributions payable by adding together the charges calculated in step 4.	

## 11 Assessment and application of policy

## 11.1 Timing of assessment

Development contributions do not automatically apply to every development in the district. Only developments that place extra demands on infrastructure - and which cause the council to incur capital costs – will be liable.

Whether or not a development will have to pay development contributions will usually be decided when granting/issuing:

- a) a resource consent under the RMA for a development;
- b) a building consent under the Building Act 2004; or
- c) an authorisation for a service connection; or
- d) a certificate of acceptance under the Building Act 2004.

## 11.2 Assessment process

Assessment of whether development contributions will be required will be made against the first consent application lodged for each development, and when (if any) subsequent consent is sought, a re-assessment will be undertaken. If, for whatever reason, development contributions were not assessed at the first available opportunity, they still may be required at subsequent stages in the development process.

## 11.3 Residential activities <sup>2</sup>

### 11.3.1 Resource consent applications

The creation of allotments via subdivision provides scope for new dwellings, and therefore attracts development contributions at a rate of one HEU per additional allotment or service connection.

On occasions where the property being subdivided is vacant land that has never been connected to services, development contributions for services will be charged for all allotments with no credit given for the existing allotment.

Any resource consent application that creates the potential to build additional independent dwellings will also attract development contributions at a rate of one HEU per *additional* allotment, service connection or dwelling.

When building on a vacant lot that does not have existing service connections, development contributions will be charged for the required services.

Minor residential units and tiny residential units shall be assessed at 0.5 HEUs and 0.25 HEUs, respectively. However, if no separate connections are required (for water, wastewater or stormwater) the fee shall be waived for each such service.

Resthome care rooms or beds will be assessed as a special assessment.

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<sup>2</sup> Accommodation units are classified as a residential activity

Dwellings that are part of a retirement village will attract development contributions as though each unit were a private standalone development. Roading and Roads & Transport for dwellings that are part of a retirement village will be assessed based on a Traffic Impact Assessment provided by the developer to the satisfaction of the council.

### 11.3.2 Building consent applications

Dwellings constructed on allotments with registered titles may attract development contributions under this policy. The extent of any contributions payable will depend on whether any payments were made at earlier stages in the development process, as well as the specific services that the development is connected to.

Additions and alterations to residential dwellings do not attract development contributions unless they create additional independent dwelling units. Thus, garages, car ports and garden sheds do not attract charges.

Minor residential units and tiny residential units shall be assessed at 0.5 HEUs and 0.25 HEUs, respectively. However, if no separate connections are required (for water, wastewater or stormwater) the fee shall be waived for each such service.

Resthome care rooms or beds will be assessed as a special assessment.

Dwellings that are part of a retirement village will attract development contributions as though each unit were a private standalone development. Roading and Roads & Transport for dwellings that are part of a retirement village will be assessed based on a Traffic Impact Assessment provided by the developer to the satisfaction of the council.

### 11.3.3 Service connection applications

Service connection applications accompanied by building or resource consent applications will not be assessed separately. Instead, they will be assessed as per section 6.3.2.

Service connection applications that are not accompanied by building or resource consent applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought.

Applications to separate-out shared water meters will not attract contributions.

### 11.3.4 Certificates of Acceptance

Where the Council grants a certificate of acceptance under the Building Act 2004, a development contribution may be payable at the time of issuing the certificate if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is issued.

## 11.4 Non-residential activities

### 11.4.1 Subdivision

Subdivisions will attract development contributions on each additional allotment created or service connection required.

On occasions where the property being subdivided is vacant land that has never been connected to services, development contributions for services will be charged for all allotments with no credit given for the existing allotment.

If the intended built form/design and land use is unknown at the time of subdivision, each allotment will be charged a development contribution based upon the HEUs set out in Table 2 in Section 9. The balance will then be assessed at the time a building consent, land use consent or service connection application is lodged.

Any additional demand over that originally assessed will require additional development contributions to be paid proportionate to the level of increase.

If the intended built form is known at the time of subdivision, contributions will be based on each lot's planned gross floor area (GFA) and the intended land use.<sup>3</sup>

### 11.4.2 Land use and building consent applications

Non-residential developments will attract development contributions based on their GFAs and intended land use.

When building on a vacant lot that does not have existing service connections, development contributions will be charged for the required services.

### 11.4.3 Service connection applications

Service connection applications accompanied by building or resource consent applications will not be assessed separately. Instead, they will be assessed as per section 6.4.2.

Service connection applications not accompanied by a building or resource consent will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought.

Applications to separate shared water meters will not attract contributions.

### 11.4.4 Certificate of Acceptance

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<sup>3</sup> Noting that stormwater charges will be based on the impervious surface area of each non-residential development, not the gross floor areas.

Where the Council issues a certificate of acceptance under the Building Act 2004, a development contribution may be payable at the time of issuing the certificate if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is issued.

### 11.5 Council developments

The council is exempt from paying development contributions on any development (capital expenditure) for which development contributions are required. This avoids the possibility of collecting development contributions for one activity and using them to help fund another activity. However, any development undertaken by other local authorities may be liable for development contributions.

### 11.6 Special assessments

The approach taken to identify a long term infrastructure programme and the required expenditure is based upon “averaging” the likely demand from anticipated development, acknowledging that some development will create a higher level of demand and some will be lower. This approach is also reflected in the development contributions policy.

There is the possibility that some development may be proposed that would have markedly different characteristics in terms of demand for infrastructure capacity, for instance:

- a) Early childcare centres, kindergartens, schools, technical training institutions and universities
- b) Hospitals, aged care facilities/care beds, palliative care facilities, medical facilities (doctors surgeries)
- c) Accommodation activities e.g. travelers accommodation, farm stay accommodation, hostels/backpackers, hotels and motels
- d) Papakianga housing
- e) Wet industry including water Bottling facilities, high use water and/or waste water activities
- f) Chicken sheds, bulk store facilities
- g) Supermarkets

Special assessment provisions will apply to such types of development, and any other development that is considered by the council to generate a level of demand that is significantly in excess of the levels identified in section 9 Table 2.

A decision on whether a special assessment will be undertaken will be made by the council at the application stage, once details of the development are known. Applicants are expected to provide supporting information and detailed calculations of the likely demand for roading, water, wastewater and stormwater capacity to enable a special assessment to be undertaken. This information will be used to calculate an equivalent HEU and the development contributions for the development will be charged accordingly.

### 11.7 Development Agreements

In some circumstances a development may have particular needs, such as a specific level of service for water supply, or may involve the provision of infrastructure as part of the development. Another unusual circumstance is where a significant development is proposed and capital expenditure is required but none has been budgeted for and no development contribution has been set. In these circumstances, where the council believes it is in the best interests of the community, development agreements may be entered into with a developer. Development agreements may be used in lieu of charging development contributions (at the Council's sole discretion) where a developer and the Council agree that particular infrastructure and/or services can be provided in a manner different to the council's standard procedures/guidelines, and where the council's minimum level of service will be achieved.

Such agreements must clearly state:

- a) the rationale for the agreement;
- b) the basis of any cost sharing;
- c) how and when the associated infrastructure will be provided;
- d) which lot(s) the agreement refers to; and
- e) the matters set out in section 207 C (2) and (3) of the LGA.

## 11.8 Application in other circumstances

### 11.8.1 Cross-boundary developments

Some developments may span several catchments and/or straddle the district boundary with another territorial authority. In this event, the following rules will apply:

- a) Where a development spans more than one catchment, the total HEUs of that development will be allocated to the various catchments on the basis of site area. The resulting number of HEUs in each catchment will then be used to calculate contributions payable.
- b) Where a development straddles the district boundary with another territorial authority, development contributions will only be payable to Waikato District Council on the HEUs (or parts thereof) that are located within the Waikato district. (Development contributions may also be payable to other territorial authorities).

### 11.8.2 Consent variations

Applications to change or cancel resource consent conditions or to amend a building consent will trigger a reassessment of development contributions. Any increase in the number of HEUs (relative to the original assessment) will be calculated and the contributions adjusted to reflect this. No automatic refund will be made for any decrease in the number of HEUs relative to the original assessment.

### 11.8.3 Boundary adjustments

Where consent is granted purely for the purposes of boundary adjustment, and no additional titles are created, development contributions will not be required.

## 11.9 Credits

### 11.9.1 Overview

As shown in section 6, the calculation of contributions payable requires the council to assess whether any credits shall apply. There are two types of credit. The first relates to development contributions that have already been paid in the past. For instance, a development may have paid contributions at the subdivision stage, and these must be taken into account if any further or additional development triggers reassessment at subsequent stages.

In general, credits will be given towards the activities for which payment was made on a HEU by HEU basis. Thus, if a development has already paid for two water HEUs, a credit for two water HEUs will be given at any reassessment. To clarify: credits are not provided for the dollars paid, but for the number of HEUs to which any previous payments correspond.

Provided written evidence of payment can be provided, no historical time limit will apply in the calculation of such credits, and all previous credits will be taken into account. This also applies to historic payments for financial contributions to the extent that such contributions related to the same infrastructure for which a development contribution is sought.

The second type of credit relates to the existing use or uses of a site. It recognises that development contributions only apply to increases in infrastructure demands caused by developments. For instance, if a dwelling is demolished and replaced with a new dwelling, development contributions would not usually apply because there is no corresponding increase in infrastructure demand.

When applying credits for a change of use, credits are calculated on the original use. For example, if converting a commercial building into residential apartments, credits will be calculated for the existing commercial activity based on GFA for the existing services only. These credits would then offset any development contributions associated with the new residential use. No credits would apply for reserves or community facilities development contributions as these are not applicable to commercial activities

Another example is if converting a dwelling into a commercial activity then a 1 HEU credit for the existing dwelling would apply to the services connected to the dwelling. The demand for services for the new activity would be calculated, the 1 HEU credit applied and any additional development contributions required for the additional demand assessed. DCs for reserves and community facilities cannot be credited against other development contributions.

In other words, credit will also be given for the pre-existing status of properties as at the commencement of this policy (1 July 2018), even if no previous financial contribution or development contributions have been paid. Credits will be associated with the existing title



and calculated and assigned to individual activities. More details on the nature of these credits are outlined below.

To clarify: where there is no connection to a reticulated system at the time development contributions are paid (either because unavailable or because an approved service is provided on site), a credit will be applied for those activities for which no connection exists. If a subsequent connection is made, development contributions will be required for that service connection at the service connection stage in accordance with the provisions of this policy. Also, if a property was not connected to a service prior to 1 July 2018, no credit will be given in respect of the service. That is to say that when subdividing a vacant lot where no water, wastewater or stormwater connections exist, but the service is available, no credit will be given for those services. All lots requiring a connection will be charged (rather than just the *additional* lots being created).

#### 11.9.2 General principles of credit

- a) Residential credits will apply at the rate of one HEU per connected service per existing allotment or independent dwelling unit.
- b) Non-residential credits will be calculated on the basis of the GFA of the existing development, and converted to HEUs using the conversion factors set out in Table 2 in Section 9.
- c) On subdivision of undeveloped land, historic credits of one HEU per service connected per existing allotment will be allocated.
- d) For existing non-residential buildings that are extended or demolished and re-built to the same or higher intensity, the assessment of credits will be based only on the existing development prior to rebuilding.
- e) For existing residential buildings that are demolished or destroyed, no development contributions will be payable provided that the same number or fewer independent dwelling units are rebuilt. Any additional units will be assessed for payment of development contributions according to the terms of this policy.
- f) Credits must be allocated to the same allotment or allotments. This prevents the transfer of credits from one allotment to another.
- g) Credit will not be granted for infrastructure provided in excess of that required as a condition of any consent(s) issued by the council.
- h) Credits cannot be used to reduce the total number of HEUs to a negative number. That is to say, credits cannot be used to force payments by the council to the developer.

## 12 **Remissions, reconsiderations, objections, refunds and postponement**

### 12.1 **Remissions**

Remissions are adjustments to the scheduled charges for a particular activity, either as a percentage or in absolute (dollar value) terms. Remissions will only be invoked pursuant to a Council resolution, and are not able to be requested by applicants. Remissions are usually triggered by significant changes to the levies or a change of legislation.

### 12.2 **Reconsiderations**

An applicant may request a reconsideration of the development contribution payable on their development where there are grounds to believe that:

- a) The development contribution levies were incorrectly calculated/assessed in accordance with the development contributions policy, or
- b) The Council has incorrectly applied its development contributions policy, or
- c) The information used to assess the application, or the way in which the Council has recorded or used it when requiring a development contribution, is incomplete or contained errors.

Reconsideration will only be undertaken if requested by the applicant.

All reconsideration requests must be made within 10 working days of receiving notice from the Council of the level of development contributions required.

Requests must provide the reference number of the relevant consent or service connection and must be short and concise, but fully outline the reasons why reconsideration is being sought, and provide sufficiently reliable data to enable a revised estimate of demand and associated development contribution charge to be made.

Requests can be lodged with the Council in the following ways:

- email at: [DCReviewCommittee@waidc.govt.nz](mailto:DCReviewCommittee@waidc.govt.nz)
- writing to Council at the following address:

Attention: DC Review Committee  
Waikato District Council  
Private Bag 544  
Ngaruawahia 3742

Requests need to include in the subject line 'request for reconsideration' and the reference number of the relevant council consent.

In undertaking a review the council:

- a) must consider the request as soon as reasonably practicable
- b) may, at its discretion, uphold, reduce, or cancel the original amount of development contributions required on the development and will communicate its decision in writing to the applicant within 15 working days of receiving all relevant information pertaining to the request
- c) may delegate this role to council officers or other suitably qualified persons as required.

In reaching a decision, the council will take account of the following matters:

- a) the Development Contributions Policy
- b) the extent to which the value and nature of works proposed by an applicant reduces the need for works proposed by the council in its capital works programme
- c) the level of existing development on the site
- d) contributions paid and/or works undertaken and/or land set aside
- e) any other matters the council considers relevant.

### 12.3 Objections to Development Contributions

A formal objections process with Ministry registered commissioners is available in accordance with section 199 of the LGA. Schedule 13A of the LGA outlines the objection process in detail. Section 150A of the LGA outlines costs of development contribution objections.

### 12.4 Refunds

There may be occasions where the council must refund development contributions collected under this policy. The specific circumstances in which this may occur – as well as the way in which refunds must be handled - are set out in sections 209 and 210 of the LGA. In essence, refunds may occur if:

- a) the development or building does not proceed; or
- b) a consent lapses or is surrendered; or
- c) the council does not provide the reserve, network infrastructure or community infrastructure for which the development contribution was required.

Any refund will be issued to the consent holder of the development to which the refund applies.

The refund amount will be the contribution paid, less any costs already incurred by the council in relation to the development or building and its discontinuance, and will not be subject to any interest or inflationary adjustment.

### 12.5 Postponement

The Council will not consider postponements of contributions payable under the policy.

## 13 Other administrative matters

### 13.1 Reassessment and invoicing

The LGA allows the council to assess applications (for consents and service connections) at various stages of the development process to determine the extent of any development contributions payable. The council's policy is to undertake such assessments as early as possible.

These assessments will be reassessed on 1 July each year, taking into account the rate of increase (if any) of the Producers Price Index since the development contribution was last set or increased, and any change of the number of HEUs since the original consent was granted for the respective development. An applicant can also request an invoice be generated at any time. If not requested by the applicant, an invoice will be issued at the earliest of:

- a) an application for a certificate under section 224(c) of the RMA; or
- b) an application for a Code Compliance Certificate under section 92 of the Building Act 2004; or

- c) an application for a Certificate of Acceptance under section 96 of the Building Act 2004; or
- d) a grant of land use consent where the use triggers additional demand, but a section 224(c) certificate, code compliance certificate or additional service connection is not required.
- e) a request for service connection.

### 13.2 Timing of payments

The due date for payment will be:

- a) For subdivision resource consents: prior to issue of the section 224c certificate.
- b) For other resource consents: prior to the commencement of consent.
- c) For building consents: prior to issue of the Code Compliance Certificate.
- d) For service connections: prior to connection.
- e) For certificates of acceptance: prior to issue.

Note: In order to avoid Producers Price Index (PPI) increases, development contributions may be paid earlier, as outlined in clause 8.1 above.

### 13.3 Non-payment and enforcement powers

Until a development contribution required in relation to a development has been paid, the council may:

- a) In the case of a development contribution assessed on subdivision, withhold a certificate under section 224(c) of the RMA.
- b) In the case of a development contribution assessed on building consent, withhold a Code Compliance Certificate under section 95 of the Building Act 2004.
- c) In the case of a development contribution assessed on an authorisation for a service connection, withhold a service connection to the development.
- d) In the case of a development contribution assessed on a land use consent application, prevent the commencement of resource consent under the RMA.
- e) In the case where a development has been undertaken without a building consent, withhold a Certificate of Acceptance for building work already done.

The council may register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land in respect of which the development contribution was required, as provided for in section 208 of the LGA.

### 13.4 Contributions taken as money in first instance

The LGA specifies that contributions may be taken either as money, land or both. The council will usually take contributions as money, but may also accept land from time to time at its sole discretion as per the development contributions policy in place at time of assessment.

### 13.5 Service connection fees

Where physical connections to the network are required, the council will require service connections fees for the following services:

- a) potable water
- b) wastewater
- c) stormwater

These are separate from, and are charged in addition to, development contributions.

### 13.6 GST

The process for calculating development contributions is GST exclusive. Once all calculations are complete, GST is added to the levy calculations as required by the prevailing legislation and/or regulations of the day. Note that while Development Contribution Advice Notices are inclusive of GST they do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985. Council can issue an invoice on request.

## 14 Measuring demand

### 14.1 Units of demand

Units of demand provide the basis for distributing the costs of growth. They illustrate the rates at which different types of development utilise capacity. The council has adopted the household equivalent unit (HEU) as the base unit of demand, and describes the demand for capacity from other forms of development as HEU multipliers (also known as conversion factors). These show the number of HEUs that shall apply per 100m<sup>2</sup> of gross floor area (GFA) for non-residential development. For stormwater, the calculations are based on impervious surface area (ISA), not GFA.

The following subsections outline the demand characteristics of each HEU and the conversion factors used to convert non-residential demand to HEUs.

### 14.2 Base units

The following table summarises the demand characteristics of each household equivalent unit, which represents an average household living in a single dwelling.

**Table 1:** Base Units (Demand per HEU) \*Trickle feed only

Activity	Base Unit	Demand per HEU
Roading	Vehicle trips per day	10
Water Supply – Urban	M <sup>3</sup> /day/lot	0.7
Water Supply – Rural*	M <sup>3</sup> /day/lot	1.8
Wastewater	M <sup>3</sup> /day/lot	0.49
Stormwater	Impervious surface area (ISA)	260m <sup>2</sup>

Community facilities	Base Unit determined by Level of Service per lot for respective service area	1
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### 14.3 Conversion factors

The following table outlines the conversion factors used to convert non-residential developments to household equivalent units (HEUs). These have been based on the conversion factors used by other Councils, and are consistent with local experience. However, the Council will continue to monitor the infrastructure demands created by non-residential developments to ensure that these factors remain relevant, and with a view to review as required.

Note that section 6.6 of this policy allows a special assessment to be undertaken where the application of these factors may result in an unreliable estimate of infrastructure demands.

**Table 2:** HEUs per 100m<sup>2</sup> of Gross Floor Area (\*ISA for stormwater)

Activity	HEUs per 100m <sup>2</sup> GFA
Roading	0.4
Water Supply	0.25
Wastewater	0.25
Stormwater*	0.25
Community facilities	n/a
Reserves	n/a

## 15 Methodology and significant assumptions

### 15.1 Methodology overview

The method the Council uses to calculate development contributions comprises the following eight steps:

Step	Explanation	LGA reference
1. Define catchments	<p>For network based services, such as water, stormwater and wastewater the total costs are allocated across catchments, which are based on the area to be serviced by the network.</p> <p>For arterial and collector roading networks the catchment is based on structure plan boundaries. For some more localised infrastructure a sub-catchment is in place.</p> <p>For the small portion of district-wide</p>	<p>Schedule 13(1)(a)</p> <p>Section 197AB(g)</p>

	<p>intersection improvements, safety and pavement rehabilitation works related to growth in the capital works schedule the catchment is the Waikato district.</p> <p>For community infrastructure and reserves the catchment is the Waikato district.</p>	
2. Define Levels of Service	Review the capital works programme in terms of Council's asset management plans to determine whether there are any shortfalls in the current service levels.	
3. Identify growth related capital works	<p>Capital expenditure already incurred in anticipation of growth, net of third party contributions.</p> <p>The proportion of total future capital works planned in the LTP resulting from growth.</p> <p>Service level and renewal related costs are met from funding other than development contributions.</p>	<p>Schedule 13(1)(b)</p> <p>Section 101(3)</p>
4. Allocate project costs between growth & non-growth drivers	<p>100% of growth related capital expenditure will be funded by development contributions.</p> <p>The costs relate directly to expenditure within the LTP and the proportion identified for growth can be reasonably identified.</p> <p>The cost of capital (interest) is split between growth &amp; non-growth. The growth related interest is included in the development contribution charge, and the non-growth related interest is rate payer funded.</p>	Section 106(2)(b)
5. Define appropriate units of demand	<p>Council will use household equivalent units (HEUs) differentiated on a residential and non-residential basis.</p> <p>For residential development, HEU charges will be applied uniformly for each</p>	Schedule 13(1)(b)

	<p>allotment for simplicity and cost effectiveness of administration. Further dwellings (subject to minor residential unit considerations) will also have the charges applied on this uniform basis.</p> <p>For non-residential development, HEUs are calculated on the basis of Gross Floor Area (GFA) and Impervious Surface Area (ISA) conversion factors. Water, wastewater and stormwater conversions equate to 1 HEU for every 400m<sup>2</sup> of GFA (ISA for stormwater). Roading conversions equate to 1 HEU for every 250m<sup>2</sup>.</p> <p>Where demand is demonstrably different from the demand outlined in this policy, a special assessment is likely to be required.</p>	
6. Identify the capacity life for growth	<p>The period where spare capacity is available for new users will vary across each asset.</p> <p>Costs are distributed over the capacity life of a project to a maximum of 25 years. Beyond this period the interest impacts are deemed uneconomic.</p>	<p>Section 197AB(b)</p> <p>Schedule 13(1)(b) and (2)</p>
7. Allocate costs to each unit of demand	<p>The development contribution per HEU is calculated by spreading the total cost of capital expenditure resulting from growth (including debt servicing) of each catchment across their capacity life.</p>	<p>Schedule 13(1)(b)</p>
8. Calculate fees by activity and catchment	<p>A schedule of charges is included in the policy to enable development contributions to be calculated by infrastructure type and catchment.</p> <p>The significant assumptions, criteria for credits, remission, reconsiderations and refunds, valuation basis for maximum reserve charges and catchment maps support this policy.</p>	<p>Section 201(2)</p> <p>Section 201(1)(a),(b),(c) and (d)</p>



A detailed discussion of this methodology is provided in the Development Contributions Methodology Report (available at the Council's offices). A brief summary of the report is as follows.

## 16 Methodology Steps

### 16.1 Define catchments

Service catchments are geographic boundaries within which linkages can be created between infrastructure investments and the specific developments that benefit from those investments and/or which cause them to occur. The smaller the catchment; the tighter these linkages become.

For example, suppose the council installs a water treatment plant to serve a small area of growth. If a catchment is used to isolate the specific developments that caused that particular investment to occur (and which will receive direct service from it), only those developments will help fund its costs. If a catchment is not used, however, the costs of that investment will be spread across all the developments in the district, regardless of whether they caused (or benefited from) the investment.

Given the intentions of the LGA - to allocate costs on the basis of causation and benefits received - it follows that catchments should be used where appropriate, i.e. where the size and diversity of geographical characteristics across the Waikato district define natural catchments for services.

### 16.2 Define levels of service

Service levels define the quality of service, and are typically embedded in the council's asset management plans. Service levels are critically important because they help identify any shortfalls in the existing service and, therefore, the extent to which capital works reflect backlog (to resolve poor existing service levels). This, in turn, informs the allocation of project costs between growth and non-growth drivers.

#### 16.2.1 Identify growth-related capital works

Next, the specific capital works need to be identified for which development contributions are sought. These comprise both future capital works – as listed in the LTP – and historic works undertaken in anticipation of growth.

#### 16.2.2 Allocate project costs

Many of the capital works projects underlying this policy are multi-dimensional. That is to say, very few projects are designed to serve only growth. The reason for this is so-called “economies of scope.” Economies of scope mean that it is cheaper to undertake one project that serves several purposes than to undertake a series of smaller single-purpose projects.

Economies of scope lead to shared costs, and the goal of cost allocation is to spread those shared costs across project drivers (one of which is growth).

