

ANNUAL PLAN
2013 - 2014

LONG TERM PLAN, YEAR TWO

NAVIGATING THE FUTURE



**This Long Term
Plan is about you
– your homes and
your contributions
that make up your
communities.
Without you, our
district wouldn't be
what it is.**

This document is the review of the second year of our Long Term Plan – Navigating the Future. While the Long Term Plan provides a long-term perspective, this Annual Plan contains the detail of what's planned for the 2013/14 financial year.

Most of this is simply the progression of the many projects and plans we asked you about in 2012 and started or continued throughout the past year. This is in keeping with our approach of maintaining what we have and ensuring we do not have any significant departures from the Long Term Plan and our financial strategy.

During the consultation period, you've been able to consider new issues and projects that arose over the past year, and the details of other influences, such as legislative changes, that have had an impact on what we do.

We were encouraged by the quality of the submissions to the draft plan, and the considered, and differing, points you made. We took all the submissions into account as we made our decisions, balancing the widely varying perspectives you provided as well as keeping our strategic direction in mind to maintain our course towards achieving the council's vision.

Your involvement in this process has been an essential part of our planning – we are working for you and on your behalf and the feedback you've provided has been constructive and helpful.



Allan Sanson
Mayor



See the key issues influencing our Annual Plan



Our focus is affordability and sustainability



Our work programme – the major projects and activities planned, our targets, how we'll measure them and their associated budgets (what we do)

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Key Influences

The government is carrying out significant changes to legislation that will strongly influence how we carry out our services.

LEGISLATIVE CHANGES

Two major pieces of legislation – the Local Government Act 2002 and the Resource Management Act 1991 – have been targeted for change.

LOCAL GOVERNMENT ACT 2002

The Local Government Act 2002 has been amended. The amendments include a change to the definition of the purpose of local government, removing reference to the four wellbeings. The new purpose of local government is:

- "... to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses."

Good quality in terms of the Act, means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.

The amendments also refer to community outcomes, and defines these as:

"... the outcomes that a local authority 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."

Our services and infrastructural projects support the outcomes you have said you want to see achieved (page 10) and this is in line with the government's amendments to the Act as well as our strategic direction and guiding principles.

The legislation has replaced references to the four wellbeings (social, cultural, environmental, and economic) with references to 'interests,' specifically social, cultural and economic interests. Councils should take account of the diversity of the community and the community's interests within its district, the interests of future as well as current communities and the likely impact of any decision on the interests of the communities.

From a sustainable development perspective, the amended Act says councils should take into account the social, economic and cultural interests of people and communities; the need to maintain and enhance the quality of the environment and the reasonably foreseeable needs of future generations.

Councils also need to provide opportunities for Māori to contribute to their decision-making processes, and collaborate and co-operate with other local authorities and other bodies to achieve its priorities and desired outcomes, as well as making efficient use of resources.

With these changes in mind, we have retained our references to the four wellbeings as these align with the interests the new legislation refers to, and our activities contribute directly to the community's interests and wellbeing.

RESOURCE MANAGEMENT ACT 1991

The Resource Management Act 1991 has a major influence on what we do as a council, and on the development of our district. The Resource Management Amendment Bill 2012 went through the first reading in Parliament in December 2012.

This Bill introduces a six-month time limit for processing consents for medium-sized projects and easier direct referral to the Environment Court for major regional projects. It includes stronger requirements for councils to base their planning decisions on cost-benefit analysis, including how jobs and employment will be affected, given resource management decisions can affect economic growth and jobs.

The government intends to carry out further reform of the Resource Management Act this year to address investment and community uncertainty, planning outcomes, costs and delays. It will also incorporate freshwater reform. All these changes will have impacts upon what we do and how we respond to the community's need for development and growth.

OTHER LEGISLATION

Changes have been made to the Sale and Supply of Alcohol Act which means decisions about alcohol will be locally based, with councils able to put local alcohol policies in place. You can read more about these amendments and what we are proposing on page 56.

We noted in the Long Term Plan that amendments are being made to the Food Act 1981 and the Building Act 2004. It's unknown at this stage when any amendments will be made, but once the final changes are in place, we will then be able to tell what the effects will be and how we can respond to them.

The Land Transport Management Amendment Bill was introduced into Parliament in September 2012. The Transport and Industrial Relations Select Committee recently reported back on the Land Transport Amendment Bill with a majority recommendation that it be passed with amendments. The changes mainly related to public transport regulation and other minor amendments.

Another legislative change is to the Local Electoral Act 2001. The amendments include limits to the size of anonymous donations and provisions

relating to Maaori wards and constituencies, and representation arrangements.

REGIONAL INITIATIVES

Submissions to the Long Term Plan stressed the need for the councils in our region to work more closely together. The government's legislative and policy changes reflect this sentiment. Mayoral forums, which operate throughout the country, are important in identifying and addressing issues and concerns throughout their regions. In the Waikato, the Mayoral forum is made up of the region's 12 local authorities, represented by the mayors of the 11 territorial councils and the chair of the Waikato Regional Council. It provides a collective voice to central government, its agencies, the business community and other interested parties on issues of importance to the Waikato. We take an active part in the forum as we seek to strengthen opportunities for collaboration and regional initiatives.

During 2012, local authorities in the region carried out several new shared services initiatives which are bringing about financial benefits, improved efficiency and service level improvements as a result of this collaboration and cooperation. We continue to support this.

AUCKLAND STRATEGIC RELATIONSHIP

What happens in Auckland has, and will have, a direct influence on the future growth and development of our district. We are therefore working closely with Auckland Council in terms of planning and collaboration around how each of our areas will develop and grow.

REPRESENTATION ARRANGEMENTS

Last year we reviewed our representation arrangements in consultation with the community. There were two appeals to the final proposal for the representation arrangements for the 2013 local government elections. The Local Government Commission has confirmed the final proposal. The arrangements are, in brief, to merge the Onewhero and Whaingaroa wards to form one ward called Onewhero-Te Akau; expand the ward boundaries for Huntly, Raglan and Newcastle; expand the Raglan Community Board boundaries to include Ruapuke, Te Mata and Te Uku; and 13 councillors for the 10 wards, plus the Mayor elected at large, reducing the council by one. (See over)