The cost allocations underlying this policy are based on a two-staged approach. In stage one, the method checks whether a project is to any degree required to service growth. If so, stage two derives a percentage cost allocation. Both stages of the allocation process have been guided by a number of considerations, such as:

- a) Section 101(3) of the LGA. This sets out the issues to which the Council must have regard when determining its funding sources. These include the distribution of benefits, (in terms of the time period over which the benefits arise and the area that receives the benefit) the extent of any cost causation, and the impacts on community outcomes and policy transparency. It also requires the Council to consider the overall impact of any allocation of liability for revenue needs on the community.
- b) Asset management plans, which provide details about the scale and nature of capital works.
- c) Network modelling, which helps understand the usage of infrastructure networks.
- d) Cost allocation principles, such as standalone costs and incremental costs.
- e) The presence of any third party funding.

More detail on the council's cost allocation methodology can be found in the Council's Development Contributions Methodology Report (available at Council offices).

#### 16.2.3 Define appropriate units of demand

After identifying the specific capital works for which contributions will be required, we need to identify the unit of demand used to attribute costs to different forms of development. The LGA requires this to be done on a consistent and equitable basis.

The council considers the household equivalent unit (HEU), which captures the demands of an average household, as the appropriate unit of demand, and specifies the demands imposed by other forms of development as multipliers. This approach mirrors that used by other councils in New Zealand.

#### 16.2.4 Identify the capacity life for growth

The capacity life of an asset is the period over which it has spare capacity to accommodate new users. This may differ from its useful life, which is the period over which it remains in service.

In accordance with section 197AB(b), project costs should be spread over the asset's capacity life. This makes sense, because only developments occurring within the capacity life can physically connect to the network and receive benefit from its provision.

In some cases, however, the design life may be very long and a shorter funding period may be used. In this development contributions policy, costs are spread over an asset capacity life of up to a maximum of 25 years.

#### 16.2.5 Allocate costs to each unit of demand

This is a fairly straightforward exercise, and is carried out within the development contributions funding model. It entails spreading the total growth-related costs of each project (along with any debt-servicing) costs to the various developments that are predicted to fall within the same catchment and within the asset's design life.

#### 16.2.6 Calculate fees by activity and catchment

The final step is to aggregate the costs of each project at the activity/catchment level. The results are then used to derive the schedule of development contributions.

### 16.3 The funding model

A funding model has been developed to calculate charges under this policy. It tracks all the activities for which contributions are sought, the catchments underlying each activity, and the infrastructure projects related to growth. It also incorporates growth projections for each catchment and each type of development.

The funding model embodies a number of important assumptions, including:

- a) All capital expenditure estimates are inflation-adjusted and GST exclusive.
- b) The backlog, renewal and maintenance portions of each project will not be funded by development contributions.
- c) Methods of service delivery will remain largely unchanged.
- d) Interest will be earned by the council where contributions precede works. Conversely, interest expenses will be incurred (or interest revenue will be foregone) where works precede contributions. Both are calculated at the weighted average interest cost of borrowings.
- e) Any debts incurred for a project will be fully repaid by the end of that project's funding period.
- f) The development contributions will be adjusted on 1 July each year at the rate of increase in the Producers Price Index Outputs for Construction. This has been modeled as an average increase of 1 per cent per annum. Developers may pay the required development contributions prior to the due date, to avoid paying for annual increases in the Producers Price Index.
- g) Increases in general rates and user charges - due to increases in the number of ratepayers - will be sufficient to fund increases in operational expenses (including depreciation) associated with growth-related capital works.

### 16.4 Other significant assumptions

A number of other important assumptions underlie this policy. The most significant of these are outlined below.

#### 16.4.1 Planning timeframe

This policy is based on the ten-year time frame of the LTP and on the principle that costs triggered by growth over that period should be both allocated to, and recovered within, that period. However, in many cases, economies of scale require the council to build assets of greater capacity that extend beyond the timeframe of the LTP.

The council accepts that, in such cases, it may have to bank roll costs and recover them over time from future developments. Any costs incurred in anticipation of future growth (i.e. beyond the LTP) will be allocated to and recovered in those later years, subject to a maximum total recovery period of 25 years.

#### 16.4.2 External funding

This policy assumes that the eligibility criteria used - and the level of funding provided - by third parties (such as New Zealand Transport Agency) remain unchanged over the life of the LTP.

#### 16.4.3 Best available knowledge

The growth projections and capital works programme contained in the Council's LTP underlying this policy represent the best available knowledge at the time of writing. These will be updated as better information becomes available and incorporated in the policy at review times.

#### 16.4.4 Changes to capital works programme

Deviations from projected growth rates will result in acceleration or delay of the capital works programme (or the re-sequencing of projects), rather than more significant changes to the overall scope of capital works.

#### 16.4.5 Avoidance of double-dipping

Development contributions will not be sought for projects already funded by other sources, such as external subsidies or financial contributions.

#### 16.5 Identification of risks

The main risks associated with this policy are uncertainty over (i) the rate and timing of growth, and (ii) the exact nature of future growth-related capital works, and their associated cost and timing. In both cases, the most effective risk mitigation strategy is to constantly monitor and update the policy as better information becomes available.

## 17 **Policy review**

17.1 This policy must be reviewed at least every three years.

## 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.

## 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) and is domiciled and operates in New Zealand. The relevant legislation governing Council's operations includes the LGA and the local Government (Rating) Act 2002 (LG(R)A)

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 (WBT). Strada is in the process of being wound up; the remaining assets include a deferred receivable relating to the sale of its share in the joint venture Waikato Quarried Limited. All the companies in which Council has an interest 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 2028. They were authorised for issue by Council on 30 June 2018. 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 and the Local Government (Financial Reporting and Prudence Regulations 2014 (LG(FRP)R) which include 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 and comply with Tier 1 PBE accounting 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 LG(FRP)R and is required by the LGA.

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 2016/2017 financial year and the Annual Plan financial performance and cash flows for the 2017/2018 financial year, as modified by known changes, have been used to arrive at the opening balances for the plan as at 1 July 2018.

**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**

There have been no changes in accounting policies since the publication of Council's 2017 Annual Report.

## 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.
- Revenue from water-by-meter rates 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 or provision 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.

- Fees 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 is 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:

Description	Useful Life (Years)	Depreciation Rate
Audio-visual materials and electronic games – Libraries	5	20%
Buildings	15 – 100	1 – 6.7%
Vehicles / Moveable plant	4 – 20	5 - 25%
Library books	8	12.5%
Computers	4 – 7	14 - 25%
Office equipment	3 – 15	6.7 – 33.3%
Furniture and fixtures	10	10%
Water supply	2 – 100	1 - 50%
Wastewater	4 – 100	1 - 25%
Urban stormwater	3 – 100	1 - 33.3%
Roading pavement – sealed	2 – 100	1 - 50%
Pavement (basecourse)		
- sealed	65 – 105	0.95 - 1.5%
- unsealed metal	20	5%
Surface water channel	20 – 80	1.25% - 5%
Culverts	50 - 80	1.25 – 2%

Description	Useful Life (Years)	Depreciation Rate
Guardrails/Barriers	40 – 80	1.25% - 2.5%
Drainage	50 - 80	1.25 – 2%
Retained walls	50 - 100	1 – 2%
Footpaths	15 – 80	1.25 - 6.7%
Street lighting	20	5%
Bridges	40 – 100	1 – 2.5%
Parks and reserves	10-125	0.8 - 66.7%
Solid waste		
- refuse transfer stations	1.5 – 80	1.25 – 10%
- landfills	5 – 90	1.11 – 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 and 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 reserves are revalued annually at fair value less estimated costs 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.

### **Borrowing**

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

Borrowing is classified as a current liability 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 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 in a separate document.



This affects your future rates:  
Have your say by 9am Monday 16 April

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**OUR VISION:  
LIVEABLE,  
THRIVING AND  
CONNECTED  
COMMUNITIES**

# FROM THE MAYOR AND COUNCILLORS

**Waikato District is the third fastest-growing district in the country. In the next 10 years our population is expected to grow by more than 12,000 – nearly as much as the populations of Huntly and Ngaruawahia combined.**

Sitting between Auckland and Hamilton, and within the golden triangle anchored by Tauranga to the east, our district is attracting new businesses and residents. We expect the number of our rateable properties will increase by about 6,500 in the next decade, from 32,000 to 38,500.

Growth brings opportunities as well as challenges. In recent years we've worked to develop and maintain our infrastructure – our roads and waters services – to keep pace with this growth while seeking to maintain affordability for our ratepayers. Our achievements over the past three years have included:

- An 'Alliance' with Downer NZ that provides more cost-effective roading services and faster customer responses
- A major programme to assess our wastewater assets and to invest in making improvements to reduce spillages, especially in environmentally sensitive areas.

The options presented in this consultation document focus on how we manage our 'Three Waters' services (see page 6), and how we might re-balance ratepayer contributions to General Rates by adjusting the Uniform Annual General Charge (see page 9). These are the next steps in our efforts to balance growth and affordability.

We now also want to spend time addressing how to plan for and create liveable, thriving and connected communities.

We want to put more effort and resources into ensuring we shape our growth so we create communities that people feel connected to and want to live in. Getting the planning right is crucial to ensure we invest in roads, water services infrastructure, parks and community facilities at the right time, in the right place and of the right size. We have set aside funds to develop 'master plans' for our key growth areas to ensure our investments deliver real value to our community, in an affordable way and in a way that helps build a sense of community as our district grows.

We have refreshed our vision and community objectives to reflect this new approach, and presented these for you to read about on pages 4 and 5.

Feedback already received from our community board and committee representatives is supportive of this approach. So we look forward to working with all of you to create liveable, thriving and connected communities in our district.



**Allan Sanson**  
Mayor





# CONTENTS

## Have Your Say

This consultation is for our Long Term Plan which sets out a plan for works and services, budgets and rates for the next 10 years, but with a particular focus on the next three years. It determines how we will spend our funds to make our communities better.

We update our Long Term Plan every three years to make sure it is still relevant, accurate and moving us towards our goals and community outcomes.

For more information and supporting material on the Long Term Plan go to [www.waikatodistrict.govt.nz/longtermplan](http://www.waikatodistrict.govt.nz/longtermplan) or phone us on 0800 492 452.

### TELL US WHAT YOU THINK:

- Online – go to [www.waikatodistrict.govt.nz/sayit](http://www.waikatodistrict.govt.nz/sayit)
- Post – use the submission form and reply envelope provided in this document
- Email – send your feedback to [consult@waicd.govt.nz](mailto:consult@waicd.govt.nz)

**Submissions close at 9am,  
Monday 16 April**

2	From The Mayor And Councillors
3	Have Your Say
4	Our Vision
6	Decisions We Need To Make With Your Help (Consultation Matters)
11	Planning To Achieve Our Vision
13	Building And Maintaining Infrastructure (Infrastructure Strategy)
16	How We Fund The Future (Financial Strategy)
20	Auditor's Report
21	Property Rating Examples
23	Submission Form
24	Information Sessions

**Should we save \$28.3m on waters services?**

Tell us... see page 6



**Should we rebalance your contributions to general rates?**

Tell us... see page 9



**Your general rate will rise by 6.24%...**

See rates table page 18



**What does this mean for your property?...**

See examples page 21



**FIND OUT MORE AT AN INFORMATION SESSION IN YOUR AREA (SEE BACK PAGE FOR DETAILS).**

# OUR VISION: LIVEABLE, THRIVING AND CONNECTED COMMUNITIES

HE NOOHANGA AAHURU,  
HE IWI WHAI ORA, HE HAPORI  
TUUHONO TAHI



Our Vision and Community Outcomes set the goals we want to achieve in everything we do. We have refreshed our vision to embrace the growth and changes we face. Our vision is that we work together as a district to build **liveable, thriving and connected communities as our district grows.**

**Liveable communities** are well-planned and people-friendly, providing for a range of quality residential options, social infrastructure, walkways and open spaces. They reflect what's important to people, and support a shared sense of belonging both to the local community and the wider district.

**Thriving communities** participate in Council decision-making and community-led projects, provide input into the management of their local assets, and sustain the local business sector providing local employment.

**Connected communities** have fit-for-purpose infrastructure to create liveable, thriving communities. Connectivity through roads, cycleways, walkways and digital capabilities enable rapid information sharing and engaging in activities together. By these means, people in connected communities access services and amenities that meet their social, health, education and employment needs.

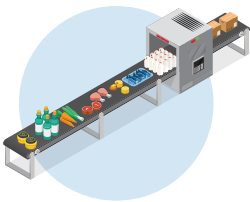
# OUR COMMUNITY OUTCOMES AND GOALS

Together with your Community Boards and Committees, we have developed the following community outcomes to guide our decision-making:



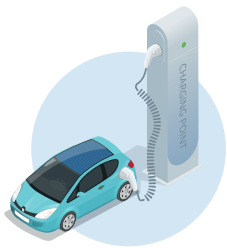
## **SUPPORTING OUR COMMUNITIES: KIA TAUTOKO KI A TAATOU HAAPORI**

We consider the well-being of all of our people in all our planning and activities. We support and plan for the development of complete and connected communities.



## **BUILDING OUR ECONOMY: KA HANGA A TAATOU OOHANGA**

We attract diverse enterprise/business; creating jobs and opportunities for our community. We continue to support our existing industry. We support others who leverage our location to ensure tourism brings benefits to a range of people in our communities.



## **SUSTAINING OUR ENVIRONMENT: KIA TOITUU TO TAATOU TAIAO**

We are a community that believes in environmental sustainability; we pursue and promote related ideas and manage regulatory processes to safeguard and improve our district.



## **WORKING TOGETHER WITH YOU: KIA MAHI TAHI TAATOU**

Our communities work with us so we are collectively focused on the right things at the right time.



## **PROVIDING VALUE FOR MONEY: KA WHAI PAINGA MO TE PUUTEA**

Residents and ratepayers get value for money because we find innovative ways to deliver strategic, timely and fit for purpose infrastructure and services at the most effective cost.

## **Our Approach**

When considering the financial picture, the Council's overall approach continues to be:

1. Support growth in targeted areas
2. Maintain existing assets
3. Modernise infrastructure where it is prudent to do so
4. Do more within existing budgets
5. Move the cost of providing a service to those who use them ie. user pays

# DECISIONS WE NEED TO MAKE WITH YOUR HELP



A key focus of our Long Term Plan is to build the Council's capacity and capability to fulfil our vision for the district. The community has already helped us make some decisions on our wastewater infrastructure and our library services in the past year and these are already built into this plan.

However, we have identified the following issues we would value your feedback on, to help us to continue to work towards our vision and achieve the community outcomes we all want:

- How do we manage our 'Three Waters' for maximum benefit for the district?
- How do we re-balance ratepayer contributions to the General Rate to address fairness and affordability?

## How We Manage our Water, Wastewater and Stormwater ('Three Waters')

**The issue:** Our growing population is putting pressure on our water supplies as well as on our wastewater and stormwater infrastructure. The challenges in providing fit-for-purpose infrastructure and services at an affordable price include: significant capital investment requirements; anticipated tougher environmental, regulatory and public health standards following from the Havelock North drinking water inquiry; and market shortages of skilled staff.

The Council commissioned a business case to investigate the risks and benefits of four different options for managing our waters services:

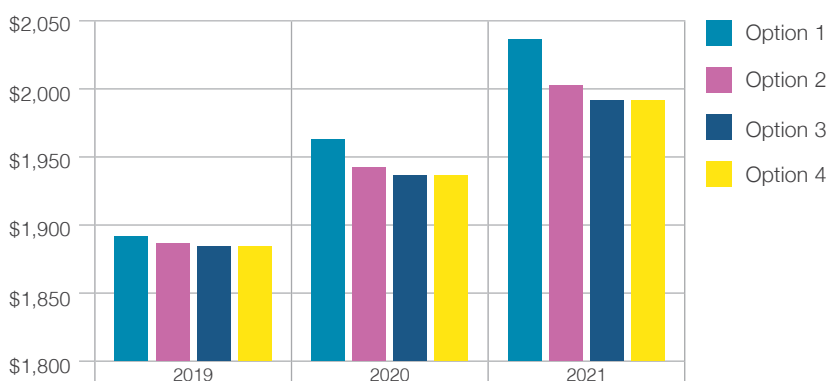
1. Current Operations (status quo)
2. Shared Waters Management Company (partnering with Hamilton City and Waipa District Councils)

3. Council Waters Company (partnering with Waikato Tainui and Watercare Services Ltd)
4. Waters Governance Board: A variation to the Council Waters Company option replacing the company structure with a Council-appointed Governance Board.

Since preparation of the business case, Waipa District Council's announcement in December last year that it would not form a Shared Waters Management Company with Hamilton City Council may have removed this as an option. Nevertheless we are offering all four options for you to consider. (For full details, see the business plan on our website.)

**Our preferred option is Option 4 outlined in more detail on page 8.**

### YOUR WATERS SERVICES RATES WILL CHANGE ACCORDING TO THE OPTION WE CHOOSE



Total annual targeted rates for water, wastewater and stormwater services (including an estimate of average household water-by-meter usage) are aggregated for each option (left). This shows how rates will change under the options presented in the following pages.

## Option 1: Current Operations (status quo)

We continue to operate our own waters infrastructure with our own staff, and share laboratory, trade waste and water education services with Hamilton City and Waipa District. This is still a workable solution and involves no new set-up costs. However, it means continuing to rely on external contractors and consultants due to the ongoing challenge to secure qualified staff, and it offers basic service delivery performance at a higher cost and with some significant risk when compared with the other options.

This option maintains the levels of service (LOS) as currently agreed with the community, but debt levels will rise, and your waters services rates will rise as laid out in the graph on page 6.

**The status quo is not the preferred option.**

## Option 2: Shared Waters Management Company (with Hamilton City and Waipa District Councils)

We establish a company co-owned with Hamilton City and Waipa District Councils to undertake all waters operations and associated services, including planning and asset management. Each Council would retain ownership of their own waters assets (pipes, pumping stations and treatment plants), collect associated revenues and raise and repay any necessary debt. This solution would be similar in ownership structure and operations to Wellington Water Ltd which undertakes waters operations for Wellington City, Hutt City, Upper Hutt City and Porirua City Councils.

This option builds on our current relationships with the Councils with which we share laboratory, trade waste and water education services. We also currently contract Hamilton City Council to provide drinking water for our southern areas including Gordonton, Puketaha, Horsham Downs, Eureka, Matangi and Tamahere. The larger operation would offer greater efficiencies and be able to attract and offer the expertise needed now and for the future. However, it would meet limitations associated with the different processes and

systems (including asset management IT systems) currently in operation at each Council, as each Council would continue to own their own waters assets. Waipa District Council's decision last year not to enter into such an arrangement creates some uncertainty over this option.

Levels of service would be maintained as presently agreed, but it may offer an opportunity to raise levels of service in the future.

**Savings are forecast to total \$20.1 million over 10 years.**

This means our debt would be lower than forecast under Option 1 and your waters services rates will not rise as much. (See graph on page 6).

This option is assessed to be the hardest to implement in comparison to the other options.

**A Shared Waters Management Company (SWMC) is not the Council's preferred option.**

## Option 3: Council Waters Company (with Waikato Tainui and Watercare Services Ltd)

We establish a new Council Controlled Organisation (CCO), owned by the Council but operated by an independent Board, to take ownership and responsibility for our assets and for providing 'three waters' services to the Waikato district. Waikato-Tainui would be offered board representation as a key partner. The CCO would enter into a commercial arrangement with Watercare to provide full management oversight, asset management, customer support and customer billing services. This would offer significant cost and risk reduction by leveraging Watercare's expertise and substantial economies of scale.

This option builds on our current relationships. Watercare already provide drinking water and wastewater treatment services to our north Waikato communities. Waikato-Tainui is a co-governance partner with the Council in a Joint Management Agreement covering the Waikato River and other areas of mutual interest, and the Council has an existing Memorandum of Agreement with Watercare.

Under this option levels of service will be maintained as presently agreed, but it may offer an opportunity to raise levels of service in the future.

**Savings are forecast to total \$28.3 million over 10 years.** This means our debt would be lower than forecast under both Options 1 and 2 and your waters services rates will rise more slowly. (See graph on page 6).

This option is assessed to be the most expensive to implement. Establishing an independent company with independent billing would remove the flexibilities to charge development contributions and offer rates rebates to ratepayers, and may risk creating a tax liability.

**A Council Waters Company (CWC) is not the preferred option.**

## Option 4: A professional Council-appointed Waters Governance Board (Council's preferred option)

We establish a Council-appointed Waters Governance Board, including Waikato-Tainui representation. Watercare Services Ltd would provide waters management services under a contract for supply. The Board would control all the 'three waters' operations and service delivery, but the Council would retain ownership of the infrastructure and would continue to provide the background corporate support required so that the way you pay for your waters services would stay the same.

While not offering the level of independence of a separate asset-owning company, this option provides the service delivery and commercial benefits offered under Option 3 along with the following additional benefits:

- Simpler and cheaper to establish
- Removes the risk of creating a tax liability

- Allows the Council to continue to collect development contributions for waters services, to recover costs through targeted rates and offer rates rebates options for low-income ratepayers.

Under this option levels of service will be maintained as presently agreed, but it may offer an opportunity to raise levels of service in the future.

**Savings are forecast to total \$28.3 million or more over 10 years.** This means our debt would be lower than forecast under both Options 1 and 2 and your waters services rates will rise more slowly. (See graph on page 6 and the table under the Rates section on page 18).

**A Waters Governance Board (WGB) is the COUNCIL'S PREFERRED OPTION.**

### COMPARING THE OPTIONS

Benefits	Option 1: Current Operations	Option 2: SWMC	Option 3: CWC	Option 4: WGB
More effective partnership with iwi to achieve improved environmental outcomes	N/A	✓✓	✓✓✓	✓✓✓
Access to world-class expertise in water and wastewater that Council can't afford on its own	✓	✓✓	✓✓✓	✓✓✓
Realisation of significant financial savings from joint procurement and cost-efficiencies	N/A	✓✓	✓✓✓	✓✓✓
Specialist waters organisation able to attract and retain expert staff	N/A	✓✓	✓✓✓	✓✓✓
Optimise the use of water services to support the district's economic and population growth	✓	✓✓	✓✓✓	✓✓✓
Independent governance with experienced directors largely free of political influence	N/A	✓	✓✓✓	✓✓
Access to cutting edge technology and infrastructure offering world-class safety standards and giving effect to the Council's Zero Harm commitments	✓	✓	✓✓✓	✓✓✓
Responsive to increasing regulatory demands and higher quality standards expected in the future	N/A	✓✓	✓✓✓	✓✓✓
Access to greater resources for emergency response	N/A	✓✓	✓✓✓	✓✓✓
Cost of Implementation	✓✓✓	✓✓	✓	✓✓
Ease of Implementation	✓✓✓	Difficult	✓	✓✓
Risk Assessment	✓	✓✓	✓✓✓	✓✓✓

#### Key

(performance  
against criteria):

- ✓ – Acceptable
- ✓✓ – Improvement
- ✓✓✓ – Significant Improvement
- N/A – Not applicable

**SWMC** – Shared Waters Management Company

**CWC** – Council Waters Company

**WGB** – Waters Governance Board



## Re-balancing ratepayer contributions to the General Rate

Your Council wants your view on the level of the fixed charge within the general rate. Should we increase it or reduce it? The following explains why this is important.

**How your rates are calculated:** Your rates are made up of two types being General Rates and Targeted Rates (explained in more detail on page 17). General Rates primarily pay for Council services that are available to all properties in the district, while Targeted Rates pay for localised services depending on the location of your property and the services available. The General Rate is made up of two parts; one is variable and based on the value of the property, and one is a fixed charge that is the same amount for every property (called the Uniform Annual General Charge or UAGC).

**Why is this important:** The UAGC for 2017/18 is \$454.49. It is a significant portion of the rates on lower-value properties. If we reduce the UAGC it would mean a bigger portion of your rates would be based on your property value. This would ease the rates burden on lower-value properties.

**Two views:** There are two main points of view. One view is that a lower UAGC is fairer because owners of lower-value properties generally have lower incomes and are less able to pay. Also, they are unable to take advantage of tax deductions that businesses are able to. The other view is that a higher UAGC is fairer because we should all be paying the same amount for the Council services that all households enjoy or have access to. When balancing up these two views it is a good idea to consider the outcomes of the decisions to be made as represented in the bar graph over the page.

**Effects on rates, debt, and levels of service:** Under all options offered below, Council levels of service will remain the same, debt will remain the same, and the overall level of rates will remain the same but will be split differently between ratepayers across the district. How the different options would impact different categories of ratepayers is shown in the bar graph over the page.

### Option 1: Set the UAGC at \$482.85

We set the UAGC at \$482.85. This is based on the current year's UAGC (\$454.49) and calculated to cover increases in the cost of Council services that are enjoyed by all ratepayers. However it doesn't take account of the district's

2017 property revaluation which is shifting the balance in how the rates burden is shared across the district.

**Option 1 is not the Council's preferred option.**

### Option 2: Reduce the UAGC to \$351.96 (Council's preferred option)

We set the UAGC at \$351.96. This level would re-balance ratepayer contributions to general rates to ease the rates burden on lower-value properties.

**There are three main reasons that support this option:**

1. Most lower-value properties are in our townships and are more likely to be subject to targeted rates for localised services. Targeted rates for localised services fit our user-pays policy, but there is also a 'public good' element to many of these services. For example, good wastewater services for our townships and surrounding areas keep our environment clean for everyone in the district. Re-balancing contributions to the general rates that pay for this 'public good' would seem to be fair.
2. General rates also cover all our roading services and your Council has recently re-balanced its roading maintenance budgets to save costs on the sealed network, but to keep maintenance levels up on the unsealed network to support our rural economic base. Re-balancing contributions to the general rates to ease the burden on lower-value township properties for this reason would also seem to be fair.

3. When property values were reassessed in Waikato District in 2017 lower-value residential properties in our townships had the highest increase in value. For example, some houses in Huntly West went up by more than 100 per cent compared with an average rise in value of 33.7 per cent across the district. This means the general rates burden is likely to fall more heavily on lower-value residential property owners than on other categories of ratepayers. Reducing the UAGC will help ease this burden.

**Option 2 is the COUNCIL'S PREFERRED OPTION.**



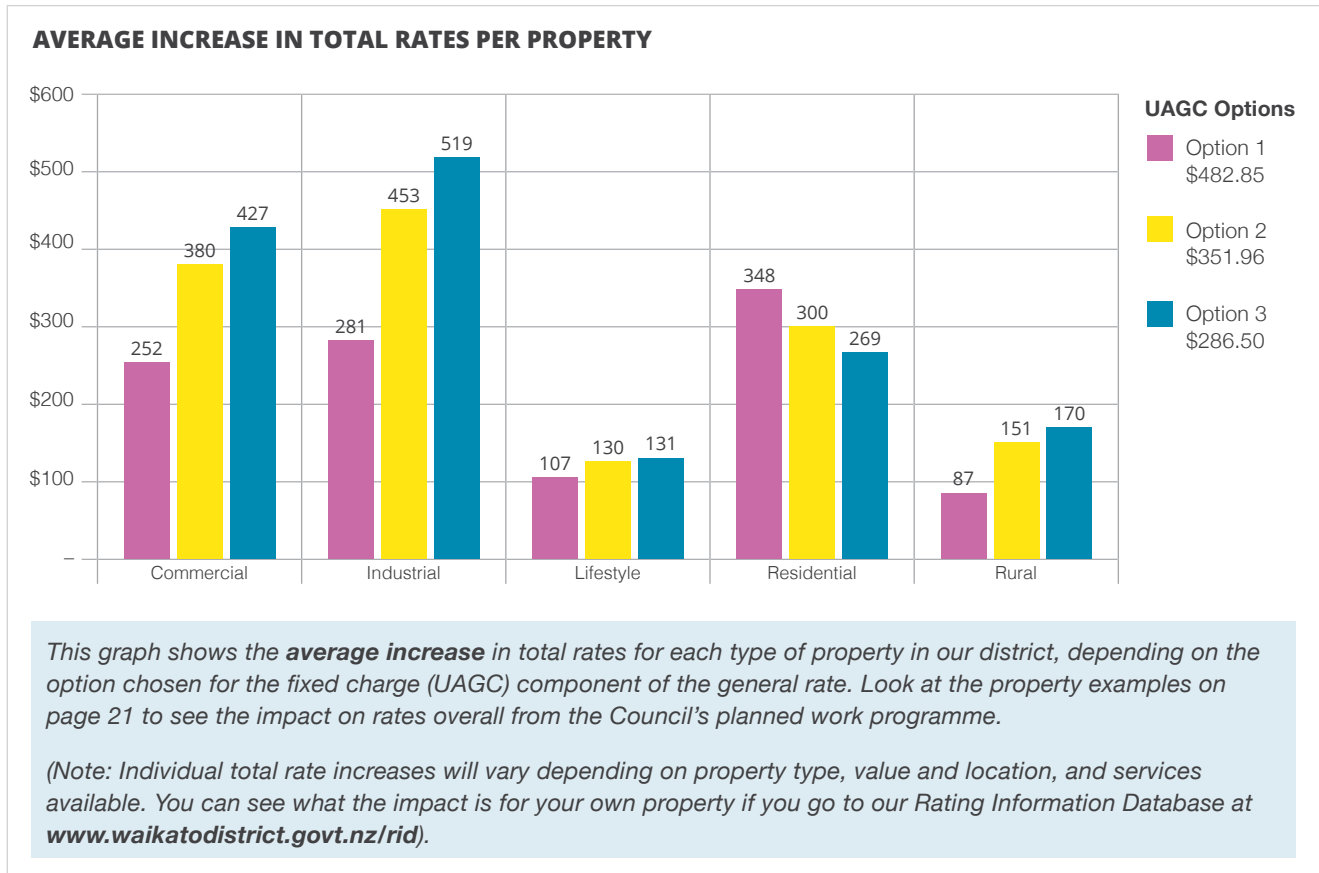
### Option 3: Reduce the UAGC to \$286.50

We set the UAGC at \$286.50. In this option, the fixed charge (UAGC) would be lowest in proportion to the variable charge (based on property value) in your general rates. However, your Council must consider the needs of all ratepayers, including residential, rural and business ratepayers. This option would

move the balance too far away from our user-pays policy and the equity established by a UAGC through which everyone pays the same for the Council services they all receive.

**Option 3 is not the Council's preferred option.**

## How UAGC options affect average total rates for different types of properties



# PLANNING FOR LIVEABLE, THRIVING AND CONNECTED COMMUNITIES



## Planning for growth that achieves our vision

The Council is taking a number of initiatives that will enable us to work with the community and other agencies to design and create liveable, thriving and connected communities.

- Master Planning:** To undertake a more wholistic approach to planning for our growing communities a master planning budget of \$100,000 has been set aside for each year of the 10-year Long Term Plan for our key towns, with Tuakau and Pokeno identified as early priorities.
- Sub Regional Initiatives:** The annual budget for sub regional planning is proposed to increase from \$70,000 to \$110,000. This will allow further development of the Future Proof growth management plan with partners including Hamilton City, Waipa District and Waikato Regional Councils. Future Proof identifies and monitors land supply needs in the sub region over the next 50 years, and provides an agreed sequence for development based on the ability to fund growth equitably and other considerations. The budget also allows for further work on the North Waikato Integrated Growth Management Programme with Auckland, Hamilton City and Waikato
- Housing Infrastructure Fund:** The Council has prepared a detailed business case to access the \$37 million of government interest-free funding it successfully bid for in order to build the infrastructure required to support housing development in Te Kauwhata, consistent with the Sub Regional growth strategies. Our capital expenditure modelling is based on the assumption that this money (including a 10 per cent contingency) will be received.
- District Plan Review:** The Council is undertaking a review of the District Plan to integrate the Waikato and Franklin sections into a single district wide plan. We expect to be consulting with the community on the proposed new District Plan in mid-2018. We are setting aside about \$1 million to cover costs associated with the statutory process to make the plan fully operative. These costs will be spread over the full 10 years of the Long Term Plan so that they will be borne by both current and future ratepayers who will benefit from the implementation of the new District Plan.

## Building resources to improve customer experience

We are undertaking a programme to build the Council's resources to improve our customer experience and to plan effectively for liveable, thriving and connected communities.

This includes an Information Services Digital Strategy aimed at allowing our customers to interact with us more efficiently online. Projects include a new electronic customer portal with an individualised log-in, a payment gateway and an enhanced online process for lodging building consents and submissions.

To help us manage our growing district, we also propose employing more staff in consents, planning, information management, economic development and customer service.

There will be no net cost to our ratepayers since we expect our investments in staff and technology will be matched by increased business efficiencies.

## Halls and community facilities

We will complete a Halls Strategy to guide future decisions on the management of the Council's halls portfolio. The future of the Huntly Memorial Hall is still under consideration and subject to separate local consultation. Decisions on

community facilities in other parts of our district will be progressed subject to local consultation which will include consideration of the targeted rates required.

## Economic Development

Our Economic Development Strategy focuses on attracting business and employment into the district and on working with the community to improve work opportunities for our youth. We've enjoyed high economic growth since we developed the strategy in 2015, so we will review it to ensure we keep in step with our community's outlook and priorities. Meanwhile, we will continue to support growth in our proven areas of economic strength in primary and food industries,

energy, freight and logistics, and will work to strengthen a diversified local economy in processing, manufacturing and service industries. Tourism has been identified as a major opportunity. Tourism spending in the Waikato district is already \$120m each year and this is expected to grow. The Council will continue to investigate how it can facilitate this growth through smart investment in infrastructure.

## Regional Fuel Tax

A proposal to support the introduction of an 11.5 cents per litre regional fuel tax was put to the Council during the Long Term Plan debate. While the Government's preference is for a fuel tax in Auckland only, we will work with Hamilton City and other local government partners in the region to put a detailed

proposal to the Government for further consideration. Should this be approved, and consultation with the public supports this move, revenue from the fuel tax will be used to help fund transport and roading improvements and to reduce the amount of rates you pay.

## Waste Management and Minimisation

Every six years we must undertake a review of our Waste Management and Minimisation Plan (WMMP). Our current plan expires this financial year and so we will be seeking your feedback on our new draft plan in May.

- **Refuse and recycling:** Although the amount of kerbside refuse we take to landfill has reduced in some areas of the district, it has increased overall, and our recycling has also increased. The costs of providing these services have also risen, so we need to re-adjust our targeted rates to cover our fixed costs. Accordingly the district wide refuse targeted rate is proposed to increase by \$28.85 (22%) in 2018/2019 with sticker prices remaining at \$1.50, and this has been included in our Long Term Plan financial forecasts. On a wider matter, we also intend to review our refuse and recycling services to ensure they align with our WMMP and that we are recovering the full cost of these services. We will seek your feedback if service delivery changes are proposed. Any service delivery changes agreed would not be undertaken until 2019/20.

- **Inorganic collection:** The next inorganic collection will take place in April 2018 as planned. We propose changing the timing of this service and aligning it with the goals of the WMMP and this forms part of our WMMP consultation with you.

- **Raglan organic kerbside collection:** In 2018/19 this service will be funded from the Raglan Refuse and Recycling Reserve, and then we will consult with the community over introducing a targeted rate to fund the service on a continuing basis from 2019/20.

Consultation on our WMMP is being run separately shortly after consultation on our Long Term Plan. You can find out more detail by going to [www.waikatodistrict.govt.nz/wmmp](http://www.waikatodistrict.govt.nz/wmmp) once consultation opens on Monday 14 May. Phone us on **0800 492 452** or visit us at our Council offices.

**This is a separate consultation that opens on Monday 14 May. Please make your submissions online by 9am, Tuesday 5 June 2018 at [www.waikatodistrict.govt.nz/sayit](http://www.waikatodistrict.govt.nz/sayit)**

# BUILDING AND MAINTAINING INFRASTRUCTURE

**Infrastructure is anything the Council owns or builds to deliver core services**



The Waikato District Council has developed an **Infrastructure Strategy** that outlines the rationale, funding and programme of works for all our infrastructure developments over the next 30 years. You can find this on our website [www.waikatodistrict.govt.nz/longtermpplan](http://www.waikatodistrict.govt.nz/longtermpplan)

We are planning to ensure most of the district's projected growth will occur in our main towns and villages. This will support economies of scale and cost-efficiencies in provision of infrastructure and safeguard the productive capacity of our rural land.

Approximately 60% of what we spend on infrastructure is on maintenance and renewals. The remaining 40% is for significant capital projects that are planned over the next ten years (see page 15 for the list and location of these).

The Council also has Activity Management Plans which provide a full list of assets for each core service and more detail on future developments. These can also be found on the Council's website.

*Details follow about our infrastructure strategy and some of the changes being proposed. Note: These are for your information only as they do not constitute significant changes that require formal consultation.*

## Roads and transport

We've undertaken significant work to assess the condition of our roading assets so that we can maintain what we have as well as meet short to medium term affordability targets, and improve community outcomes. Compared with 2017/18, it is proposed that transport and roading works will add an extra \$1.8 million to general rates from Year 1 of the Long Term Plan. Five areas will receive particular attention in the next three years:

- **Maintenance:** Growth is increasing demand on maintenance budgets. To maintain affordability over the next three years, sealed road rehabilitation will be reduced in favour of a heavy maintenance and reseal strategy, but we will maintain heavy grading of our unsealed roads. No seal extension projects are included in this Long Term Plan as we need to focus on maintaining our current assets. It costs about \$500,000 to seal one kilometre of unsealed road, and then it becomes more expensive to maintain. (Each extra kilometre of sealed road adds more than one per cent to the general rate you pay.) However, budgets for footpath maintenance and extensions will increase.
- **Safety:** In years 1-3 of the Long Term Plan (2019-21) we will focus on high priority safety issues such as bridge and structure replacement, high risk rural road safety and traffic calming. There will be a reduction in minor, lower-priority safety improvements associated with our road rehabilitation projects. In years 4-10 (2022-28), minor safety work will increase as bridge and structure renewal work decreases.

- **Planning for growth:** In the next three years we will focus on a strategy for improving transport networks in growth areas, particularly in north Waikato. With support from the NZ Transport Agency and Waikato Regional Council we will co-fund improvements to public transport services in the north Waikato. Some growth related roading infrastructure projects will be implemented in the next three years, but most will be delivered through the next Long Term Plan 2021-2031.
- **Network resilience and emergency works:** A new budget of \$800,000 per year has been allocated for emergency works in response to major storm damage to roads, and a further \$300,000 per year for minor emergency works. Following short term repairs to district roads damaged in the storms of March and April 2017, \$2.58 million has been allocated for permanent restoration. Some of this work will gradually be accommodated in the new annual budget for emergency works as opportunity allows, and the balance will be budgeted for completion in Year 4 of the Long Term Plan (2021/2022).
- **State Highway handovers:** As the Waikato Expressway is completed, the NZ Transport Agency will handover nearly 90 kilometres of the former State Highways 1 and 1B to the Council to maintain. We're working with NZTA and the local community to explore opportunities to reconfigure the old State Highway through Huntly to better suit the town's needs.

## Waters services

The 'three waters' include water supply, wastewater (water that goes down sinks and toilets) and stormwater (water that goes down drains and downpipes and runs off land and roads).

Whichever option we choose for managing our 'three waters' services in the future, we're not expecting to change levels of service in the first year of the Long Term Plan (2018/19) except for the changes already endorsed during last year's consultation on our wastewater services. However, the option we choose will have a beneficial effect on targeted rates from the first year of the Long Term Plan (2018/19). The 2018/19 wastewater targeted rate agreed through last year's wastewater consultation is the only rate that remains the same in all options. If the Council's preferred option is chosen, it should allow us to start leveraging the benefits quickly. The graph on page 6 shows how rates will change in the first three years depending on the 'Three Waters' management option chosen. Over 10 years the effect will be to save about \$1,000 per property.

Overall we have already delivered district-wide metering, unified targeted rates and undertaken other measures to improve our network resilience. Data we are gathering on our assets will help us maintain what we have, continue to make incremental improvements and support district growth.

- **Wastewater:** Three wastewater spills into Raglan Harbour over four months in 2016 sparked a major review of our wastewater services. Long term plans to protect our waterways and environmentally sensitive areas were supported through an Annual Plan consultation in 2017. We will continue to implement our 'Continuous Improvement Programme' as agreed through that Annual Plan consultation, including asset assessment,

monitoring equipment upgrades, a public education programme to change behaviour to reduce blockages, and separation of the wastewater and water operations in line with industry best practice. We are already meeting the new levels of service endorsed\* through that consultation, and our asset assessment is providing the understanding we need to address priority areas through our \$1.5 million per year asset renewals programme. As also agreed through that consultation, the wastewater targeted rate will increase by 13.9 per cent in the first year of the Long Term Plan (2018/19). From then on the rate will be determined by the 'Three Waters' management option chosen through the current consultation. Under the preferred option, wastewater rate increases would drop to two per cent per year.

- **Water:** The Council's water supply is chlorinated, with the exception of a small scheme in Onewhere which uses filtration and Ultraviolet light sterilisation, so no specific work has been identified in our district as a result of the Havelock North water enquiry\*\* at this stage. Your future water rates will be determined by the 'Three Waters' management option chosen through the current consultation. Water rates will rise as part of a long term adjustment to recover costs. Under the preferred option, water rates and water-by-meter charges will increase by 4.5 and 4 per cent per year respectively over the next 10 years.
- **Stormwater:** Operational budgets have been increased by \$50,000 per year to support appropriate maintenance. Future stormwater rates will be determined by the 'Three Waters' management option chosen through the current consultation. Under the preferred option, stormwater rates will increase by two per cent per year over the next 10 years.

## Parks and Facilities

We will complete a Halls strategy as outlined on page 12. We will also develop an Acquisition and Disposal Strategy to consider what we have and what our district needs. We will set priorities addressing deferred maintenance requirements across our portfolio of parks and reserves and other facilities.

Budgets have been proposed to support growth in north Waikato in order to: investigate a Library/Service Centre in Pokeno, develop an Animal Control Centre facility, and develop a new cemetery in Whangarata Rd near Tuakau.

Walkway spending will continue at current levels, but will focus on Te Awa walkway (Hamilton – Cambridge section), with funding for other walkways recommencing from year 4 of the Long Term Plan (2021/22).

Pensioner housing will be maintained with a proposal to increase rent from \$130 to \$156 per week from 2018/19 in order to do so. Recently announced pension increases should assist tenants to cover this.

\*No more than three dry-weather overflows per 1,000 connections per year with a focus on reducing spills in sensitive environments such as waterways to no more than one dry-weather overflow per 1,000 connections per year.

\*\*This enquiry into NZ drinking water safety and compliance levels followed the widespread outbreak of gastroenteritis in Havelock North in August 2016

# KEY COUNCIL PROJECTS IN YOUR AREA

## 2018-28

For the full list of capital projects please go to [www.waikatodistrict.govt.nz/longtermplan](http://www.waikatodistrict.govt.nz/longtermplan)



These projects are included in detail in the Infrastructure Strategy. There may be changes in prioritising these projects when we review our Long Term Plan again in 2021, and as new information becomes available.

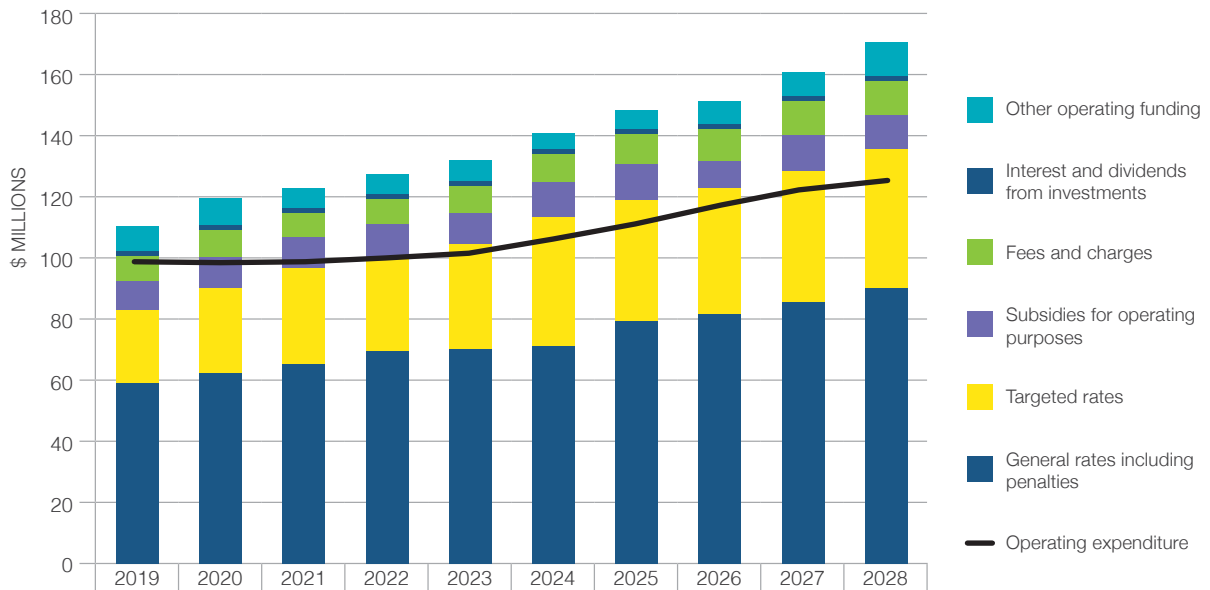
# HOW WE FUND THE FUTURE



The Council has five main sources of income: general rates (including the Uniform Annual General Charge), targeted rates (including water charges), development contributions, user fees and charges, and subsidies/grants/investments.

## HOW COUNCIL WILL FUND ITS OPERATIONAL ACTIVITY 2018 TO 2028

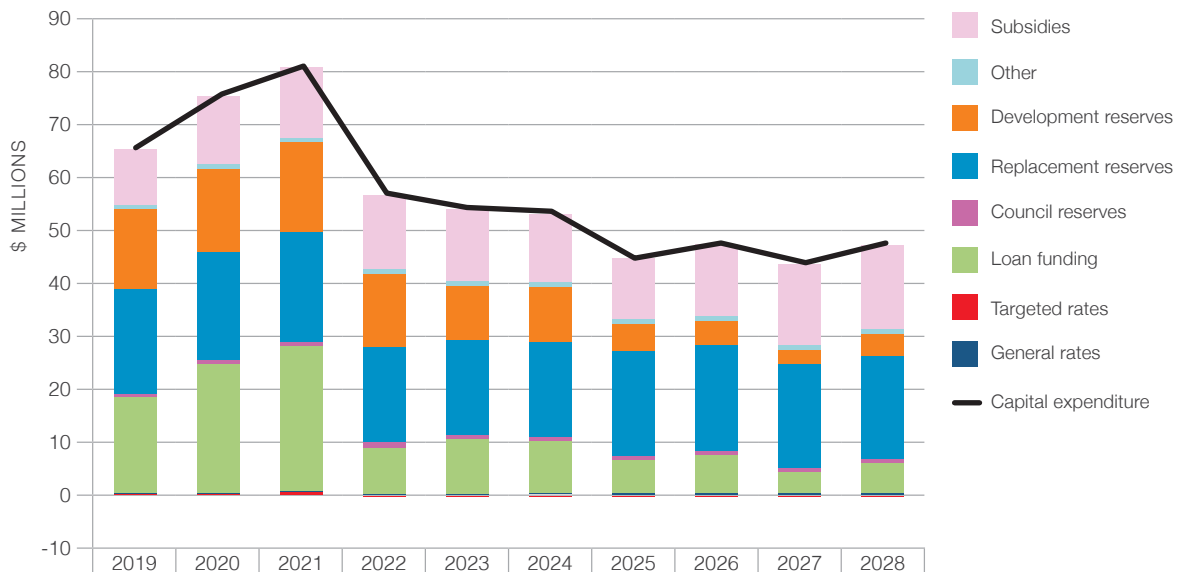
Ten year operating expenditure and funding sources



*In the graph above you will see that the actual operating expenditure (the black line) is less than the total amount we collect in revenue. This is because we put money in reserve for future replacement of assets and capital work programmes (infrastructure).*

## HOW COUNCIL WILL FUND ITS CAPITAL EXPENDITURE 2018 TO 2028

Ten year capital expenditure and funding sources





## Key elements in our financial strategy

**Sustainable growth:** We will balance affordability and growth by doing more with existing budgets, moving costs of services to those who use them, maintaining existing assets; modernising infrastructure, and supporting growth.

**Capital investment for growth** will initially be funded by borrowing, including the interest-free Housing Infrastructure Fund (\$37 million). We will use subsidies, external funds and development contributions where possible to reduce debt. The remainder will be repaid over 25 years by ratepayers.

**The Council's net debt** will not exceed 1.5 times our revenue, except to address unplanned events and emergencies, such as severe weather.

**Rates limits:** The average rate increase for ratepayers will not exceed 15 per cent per year in the first three years. This limit will reduce to five per cent per year from 2022. Total rates will not exceed 0.7 per cent of the total rateable capital value of the district (based on 2017 rating valuations).