THE DISTRICT

WARDS: OVERVIEW



AWAROA-TUAKAU
WARD

WHANGAMARINO
WARD

ONEWHERE-TE AKAU
WARD

NGARUAWAHIA
WARD

HUKANUI-WAERENGA
WARD

RAGLAN
WARD

NEWCASTLE
WARD

EUREKA
WARD

TAMAHERE
WARD

COMMUNITY BOARDS

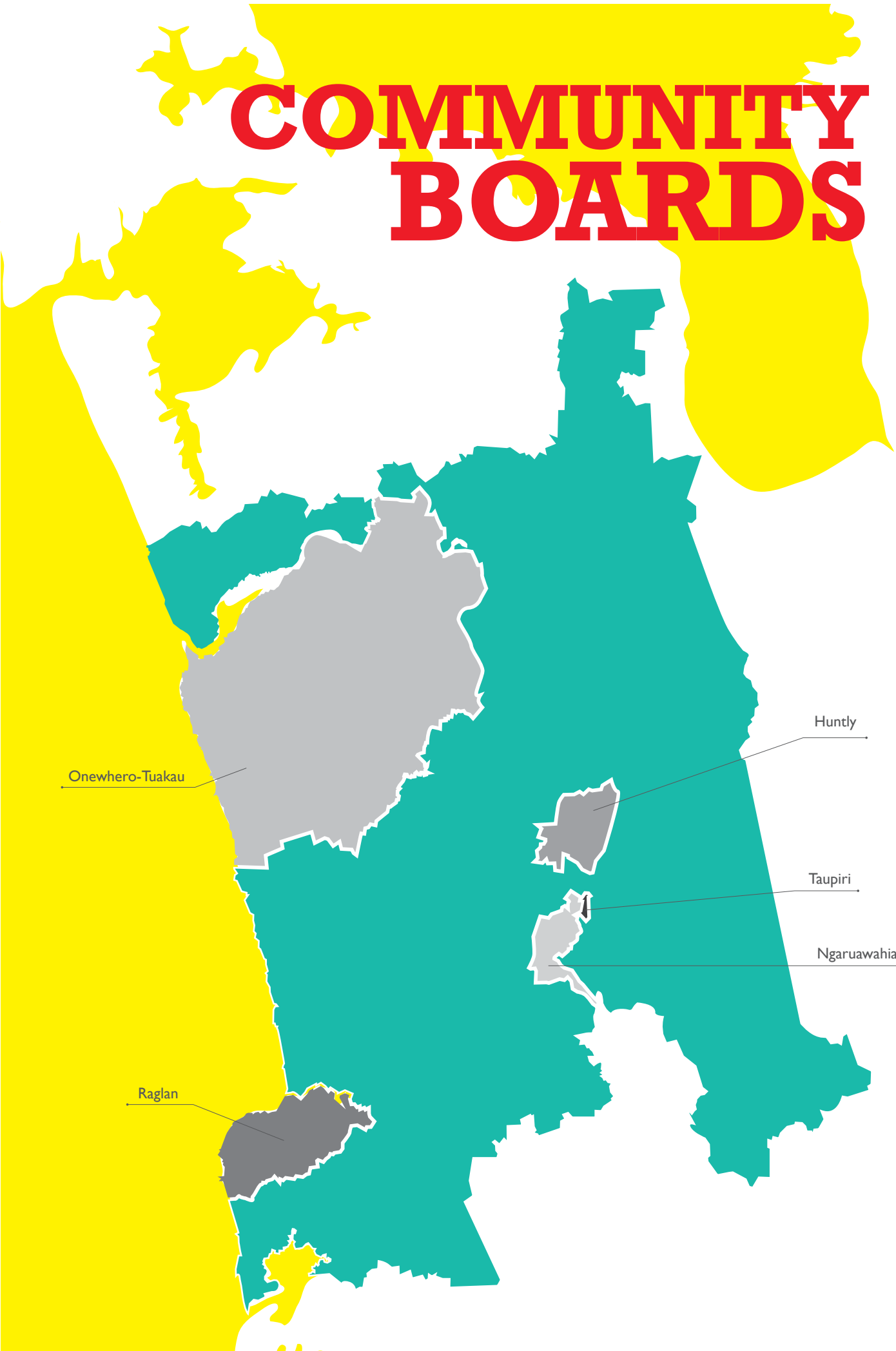
Onewhero-Tuakau

Huntly

Taupiri

Ngaruawahia

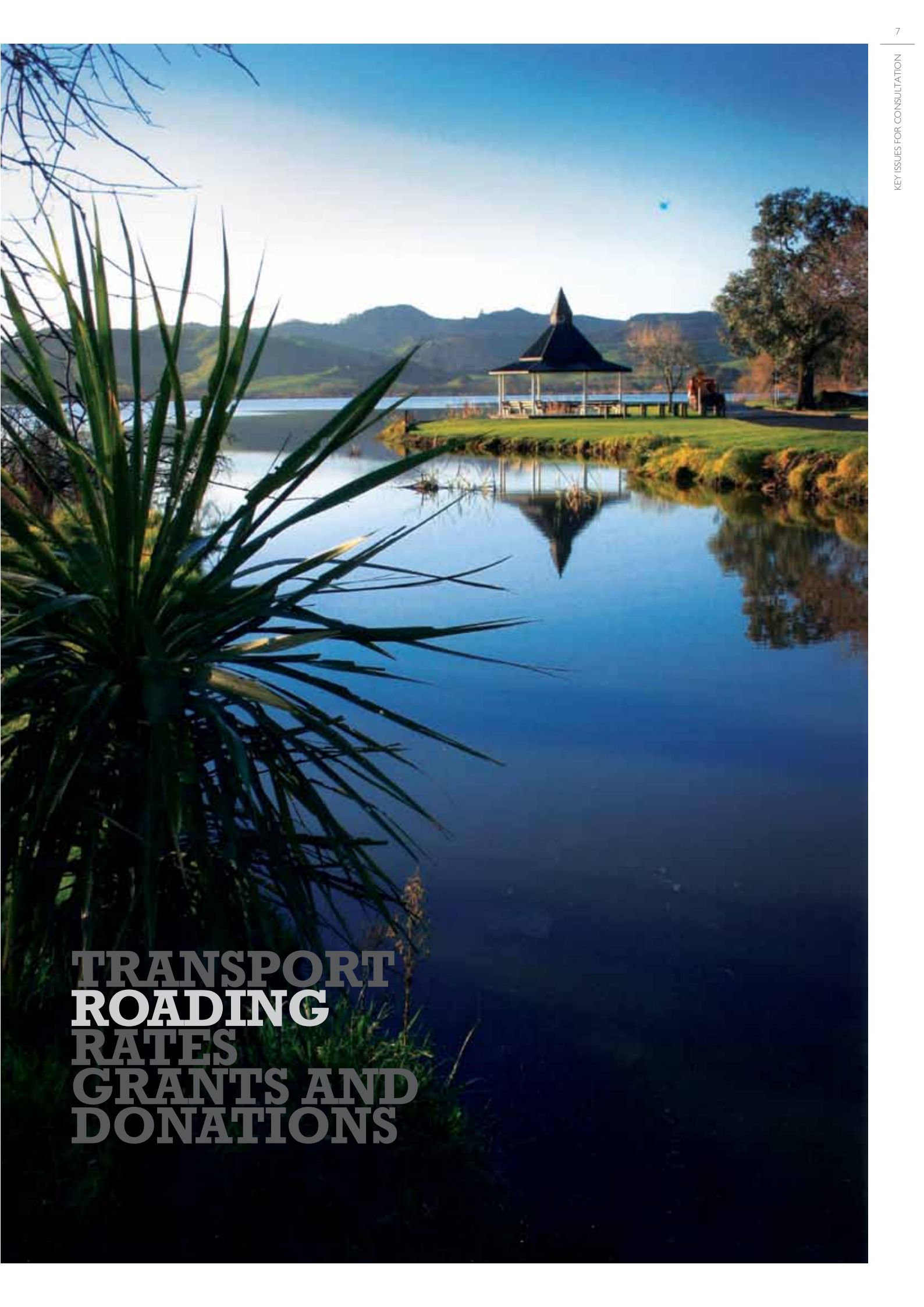
Raglan



Key issues

We've summarised briefly below, the key issues within our plan. There are also projects highlighted in the Groups of Activities section that have changed from the Long Term Plan 2012 - 22.

- **Roading:** New Zealand Transport Agency (NZTA) provides a percentage of funding for our local roads, with the council funding the balance from either general rates (for maintenance) or reserves (for capital renewal works). This year, NZTA's funding for maintenance work was less than we anticipated. Because our share of the cost for this comes from the general rate, we have about \$480,000 that will no longer be spent on this work for the 2013/14 year. **We considered various options and have decided that \$211,600 will go to repairs of Seddon Road in Puketaha, \$44,400 to the disaster recovery fund and \$224,000 to the general rate.**
- **Rates:** The general rate increase of 2.37 per cent for 2013/14, as indicated in the Long Term Plan, will now be 1.87 per cent. This reflects the distribution of our share of the roading funding through the general rate, and other budget adjustments. This excludes targeted rates (see below). More details on page 74.
- **Targeted rates:**
 - **Forestry targeted rate:** Following feedback, we intend to consult further with the forestry and rural sectors to identify how we can address the issue of heavy vehicles damaging rural roads throughout the forestry harvest period. More details on page 23.