## Meeting our funding challenges: growth and asset revaluation

We're a growing district. The Council's forecast growth will mean 6,500 properties and 12,000 more people in the next 10 years. Growth brings new residents, businesses, income and employment to the district, but it also increases costs – particularly in the early stages when infrastructure is needed to support that growth. Much of this growth infrastructure is paid for by development contributions (see page 18) and the balance comes from loans and reserves.

While supporting growth in growth areas, we must also continue to maintain services in non-growth areas.

Asset revaluations over the past three years show us that it will cost us more to maintain and renew our assets over the next 10 years. Asset depreciation costs have risen by \$1.2 million in the first year (2018/19) compared with the Annual Plan 2017/18. Higher depreciation and lower dividends (we no longer have dividend income from a Council-owned roading company) mean we have to increase our general rate. Work programme efficiencies will allow us to cap the average general rates increase at 6.24 per cent for 2018/19 and to maintain lower increases every year after that. (See table over the page).

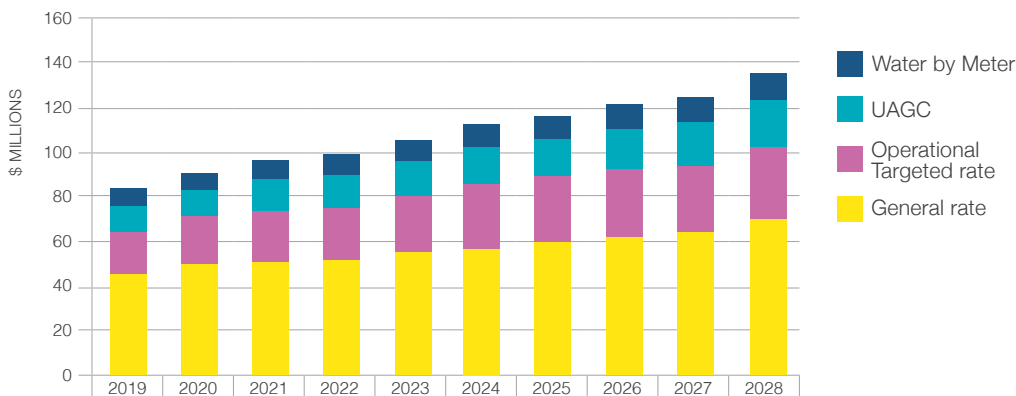
## Rates

There are two types of rates: general rates (which includes a fixed and a variable charge) and targeted rates. This section outlines changes to each of these.

- **General Rate:** The general rate is for services and activities that all residents may benefit from. It is a variable rate based on the value of your property. The general rates increase for 2018/19 is 6.24 per cent.

- **Uniform Annual General Charge (UAGC):** This is part of the General Rate, but is a fixed charge regardless of the value of your property. It means all ratepayers pay the same minimum amount for council services that everyone benefits from. We propose changing the UAGC to re-balance ratepayers' contributions to the General Rate. Your feedback is important in helping the Council to make this decision (see page 9).

**OVERALL RATING INCOME FROM 2018 TO 2028**



- **Targeted Rates:** Targeted rates are for services that benefit properties in specific locations, for example, refuse collections, water supplies, and maintenance for your local community hall.

Changes to targeted rates are covered earlier in this document in sections on our waters services (page 14) and refuse and recycling services (page 12).

## SUMMARY OF PROPOSED RATES INCREASES 2018-28:

Rate	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2022 - 2028
General rate	6.24%	4.8%	3.73%	3%
Uniform Annual General Charge (UAGC) preferred option	Reduce the UAGC from \$454.49 to \$351.96			
Water targeted rate	4.5%	4.5%	4.5%	4.5%
Water-by-meter	4%	4%	4%	4%
Wastewater targeted rate	13.9%*	2%	2%	2%
Stormwater targeted rate	2%	2%	2%	2%
Refuse targeted rate	22%** (stickers remain \$1.50)	Service review and further consultation planned		

\* As agreed through our Annual Plan 2017/18 consultation on wastewater services. See page 14.

\*\* Except Raglan and Te Mata where the increase will be 5%.

## Development Contributions

Development contributions is money that developers pay towards the costs of infrastructure required for growth eg water supply and wastewater pipes, roads and footpaths, parks and reserves.

The Council's Development Contribution Policy outlines in more detail how this works in our district. You can view this online at [www.waikatodistrict.govt.nz/longtermplan](http://www.waikatodistrict.govt.nz/longtermplan)

## Debt

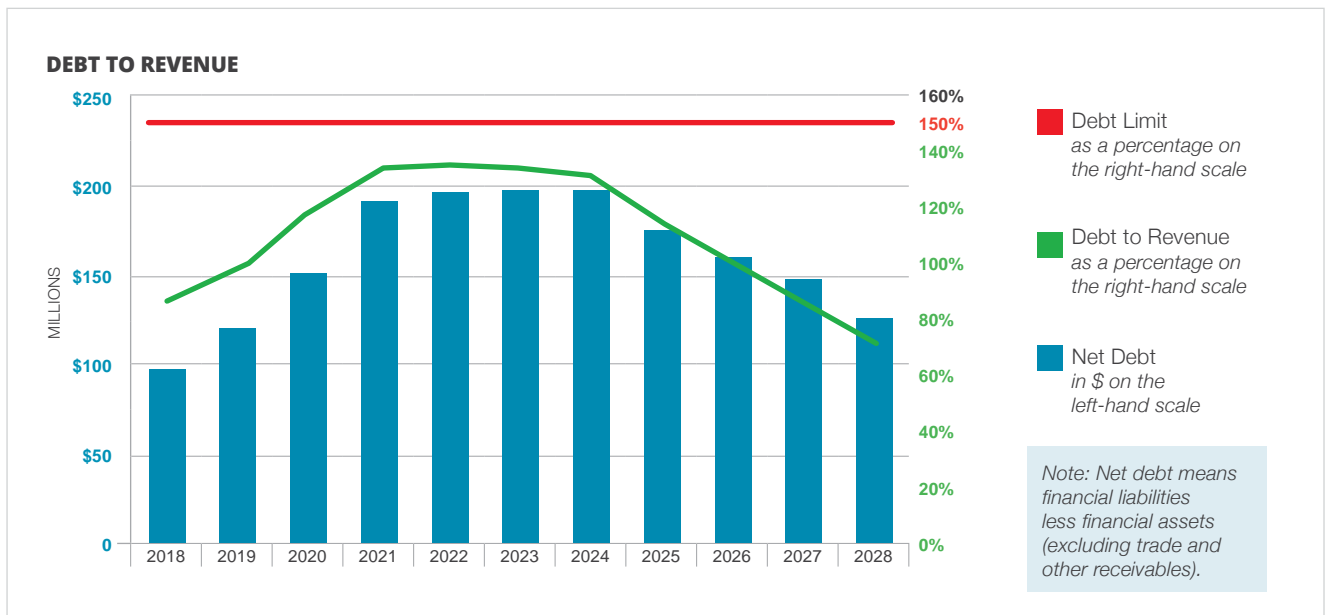
Councils borrow money to fund major projects that can't be afforded in one lump sum. This borrowing is repaid through rates, and through development contributions as appropriate for projects that support development and growth. By spreading repayment of debt over the life of the assets, this spreads the cost of the projects across ratepayers who will benefit from the facilities both now and in the future.

Council is able to borrow up to 1.75 times revenue based on Treasury Guidelines, but has chosen a prudent strategy to limit borrowing to 1.5 times revenue. Over the next few

years the Council's debt is expected to increase to just over \$195 million (in 2023). At this level it is still well within the recommended guidelines as well as the Council's strategic limit, giving us capacity to borrow more if we need (eg. due to growth or natural disaster). See the graph opposite.

We keep our rates at affordable levels by borrowing only what we need.





## Fees and Charges

Changes proposed for the next three years include:

- Animal control fees: To encourage responsible dog ownership, 'selected owner' application fees will drop from \$65 to \$20 while the fees for a second impounding will rise from \$110 to \$120 and for a third or subsequent impounding fees will rise from \$130 to \$150. The price charged for large dog collars sold through Council offices will rise from \$13 to \$18 to recover costs.
- Pensioner housing weekly rents will rise from \$130 to \$156 to cover maintenance costs.
- Environmental Health fees will be restructured to reflect changes in the Food Act.
- New consents fees will be introduced to reflect new services as a result of changes to the RMA, complexities in some types of resource consent applications, and the administrative costs of handling development contributions.
- All other changes to fees and charges reflect CPI adjustments.

A document is available outlining the Council's fees and charges and the proposed changes on Council's website under "have your say".

Consultation on our fees and charges is being run separately but within the same timeframe as consultation on our Long Term Plan.

You can find out more detail by going to [www.waikatodistrict.govt.nz/Your-Council/Fees-and-charges](http://www.waikatodistrict.govt.nz/Your-Council/Fees-and-charges). Phone us on 0800 492 452 or visit us at our Council offices.

**This is a separate consultation.**  
**Please make your submissions online**  
**by 9am, Monday 16 April 2018 at**  
**[www.waikatodistrict.govt.nz/sayit](http://www.waikatodistrict.govt.nz/sayit)**



# AUDITORS

# WHAT DOES THIS MEAN FOR YOUR RATES OVERALL?



If we choose the Council's preferred options for waters services management and for the fixed charge component (UAGC) of general rates, the impact on total property rates for 2018/19 for a selection of district properties is shown below.



## RESIDENTIAL

	Awaroa Ki Tuakau		Huntly		Ngaruawahia		Raglan		Tamahere	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Average Capital Value	410,000	600,000	185,000	320,000	230,000	395,000	405,000	610,000	470,000	610,000
General Rates	1,003.68	1,232.64	452.88	657.41	563.04	811.49	991.44	1,253.18	1,150.56	1,253.18
UAGC	454.49	351.96	454.49	351.96	454.49	351.96	454.49	351.96	454.49	351.96
Fixed Targeted Rates	1,292.65	1,432.44	1,465.80	1,634.44	1,448.80	1,617.44	1,428.76	1,574.11	310.30	368.00
Total Rates	2,750.82	3,017.04	2,373.17	2,643.81	2,466.33	2,780.89	2,874.69	3,179.25	1,915.35	1,973.14
Total % increase (over 2017/18)		9.68%		11.40%		12.75%		10.59%		3.02%
Total \$ increase (over 2017/18)		266.22		270.64		314.56		304.56		57.79



## RURAL

	Low range		Mid range		High range	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Average Capital Value	475,000	680,000	860,000	1,125,000	6,260,000	7,600,000
General Rates	1,162.80	1,396.99	2,105.28	2,311.20	15,324.48	15,613.44
UAGC	454.49	351.96	454.49	351.96	454.49	351.96
Fixed Targeted Rates	344.98	383.45	382.98	421.45	1,091.60	1,357.00
Total Rates	1,962.27	2,132.40	2,942.75	3,084.61	16,870.57	17,322.40
Total % increase (over 2017/18)		8.67%		4.82%		2.68%
Total \$ increase (over 2017/18)		170.13		141.86		451.83

### Note 1:

Individual rate increases will vary depending on property type, value and location, and services available. You can see what the impact is for your own property if you go to our Rating Information Database at [waikatodistrict.govt.nz/rid](http://waikatodistrict.govt.nz/rid)

### Note 2:

Average Capital Value for 2018/2019 is per the 2017 rating valuation.

### Note 3:

Fixed Targeted Rates reflect the range of services available for each property example. These do not include water-by-meter charges



## LIFESTYLE

## COMMERCIAL

## INDUSTRIAL

	LIFESTYLE		COMMERCIAL		INDUSTRIAL	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Average Capital Value	580,000	880,000	1,230,000	1,520,000	3,860,000	4,810,000
General Rates	1,419.84	1,807.87	3,011.04	3,122.69	9,449.28	9,881.66
UAGC	454.49	351.96	454.49	351.96	454.49	351.96
Fixed Targeted Rates	557.98	407.45	1,317.65	1,457.44	630.51	697.94
Total Rates	2,432.31	2,567.28	4,783.18	4,932.09	10,534.28	10,931.56
Total % increase (over 2017/18)		5.5%		3.11%		3.77%
Total \$ increase (over 2017/18)		134.97		148.91		397.28

# SUMMARY OF CONSULTATION MATTERS

**Now that you have read this document please tell us what you think about:**

## 1. Proposed Changes to our Long Term Plan

### 1.1 HOW WE MANAGE OUR WATER, WASTEWATER AND STORMWATER ('THREE WATERS')

Please read the details on page 6. There are four options available. You can either use the submission page opposite to tell us which option you prefer, or, for easier handling, please go online at [www.waikatodistrict.govt.nz/sayit](http://www.waikatodistrict.govt.nz/sayit)

### 1.2 SETTING THE UAGC TO BALANCE CONTRIBUTIONS TO THE GENERAL RATE WITH FAIRNESS AND AFFORDABILITY

Please read the details on page 9. There are three options available. You can either use the submission page opposite to tell us which option you prefer, or, for easier handling, please go online at [www.waikatodistrict.govt.nz/sayit](http://www.waikatodistrict.govt.nz/sayit)

For more information on these issues call us on Freephone 0800 492 452 or go to the Waikato District Council website as follows:

See supporting material on the Long Term Plan at [www.waikatodistrict.govt.nz/longtermplan](http://www.waikatodistrict.govt.nz/longtermplan)

Contact your Councillor using their contact details at [www.waikatodistrict.govt.nz/councillors](http://www.waikatodistrict.govt.nz/councillors)

## 2. Other Separate Consultation Matters

### 2.1 FEES AND CHARGES

We are reviewing our Fees and Charges at the same time as we are reviewing our Long Term Plan (see page 19) and would like your feedback. You can find out more detail by going to [www.waikatodistrict.govt.nz/Your-Council/Fees-and-charges](http://www.waikatodistrict.govt.nz/Your-Council/Fees-and-charges). Phone us on 0800 492 452 or visit us at our Council offices.

**This is a separate consultation. Please make your submissions online by 9am, Monday 16 April 2018 at [www.waikatodistrict.govt.nz/sayit](http://www.waikatodistrict.govt.nz/sayit)**

### 2.2 WASTE MANAGEMENT AND MINIMISATION PLAN

We do not expect to make any changes to our refuse and recycling services in 2018/19, but we are undertaking a separate review of our Waste Management and Minimisation Plan (WMMP) shortly after we are reviewing our Long Term Plan (see page 12) and would like your feedback. You can find out more detail by going to [www.waikatodistrict.govt.nz/wmmp](http://www.waikatodistrict.govt.nz/wmmp) when consultation opens on 14 May. Phone us on 0800 492 452 or visit us at our Council offices.

**This is a separate consultation that opens on Monday 14 May. Please make your submissions online by 9am, Tuesday 5 June 2018 at [www.waikatodistrict.govt.nz/sayit](http://www.waikatodistrict.govt.nz/sayit)**

For internal use only

ECM Project # LTP PR891-10

ECM # .....

Submission # .....

Customer # .....

## LONG TERM PLAN 2018-2028

Please provide your feedback by **9am, Monday 16 April 2018**.

Name/organisation: .....

Address: ..... Postcode: .....

Email: ..... Phone: .....

Hearings will be held between 15 and 18 May 2018. (Venues TBC)

Do you want to speak about your submission at this hearing?  Yes  No

Preferred method of contact:  Email  Post

Age: (optional)  16-24  25-35  36-50  51-65  66+

Ethnicity: (optional) .....

This information will be used for statistical purposes only, to help us understand who is engaging with Council.

There are two specific issues the Council would like feedback on. Each is summarised in this document but you're welcome to contact us for more information.

Please indicate which option you support for the following issues:

**PAGE 6** 1. 'Three Waters' Management  Option 1  Option 2  Option 3  Option 4

**PAGE 9** 2. Uniform Annual General Charge  Option 1  Option 2  Option 3

If there is any more information you want to supply in addition to this submission form, please attach it to this submission form and enclose it in the Freepost return envelope provided.

### Please tell us what you think of what we are proposing by making a submission in one of the following ways:

**Online (recommended):** [www.waikatodistrict.govt.nz/sayit](http://www.waikatodistrict.govt.nz/sayit)

**Post to:** Freepost 803, Waikato District Council,  
Private Bag 544, Ngaruawahia 3742

**Emailing to:** [consult@waidc.govt.nz](mailto:consult@waidc.govt.nz)

**Faxing to:** (07) 824 8091

**Deliver to:** Any Council office or library

# INFORMATION SESSIONS

You can find out more about the options offered for consultation on our Long Term Plan 2018-28 by attending a Waikato District Council Information session.

	LOCATION	TIME
<b>Awaroa ki Tuakau</b>	Pokeno Hall, 19 Market St	Tuesday 20 March, 7.00pm-8.30pm
	Tuakau Memorial Hall, 70 George St	Monday 9 April, 7.00pm-8.30pm
	Aka Aka Hall, 809 Aka Aka Rd	Tuesday 10 April, 6.00pm-7.30pm
<b>Eureka</b>	Matangi Hall, 478 Tauwhare Rd	Wednesday 4 April, 6.30pm-8.00pm
<b>Hukanui-Waerenga</b>	Gordonton Hall, 1024 State Highway 1B	Wednesday 21 March, 6.00pm-7.30pm
<b>Huntly</b>	Riverside Room, Huntly Civic Centre, 148 Main St	Thursday 5 April, 6.00pm-7.30pm
<b>Newcastle</b>	Te Kowhai Hall, 612 Horotiu Rd	Wednesday 11 April, 6.00pm-7.30pm
<b>Ngaruawahia</b>	Ngaruawahia Bowling Club, 103 Ellery St	Wednesday 4 April, 6.00pm-7.30pm
<b>Onewhero-Te Akau</b>	Te Akau Waingaro Community Complex, 612 Te Akau Rd	Thursday 22 March, 4.00pm-5.30pm
	Glen Murray Memorial Hall, 2400 Highway 22	Thursday 22 March, 7.00pm-8.30pm
	Port Waikato Hall, Maunsell Rd	Tuesday 27 March, 6.30pm-8.00pm
	Onewhero Rugby Club, 769 Onewhero-Tuakau Bridge Rd	Tuesday 3 April, 6.00pm-7.30pm
<b>Raglan</b>	Supper Room, Raglan Hall, 41 Bow St	Wednesday 28 March, 5.00pm-7.00pm
<b>Tamahere</b>	Tamahere Hall, 35 Devine Rd	Thursday 15 March, 6.00pm-7.30pm
<b>Whangamarino</b>	Te Kauwhata Rugby Club, Te Kauwhata Domain	Thursday 22 March, 6.00pm-7.30pm

Use the submission form inside this document to have your say and deliver it to any Council office or library, fax or email us, or post it using the Freepost envelope provided, or go online and have your say at [www.waikatodistrict.govt.nz/sayit](http://www.waikatodistrict.govt.nz/sayit)

**Head Office:** 15 Galileo Street, Ngaruawahia, 3720

**Phone:** 07 824 8633

**Freepost** 803 Waikato District Council,  
Private Bag 544, Ngaruawahia 3742,  
New Zealand

**Fax:** (07) 824 8091

**Email:** [consult@waidc.govt.nz](mailto:consult@waidc.govt.nz)

[www.waikatodistrict.govt.nz](http://www.waikatodistrict.govt.nz)

**Freephone:** 0800 492 452





### **Open Meeting**

<b>To</b>	Waikato District Council
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	21 February 2018
<b>Prepared by</b>	Brian Cathro Corporate Business Planner
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301 / 1901029
<b>Report Title</b>	Proposed schedule of Fees and Charges 1 July 2018 – 30 June 2021 for Notification

## **I. EXECUTIVE SUMMARY**

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The purpose of this report is to consider the proposed schedule of Fees and Charges – 1 July 2018 to 30 June 2021 and pursuant to the Local Government Act 2002 (“LGA”) approve the Statement of Proposal attached as Appendix 1 for the purpose of undertaking public consultation through the special consultative procedure.

Council’s schedule of Fees and Charges is reviewed as part of the long term planning process under section 83 of the LGA. Accordingly a proposed Fees and Charges document has been prepared where consultation is required to approve any fees and charges.

The proposed increases in fees are comparable with other local authorities and market rates.

Council is required to follow the special consultative procedure under the LGA before changes to any of these service areas can be confirmed. The consultation process will run in parallel with the draft Long Term Plan consultation process.

The proposed fees and charges recommended for notification are included in the draft fees and charges which is attached as Appendix 2 to this report.

## **2. RECOMMENDATION**

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**THAT** the report of the **General Manager Strategy & Support** be received;

**AND THAT** subject to any amendments, the **Statement of Proposal** attached as **Appendix 1**, incorporating the **Proposed Fees and Charges** for financial years **2018/19 to 2020/21**, be approved to publicly notify and consult on **14 March 2018** with the closing date for submissions being **16 April 2018**, in accordance with

section 150 and the special consultation procedure set out in Section 83 of the Local Government Act 2002;

**AND FURTHER THAT submissions to the Proposed Fees and Charges for financial years 2018/19 to 2020/21 on the Statement of Proposal be considered and, if requested, be heard by Council (or a Council Committee) at a meeting to be held on or about 16 May 2018.**

### **3. BACKGROUND**

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Fees and charges have been reviewed as part of the preparation of the draft Long Term Plan 2018-28. The proposed schedule of Fees and Charges 1 July 2018 – 30 June 2021 can only be confirmed after public consultation has been undertaken in accordance with the special consultative procedure set out in the LGA. Any confirmed changes in the fees and charges will take effect from 1 July 2018.

Council's Revenue and Financing Policy provides information on funding sources that are available to council and provides the rationale for the use of each funding source. Fees and charges are a legitimate funding source in lieu of rates.

### **4. DISCUSSION AND ANALYSIS OF OPTIONS**

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#### **4.1 DISCUSSION**

The purpose of reviewing our Fees and Charges is to ensure that each charge will recover the actual and reasonable costs associated with:

1. The issuing or monitoring of permits, inspections and other approvals associated with Council's Bylaws.
2. Processing and making decisions in relation to resource consents, plan changes and designations, and fulfilling certain other regulatory obligations under the Resource Management Act 1991.

We are proposing that most charges be inflation adjusted. These rates vary depending on the activity to which they relate however are between 0% and 5%.

Areas where major changes to the Fees and Charges include:

1. Licensing and Monitoring due to the changes in legislation to the Food Act.
2. Strategic and District Planning due to the new services available and changes to the Resource Management Act.

Increases in rent for Elderly Persons Housing are also proposed as it is intended that Elderly Persons Housing be self-funding. Without the increase in rents, this service would not be self-funding.

The other area to have notable changes proposed is in Animal Control. It is proposed that the charges for third and subsequent impounding's increase from \$130 to \$150 and

decreases in selected dog owner registration are proposed to decrease to incentivise good behaviour.

## 4.2 OPTIONS

A summary of the main options considered is provided in the Statement of Proposal attached to Appendix I of this report.

## 5. CONSIDERATION

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### 5.1 FINANCIAL

The income associated with the proposed fees and charges has been reflected in the draft Long Term Plan 2018-28. Any changes to the recommended levels may require altering the draft plan prior to its release for public comment.

### 5.2 LEGAL

Council has statutory authority to set fees and charges either under specific legislation such as Building Act 2004, Dog Control Act 1996 or under the general powers of the LGA. In accordance with section 150 of the LGA, Council may fix charges to recover not more than the reasonable costs incurred by Council for the matter for which the fees are charged.

Council is required to follow the special consultative procedure set out in section 83 of the Local Government Act 2002 before the proposed schedule of Fees and Charges can be confirmed.

### 5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

The Schedule of Fees and Charges is an important mechanism to support the Council operations thereby helping to ensure that the organisation is on track to achieve its strategic objectives.

### 5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

The proposed Schedule of Fees and Charges schedule aligns with Council's key planning documents and triggers Council's Significance and Engagement Policy as the Special Consultative Procedure is required and undertaken.

The following stakeholders have been/or will be consulted:

Planned	In Progress	Complete	
	✓		Internal
	✓		Community Boards/Community Committees
✓			Waikato-Tainui/Local iwi
✓			Households
✓			Business
✓			Other Please Specify: EPH tenants

The submission period will run parallel with the Long Term Plan between 14 March and 16 April 2018, public notices to this effect will be placed in local papers.

Copies of the statement of proposal and proposed policy will be available for viewing at Council offices, libraries and on the website.

## **6. CONCLUSION**

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Council is required to consider and approve its proposed schedule of Fees and Charges 1 July 2018 – 30 June 2021 and the associated Statement of Proposal for public consultation.

Council's schedule of Fees and Charges is reviewed as part of the long term planning process under section 83 of the LGA.

## **7. ATTACHMENTS**

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Appendix 1: Statement of Proposal – Proposed Fees and charges 2018-20

Appendix 2: Fees and Charges 1 July 2018 – 30 June 2021 for consultation

## STATEMENT OF PROPOSAL

### FEES AND CHARGES 1 July 2018 – 30 June 2021

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#### Proposal

This is a proposal for the schedule of Fees and Charges for 1 July 2018 – 30 June 2021.

The proposed Fees and Charges are inclusive of GST unless otherwise stated.

This Statement of Proposal includes:

- the background to the proposal
- reasons for creating the policy
- a summary of the legislation related to the project
- a summary of information, including options considered
- the proposed Fees and Charges
- instructions on how to make a submission
- a submission form.

To view our current 2017/18 schedule of Fees and Charges and compare the proposed changes visit [www.waikatodistrict.govt.nz](http://www.waikatodistrict.govt.nz).

#### Background

Waikato District Council reviews its Fees and Charges every year as part of our annual budgeting process. The changes to fees and charges outlined in this document are part of our draft Long Term Plan process.

We provide a wide range of services to the community that carry costs. Some of the costs are paid for out of general or targeted rates and others are recovered from government subsidies.

We set our fees and charges on a user-pays basis to fund services where the users can be identified and charged. This ensures fees and charges are distributed fairly and that rates increases are kept to a minimum where possible.

#### Reasons for reviewing the fees and charges

The purpose of reviewing our Fees and Charges is to ensure that each charge will recover the actual and reasonable costs associated with:

1. The issuing or monitoring of permits, inspections and other approvals associated with Council's bylaws.
2. Processing and making decisions in relation to resource consents, plan changes and designations, and fulfilling certain other regulatory obligations under the Resource Management Act 1991.

#### Legislation

The Act requires that the Special Consultative Procedure under section 83 of the Local Government Act 2002 be followed to develop and adopt the Fees and Charges schedule.

This Statement of Proposal has been prepared to fulfil the purposes of sections 83(1)(a) and 87(2)(a) of the Local Government Act 2002.

## **SUMMARY OF INFORMATION**

### **The review process**

- Prepare a proposed schedule of Fees and Charges cover the three financial years from 1 July 2018 – 30 June 2021.
- Prepare a Statement of Proposal that includes the proposed schedule of Fees and Charges
- Make the statement of proposal available to the public
- Receive submissions on the proposed schedule of Fees and Charges provide an opportunity for submitters to present their views verbally to Council
- Council to make decisions on submissions received
- Council to formally adopt the proposed schedule of Fees and Charges.

## **MAJOR PROPOSED CHANGES**

We are proposing that most charges be inflation adjusted. These rates vary depending on the activity to which they relate however are between 0% - and 5%.

Below is a summary of the proposed changes. Most of these include the increases as a result of the inflation rates applied.

### **Sustainable Communities**

- A number of changes to the Libraries Fees and Charges have been proposed however increases are minimal (\$1.00 maximum) and the printing of CV's are proposed to be free of charges for up to five copies.
- Increases to some of the cemeteries Fees and Charges have been proposed. These include Sexton fees for interments, plots fees disinterments and reinterments.
- There are a number of changes proposed for Halls and Meeting Rooms. It is proposed that deposits increase from \$375.00 to \$385.00 however it is also proposed that a new deposit fee be introduced for non-profit organisations at a charge of \$100.00.
- The structure of fees for Halls and Meeting Rooms have also been proposed for simplicity.
- Increases have been proposed for the annual charges for fishing vessels using the port at raglan and regular users of the Raglan aerodrome.
- Rent for Elderly Persons Housing are proposed to increase. It is the intention that Elderly Persons Housing be cost neutral, therefore the fees are proposed to increase to reflect this.
- Fees for our aquatic facilities are proposed to increase. For the majority of fees, these are proposed at between 50c and \$1.50.

### **Sustainable Environment**

- The major changes for Animal Control are increases for dog registrations for dangerous dogs, decreases for the registration of selected dog owners (this is to incentivise good behaviour), and increases for third or subsequent impounding's.
- PIM's for building work valued up to and over \$1,000,000 is proposed to increase.

- It is proposed that a number of new fees be introduced for objections to development contributions.
- The structure of the Licensing and Monitoring fees have changed significantly to reflect the changes in the Food Act.
- The structure of the Strategic and District Planning fees have changed significantly to reflect the new services available and changes to the Resource Management Act.

### **Water Supply and Wastewater**

- District Wide water by meter charges are proposed to increase from \$1.82 in 2017/18 to 1.91 in 2018/19 per cubic metre.
- Increases to varying degrees have been proposed to the fees for Trade waste

### **Organisational Support**

- Increases have been proposed to Staff Charge out Rates at a standard rate of 2%.

## **ANALYSIS OF OPTIONS**

Council has considered the options below and option A was the preferred approach. The changes proposed in the schedule of Fees and Charges have been approved and those costs included into the Long Term Plan budgets.

<b>Options</b>	<b>Advantages</b>	<b>Disadvantages</b>
Option A (proposed approach)	<ul style="list-style-type: none"> <li>• Enables council to implement a user pays system</li> <li>• Reduces the General Rate</li> </ul>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
Option B (do nothing)	<ul style="list-style-type: none"> <li>• Nil</li> </ul>	<ul style="list-style-type: none"> <li>• Council will be unable to implement a user pays system</li> <li>• Deficits as a result of not cost recovering would need to be funded through the General Rate</li> </ul>

## **CONSULTATION AND SUBMISSIONS**

We encourage everyone to make a submission about the proposed Fees and Charges schedule for 2018/19 to 2020/21.

### **What is a submission?**

Submissions are a record of your views/ preferences on a particular issue. By making a submission you can ensure that your voice is heard by councillors to assist them in their decision making. Submissions may be sent or given to the Council from any organisation or any member of the public during a time period specified by Council. In most cases submission forms are available at Council offices and libraries and on the 'Have your say' page of Council's website.

### **When can I make a submission?**

The submission period for the proposed schedule of Fees and Charges 2018/19 to 2020/21 opens on 14 March and closes at 9am on 16 April 2018.

### **How can I make a submission?**

Any person may make a submission on the content of this proposed schedule.

Written submissions should follow the format shown in the submission form. This form is intended as a guide only, but is suitable for brief submissions. Please attach additional pages as necessary.

In addition, if you wish to present your comments in person, Council will hear verbal submissions on 16 May 2018 (or as early thereafter as possible). All submitters wishing to be heard will be contacted to arrange an appropriate time on the date specified.

Please note that written submissions are to be received by Waikato District Council by 9pm on 16 April 2018.

### **Privacy Act Information**

The Local Government Act 2002 requires submissions to be made available to the public.

Your contact details are collected:

- So the Council can write and inform you of the decision(s) on your submission(s).
- To arrange a hearing date and time for you to speak (if you choose to).

Your name and address will be publicly available. If you would like your personal details kept confidential you need to inform us when you send in your submission.

You have the right to correct any errors in personal details contained in your submission. If you do not supply your name and address the Council will formally receive your submission, but will not be able to inform you of the outcome.



**Submissions can be made:**

**Online:** [www.waikatodistrict.govt.nz/sayit](http://www.waikatodistrict.govt.nz/sayit)

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**Posted to:** Waikato District Council  
Freepost 803  
Ngaruawahia 3742

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**Delivered to:** Waikato District Council  
Attn: Corporate Planner  
15 Galileo Street  
Ngaruawahia 3742

Huntly Office  
142 Main Street, Huntly 3700

Raglan Office  
7 Bow Street, Raglan 3225

Tuakau Office  
2 Dominion Rd, Tuakau 2121

Te Kauwhata Office  
1 Main Road, Te Kauwhata 3710

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**Emailed to:** [consult@waidc.govt.nz](mailto:consult@waidc.govt.nz)  
Subject heading should read: *Proposed Fees and Charges – Submission*

**What happens next?**

Council will acknowledge each submission received in writing.

Following the closing of submissions on Monday 16 April 2018, all submissions will be reviewed by elected members. Verbal submissions will be heard and all submissions formally considered at a Council meeting on 16 May 2018 (or as soon thereafter as possible). This meeting is open to both submitters and the public to attend.

**Important Dates to Remember:**

Submissions open – Wednesday 14 March 2018

Submissions close – 9am, Monday 16 April 2018

Hearing of submissions – 16 May 2018 (TBC)

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If you have any further queries or would like further copies of the proposed policy, please contact Melissa Russo on 0800 492 452.

For internal use only

ECM Project # PR-964-01

ECM # .....

Submission # .....

Customer # .....



# Fees and Charges 2018/19 to 2020/21

Submission form Please provide your feedback by 17 April 2018

Name/Organisation .....

Address ..... Postcode.....

Email ..... Phone.....

A hearing will be held on 18 May 2018 (or as close thereafter as possible).

Do you want to speak about your submission at this hearing?  Yes  No

Preferred method of contact  Email  Post

Do you support the proposed Fees and charges?  Yes  No

Please tell us why:

.....  
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What changes would you like to see to the proposed Fees and Charges?

.....  
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.....  
.....

## Written feedback

Postal Address  
Waikato District Council, Private Bag 544,  
Ngaruawahia 3742 • Telephone 0800 492 452

## Online feedback

- [www.waikatodistrict.govt.nz/sayit](http://www.waikatodistrict.govt.nz/sayit)
- [consult@waidc.govt.nz](mailto:consult@waidc.govt.nz)

Submissions are public information. Your feedback will be used for purposes such as reports to Councillors, which are made available to the public, media and on our website. If you would like your personal information concealed, please tell us in your submission.

# PROPOSED FEES AND CHARGES



**1 July 2018 - 30 June 2021**

Fees and Charges 2018 - 2021

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## Introduction

This document has been prepared to provide a comprehensive guide to fees and charges for the first three years of the 2018-28 Long Term Plan.

### Legislative framework

The Council derives its right to apply fees and charges in general from section 150 and section 12 of the Local Government Act (LGA) 2002. Other Acts which the Council administers, such as the Resource Management Act 1991, the Building Act 2004, the Dog Control Act 1996 and others, give all Territorial Authorities the right to prescribe fees and charges pertaining to the particular activity dealt with under that Act. In the following fees and charges schedules the empowering legislation is noted where the right to apply fees and charges is not derived from the LGA 2002.

Any situations for which no fee or charge has been prescribed but which involve costs to the Council, section 252 under the LGA 2002 also gives the Council the right to recover the reasonable costs incurred for works or services provided by the Council.

### Schedules

The following should be noted with regard to the fees and charges schedules:

In some cases the fees are defined by the relevant statute and are therefore not open for consultation or to change by the Council. These include:

- Infringement fees for parking, resource management and dog control offences
- Liquor licensing
- Amusement devices licensing
- Development contributions

Subdivision consent for additional lots, and any land use consent or permitted activity may include a condition requiring development contributions to ensure adequate and appropriate provision of infrastructure to service those new lots or activity. Contributions relate to roading network access, wastewater and stormwater disposal, rural drainage and water supply. These contributions relate solely to the Council's own infrastructure and not to infrastructure of other service providers who have their own charging regimes. For further information please refer to our Development Contributions Policy.

## Sustainable Communities

### Customer Services

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Requests, searches and enquires</b>			
Printing from internet (per page)	0.30	0.30	0.30
<b>Electronic communications</b>			
Fax Transaction Fee	3.00	3.00	3.00
Emailing documents (maximum 10 pages)	3.00	3.00	3.00
<b>Photocopying</b>			
Black & white – per page	0.30	0.30	0.30
Colour – per page	0.60	0.60	0.60
Photocopy/printing of CV/resume	Up to 5 copies free	Up to 5 copies free	Up to 5 copies free

### Library Services

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Books</b>			
4 weeks no renewal	Free of charge	Free of charge	Free of charge
Book renewal after 4 weeks (per book)	2.00	2.00	2.00
Overdue item fees (per day)	0.50	0.50	0.50
Reserve/hold fee	2.00	2.00	2.00
<b>Magazines</b>			
General – two weeks	0.50	0.50	0.50
<b>DVDs</b>			
Adult New Release	4.00 first week & .50 per day thereafter	4.00 first week & .50 per day thereafter	4.00 first week & .50 per day thereafter
Junior New Release	3.00 first week & .50 per day thereafter	3.00 first week & .50 per day thereafter	3.00 first week & .50 per day thereafter
Adult Recent Release	1.00 first week & .50 per day thereafter	1.00 first week & .50 per day thereafter	1.00 first week & .50 per day thereafter
Junior Recent Release	1.00 first week & .50 per day thereafter	1.00 first week & .50 per day thereafter	1.00 first week & .50 per day thereafter
N.B: overdue item fees apply as per above			
<b>Card fees</b>			
Replacement card	3.00	3.00	3.00
Inter-loan charge	5.00 + charges incurred	5.00 + charges incurred	5.00 + charges incurred
<b>Withdrawn For Sale</b>			



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Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Adult Books	3.00 per book or buy 5 and get one for free	3.00 per book or buy 5 and get one for free	3.00 per book or buy 5 and get one for free
Junior Books	1.50 per book or buy 5 and get one for free	1.50 per book or buy 5 and get one for free	1.50 per book or buy 5 and get one for free
All DVDs	3.00 per DVD or buy 5 and get one for free	3.00 per DVD or buy 5 and get one for free	3.00 per DVD or buy 5 and get one for free
Magazines	.50 per book or buy 5 and get one for free	.50 per book or buy 5 and get one for free	.50 per book or buy 5 and get one for free
<b>Library Membership</b>			
District ratepayers & residents	Free of charge	Free of charge	Free of charge
Out-of-district non-residents and non-ratepayers (per year)	80.00	80.00	80.00
<b>Requests, searches &amp; enquires</b>			
Research enquiry (per hour or part thereof)	70.00	70.00	70.00
<b>Laminating</b>			
A5	2.00	2.00	2.00
A4	3.00	3.00	3.00
A3	5.00	5.00	5.00
<b>Damaged/lost items</b>			
Major damage	Full replacement cost	Full replacement cost	Full replacement cost
Minor damage	5.00	5.00	5.00
Lost items	Full replacement cost	Full replacement cost	Full replacement cost

The Council has entered into reciprocal arrangements with Hamilton City, Matamata-Piako and Waipa District Council's library service, whereby out-of district subscriptions are at no cost to library members. Ex-Franklin District Council residents also have reciprocal arrangement with Auckland Council until October 2018. However, it is important to note that these other libraries have their own schedule of service charges.

### Community Facilities: Cemeteries

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Plot purchase</b>			
All of the Waikato – including maintenance	2,413.00	2,483.00	2,556.00
All of the Waikato's Children's areas including maintenance	838.00	862.00	816.00
RSA plot	Free of charge	Free of charge	Free of charge
<b>Sexton fees</b>			
Interments	1,849.00	1,903.00	1,958.00

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Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Stillborn babies	Free of charge	Free of charge	Free of charge
<b>Ashes</b>			
Plot	359.00	369.00	380.00
Sexton	308.00	317.00	326.00
RSA plot	Free of charge	Free of charge	Free of charge
<b>Other cemetery services</b>			
Disinterment	3,107.00	3,197.00	3,290.00
Reinterment	1,489.00	1,532.00	1,576.00
Breaking concrete	103.00	106.00	109.00
Memorial Permit	10.00	10.00	10.00
Locate Plot	21.00	22.00	23.00

### Community Facilities: Halls and Meeting Rooms

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>General charges</b>			
Deposits	385.00	385.00	385.00
Deposits - non-profit organisations	100.00	100.00	100.00
Penalty for late return of keys – per working day	26.00	27.00	28.00
Surcharge for events with alcohol	62.00	64.00	66.00
<b>Te Kauwhata Library – community meeting room</b>			
Community groups – per hour	8.00	8.00	8.00
Community groups – per half day (4 hours)	13.00	13.00	13.00
Community groups – per day	28.00	29.00	30.00
Commercial – per hour	27.00	28.00	29.00
Commercial – per half day (4 hours)	34.00	35.00	36.00
Commercial – per day	62.00	64.00	66.00
<b>Huntly Library – community meeting room</b>			
Community groups – per hour	8.00	8.00	8.00
Community groups – per half day (4 hours)	13.00	13.00	13.00
Community groups – per day	28.00	29.00	30.00
Commercial – per hour	27.00	28.00	29.00
Commercial – per half day (4 hours)	34.00	35.00	36.00
Commercial – per day	62.00	64.00	66.00
<b>Huntly Civic Centre</b>			
Full day (8 hours)	128.00	131.00	133.00
Part day (4 hours)	77.00	78.00	80.00
Commercial (8 hours)	307.00	313.00	320.00
Commercial (4 hours)	128.00	131.00	133.00
Charitable (8 hours)	66.00	68.00	69.00

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Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Charitable (4 hours)	36.00	37.00	37.00
<b>Riverside Room Huntly</b>			
Full day (8 hours)	43.00	44.00	45.00
Part day (4 hours)	18.00	19.00	19.00
Commercial (8 hours)	129.00	132.00	135.00
Commercial (4 hours)	99.00	101.00	104.00
<b>Ngaruawahia War Memorial Hall</b>			
Full day (8 hours)	85.00	87.00	89.00
Part day (4 hours)	43.00	44.00	45.00
Commercial (8 hours)	129.00	132.00	135.00
Commercial (4 hours)	106.00	109.00	111.00
Charitable (8 hours)	53.00	54.00	56.00
Charitable (4 hours)	28.00	28.00	29.00
<b>Tuakau War Memorial Hall</b>			
<b>Commercial</b>			
Main hall or supper room (8 hours)	105.00	108.00	110.00
Main hall and supper room (8 hours)	204.00	209.00	213.00
Mezzanine or committee rooms (8 hours)	47.00	48.00	49.00
Mezzanine and committee rooms (8 hours)	90.00	92.00	94.00
Main hall or supper room (day and evening)	204.00	209.00	213.00
Main hall and supper room (day and evening)	408.00	418.00	426.00
Mezzanine or committee rooms (day and evening)	95.00	97.00	99.00
Mezzanine and committee rooms (day and evening)	189.00	193.00	197.00
<b>Non-commercial</b>			
Main hall or supper room (8 hours)	55.00	56.00	58.00
Main hall and supper room (8 hours)	105.00	108.00	110.00
Mezzanine or committee rooms (8 hours)	26.00	26.00	27.00
Mezzanine and committee rooms (8 hours)	47.00	48.00	49.00
Main hall or supper room (day and evening)	105.00	108.00	110.00
Main hall and supper room (day and evening)	204.00	209.00	213.00
Mezzanine or committee rooms (day and evening)	48.00	49.00	50.00
Mezzanine and committee rooms (day and evening)	95.00	97.00	99.00
<b>Charitable</b>			
Main hall or supper room (8 hours)	28.00	28.00	29.00
Main hall and supper room (8 hours)	53.00	54.00	56.00
Mezzanine or committee rooms (8 hours)	15.00	16.00	16.00
Mezzanine and committee rooms (8 hours)	26.00	26.00	27.00
Main hall or supper room (day and evening)	55.00	56.00	58.00

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Main hall and supper room (day and evening)	105.00	108.00	110.00
Mezzanine or committee rooms (day and evening)	15.00	16.00	16.00
Mezzanine and committee rooms (day and evening)	26.00	26.00	27.00

### Leisure Facilities: Aquatic Centres

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Huntly</b>			
Children	2.50	4.00	4.00
Adults	4.50	6.00	6.00
Seniors & tertiary students	3.00	4.00	4.00
One lane hire per hour	15.00	27.00	28.00
Spectators	1.50	2.00	2.00
Children aged 3 and under – accompanied by an adult	Free of charge	Free of charge	Free of charge
Parents supervising their children	2.00	2.00	2.00
Toddler's pool/bulkhead pool per hour	75.00	32.00	33.00
<b>Ngaruawahia</b>			
Children	2.00	3.00	3.00
Adults	4.00	5.00	5.00
Seniors & tertiary students	2.00	2.00	2.00
Spectators	1.50	2.00	2.00
Children aged 3 and under – accompanied by an adult	Free of charge	Free of charge	Free of charge
Parents supervising their children	2.00	2.00	2.00
<b>Tuakau</b>			
Children	2.50	3.00	3.00
Adults	4.50	5.00	5.00
Seniors & tertiary students	3.00	2.00	2.00
One lane hire per hour	21.00	22.00	23.00
Children aged 3 and under – accompanied by an adult	Free of charge	Free of charge	Free of charge
Parents supervising their children	2.00	2.00	2.00

### Leisure Facilities: Parks

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Sporting &amp; recreation facilities</b>			
Winter sports (field use)	Free of charge	Free of charge	Free of charge
Summer sports (field use)	Free of charge	Free of charge	Free of charge
Lake Puketirini - Key	100.00	100.00	100.00
Lake Puketirini - (refundable deposit on return of key deposit included)	21.00	21.00	21.00
Lake Kainui - Key	120.00	120.00	120.00

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Lake Kainui - (refundable deposit on return of key deposit included)	21.00	21.00	21.00

### Community Facilities: Other

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Raglan wharf</b>			
Fishing vessels regularly using the port – per annum	1,258.00	1,294.00	1,332.00
<b>Raglan Aerodrome</b>			
Landing fees – casual use per day	10.00	10.00	10.00
Regular use ( annual aerodrome landing fee for clubs or similar organisations)	601.00	618.00	636.00
Administration fee (late payments etc)	21.00	22.00	23.00
Special events			
<b>Housing for the elderly</b>			
Ngaruawahia – per week	156.00	182.00	208.00
Huntly – per week	156.00	182.00	208.00
Tuakau – per week	156.00	182.00	208.00

### Information Management

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Photocopying</b>			
Per A4 page – single sided black & white	0.30	0.30	0.30
Per A4 page – double sided black & white	0.45	0.45	0.45
Per A4 page – single sided colour	0.55	0.55	0.55
Per A4 page – double sided colour	0.80	0.80	0.80
Individual map – A3 colour	4.40	4.40	4.40

## Sustainable Environment

### Animal Control

All fees are set in accordance with the Dog Control Act 1996. The registration fee is set to recover costs associated with the administration of the dogs register, response to service requests from the public, compliance monitoring and enforcement of the relevant provisions of the Dog Control Act 1996, the Waikato District Council Dog Control Bylaw 2007.

The Council's general approach when setting the fees is to presume that all owners are classified as 'approved' unless breaches to the classification are made within a 12-month period. The Waikato District Council classifies dog owners according to criteria detailed on the following pages.

#### **A1 Approved owner**

The approved owner classification applies to all new dog owners who have not previously owned a dog, or current owners who have not been subject to any of the following offences:

- impounded dog
- registered complaint
- prosecution
- infringement fine
- non-notification of changes to ownership details
- repeated non-payment of registration fee.

A dog owner moving to the district will be given consideration for the approved owner classification if proven evidence of previous history relating to the above criteria is presented.

Any owner who breaches two or more of the above criteria within a 12-month period will lead to immediate cancellation of the approved owner classification and will be reverted to the general owner classification for a period of two years.

To requalify for the approved owner classification the owner must remain offence-free for two consecutive years.

#### **A2 Selected owner**

The selected owner classification applies to a dog owner who lives on a residential, living, country living, rural, rural residential, village or residential 2 (Pokeno) zoned property that is less than 20 hectares and complies with the following conditions:

- currently meets the approved owner classification
- holds a permit where more than two dogs are kept on the premises
- meets the minimum standards for accommodation of dogs (as set out in the Code of Animal Welfare) provides a fully fenced dog-proof section or area of the premises, appropriate for the size of the dog/s kept.

Any breach of these conditions will lead to the immediate cancellation of the selected owner classification.

#### **A3 Farm owner**

The farm owner classification applies to a rural dog owner who lives on and farms a property of 20 hectares or more, and who:

- currently meets the approved owner classification
- meets the minimum standards for accommodation of dogs (as set out in the Code of Animal Welfare)
- ensures that all home killing and the disposal and or treatment of offal and trimmings, including the heads of sheep and goats, are carried out in an approved dog-proof enclosure or killing facility
- does not feed or allow the dog/s access to any raw offal or untreated sheep or goat meat
- will undertake voluntarily treatment for hydatids and sheep measles as part the regular dog worming programme with the local veterinarian.

Any breach of these conditions will lead to the immediate cancellation of the farm owner classification.

#### A4 General owner

A general owner has generally breached one or more of the offences listed under the approved owner classification and is recognised as follows:

- cannot supply evidence of a dog previously registered or has kept unregistered dog under another local authority
- has had a dog impounded
- has been the subject of a registered complaint
- has been prosecuted for a dog offence
- has received an infringement fine.
- To qualify for approved owner classification the owner must remain offence-free for two consecutive years.

#### A5 Neutered or spayed dogs

On the provision of written proof from a veterinary surgeon the registration fee for the current year will be waived and a tag provided free of charge for a dog that has been neutered or spayed during the course of the previous year. Subject to the following conditions:

- the dog is not classified as a dangerous dog that has been required to be neutered or spayed under provisions set out in the Dog Control Amendment Act 2003
- written proof is provided by a certified veterinary surgeon who has adequately described the dog involved
- the proof and registration form are presented to the Council on or before 31 July of the current year.