 - **Hall targeted rates:** A number of hall targeted rates will be increased to meet maintenance costs. More details on page 23.
 - **Raglan recycling:** The refuse recycling targeted rate for Raglan will increase by \$10.47 (currently \$89.12) to address the deficit for this service. More details on page 23.
- **Huntly septage disposal facility:** The fund for this facility has a shortfall. To correct this, the fee will increase from \$18.52 per m³ to \$25 per m³, and the shortfall will be funded by the general rate. More details on page 23.
- **Raglan passenger transport:** A grant of up to \$15,000 will be provided to the Raglan Chamber of Commerce for a Sunday bus service.
- **Grants and Donations consultation process:** A total of \$20,000 has been provided for Annual Plan grants. This has been split between several organisations in response to submissions through the Annual Plan process. More detail on page 61.
- **Local alcohol policies:** There have been changes to the legislation around alcohol licensing, with the government changing the types of premises that can sell alcohol. Part of the change provides for councils to have local alcohol policies if they wish. A local alcohol policy will contain decisions made by a territorial authority, in consultation with its communities, about the sale and supply of alcohol. We have decided to begin developing a local alcohol policy and look for common ground with other councils in relation to it.
- **Fees and charges changes:** Alongside our Long Term Plan, we adopted our fees and charges for the three years of the plan. However, some charges have changed; these are listed on page 25.

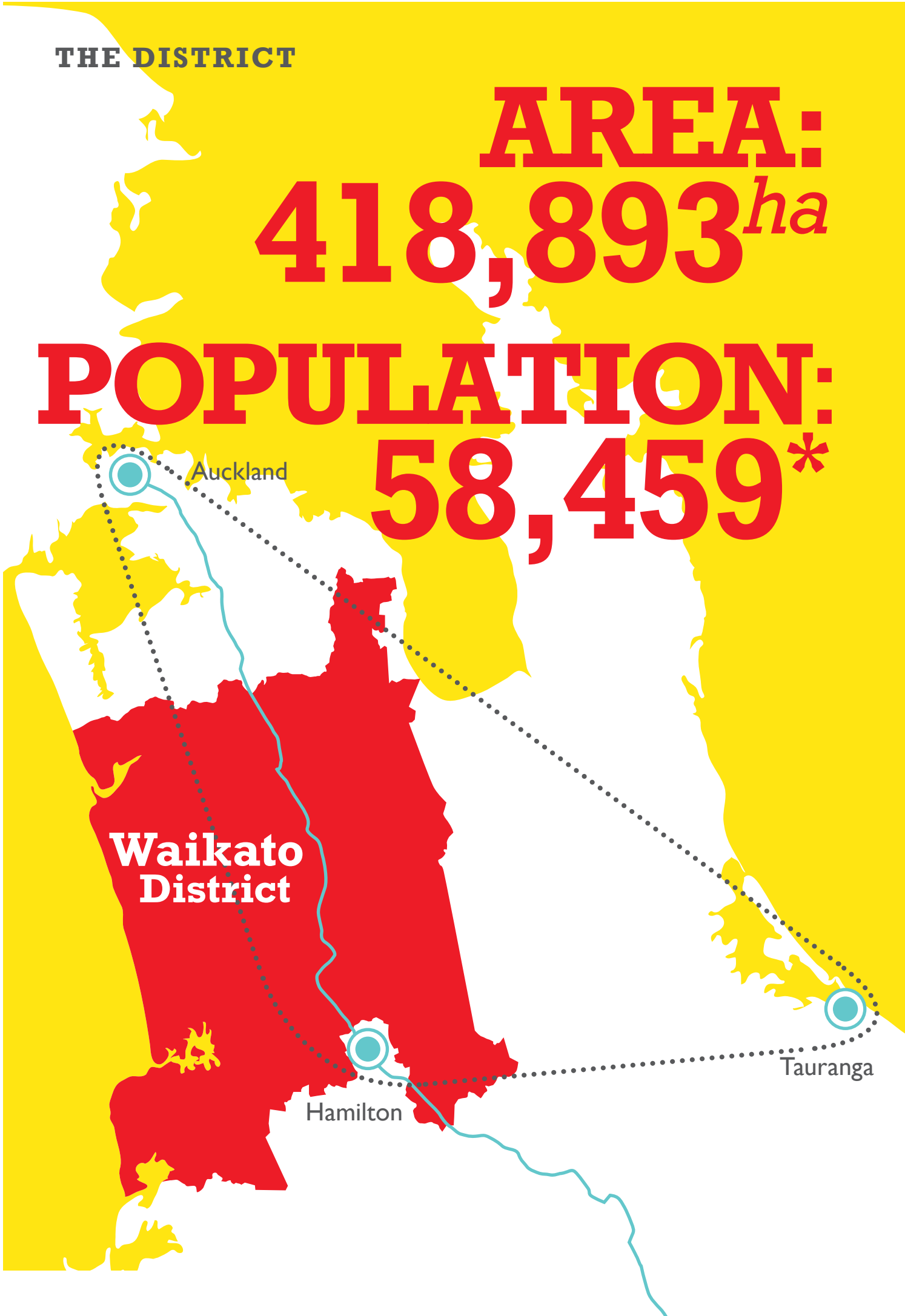


**TRANSPORT
ROADING
RATES
GRANTS AND
DONATIONS**

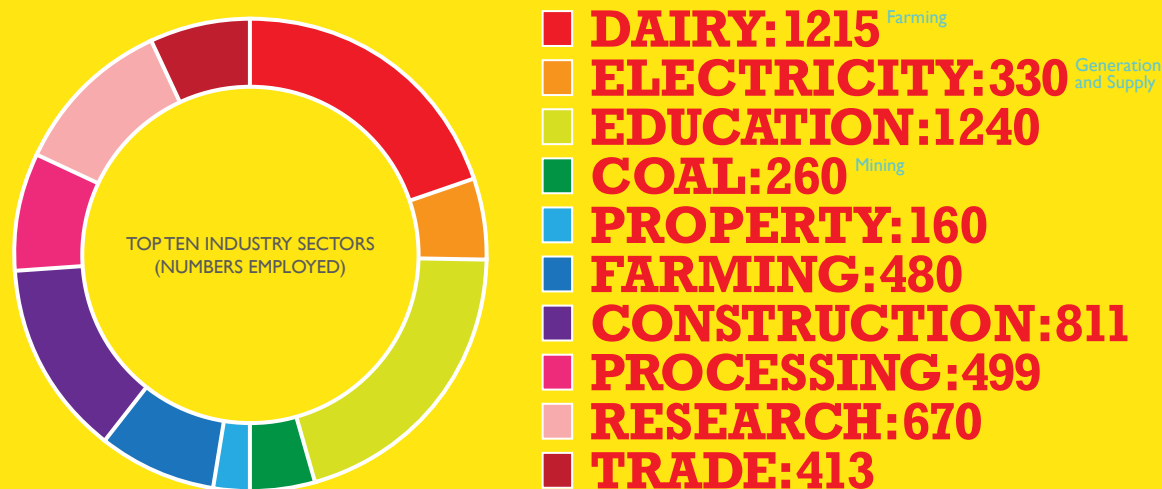
THE DISTRICT

AREA:
418,893^{ha}

POPULATION:
58,459*



INDUSTRY:



There are 26 towns, villages and hamlets in the Waikato district, each with their own distinctive character and requirements.

The community

Waikato district has four main towns – Ngaruawahia, Huntly, Raglan and Tuakau – and many smaller towns and villages with diverse communities. These communities have identified what they think are most important to them and these are expressed through the community outcomes. These form part of the reviews of community plans and the council's planning documents.

The Local Government Act 2002 Amendment Act 2012 has defined community outcomes as meaning "the outcomes that a local authority 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."

Our communities have also defined what outcomes they want through council consultation throughout the district. These are linked to the council's Long Term Plan and strategic direction and to the community plan reviews.

ACCESSIBLE WAIKATO

A district where the community's access to transport infrastructure and technology meets its needs.

- The district is easy and safe to get around and the road network is well maintained
- Transport infrastructure, including walkways and cycleways, is developed at a rate to keep pace with growth and demand
- The strategic importance of the Waikato Expressway is recognised and occurs with priority, and its effects are planned for and mitigated where necessary
- Improved opportunities for the use of public transport are provided and the provision of rail is encouraged
- Essential services, like power and telecommunications, are accessible.