The waiver will apply for one registration year only.

#### Cat Traps

The Animal Welfare Act 1999 allows for the use of traps such as live catch (cage traps). These traps can be used for the control of feral cats. Cage traps are available for hire from the Councils Animal Control Unit.

A bond of \$100 cash is required and a refund of \$75 will be issued when the trap is returned within two weeks. If the trap is returned damaged there will be no refund.

Please note responsibility for disposal of feral cats trapped is on the householder leasing the trap. The Council has no facilities to dispose of these cats.

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Payment by 20 July (discounted rate)</b>			
General owner	105.00	105.00	105.00
Approved owner	80.00	80.00	80.00
Farm owner	50.00	50.00	50.00
Selected owner	50.00	50.00	50.00
Guide dogs	5.00	5.00	5.00

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Hearing dogs	5.00	5.00	5.00
Dogs neutered in previous year (special conditions apply)			
Dangerous	187.50	187.50	187.50
<b>Basic registration fee (after 20 July) (full rate)</b>			
General owner	125.00	125.00	125.00
Approved owner	100.00	100.00	100.00
Selected & farm owner	70.00	70.00	70.00
Selected & farm owner	70.00	70.00	70.00
<b>Other charges</b>			
Application for selected owner	20.00	20.00	20.00
Application for permit to keep more than two dogs	65.00	65.00	65.00
Disposal/surrender	50.00	50.00	50.00
Implanting of microchips	25.00	25.00	25.00
<b>Collars &amp; tags</b>			
Small	10.00	10.00	10.00
Medium	14.00	14.00	14.00
Large	18.00	18.00	18.00
Exchange tags	Free of charge	Free of charge	Free of charge
Replacement tags	6.00	6.00	6.00
<b>Registration of pups age 3 months</b>			
<b>General owner</b>			
July	125.00	125.00	125.00
August	114.60	114.60	114.60
September	104.20	104.20	104.20
October	93.80	93.80	93.80
November	83.40	83.40	83.40
December	73.00	73.00	73.00



Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
January	62.60	62.60	62.60
February	52.20	52.20	52.20
March	41.80	41.80	41.80
April	31.40	31.40	31.40
May	21.00	21.00	21.00
<b>Approved owner</b>			
July	100.00	100.00	100.00
August	91.70	91.70	91.70
September	83.40	83.40	83.40
October	75.10	75.10	75.10
November	66.80	66.80	66.80
December	58.50	58.50	58.50
January	50.20	50.20	50.20
February	41.90	41.90	41.90
March	33.60	33.60	33.60
April	25.30	25.30	25.30
May	17.00	17.00	17.00
<b>Selected/farm owner</b>			
July	70.00	70.00	70.00
August	64.20	64.20	64.20
September	58.40	58.40	58.40
October	52.60	52.60	52.60
November	46.80	46.80	46.80
December	41.00	41.00	41.00
January	35.20	35.20	35.20
February	29.40	29.40	29.40
March	23.60	23.60	23.60
April	17.80	17.80	17.80
May	12.00	12.00	12.00
<b>Impounding - Dog Control Act 1996, section 68</b>			
First impounding	80.00	80.00	80.00
Second impounding	120.00	120.00	120.00
Third or subsequent impounding	150.00	150.00	150.00
Seizure – additional to impounding fee	70.00	70.00	70.00
Sustenance	22.00	22.00	22.00

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Infringement offences - Dog Control Act 1996, section 66</b>			
(GST is not applicable to these fees)			
Wilful obstruction of a dog control officer or ranger	750.00	750.00	750.00
<b>Infringement offences - Dog Control Act 1996, section 66</b>			
(GST is not applicable to these fees)			
Failure or refusal to supply information or wilfully providing false particulars	750.00	750.00	750.00
<b>Infringement offences - Dog Control Act 1996, section 66</b>			
(GST is not applicable to these fees)			
Failure to supply information or wilfully providing false particulars about a dog	750.00	750.00	750.00
Failure to comply with any bylaw authorised by section 20 of the Dog Control Act	300.00	300.00	300.00
Failure to undertake dog owner education programme or dog obedience course (or both)	300.00	300.00	300.00
Failure to comply with obligations of probationary owner	750.00	750.00	750.00
Failure to comply with effects of disqualification	750.00	750.00	750.00
Failure to comply with effects of classification of dog as dangerous dog	300.00	300.00	300.00
Fraudulent sale or transfer of dangerous dog	500.00	500.00	500.00
Failure to comply with effects of classification of dog as menacing	300.00	300.00	300.00
Failure to advise person of muzzle and leashing requirements	100.00	100.00	100.00
Failure to implant microchip transponder in dog	300.00	300.00	300.00
False statement relating to dog registration	750.00	750.00	750.00
False notifying death of dog	750.00	750.00	750.00
Failure to register dog	300.00	300.00	300.00
Fraudulent procurement or attempt to procure replacement dog registration label or disc	500.00	500.00	500.00
Failure to advise change of dog ownership	100.00	100.00	100.00
Failure to advise change of address	100.00	100.00	100.00
Removal, swapping or counterfeiting of registration label or disc	500.00	500.00	500.00
Failure to keep dog controlled or confined	200.00	200.00	200.00
Failure to keep dog under control	200.00	200.00	200.00
Failure to provide proper care and attention to supply proper and sufficient food, water and shelter and to provide adequate exercise	300.00	300.00	300.00
Failure to carry a leash in public	100.00	100.00	100.00
Failure to comply with barking dog abatement notice	200.00	200.00	200.00
Allowing dog known to be dangerous to be at large unmuzzled or unleashed	300.00	300.00	300.00
Failure to advise of muzzle and leashing requirements	100.00	100.00	100.00
Releasing dog from custody	750.00	750.00	750.00

**Stock control**

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Trespass - Impounding Act 1955, section 16</b>			
<b>Any paddock or meadow or grass or stubble</b>			
Fee per - horse, mare, gelding, colt, bull, cow, steer, heifer, calf, ass, mule or deer (per animal per day)	2.00	2.00	2.00
Fee per - ram, ewe, wether or lamb (per animal per day)	0.50	0.50	0.50
Fee per - goat, boar, sow or other pig (per animal per day)	5.00	5.00	5.00
<b>Any land having thereon any growing crop or from which the crop has not been removed, or in any cemetery</b>			
Fee per - horse, mare, gelding, colt, bull, cow, steer, heifer, calf, ass, mule or deer (per animal per day)	5.00	5.00	5.00
Fee per - ram, ewe, wether or lamb (per animal per day)	1.00	1.00	1.00
Fee per - goat, boar, sow or other pig (per animal per day)	10.00	10.00	10.00
<b>Stock call outs</b>			
Corporate mileage	0.75	0.75	0.75
Advertising	Actual cost	Actual cost	Actual cost
Repeated impounding (Cow)	31.00	31.00	31.00
Repeated impounding (Bull)	31.00	31.00	31.00
Repeated impounding (Mare)	31.00	31.00	31.00
Repeated impounding (Mule)	31.00	31.00	31.00
Repeated impounding (Pig)	31.00	31.00	31.00
Repeated impounding (Sheep)	31.00	31.00	31.00
Repeated impounding (Deer)	31.00	31.00	31.00
Repeated impounding (Goat)	31.00	31.00	31.00
<b>Other charges - Impounding Act 1955, sections 14 &amp; 15</b>			
Pound fee per animal, per day (stallion, ass, mule or bull over the age of 9 months, mare, gelding, colt, filly or foal, ox, cow, steer, heifer or calf, ram, ewe, wether or lamb, goat, deer, boar, sow or other pig)	19.00	19.00	19.00
Sustenance per animal, per day	14.00	14.00	14.00
Conveyance charge	Actual cost	Actual cost	Actual cost

## Building Control

These fees are set in accordance with the Building Act 2004, the Fencing of Swimming Pools Act 1978, the Sale of Liquor Act 1989 and the Amusement Devices Regulations 1978. However through the course of processing building consents there are some exceptions to this and they are outlined as follows:

- Where external or additional internal expertise is necessary for processing building consents, the charge for those services will be passed onto the applicant
  - Structural checking fees when undertaken by Council officers are charged at the Officers' hourly charge out rate
  - Fixed charges are payable on application. At the end of processing inspection fees and additional levies may be payable.
  - Under the Building Act 2004 some applications may be referred to the NZ Fire Service for review. The costs associated with the review will be determined by the work required by the Fire Service and will be unknown until the Fire Service invoices the Council which will then be passed onto the applicant
  - The Council is required to collect fees on behalf of others:
    - Building Research Association Levy – for every building consent with an estimated value of \$20,000 and over, \$1 per \$1,000 is payable (Note: GST is not applicable to this levy)
    - Ministry of Business, Innovation & Employment (MBIE - Building and Housing Levy) – for every building consent with an estimated value of 20,000 and over, \$2.01 per \$1,000 is payable (Note: GST is applicable to
- Fees and Charges 2018 - 2021

this levy)

- Building consents cancelled before the first inspection is conducted will be refunded only that part of the full charge for which processing work has not yet been carried out.

Where inspection fees apply the cost includes the building inspector's hourly charge out rate, and corporate mileage.

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Project Information Memoranda (PIM) - Building Act 2004, sections 219 &amp; 32</b>			
Building work valued up to \$20,000 including structures as listed under building consents (b)(i) and (b)(ii), but excluding items listed under (a), (c) and (j) – all listed in the table below	160.00	165.00	170.00
Building work valued up to and including \$1,000,000	330.00	335.00	340.00
Building work valued over \$1,000,000	410.00	415.00	420.00
<b>Building consents - Building Act 2004, section 219</b>			
Inspection fee per visit in relation to building consent applications (the number of inspections will vary depending on the project)	165.00	170.00	175.00
Solid fuel and solar water heaters – includes one inspection, accreditation levy and final code compliance certificate	365.00	365.00	365.00
(a) <ul style="list-style-type: none"> <li>• Minor plumbing and drainage (e.g. ensuites, septic tanks, other small works involving no increase in building area)</li> <li>• Demolitions</li> <li>• Signs</li> </ul>	210.00	215.00	220.00
(a)(i) <ul style="list-style-type: none"> <li>• Swimming Pools</li> <li>• Garages (including resited garages)</li> <li>• Carports</li> <li>• Farm buildings (up to 100m<sup>2</sup>)</li> <li>• Decks</li> <li>• Shade cloth structures</li> </ul>	370.00	375.00	380.00
(b)(ii) Building work valued up to \$20,000 including temporary or transportable classrooms, garages converted to habitable rooms, re-piled dwellings, retaining walls	415.00	420.00	430.00
(c) Erection and removal of marquees for temporary events	215.00	220.00	225.00
(d) Dwelling additions, commercial and public buildings up to \$20,000 in value	545.00	555.00	565.00
(e) All building work of value from \$20,001 up to \$100,000	970.00	990.00	1,010.00
(f) All building work of value from \$100,001 up to \$150,000	1,490.00	1,520.00	1,550.00
(g) All building work of value from \$150,001 up to \$500,000	1,965.00	2,000.00	2,040.00
(h) All building work of value from \$500,001 up to \$1,000,000	2,335.00	2,380.00	2,430.00
<b>Building consents - Building Act 2004, section 219</b>			
(i) Buildings over \$1,000,000 in value, add \$120 for every \$100,000 over \$1,000,000	2,850.00	2,900.00	2,970.00
(j) Stock underpasses and farm bridges. Includes two building inspections and engineering input into checking of plans, technical advice and inspection of site before and after installation	1,325.00	1,350.00	1,380.00
<b>Accreditation levy - Building Act 2004, sections 215 &amp; 219</b>			

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
All consents	70.00	75.00	80.00
<b>Scanning and storage of building consents and documents - Building Act 2004, section 219</b>			
All Consents	40.00	50.00	60.00
<b>Development Contribution assessment and administration – Local Government Act 2002</b>			
Actual and reasonable costs for objections to Development Contributions will be payable in accordance with the Local Government Act 2002			
Residential	70.00	75.00	80.00
Non-residential	120.00	125.00	130.00
Special Assessment (residential or non-residential)	250.00	255.00	260.00
Expert input sought by Council for a development contributions assessment	Actual and reasonable cost	Actual and reasonable cost	Actual and reasonable cost
Ongoing enquiries, administration, monitoring and/or enforcement of development contribution notices and agreements	Actual and reasonable cost	Actual and reasonable cost	Actual and reasonable cost
To process, assess, and respond to a request for reconsideration of development contributions (Note: a charge will not be made where the request for reconsideration is successful. A reduced rate may be charged where the request for reconsideration is partially successful)	Actual and reasonable cost	Actual and reasonable cost	Actual and reasonable cost
Establishment of DC Development Agreement	Actual and reasonable cost of administration and legal staff time	Actual and reasonable cost of administration and legal staff time	Actual and reasonable cost of administration and legal staff time
Objections (actual costs for commissioner/s Council staff and other support) (deposit)	500.00	510.00	520.00
<b>Code Compliance Certificates - Building Act 2004, sections 95 &amp; 93(2)(b)</b>			
To issue a final Code Compliance Certificate (CCC) in respect of a building consent that has already been issued and interim Code Compliance Certificate	165.00	170.00	175.00
Application for extension of time to apply for a Code Compliance Certificate	145.00	150.00	155.00
<b>Compliance schedules &amp; building warrant of fitness - Building Act 2004, sections 100, 108 &amp; 219</b>			
Issue of a new Compliance Schedule	200.00	205.00	210.00
Annual inspection of buildings with specified systems	200.00	205.00	210.00
Where a building fails its annual compliance audit, a re-inspection fee will apply at standard inspection rates.			
Amendment to Compliance Schedule	85.00	90.00	90.00
Annual receipt of building warrant of fitness (where an inspection did not take place)	85.00	90.00	90.00
<b>Resiting</b>			
Resiting report	125.00	130.00	130.00

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Officers' hourly charge out rate (outside the district only)	130.00	135.00	135.00
Mileage (outside the district only)	0.075	0.075	0.075
<b>Application for temporary accommodation - Building Act 2004, section 219</b>			
Available only while an application is building a dwelling	240.00	245.00	250.00
A refundable performance bond of \$5,000 is also required under the RMA 1991 to ensure that occupation of the temporary premises is discontinued within the agreed period.			
<b>Application for dispensation and waivers - Building Act 2004, section 219</b>			
For dispensation from provisions of the Building Act 2004 or the Fencing of Swimming Pools Act 1987 (per hour)	165.00	170.00	175.00
<b>Application for a Building Certificate - Sale and Supply of Alcohol Act 2012</b>			
Inspection of premises for fire safety and access for people with disabilities	280.00	285.00	290.00
<b>Certificate of Acceptance - Building Act 2004, section 96</b>			
Application fee (includes the cost of one inspection)	570.00	580.00	590.00
These projects are also liable for all fees that would have been payable had the owner (or the owner's predecessor in title) applied for building consent before carrying out the building work.			
<b>Certificate for public use - Building Act 2004, section 363A</b>			
To issue a certificate for public use in respect of a building	180.00	185.00	190.00
Inspections to check compliance with conditions of the certificate	165.00	170.00	175.00
<b>Fencing of swimming pools - Fencing of Swimming Pools Act 1987</b>			
First inspection of pool fence to check compliance	80.00	85.00	90.00
Inspection fee for second and subsequent inspections if satisfactory progress is not made (per inspection)	155.00	160.00	165.00
<b>Certificates - Building Act 2004, sections 71, 77, 78(1) &amp; 219</b>			
Section 71 Certificate – preparation, signing and registration of certificates	460.00	465.00	470.00
Section 75 Certificate – preparation, signing and registration	500.00	510.00	520.00
Removal of entry under section 78(1) of the Building Act	230.00	235.00	240.00
<b>Amendments</b>			
Processing charge is based on the review Officers' and adminiatiion standard hours rates	Officers' hourly charge out rate	Officers' hourly charge out rate	Officers' hourly charge out rate
<b>Notice to Fix - Building Act 2004, section 164</b>			
To issue and serve	235.00	240.00	245.00
Inspections to check compliance with conditions of Notice to Fix – includes legal advice	165.00	170.00	175.00
<b>Infringement Notices - Building (Infringement Offences, Fees, and Forms) Regulations 2007</b>			

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Infringement Notices issued for offences under the Regulations. (Fees vary depending on the offence)	Fees as prescribed in Schedule I of the Regulations	Fees as prescribed in Schedule I of the Regulations	Fees as prescribed in Schedule I of the Regulations
<b>Request for information or service - Building Act 2004, section 219</b>			
Non-routine request for information	Officers' hourly charge out rate	Officers' hourly charge out rate	Officers' hourly charge out rate
Certificate of title and ordering documents through LINZ	35.00	35.00	35.00
<b>Amusement devices - Amusement Devices Regulations 1978: regulation 11 approval to operate</b>			
One device for up to 7 days	10.00	10.00	10.00
Additional device for up to 7 days	2.00	2.00	2.00
Each device for every 7 days	1.00	1.00	1.00

## Strategic & district planning

Application for a private plan change to the district plan

A charge/s for a plan change will be made to recover the Council's actual costs to prepare a private plan change to the district plan including, but not limited to, the following matters:

- administration costs
- research
- technical advice
- preparation of reports to meet the requirements of sections 32 and 72 to 76 of the Resource Management Act (RMA)
- processing of the plan change in accordance with the First Schedule of the RMA
- legal costs

## Other matters

Where the plan change to which the charges relates has any of the following attributes:

- it involves a major change in policy
- it affects a wide geographical area
- it is likely to involve the Council in significant investigation or research
- has any other attribute that is likely to incur significant cost,

the deposit may be increased up to a maximum of \$27,000.

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>District Plan</b>			
Variations and plan changes	Charged on a cost recovery basis	Charged on a cost recovery basis	Charged on a cost recovery basis
Deposit to consider a proposed private plan change	10,600.00	10,800.00	11,000.00
2nd deposit to process	10,600.00	10,800.00	11,000.00

## Resource management

### Planning and planning information

These fees and charges are set by various sections of the Resource Management Act (RMA) 1991, sections of the Local Government Act (LGA) 2002 and sections of the Sale and Supply of Alcohol Act 2012. In addition to the listed fee, charge or lodgement fee, all land use consent applications (except those for outline plans) incur a minimum monitoring charge.

### Pre-application charges

The lodgement fee for pre application requests covers the provision of a meeting for up to one hour with a Planner and up to two technical experts (as deemed necessary by the Planner). Any additional time spent on your request is charged at an Officers' hourly charge out rate and includes but is not limited to administration, research, writing and distribution of minutes, and additional meetings.

### Voluntary Conservation Covenants

The Council will meet the actual internal legal costs associated with conservation covenant document preparation where the conservation covenant is entered into on a voluntary basis; such costs will be met by the conservation fund.

### Section 36 of the Resource Management Act

The charges (set fees, lodgement fees and hourly rates) set out in this booklet are charges which meet the definition of a 'fixed charge' pursuant to Section 36 of the RMA 1991 and are stated inclusive of GST, at the prevailing rate.

All 'fixed charges' are payable in full in advance. Pursuant to Section 36(7) of the RMA, the Council will not perform the action or commence processing the application to which the charge relates until it has been paid. Documentation or certificates will not be issued until cheques in payment of charges have been cleared. Unless stated as a set fee, all fees are lodgement fees and are subject to additional charges below.

### Additional charges

Where a lodgement fee is in any particular case inadequate to enable the Council to recover its actual and reasonable costs in respect of the matter concerned, the Council will require the applicant to pay an additional charge. Additional charges do not apply to set fees. Where the additional charge is less than \$25 the Council will not require the applicant to pay the additional charge.

Additional charges may also be included in the following circumstances:

- If it is necessary for the services of a consultant to be engaged by the Council (including their attendance at any hearing or meeting) then the consultant's fees will be charged in full to the application as an additional charge
- If any legal fees are incurred by the Council in relation to legal advice obtained for any particular application, including fees incurred if the Council's solicitor is required to be present at any hearing, these fees will be charged in full to the applicant as an additional charge.
- If any commissioner hearing fees and associated costs are incurred in considering and determining a particular



application these fees will be charged in full to the applicant as an additional charge.

### **Purpose**

The purpose of each set fee and lodgement fee and additional charge is to recover the actual and reasonable costs incurred by the Council in receiving and processing applications and in issuing decisions and monitoring performance of consent conditions.

### **Charge-out rates for Council Officers' and mileage**

Council Staff Charge-out rates are set out in this schedule on page 40.

Mileage rates will be charged in accordance with the prevailing Inland revenue Department mileage rates at the time of invoice.

### **Additional fixed fees**

At any time after the receipt of an application and before a decision has been made, the Council may fix a fee pursuant to Section 36(1) of the RMA which is in excess of the fixed charge set out in this booklet.

In that event:

- The Council may require that no further action will be taken in connection with the application until that fixed fee is paid in accordance with Section 36(7) of the RMA; and
- Pursuant to Section 36(3) of the RMA make additional charges.

### **Legal Documents**

Where any legal document requires more than three hours work an extra charge based on the solicitor's hourly charge out rate will be made, over and above the set fee.

### **Lodgement Fees**

Any lodgement fees required under this schedule of fees and charges for any application for a resource consent or requirement for designation or heritage order may be increased up to the stated maximum of \$27,000, where the matter to which the charge relates has any of the following attributes for any other reason the Customer Support General Manager deems appropriate:

- a large development proposal; or the proposal
- is likely to involve significant potential adverse effects on the environment; or
- involves major policy issues; or
- is likely to involve the Council in significant research or investigation; or
- involves the notification of over 35 parties; or
- is a subdivision involving more than 10 lots.

The Consents Manager shall have the right to reduce lodgement fees to the level of expected costs in circumstances where he or she considers this appropriate.

The Consents Manager shall have the right to vary lodgement fees and final charges for heritage order requests if, in his or her opinion, some of the benefits are to the community as a whole.

Where an application involves both a land use and subdivision consent, and is to be notified, then only one lodgement fee for a notified application may be required.

### Refund of charges

Pursuant to Section 36(5) of the RMA, the Council will remit the whole or part of the charges listed in this schedule where the lodgement fee paid is greater than the costs incurred by the Council in processing the application. Any refund due will be paid after the Council has assessed the final costs of processing the application. Where the refund is less than \$25 no refund will be given.

### Planning charges

Note: all charges are lodgement fees unless states as a set fee.