SUSTAINABLE WAIKATO

A district where growth is managed effectively and natural resources are protected and developed for future generations.

- The council's decisions and processes take into account affordability for the community
- Strategies are in place to ensure the impact of growth on the rural nature of the district is minimised
- Sustainable growth in appropriate locations beneficial to the district is encouraged
- The council encourages the protection of the district's natural assets, landforms, wetlands and waterways from adverse effects
- The council supports environmental initiatives undertaken by organisations and individuals involved in environmental care
- The council works closely with Waikato Regional Council to manage plant and animal pests

- Recycling and waste management initiatives are supported
- Neighbourhoods are attractive, well designed and safe.

THRIVING WAIKATO

A district that prides itself on economic excellence, where heritage and culture are protected and celebrated.

- The council's processes encourage the continuity of existing businesses and the establishment of new businesses and industry
- The benefits of tourism to the district are acknowledged and encouraged through the council's processes and local and regional initiatives
- The protection and preservation of cultural and natural heritage sites is encouraged
- Town and village centres are developed sustainably
- The district encourages a wide range of sporting, cultural and community activities and events
- The diversity of the district's people and culture is recognised.

HEALTHY WAIKATO

A district with services and activities that promote a healthy community.

- The council's potable water supplies conform to established public health standards
- The council's wastewater systems support and promote safe and sanitary conditions
- The community has access to quality recreation and leisure facilities
- The council encourages community involvement in sporting and leisure activities.

SAFE WAIKATO

A district where people feel safe and supported within their communities.

- Residents feel safe in their community
- Appropriate lighting is provided for parks, reserves, roads and public places
- Infrastructure projects take account of public safety and the council works with external agencies and the community to maintain and improve safety
- Emergency management structures are in place to deal with disasters and key contacts and plans are well communicated
- Community education, including road safety and graffiti reduction, is undertaken by the council.



COMMUNITY OUTCOMES

ACCESSIBLE WAIKATO
SUSTAINABLE WAIKATO
THRIVING WAIKATO
HEALTHY WAIKATO
SAFE WAIKATO

From the Mayor and Chief Executive

Submissions to the Long Term Plan, Year Two, have confirmed for us that we are headed in the right direction regarding maintaining our stance of maintenance and prudence. While the economy appears to be starting its recovery, we cannot rest on our laurels. Our communities are still feeling the pinch and as an organisation, we have to prioritise and remain focused.

Our decisions have been driven by the need to prepare for growth, which our district is already experiencing, while ensuring we're careful with our operational spending to maintain our services and still meet community expectations.

We borrow for capital spending and this is necessary so that we can have the essential infrastructure for the industrial, commercial and residential development underway in the northern part of the district, Horotiu and Tamahere. The majority of our borrowing funds growth, which is ultimately paid for by developers. You'll see projects within this plan that are delivering on this.

This new development is positive, providing a much-needed boost for all our communities. We are focusing on facilitating more growth through our economic development roadmap and we are already fielding strong interest in this initiative.

Operationally, we will maintain our decision to discontinue road seal extensions. We have had submissions requesting further seal on some rural roads, and while we fully understand these requests, we still have to keep in mind the need to keep our operational spend down as much as possible.

We have to reduce our work programme, as the New Zealand Transport Agency (NZTA) funding for our roads was decided after we adopted our Long Term Plan. NZTA's funding was more than we anticipated for capital renewals, but less for road maintenance. Potentially, this will result in our roads, which are classed as being of a very high standard, dropping slightly in standard. We will be working to limit the impact of this reduced funding.

We fund our share of the roading cost from a mix of reserves and the general rate. Because of the NZTA funding decisions, we have around \$480,000 budgeted in the general rate for roading that will now not be required. We considered lowering rates, putting the money towards other purposes such as the disaster recovery fund, or to other, unsubsidised,

roading projects. We proposed to put part of the money towards lowering rates, and the rest to the disaster recovery fund. Because of the drought, there has been damage to Seddon Road. We are eligible for emergency works funding for the urgent repairs needed. Therefore we have decided to put \$211,600 towards this, leaving \$44,400 to go towards the disaster recovery fund.