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Pre Application Advice</b>			
Pre application advice and meeting - note: first hour free for Planning & Technical Staff and then charged actual and reasonable	350.00	360.00	370.00
Planning information research - Duty Planner	First 30 minutes free of charge, then recovery of actual and reasonable costs	First 30 minutes free of charge, then recovery of actual and reasonable costs	First 30 minutes free of charge, then recovery of actual and reasonable costs
<b>Applications for land use consent – non-notified applications</b>			
Major	3,200.00	3,300.00	3,400.00
Minor - eg: Dependant person dwellings, development control and performance standards infringements, minor earthworks	1,600.00	1,700.00	1,800.00
Resites include bond preparation and monitoring	1,600.00	1,700.00	1,800.00
Earthworks in the Hauraki Gulf Catchment Area - set fee (Monitoring Fee to be added)	500.00	510.00	520.00
Exemption for Temporary or Marginal Boundary Activities - set fee	500.00	510.00	520.00
Permitted Boundary Activities - set fee	350.00	360.00	370.00
Fast Track Consents as prescribed in Section 87AAC of the RMA	1,000.00	1,100.00	1,200.00
Planning Certificate - Sale and Supply of Alcohol Act 2012 - set fee	400.00	4,10.00	420.00

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Section 127-132 – change, cancel or review conditions of consent	1,400.00	1,500.00	1,600.00
Section 125 - Extension of Time	1,200.00	1,300.00	1,400.00
Certificates of compliance and existing use certificates - section 139 & 139A	2,000.00	2,100.00	2,200.00
<b>Applications for subdivision consent – non-notified applications</b>			
1 - 4 Lot subdivision & Boundary Adjustments/Relocation	3,000.00	3,100.00	3,200.00
5 - 10 Lot Subdivision	5,000.00	5,100.00	5,200.00
> 10 Lots + additional \$ charge per lot over 10 lots	5,000.00 + 100 per lot in excess of 10	5,100.00 + 100 per lot in excess of 10	5,200.00 + 100 per lot in excess of 10
Transferrable Lots/Environmental Lots, Conservation Lots	4,000.00	4,100.00	4,200.00
Section 226 Subdivision - Report and Decision	2,000.00	2,100.00	2,200.00
Section 127-132 – change, cancel or review conditions of consent	1,400.00	1,500.00	1,600.00
Section 125 - Extension of Time	1,400.00	1,500.00	1,600.00
Cross Lease Subdivision Amendment	1,400.00	1,500.00	1,600.00
Easement approvals - LGA Section 348 - decision and report	1,000.00	1,100.00	1,200.00
Revocation of easements - report and decision only - Section 243	750.00	850.00	950.00
Change or cancel consent notice Section 221 report and decision only	1,400.00	1,500.00	1,600.00
Cancellation of amalgamation conditions - section 241 report and decision only where a full subdivision consent is not required	750.00	850.00	950.00
<b>Non-notified applications regarding requirements for designation and heritage orders - Resource Management Act 1991 unless otherwise stated</b>			
Requirements for designation	4,000.00	4,100.00	4,200.00
Requirements for alteration to a designation - Section 181 (2)	4,000.00	4,100.00	4,200.00
Requirements for alteration to a designation - Section 181 (3)	1,600.00	1,700.00	1,800.00
Requirements for removal of a designation - Section 182	1,600.00	1,700.00	1,800.00
Applications to determine that a designation should not lapse – sections 184(1)(b) & 2(b)	1,600.00	1,700.00	1,800.00

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Requirements for heritage orders	1,600.00	1,700.00	1,800.00
Requirements for the removal of heritage orders	1,600.00	1,700.00	1,800.00
Outline plans – section 176A - Major	1,600.00	1,700.00	1,800.00
Request to Waiver of requirement for outline plan - section 176A (2) - Minor - set fee	400.00	410.00	420.00
<b>Limited Notified and Full Notified Application for Subdivision, Landuse Consent, Designations and Heritage Orders</b>			
Limited Notified Deposit includes 1/2 day Hearing deposit	6,500.00	6,600.00	6,700.00
Notified Deposit includes 1 day Hearing Deposit	10,500.00	10,600.00	10,700.00
For any additional hearing days a further deposit will be required (per 1/2 day, 6,000 per day)	3,500.00	3,600.00	3,700.00
Pre hearing Meetings	Actual and reasonable costs	Actual and reasonable costs	Actual and reasonable costs
Hearing fees will generally be charged at an actual hourly charge out rate and fall under the following criteria:			
For the hearing of any application made under the RMA a charge will be made for the costs of planning staff, technical advisors, secretariat and administration.	Actual and reasonable costs plus deposit for each half day of the hearing	Actual and reasonable costs plus deposit for each half day of the hearing	Actual and reasonable costs plus deposit for each half day of the hearing
Hearing by external commissioners	Actual costs to hear and application – to be charged to the applicant	Actual costs to hear and application – to be charged to the applicant	Actual costs to hear and application – to be charged to the applicant
Hearings by Councillors	Fee for each Councillor, including time spent on site visits (as measured from the hearing venue) and set by the Remuneration Authority	Fee for each Councillor, including time spent on site visits (as measured from the hearing venue) and set by the Remuneration Authority	Fee for each Councillor, including time spent on site visits (as measured from the hearing venue) and set by the Remuneration Authority

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Where applicants do not give at least 48 hours written notice of a request for cancellation, withdrawal or postponement of a schedule hearing	The Council reserves the right to charge the applicant the actual costs incurred in preparing for the scheduled hearing	The Council reserves the right to charge the applicant the actual costs incurred in preparing for the scheduled hearing	The Council reserves the right to charge the applicant the actual costs incurred in preparing for the scheduled hearing
<b>Actions related to Engineering Approvals, 223, 224 and Compliance of Conditions on Subdivision</b>			
Post Subdivision Start-up Meeting and Pre construction of infrastructure site meeting	Actual costs + corporate mileage	Actual costs + corporate mileage	Actual costs + corporate mileage
Section 223 Certificate Survey Plan approval - 1 - 4 Lots - set fee	350.00	360.00	370.00
Section 223 Certificate Survey Plan approval 5 -10 Lots - set fee	400.00	410.00	420.00
Section 223 Certificate Survey Plan approval > 10 Lots - set fee plus \$10 per lot over 10 lots	600.00 + \$10 per lot over 10 lots	610.00 + \$10 per lot over 10 lots	620.00 + \$10 per lot over 10 lots
Engineering plan approvals	500.00 + Actual costs + corporate mileage	600.00 + Actual costs + corporate mileage	700.00 + Actual costs + corporate mileage

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Clearance Checks of conditions in preparation for Section 224 Certificate	Actual costs + corporate mileage	Actual costs + corporate mileage	Actual costs + corporate mileage
Section 348 (LGA) certificate, 224(f) Certificate and Processing transferrable lots	Actual costs + corporate mileage	Actual costs + corporate mileage	Actual costs + corporate mileage
Section 224 - LOL Certificate Approval - set fee	300.00	310.00	310.00
Resign of Section 223 or 224 Certificate - set fee	300.00	310.00	310.00
Fees for the creation of all new property files for each lot created during subdivision - to be paid at Clearance stage (set fee)	82.00	84.00	84.00
Update new Properties with Hazards	Actual Costs	Actual Costs	Actual Costs
241 and 243 RMA Certificates, Unit Title Certificates	450.00	460.00	460.00
Assign and supply RAPID property number at subdivision (per plate) - to be paid at clearance stage	60.00	60.00	60.00
Supply replacement RAPID property number (number already assigned)	33.00	33.00	33.00
Assign Urban property number at subdivision (per number) - to be paid at clearance stage	15.00	15.00	15.00
Assign Urban/RAPID property number outside of Subdivision	Free of charge	Free of charge	Free of charge
<b>Development Contribution assessment and administration</b>			
Land Use consent - residential - set fee	70.00	75.00	80.00
Land Use consent - non-residential - set fee	120.00	125.00	130.00
Subdivision consent - set fee (per stage)	100.00	105.00	110.00
Special Assessment (land use or subdivision) set fee	250.00	255.00	260.00
Expert input sought by Council for a development contributions assessment	Actual and reasonable cost	Actual and reasonable cost	Actual and reasonable cost
Ongoing enquiries, administration, monitoring and/or enforcement of development contribution notices and agreements	Actual and reasonable cost	Actual and reasonable cost	Actual and reasonable cost
To process, assess, and respond to a request for reconsideration of development contributions (Note: A charge will not be made where the request for reconsideration is successful. A reduced rate may be charged where the request for reconsideration is partially successful)	Actual and reasonable cost	Actual and reasonable cost	Actual and reasonable cost
Establishment of DC Development Agreement	Actual and reasonable cost of administration and legal staff time	Actual and reasonable cost of administration and legal staff time	Actual and reasonable cost of administration and legal staff time
Objections (actual costs for commissioner/s Council staff and other support) (deposit)	500.00	510.00	520.00
<b>All development contributions, legal fees, clearance costs and outstanding consent fees are required to be paid prior to the release of the 224 certificate.</b>			

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Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Legal fees related to all types of subdivision and land use consents - Resource Management Act unless otherwise stated			
Sections 108 & 109 - Preparation and signing of any bond, covenant, legal document, encumbrance instrument or variation thereto required as a condition of consent to enable the issue of a completion certificate (set fee)	790.00	850.00	890.00
Variation of bond, covenant or consent notice (set fee)	500.00	550.00	600.00
Partial bond refunds - administration fee per site inspection - Note: partial refunds for cash bonds will be deducted from the bond amount	Admin Officers' hourly charge out rate	Admin Officers' hourly charge out rate	Admin Officers' hourly charge out rate
Partial bond refunds – site inspections associated with partial refunds per site inspection	Admin Officers' hourly charge out rate	Admin Officers' hourly charge out rate	Admin Officers' hourly charge out rate
Preparation of consent notice (set fee)	650.00	700.00	750.00
Preparation of minor covenants or any variations thereto (set fee)	500.00	550.00	580.00
Discharge of bond, encumbrance instrument, cancellation of consent notice or covenant - partial or full (set fee)	350.00	380.00	400.00
Surrender of consent – legal fee (set fee)	350.00	380.00	400.00
Miscellaneous legal services e.g. any certificates or other legal document prepared by the Council's legal section	Hourly charge out rate + mileage & actual cost of disbursements	Hourly charge out rate + mileage & actual cost of disbursements	Hourly charge out rate + mileage & actual cost of disbursements
<b>Actions related to all types of subdivision and land use - Resource Management Act 1991 unless otherwise stated</b>			
Objections requested to be considered by an Independent Hearings Commissioner - Actual Costs incurred by engaging a Commissioner	2,500.00	2,600.00	2,700.00
The Council's policy determines that it may decide on a case-by-case basis to refund any deposit paid if the Council upholds the objection in its entirety.			
Iwi consult charge (set fee)	40.00	40.00	55.00
Certificate of Title and ordering documents through Land Information New Zealand (LINZ)	35.00	40.00	45.00
Preparation of any document or certificate for the purposes of Overseas Investment Office or for any such enactments or regulations (set fee)	590.00	590.00	590.00
Every other certificate authority, approval, consent, report or service given, or inspection made by the Council under any enactment or regulation not otherwise mentioned elsewhere in this schedule where such enactment contains no provision authorising the Council to charge a fee and does not provide that the certificate, authority, approval, consent, report or service or inspection is to be given or made free of charge.	Officers' hourly charge out rate + corporate mileage	Officers' hourly charge out rate + corporate mileage	Officers' hourly charge out rate + corporate mileage

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
The applicant will reimburse any fees paid by the Council to commissioners, consultants, advisers, solicitors and other creditors related to any other matter connected with resource consent or certificate application	Officers' hourly charge out rate + corporate mileage	Officers' hourly charge out rate + corporate mileage	Officers' hourly charge out rate + corporate mileage
Administration fee for the processing of non-payment	Officers' hourly charge out rate + corporate mileage	Officers' hourly charge out rate + corporate mileage	Officers' hourly charge out rate + corporate mileage

### Property information requests

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Information and requests</b>			
General Photocopying	Actual Costs	Actual Costs	Actual Costs
Scanning and providing disks	Actual Costs	Actual Costs	Actual Costs
Drainage plans	28.00	30.00	32.00
Building consents	28.00	30.00	32.00
Microfiche	28.00	30.00	32.00
Resource Consents	28.00	30.00	32.00
Any person wishing to view information on any files held by the Council will be charged at the Officers' hourly charge out rate for each half hour or thereafter. If a staff member is required to assist in your request there will be a charge per half hour at the Officers' hourly rate.	Officers' hourly charge out rate	Officers' hourly charge out rate	Officers' hourly charge out rate

### Land Information Memoranda

Land Information Memoranda (LIM) requests for the supply of information in writing about a property including plan and resource consent details service details, requisitions and rates and any other matters within Council records.

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>LIM Services</b>			
Urban/Country Living/New Residential	240.00	245.00	250.00



Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Rural/Coastal/Pa Zone	320.00	325.00	330.00
Commercial/industrial	415.00	420.00	425.00
<b>Urgent LIM Services</b> Note: No Council is unable to provide Urgent LIM'S for Commercial and Industrial Properties			
Within 5 working days	115.00	120.00	125.00
Urban/Country Living/New Residential	240.00 + 115.00 Urgent Fee	245.00 + 120.00 Urgent Fee	250.00 + 125.00 Urgent Fee
Rural/Coastal/Pa Zone	240.00 + 115.00 Urgent Fee	245.00 + 120.00 Urgent Fee	250.00 + 125.00 Urgent Fee
Courier Fee	6.50	7.00	7.50
Certificate of title	35.00	40.00	45.00

## Environmental health & alcohol licensing

### Environmental health

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Registration of premises under the Food Hygiene Regulations 1974</b>			
<b>Renewal of registration</b> This covers the cost of inspections to be carried out during the registration year. The number of inspections required is determined on the basis of the activity carried out on the premises.			
Renewal - low risk premises	285.00	285.00	285.00
Renewal - medium risk premises	570.00	570.00	570.00
Registration and renewal of food premises for multiple users	90.00	90.00	90.00
<b>Food businesses operating under the Food Act 2014</b>			
Application for registration of Food Control Plan (Section 56, Food Act 2014). Includes assessment of the food business, mentoring, processing the application and issuing registration. Fee not applicable to food businesses operating a deemed Food Control Plan under the Food Act 1981 Voluntary Implementation Programme.	350.00	360.00	370.00
Application for registration of Food Control Plan (Section 56, Food Act 2014) by business operating a deemed Food Control Plan under the Food Act 1981 Voluntary Implementation Programme	150.00	150.00	N/A
Renewal of registration of Food Control Plan in accordance with Part 2 of Schedule 4 of the Act before the expiry of the current registration	150.00	155.00	160.00
Processing an application for a significant amendment to a Food Control Plan under section 45 of the Act	190.00	200.00	210.00

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Processing notification of a significant change in circumstances to a Food Control Plan under section 51 of the Act	150.00	155.00	160.00
Processing mandatory suspension of a Food Control Plan under section 62 of the Act	100.00	105.00	160.00
Processing voluntary suspension of a Food Control Plan under section 64 of the Act	100.00	105.00	160.00
Application for registration of a National Programme (Section 86, Food Act 2014)	250.00	260.00	270.00
Renewal of registration of National Programme in accordance with Part 2 of Schedule 4 of the Act before the expiry of the current registration	150.00	155.00	160.00
Processing notification of a significant change in circumstances to a National Programme under section 81 of the Act	150.00	155.00	160.00
Processing mandatory suspension of a National Programme under section 90 of the Act	100.00	105.00	160.00
Processing voluntary suspension of a National Programme under section 92 of the Act	100.00	105.00	160.00
Adding additional food business to a current registration	40.00	42.00	45.00
All activities associated with verification of food control plans or national programmes – covers all activities associated with verification of food control plans or national programmes, including administration, preparation, on site verification, travel, report preparation, follow up visits. Applies to scheduled and unscheduled verifications. Hourly charge (15 minute units).	160.00	165.00	170.00
Termination of verification due to failure of the operator to facilitate the verification	100.00	105.00	110.00
Monitoring and compliance activities under the Food Act 2014 including exercising any power referenced by and for the purposes expressed in Section 298 of the Act (except for Sections 302 and 303) where a sanction has been imposed by the Food Safety Officer and/or where some form of corrective action is required by the operator - hourly charge	160.00	165.00	170.00
Issue of Improvement Notice in accordance with Section 302 of the Act, including development of the notice - per notice plus hourly charge spent developing and issuing the notice after the first hour	160.00	165.00	170.00
Processing application for review of issue of improvement notice under section 303 of the Act - per application plus per hour spent processing the application after the first hour	160.00	165.00	170.00
Processing application for review of decision under section 355 of the Act	250.00	260.00	260.00
<b>Registration of Hairdressers (Health (Hairdressers) Regulations 1980)</b>			

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Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Initial registration - covers costs consultation and advice, administrative costs of setting up the premises in the database and a pre-registration inspection	250.00	260.00	270.00
Renewal of registration - covers the cost of annual inspection of the premises	165.00	170.00	180.00
<b>Registration of Camping Grounds (Health (Camping Grounds) Regulations 1985)</b>			
Initial registration - covers costs consultation and advice, administrative costs of setting up the premises in the database and a pre-registration inspection	275.00	290.00	300.00
Renewal of registration - covers the cost of annual inspection of the premises	190.00	190.00	195.00
<b>Registration of Offensive Trades/Stock Saleyards (Health Act 1956)</b>			
Initial registration - covers costs consultation and advice, administrative costs of setting up the premises in the database and a pre-registration inspection	215.00	215.00	215.00
Renewal of registration - covers the cost of annual inspection of the premises	165.00	170.00	175.00
<b>Registration of funeral directors</b>			
Premises with mortuary – initial registration covers consultation and advice, administrative costs of setting up the premises in the database and a pre-registration inspection.	215.00	215.00	215.00
Renewal of registration – covers the cost of annual inspection of the premises	165.00	170.00	175.00
Premises with no mortuary – initial registration	90.00	90.00	90.00
Renewal of registration – covers the cost of maintaining a register of funeral directors in accordance with the Health (Burial) Regulations 1946	90.00	90.00	90.00
<b>Noting of certificates - (Health (Registration of Premises) Regulations 1966)</b>			

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Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Covers the cost of altering the details in the database and on the certificate of registration after any change in the occupation of premises.	90.00	90.00	90.00
<b>Additional inspections</b>			
Premises which, during the course of an inspection are found not to comply and receive written notice of work which is required to be completed within a given timeframe will be reinspected. If the required works have not been completed a further notice may be issued and an additional inspection fee charged .- per inspection charge	285.00	290.00	295.00
<b>Trading in public places</b>			
Covers the cost of regulating where and under what conditions persons wishing to trade in public places may operate within the district. Operators selling articles of food for human consumption (other than fruit and vegetables grown on own property) shall also be required to be registered pursuant to the Food Hygiene Regulations 1974. The Council will accept the current health registration of another local authority.	100.00	105.00	110.00
<b>Gaming Machines and TAB Board Venues</b>			
Gambling Venues Policy applications incur a minimum non-refundable deposit. Further charges may be charged should a hearing be required.	1,200.00	1,200.00	1,200.00
Applications for TAB Board Venue Consent under Council's Gambling Venues Policy incur a minimum non-refundable deposit. Further charges may be charged should a hearing be required	900.00	900.00	900.00
<b>Excessive noise</b>			
This covers the costs incurred in seizing, impounding, transporting and storing property seized under sections 323 or 328 of the RMA 1991.	265.00	270.00	275.00

### Alcohol licensing

The Sale and Supply of Alcohol (Fees) Regulations 2013 prescribe the fees payable for applications and services under the Sale and Supply of Alcohol Act 2012. The regulations provide for application and annual fees for on, off and club licences and define a fees framework for determining the fees categories for premises using a defined cost/risk rating system. The regulations provide for Council to make a bylaw to set its own fees payable within the framework specified and therefore the specified fees are subject to change should the Council determine to make a bylaw. An amount is paid to the Alcohol Regulatory and Licensing Authority (ARLA) from the fees for on, off, club licences and managers' certificates.

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Alcohol Licence Fees - 2015 to 2018 (Inclusive of GST)			
<b>Fee Category Premises</b>			
<b>Very Low</b>			
Total	368.00	368.00	368.00

Waikato District Council	350.75	350.75	350.75
ARLA	17.25	17.25	17.25
<b>Low</b>			
Total	609.50	609.50	609.50
Waikato District Council	575.00	575.00	575.00
ARLA	34.50	34.50	34.50
<b>Medium</b>			
Total	816.50	816.50	816.50
Waikato District Council	764.75	764.75	764.75
ARLA	51.75	51.75	51.75
<b>High</b>			
Total	1,023.50	1,023.50	1,023.50
Waikato District Council	937.25	937.25	937.25
ARLA	86.25	86.25	86.25
<b>Very High</b>			
Total	1,437.50	1,437.50	1,437.50
Waikato District Council	1,265.00	1,265.00	1,265.00
ARLA	172.50	172.50	172.50
<b>Special licence</b>			
Class 1 - Waikato District Council	575.00	575.00	575.00
Class 2 - Waikato District Council	207.00	207.00	207.00
Class 3 - Waikato District Council	63.25	63.25	63.25
<b>Manager's certificate/ renewal</b>			
Total	316.25	316.25	316.25
Waikato District Council	287.5	287.5	287.50
ARLA	28.75	28.75	28.75
<b>Other Liquor charges</b>			
Temporary Authority - Waikato District Council	296.70	296.70	296.70
Temporary Licence - Waikato District Council	296.70	296.70	296.70
Permanent Club Charter - Waikato District Council	632.50	632.50	632.50
Extract from Register - Waikato District Council	57.50	57.50	57.50
Note: above number of charges for licences each year is for the Application Fee. Below are the number of charges for the Annual Fee			
<b>Fee Category Premises</b>			
<b>Very Low</b>			
Total	161.00	161.00	161.00
Waikato District Council	143.75	143.75	143.75
ARLA	17.25	17.25	17.25
Low			
Total	391.00	391.00	391.00
Waikato District Council	356.50	356.50	356.50
ARLA	34.50	34.50	34.50
<b>Medium</b>			
Total	632.50	632.50	632.50
Waikato District Council	580.75	580.75	580.75

ARLA	51.75	51.75	51.75
<b>High</b>			
Total	1,035.00	1,035.00	1,035.00
Waikato District Council	948.75	948.75	948.75
ARLA	86.25	86.25	86.25
<b>Very High</b>			
Total	1,437.50	1,437.50	1,437.50
Waikato District Council	1,265.00	1,265.00	1,265.00
ARLA	172.50	172.50	172.50
<b>Hazardous Activities and Industry List (HAIL)</b>			
This supplies specific information in determining if a potentially contaminating activity has occurred on a property	130.00	135.00	140.00

### Monitoring and enforcement

There will be a charge for every land use consent relating to the monitoring and associated administration costs of the consent.

### Resource monitoring

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Monitoring requests</b>			
Yard encroachments and minor consents – to monitor progress with giving effect to the consent and compliance with consent conditions. For new consents this is payable at issue of consent.	250.00	250.00	260.00
All other consents – to monitor progress with giving effect to the consent and compliance with consent conditions. For new consents this is payable at issue of consent	450.00	450.00	460.00
Cost per additional site inspection required due to on-going site compliance with conditions (e.g. required work not done) or where other costs are required to monitor any consent.	Officers' hourly charge out rate + corporate mileage	Officers' hourly charge out rate + corporate mileage	Officers' hourly charge out rate + corporate mileage
<b>Designations or Heritage orders</b>			
The requiring authority or heritage protection authority shall pay costs incurred by the Council in monitoring the conditions of notices of requirement. RMA 1991: section 36(1)(d)	Actual and reasonable costs	Actual and reasonable costs	Actual and reasonable costs
<b>Infringement fees - Resource Management (Infringement Offences) Regulations 1999 and the Litter Act 1979, section 13</b> GST is not applicable to these fees			
Contravention of section 9 – restrictions on the use of land section 338(1)(a) GST is not applicable to these fees	300.00	300.00	300.00
Contravention of an abatement notice – not under section 322(1)(c) and section 338(1)(c)	750.00	750.00	750.00
Failure to supply information to an enforcement officer – s.338(2)(c)	300.00	300.00	300.00

Administration fee for the administration of any non-payment (GST applicable)	Actual and reasonable costs	Actual and reasonable costs	Actual and reasonable costs
Depositing litter in or on any public place or private land without the consent of the occupier; or having deposited any litter there.	400.00	400.00	400.00
<b>Monitoring</b>			
The cost of staff time and expense associated with investigation, remediation (if necessary) and complaints can be recovered for significant non-compliance with the District Plan or for repeat offending where environmental impacts are considered to be more than minor.	Actual and reasonable costs based on Officers' hourly charge out rate + corporate mileage	Actual and reasonable costs based on Officers' hourly charge out rate + corporate mileage	Actual and reasonable costs based on Officers' hourly charge out rate + corporate mileage

## Parking

Council staff can issue infringement notices for breaches of the Transport (Vehicle and Driver Registration and Licensing) Act 1986, the Land Transport Act 1998, the Transport Act 1962, the Traffic Regulations 1976, the Land Transport (Offences and Penalties) Regulations 1999, the Road Users Rules 2004 and the Tyres and Wheels Rules including unlicensed and unwarranted vehicles. Infringement fees for such breaches are those set out in the relevant legislation.

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Parking infringement fees - second schedule of the Transport Act 1962</b>			
<b>Excess parking</b> GST is not applicable to these fees			
For parking on a road in breach of the provisions of the Waikato District Council Parking, Traffic Control and Public Places Bylaw 2007, and the former Franklin District Council Traffic Control 2006, in excess of a period of time fixed by the bylaw or otherwise where the excess is:			
Up to 30 minutes	12.00	12.00	12.00
Over 30 minutes but no more than 1 hour	15.00	15.00	15.00
Over 1 hour but no more than 2 hours	21.00	21.00	21.00
Over 2 hours but no more than 4 hours	30.00	30.00	30.00
Over 4 hours but no more than 6 hours	42.00	42.00	42.00
Over 6 hours	57.00	57.00	57.00
<b>Other parking offences</b> GST is not applicable to these fees			
Parking on a flush median	40.00	40.00	40.00
Failed to Display a permit	40.00	40.00	40.00
No evidence of current vehicle inspection - private vehicle	200.00	200.00	200.00
Operated a unlicensed motor vehicle - parked vehicle	200.00	200.00	200.00
Inconsiderate parking	60.00	60.00	60.00
Parking in a reserved mobility space	150.00	150.00	150.00
Any other parking offence in breach of the Council's Parking Traffic Control and Public Places Bylaw 2007 and the FDC Traffic Control 2006	40.00	40.00	40.00

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Other breaches (other than parking breaches) of the Council's Parking Traffic Control and Public Places Bylaw 2007 and the (former) Franklin District Council's Traffic Control Bylaw 2006	35.00	35.00	35.00
<b>Parking charges</b>			
General parking	Free of charge	Free of charge	Free of charge
Parking permit for designated spaces	380.00	380.00	380.00
<b>Towage fees - Transport (Tow Fees) Notice 2004</b> Towage of more than 10km from other urban areas may incur an extra charge.			
Vehicle 3,500kg or less (gross) – 7am to 6pm Monday to Friday (except public holidays)	65.00	65.00	65.00
Other times	85.00	85.00	85.00
Vehicle more than 3,500kg (gross) – 7am to 6pm Monday to Friday (except public holidays)	145.00	145.00	145.00
Other times	215.00	215.00	215.00



## Service Delivery

### Roading

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Road Safety</b>			
Application to erect a bus shelter on a road reserve	Free of charge	Free of charge	Free of charge
Livestock crossing, moving or droving permit application	Free of charge	Free of charge	Free of charge
Permanent livestock crossing application	Free of charge	Free of charge	Free of charge
Overweight permit - valid up to 24 months (includes shorter duration permits)	96.00	96.00	96.00
<b>Monitoring &amp; inspection</b>			
New stock crossing - Installation of posts, signs & cones	1,250.00	1,250.00	1,250.00
Stock crossings - dealing with non-compliance of stock crossing permit conditions	Actual cost	Actual cost	Actual cost
Two-yearly structural inspection of stock underpass	176.00	176.00	176.00
No Spray Zone Applications	192.00	192.00	192.00
<b>Corridor Maintenance</b>			
Corridor Access Request (CAR) - includes first inspection			
0-99 metres	150.00	150.00	150.00
100-499 metres	235.00	235.00	235.00
Second and subsequent inspections	192.00	192.00	192.00
Penalty for non-notification	854.00	854.00	854.00
<b>Vehicle entranceways</b>			
Application - includes for inspection	250.00	250.00	250.00
<b>Network development and maintenance</b>			
Temporary road closure permit application			
Road closures for motor sport events and other sporting and community events (except as is allowed by Council resolution for approved community events).	Free of charge	Free of charge	Free of charge
Street/footpath damage	Actual cost	Actual cost	Actual cost
Road Naming Process	400.00	400.00	400.00
<b>Motor rallies</b>			
Bond - sealed roads (per road - maximum 10,000)	1,000.00	1,000.00	1,000.00
Bond - unsealed roads (per km - maximum 45,000)	1,500.00	1,500.00	1,500.00
Repair to road and structures	Actual cost	Actual cost	Actual cost
<b>Unformed (paper) roads</b>			
Requests to initiate road stopping process. All costs including purchase of land at market value to be met by the applicant. A non-refundable deposit is required to initiate the process.	5,000.00	5,000.00	5,000.00
<b>Temporary fences on formed roads</b>			
Application	Actual cost	Actual cost	Actual cost
First inspection	Actual cost	Actual cost	Actual cost
More than one inspection	182.00	182.00	182.00
<b>Road reserve</b>			
Utility installation	As negotiated	As negotiated	As negotiated

## Waste minimisation and refuse

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Recycling bins and crates</b>			
Tuakau wheelie bin replacement	50.00	50.00	50.00
Replacement/additional recycling crates	18.50	18.50	18.50
Raglan food caddy replacement	8.00	8.00	8.00
Raglan food bin replacement	11.00	11.00	11.00
<b>Refuse prepaid stickers and tags</b>			
Wheelie bin tag	3.00	3.00	3.00
Bag sticker	1.50	1.50	1.50
Roll of 100 wheelie bin tags	287.50	287.50	287.50
Roll of 200 bag stickers	287.50	287.50	287.50
<b>Interim charge</b> Any property that connects to the reticulated wastewater or stormwater network or receives a refuse or recycling service will be required to pay a charge to reflect actual period of use.			
July	110.00	113.00	116.00
August	100.00	103.00	106.00
September	90.00	93.00	96.00
October	80.00	82.00	84.00
November	70.00	72.00	74.00
December	60.00	62.00	64.00
January	50.00	51.00	53.00
February	40.00	41.00	42.00
March	30.00	31.00	32.00
April	20.00	21.00	22.00
May	10.00	10.00	10.00

## Water supply

### Reticulation

#### Connection fees

A connection fee applies to all water supply schemes where work is required to connect the property to a Council service. All connections must be installed in accordance with the Hamilton City infrastructure Technical Specifications and Waikato Addendum.

The term 'at cost' means the property owner or developer is liable for the total cost of constructing the connection to the Council main and is also responsible for the physical work in providing the connection.

All connections must be referred to the Council's Water Team for approval to connect. Non-standard type connections such as industrial and commercial should be referred to the Water Team for an estimate of cost.

All fees are for standard residential urban or rural water supply connections as detailed in the Hamilton City infrastructure Technical Specification and Waikato Addendum. A backflow preventer is mandatory for all new

connections and is included in the cost of the connection. Non-standard and commercial connections are charged at cost.

Additional independent dwelling units may require separate water connections, and appropriate connection costs and development contributions will be incurred. For more detail refer to the Council's Development Contributions Policy.

### Disconnection fees

When a house is demolished or removed from a site, Council staff are required to disconnect the water supply at the Council watermain. The costs of disconnection and final water meter reading, if required, will be charged.

Rural consumers may at any time wish to disconnect from a reticulated water scheme. A fee is charged to recover the costs of disconnecting the supply and physically removing the connection. The ownership of removed materials remains with the Council. Normal connection fees will apply should the property owner wish to reconnect to the water supply scheme at a later date.

### Final water meter reading

A property owner or agent can request a final meter reading to be carried out, the Council will charge a one-off fee for this request. A minimum of 10 working days' notice is required when making the request.

### Water drawn from fire hydrants

Currently registered tanker water suppliers are permitted to draw water from the Council fire hydrant, on payment of an annual fee and registration completed with Council. These suppliers will be charged on the amount of water drawn from the hydrant. Only blue-coloured metered hydrant standpipes should be used to draw water from hydrants.

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Water connection &amp; disconnection</b>			
20mm urban residential/rural metered	1,461.00	1,509.00	1,562.00
20mm urban residential/rural metered State Highways	2,629.00	2,716.00	2,811.00
Above 20mm and commercial (in all areas all costs are borne by the property owner and water systems are installed by the property owner's contractors to the Councils standards)	At cost	At cost	At cost
Disconnection from water supply – rural reticulated schemes only	226.00	233.00	241.00
Disconnection from water supply upon removal or demolition of a building	142.00	147.00	152.00
<b>Capital Contribution</b>			
Te Ohaaki (Capital contribution additional to boundary connection costs)	19,510.00	20,154.00	20,859.00
<b>Water meter reading</b>			
Final or special water meter reading – minimum 10 working days notice required	100.00	103.00	107.00
<b>Water drawn from fire hydrants</b>			

Annual permit to draw water from fire hydrants – mandatory	85.00	88.00	91.00
Charge by kilo litre (m3) by permit holders only	3.12	3.22	3.33
<b>Flow restrictor</b>			
Temporary removal and reinstallation	143.00	148.00	153.00
After hours removal – outside the hours of 8am to 4.30pm Monday to Friday	287.00	296.00	306.00

## Water by meter

The Council has set a targeted rate for water according to the quantity of water consumed by any person receiving the same as measured or controlled by meter.

The district-wide targeted rate has been set across all water supply schemes on a per cubic metre basis.

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
District wide	1.91	2.01	2.11

## Wastewater

### Reticulation

#### Connection fees

The term 'at cost' means the property owner or developer is liable for the total cost of constructing the connection to the Council main and is also responsible for the physical work in providing the connection. It is expected that the client's contractor will complete the connection to the service at the time that site works are carried out and will charge the client directly. The work must be done to the Council's standards, as specified in the Hamilton infrastructure Technical Specification and Waikato Addendum and will be inspected as part of the subdivision or building consent inspection. Additional connections may require development contributions or capital contribution fee

#### Disconnection fees

When a building is demolished or removed from a serviced site then a disconnection fee shall be payable to the Council for the existing wastewater connection to be capped and the utilities information recorded on the Council's 'as-built' plans.

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Connection fee</b>			
In all areas all costs are borne by the property owner and wastewater systems are installed by the property owner's contractors to the Council's standards	At cost	At cost	At cost
<b>Capital Contribution (capital contribution additional to boundary connection costs)</b>			
Rangiriri – for scheme installed in 2008	4,318.00	4,460.00	4,616.00
Taupiri – for scheme installed in 2007	3,886.00	4,014.00	4,154.00
Meremere	1,306.00	1,349.00	1,396.00
Pokeno	31,258.00	32,290.00	33,420.00

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
Tauwhare Pa	7,791.00	8,048.00	8,330.00
Te Ohaki Road	3,218.00	3,324.00	3,440.00
Whaanga Coast	36,980.00	38,200.00	39,537.00
<b>Disconnection fee</b>			
House removal or demolition	334.00	345.00	357.00
<b>Interim Charge</b>			
Any property that connects to the reticulated wastewater or stormwater network or receives a refuse or recycling service will be required to pay a charge to reflect actual period of use.			
July	385.00	398.00	412.00
August	350.00	362.00	375.00
September	315.00	325.00	336.00
October	280.00	289.00	299.00
November	245.00	253.00	262.00
December	210.00	217.00	225.00
January	175.00	181.00	187.00
February	140.00	145.00	150.00
March	105.00	108.00	112.00
April	70.00	72.00	75.00
May	35.00	36.00	37.00

## Disposal

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Individual Trade Waste Agreement</b>			
Wastewater disposal charges in respect of commercial organisations that require substantial quantities of discharge into the wastewater reticulation system will be determined by the Council on a case by case basis	Case by case basis	Case by case basis	Case by case basis

## Trade waste

Any non-domestic users that discharge into the Wastewater reticulation system will need to obtain a trade waste consent from the Council and may be charged a fair share of the costs. Any 'permitted' and 'conditional' consents relate to the types of trade waste that these businesses produce.

Charges for trade waste administration fees align with the shared services arrangement with Hamilton City and Waipa District Council. The uniform annual charge per trade waste consent for Tuakau and Pokeno reflects our agreement with Watercare.

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
<b>Disposal of septic tank cleanings</b>			
Huntly wastewater septage facility disposal volume \$ per m3	70.00	72.00	74.00
<b>Application Fees</b>			
Permitted/Controlled Discharge (including final inspection)	195.50	201.95	209.02
Conditional Consent (covering 5 hours work including final inspection)	362.50	374.46	387.57
Hourly rate for applications	103.00	106.40	110.12
Temporary Discharge (including final inspection)	195.50	201.95	209.02
Renewal Fee for Trade Waste Consents	96.00	99.17	102.64
Variation/Change of Details Request	52.00	53.72	55.60
<b>Site Inspection Fees</b>			
Permitted/Controlled Discharge - final inspection (approval to discharge) - additional inspection	138.00	142.55	147.54
Conditional Consent - final inspection (approval to discharge) - additional inspection	218.50	225.71	233.61
Tempoary discharge - final inspection (approval to discharge) - additional inspection	218.50	225.71	233.61
Site Inspection - Non-compliance	218.50	225.71	233.61
<b>Annual Charges</b>			
Permitted/controlled discharge	195.50	201.95	209.02
Conditional discharge - Risk Class 3	1,529.50	1,579.97	1,635.27
Conditional discharge - Risk Class 2	874.00	902.84	934.44
Temporary discharge	195.50	201.95	209.02
Discharges to the Tuakau treatment plant	Refer to Watercare	Refer to Watercare	Refer to Watercare
<b>Quantity charge rates for conditional discharge</b>			

<b>Tuakau and Pokeno</b>			
Daily flow volume - \$ per m3	0.79	0.82	0.85
Suspended solids treatment \$ per kg	1.49	1.54	1.59
Total kjeldahl nitrogen treatment \$ per kg	8.02	8.28	8.57
Chemical oxygen demand (COD) \$ per kg	0.66	0.68	0.71
<b>All other areas</b>			
Daily flow volume \$ per m3	1.20	1.24	1.28
Suspend solids treatment \$ per kg	0.80	0.83	0.86
Biochemical oxygen demand treatment \$ per kg	0.95	0.98	1.02
Total phosphorus \$ per kg	5.68	5.86	6.07
Total kjeldahl nitrogen treatment \$ per kg	0.92	0.95	0.98

## Stormwater

### Reticulation

#### Administration fees

The term 'at cost' means the property owner or developer is liable for the total cost of constructing the connection to the Council main and is also responsible for the physical work in providing the connection. A administration fee applies to all stormwater supply schemes where work is required to connect the property to a Council service. All connections must be referred to the Councils Water Team for approval to connect.

Description	Proposed charge 2018/2019 \$	Proposed charge 2019/2020 \$	Proposed charge 2020/2021 \$
In all areas all costs are borne by the property owner and stormwater systems are installed by the property owner's contractors to the Council's standards.	At cost	At cost	At cost
<b>Administration fee</b>			
Actual costs for commissioner/s Council and other support support staff to consider and action application	70.00	72.00	74.00
<b>Interim charge</b>			
Any property that connects to the reticulated wastewater or stormwater network or receives a refuse or recycling service will be required to pay a charge to reflect actual period of use			
July	143.00	147.00	151.00
August	130.00	134.00	138.00
September	117.00	120.00	124.00
October	104.00	107.00	110.00
November	91.00	94.00	97.00
December	78.00	80.00	82.00
January	65.00	67.00	69.00
February	52.00	54.00	56.00
March	39.00	40.00	41.00
April	26.00	27.00	28.00
May	13.00	13.00	13.00

## Request for official or personal information

The Local Government Official Information and Meetings Act 1987 (LGOIMA) requires the Council to make available certain public or personal information which it holds.

The Act also makes provision for the Council to make a charge for the information supplied but this charge must be reasonable and is for the cost of labour and materials involved in making the information available. If the request expresses urgency then the Council may have to use additional resources to gather the information promptly and the Act permits the Council to charge for these extra resources.

If the charges to gather the information requested are likely to be substantial, the Council will advise the applicant of the likely charges before it commences processing the request and will give the applicant the opportunity to decide whether or not to proceed with the request. In such cases the Council may also require that the whole or part of any charge be paid in advance before commencing to process the request.

Charges are made by the Council on the following basis.

1. Any request by a person wishing to view information on any files held by Council and requires the presence of an officer during the viewing will incur a charge at the Officers' hourly rate for the first half hour and the Officers' hourly rate for each half hour thereafter.
2. The first half hour spent in processing the LGOIMA application will be free of charge but a charge of \$38.00 will be made for each half hour or part thereof in excess of that half hour.
3. All other charges incurred will be at actual cost involved. The cost includes:
  - producing a document by the use of a computer or other like equipment;
  - reproducing a film, video or audio recording;
  - arranging for the applicant to hear or view an audio or visual recording;
  - providing a copy of any map, plan or other document larger than A4 size.
4. If the time taken to process the information and/or the number of copies supplied is only a small margin over the 'free' allowance, the Council may use its discretion as to whether any charge should be made.
5. Where repeated requests are made by the same applicant in respect of a common subject the Council will aggregate these requests for charging purposes. This means that the second and subsequent requests will not be subject to half an hour of free time and 20 free standard A4 photocopies.
6. The Council is not permitted to charge for:
  - locating and retrieving information which is not where it ought to be;
  - time spent deciding whether or not access should be allowed, and in what form.
7. A deposit will be required where the charge is likely to exceed \$90.00 or where some assurance of payment is required to avoid waste of resources.
8. A record will be kept of any costs incurred. Wherever a liability to pay is incurred the applicant will be notified of the method of calculating the charge and this notification placed on the file.

'Personal' information does not include rating records, resource consents, building consent applications, or any information pertaining to property, which is public information.

### Council Staff Charge out rates

Position title	Proposed rates 2018/19 \$	Proposed rates 2019/20 \$	Proposed rates 2020/21 \$
Chief Executive	440.00	445.00	450.00
General Manager	325.00	330.00	335.00
HR Manager	200.00	205.00	210.00
Marketing & Communications Manager	200.00	205.00	210.00
Zero Harm Manager	160.00	165.00	170.00
HR Advisor	135.00	140.00	145.00
Learning & Development Advisor	135.00	140.00	145.00
Communications Advisor	135.00	140.00	145.00
Executive Assistant	110.00	115.00	120.00



Zero Harm Advisor	110.00	115.00	120.00
Communications Administrator	95.00	100.00	105.00
HR Administrator	95.00	100.00	105.00
Team Administrator	95.00	100.00	105.00
<b>SERVICE DELIVERY - WATERS</b>			
Waters Manager	240.00	245.00	250.00
Asset Engineer, Waters	155.00	160.00	165.00
Asset Management Team Leader, Waters	155.00	160.00	165.00
SCADA Network Manager	155.00	160.00	165.00
Operations Team Leader	155.00	160.00	165.00
Treatment & Service Team Leader	155.00	160.00	165.00
Senior Engineer, Waters	145.00	150.00	155.00
Senior Waters Planner	145.00	150.00	155.00
Compliance Officer	130.00	135.00	140.00
Waste Minimisation Officer	125.00	130.00	135.00
Engineer, Waters	120.00	125.00	130.00
Reticulation Servicemen Lead	105.00	110.00	115.00
Treatment Plant Supervisor	105.00	110.00	115.00
Asset Information Officer, Waters	105.00	110.00	115.00
Treatment Plant Operator	95.00	100.00	105.00
Reticulation Serviceman	95.00	100.00	105.00
Asset Officer, Waters	85.00	90.00	95.00
Plant Maintenance Officer	85.00	90.00	95.00
<b>SERVICE DELIVERY - ROADING</b>			
Roading Manager	210.00	215.00	220.00
Programme Delivery Team Manager	200.00	205.00	210.00
Development Coordinator, Roading Asset Management	175.00	180.00	185.00
Senior Design Engineer	170.00	175.00	180.00
Contracts Team Leader, Programme Delivery	165.00	170.00	175.00
Asset Management Team Leader, Roading	155.00	160.00	165.00
Road Safety Engineer	155.00	160.00	165.00
Road Asset Engineer	155.00	160.00	165.00
Projects Team Leader, Programme Delivery	145.00	150.00	155.00
Asset Engineer, Roading	145.00	150.00	155.00
Design Engineer	145.00	150.00	155.00
Roading Corridor Engineer	145.00	150.00	155.00
Contract Engineer	145.00	150.00	155.00
Project Manager, Programme Delivery	125.00	130.00	135.00
Project Coordinator, Programme Delivery	105.00	110.00	115.00
Asset Information Officer, Roading	105.00	110.00	115.00
Networks Control Engineer	105.00	110.00	115.00
Surveyor	105.00	110.00	115.00
Surveyors Assistant	90.00	95.00	100.00
<b>SERVICE DELIVERY - PARKS AND FACILITIES</b>			
Parks and Facilities Manager	210.00	215.00	220.00
Asset Management Team Leader, Parks & Facilities	155.00	160.00	165.00
Asset Engineer, Parks & Facilities	155.00	160.00	165.00
Open Spaces Operations Team Leader	150.00	155.00	160.00
Ecological Planner	145.00	150.00	155.00

Reserves Planner	140.00	145.00	150.00
Property Operations Team Leader	130.00	135.00	140.00
Community Leasing Officer	130.00	135.00	140.00
Property Officer	115.00	120.00	125.00
Maintenance and Contracts Officer	110.00	115.00	120.00
Arborist	110.00	115.00	120.00
Asset Information Officer, Parks & Facilities	105.00	110.00	115.00
Technical Support	100.00	105.00	110.00
Property Maintenance Officer	95.00	100.00	105.00
Cemetery Officer	85.00	90.00	95.00
Gardener	70.00	75.00	80.00
<b>CUSTOMER SUPPORT</b>			
Consents Manager	205.00	210.00	215.00
Building Quality Manager	185.00	190.00	195.00
Regulatory Manager	185.00	190.00	195.00
Development Engineer Team Leader	185.00	190.00	195.00
Principal Planner	185.00	190.00	195.00
Consents Team Leader	185.00	190.00	195.00
Consents - Technical Team Leader	185.00	190.00	195.00
Customer Delivery Manager	170.00	175.00	180.00
Senior Planner	170.00	175.00	180.00
Senior Land Development Engineer	170.00	175.00	180.00
Environmental Health Team Leader	160.00	165.00	170.00
Monitoring Team Leader	160.00	165.00	170.00
Animal Control Team Leader	160.00	165.00	170.00
Intermediate Land Development Engineer	155.00	160.00	165.00
Intermediate Planner	155.00	160.00	165.00
Planning & Engineering Officer - Senior	155.00	160.00	165.00
Contaminated Land Specialist	150.00	155.00	160.00
Planning & Engineering Officer	145.00	150.00	155.00
Technical Planner	145.00	150.00	155.00
Planner	145.00	150.00	155.00
Land Development Engineer	145.00	150.00	155.00
Development Contributions Coordinator	155.00	160.00	165.00
Development Contributions Assessment Officer	145.00	150.00	155.00
Environmental Health Officer	135.00	140.00	145.00
Monitoring Officer	125.00	130.00	135.00
Building Inspector	125.00	130.00	135.00
Building Review Officer	125.00	130.00	135.00
Consents - Admin Team Leader	115.00	120.00	125.00
Customer Delivery Team Leader	115.00	120.00	125.00
Animal Control Officer	100.00	105.00	110.00
Animal Control Engagement & Education Officer	100.00	105.00	110.00
Regulatory Administrator	100.00	105.00	110.00
Building Administrator	100.00	105.00	110.00
Consents Administrator	100.00	105.00	110.00
Building Enforcement Officer	100.00	105.00	110.00
Monitoring Enforcement Officer	100.00	105.00	110.00

Property Information Officer	100.00	105.00	110.00
LIM Officer	100.00	105.00	110.00
Parking Enforcement Officer	100.00	105.00	110.00
Library Coordinator	95.00	100.00	105.00
Customer Delivery Officer	90.00	90.00	90.00
<b>STRATEGY AND SUPPORT</b>			
Planning & Strategy Manager	215.00	220.00	225.00
Legal Counsel	200.00	205.00	210.00
Chief Information Officer	200.00	205.00	210.00
Finance Manager	200.00	205.00	210.00
Organization Planning and Project Support Manager	190.00	195.00	200.00
Procurement Manager	190.00	195.00	200.00
Economic Development Manager	185.00	190.00	195.00
Team Leader, IT Support	180.00	185.00	190.00
Strategic Planner & Resource Management Team Leader	165.00	170.00	175.00
Iwi & Community Partnership Manager	160.00	165.00	170.00
Corporate Planner	160.00	165.00	170.00
Accountant	160.00	165.00	170.00
Senior Solicitor	150.00	155.00	160.00
Strategic Planner	145.00	150.00	155.00
Project Management Advisor	145.00	150.00	155.00
Senior Policy Planner	145.00	150.00	155.00
Senior Environmental Planner	145.00	150.00	155.00
Legal Officer	145.00	150.00	155.00
Business Analyst	140.00	145.00	150.00
IT Support	140.00	145.00	150.00
GIS Officer	140.00	145.00	150.00
Policy Planner	130.00	135.00	140.00
Records Information Team Leader	125.00	130.00	135.00
Quality Management Coordinator	125.00	130.00	135.00
Legal Assistant	110.00	115.00	120.00
Marketing Officer	105.00	110.00	115.00
District Plan Administrator	105.00	110.00	115.00
Committee Secretary	105.00	110.00	115.00
Planning Technician	100.00	105.00	110.00
Accounting Officer	100.00	105.00	110.00
Rates Officer	100.00	105.00	110.00
Community Development Advisor	100.00	105.00	110.00
External Funding Officer	100.00	105.00	110.00
Information Officer	90.00	95.00	100.00

### Mileage charge out rates

Mileage rates will be charged in accordance with the prevailing Inland revenue Department mileage rates at the time of invoice.

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**Open Meeting**

<b>To</b>	Waikato District Council
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	19 February 2018
<b>Prepared by</b>	Rose Gray Council Support Manager
<b>Chief Executive Approved</b>	Y
<b>Reference</b>	GOV1301
<b>Report Title</b>	Exclusion of the Public

## **I. EXECUTIVE SUMMARY**

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To exclude the public from the whole or part of the proceedings of the meeting to enable Council to deliberate and make decisions in private on public excluded items.

## **2. RECOMMENDATION**

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**THAT** the report of the Chief Executive be received;

**AND THAT** the public be excluded from the meeting to enable Council to deliberate and make decisions on the following items of business:

### **REPORTS**

- a. **Award of Contract 16/174 Newell Road, Tamahere - Shared Path Construction 2018**

*The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:*

Reason for passing this resolution to withhold exists under:      Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(h)(i)

Section 48(1)(3)(d)

## **3. ATTACHMENTS**

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Nil