As a result of this move, and other adjustments the general rate increase will be 1.87 per cent rather than the 2.37 per cent included in the Long Term Plan. This excludes targeted rates, which vary throughout the district and depend on the services different ratepayers receive - for example water or wastewater. The general rate is applied to every property in the district.

One targeted rate proposed was for forestry, where the harvest of logs from our forestry sector will have an impact on our rural roads. As a result of submissions to the draft plan, we have decided to consult further with the forestry and rural sectors, so that we can develop a way to meet the costs of ensuring our rural roads can take the heavy vehicle volumes the forestry harvest will generate.

Another issue that has been ongoing is that of wastewater reticulation for Whaanga Coast and Pokeno. Both of these communities have been discussing how wastewater systems can be provided, although each community has different requirements for these systems. The proposal for Pokeno has been delayed and this will result in a cost of around \$40,000 on the district-wide targeted rate reserve.

As we said in the draft plan, we are actively involved with the Waikato Mayor's Forum and work regionally to identify and initiate projects to streamline processes and make working with councils easier and more convenient for the public. Part of this regional and sub-regional collaboration will be how we deal with the new requirements under the Liquor Sales and Supply Act 2012.

We've worked hard to ensure we've balanced your requests and comments within your submissions with the need to keep to the direction we've established in the Long Term Plan. We recognise there are projects that some would like to see achieved, and we have tried to meet these requests where we can. Overall, we believe we have achieved an equitable result that will keep us on track for the coming year.




Allan Sanson
Mayor




Gavin Ion
Chief Executive

Mai i te Koromatua raaua ko te Kaiwhakahaere Matua

Naa Te Koromatua me te Pou Whakahaere Kua puumautia te huarahi tika o te tiaki, o te tuupato hoki naa roto mai o ngaa tonu ki Te Rautaki Roa, Tau Tuarua. Ahakoa e rauora ana te aahua o te tahua, kua taatou e okioki noa. E kikini tonu ana ngaa hapori, me rite, me uu o taatou whakaaro.

Kua hua mai ngaa whakatau i te ritenga tupu, e kitea nuitia nei e te rohe whaanui, hei piri atu ki te tuupato o te whakapau puutea e tiaki ai ngaa ratonga, e tutuki ai ngaa tuumanako o te hapori.

He mea nui te parau puutea e hokohoko utauta ai kia tautika ngaa whanaketanga a-ahumahi, a-tahua, a-waahi noho hoki kua tiimata noa i ngaa waahi o te raki, o Horotiu, o Tamahere hoki. Ka kitea te tutukitanga o ngeenei mahi kei roto i teenei rautaki.

He mea hihiko te whanaketanga nei, aa, e puea hihiko ana i te hapori. Ka uu te titiro kia whanake tonu atu maa te rautaki whanake puutea, aa, e kaha ana te tahuri ki ngeenei momo mahi.

Kei te mahi, kua oti te whakatau kia mutu te taahiira i ngaa huarahi. Kua tonoa mai kia taahiira ngeetehi huarahi tuawhenua, ahakoa e maarama pai ana ki ngeenei tonu, me matua noho mai te tiaki puutea mahi ki te matamata o te whakaaro.

Me whakaheke ngaa ritenga mahi naa ngaa whakatau puutea a Waka Kotahi (NZTA) i muri i te taunga o teenei Rautaki Roa. He rahi atu te puutea a Waka Kotahi moo te whakahou huarahi, heoi, he iti atu moo te taumarua huarahi. Mea kee ana, ka heke te taumata o oo taatou huarahi, e kii ana kei teetehi taumata teitei. Ka mahi ki te whakaea i ngaa paanga o te whakahekenga puutea.

E utua ana e maatou ngaa huarahi maa roto mai o te puutea tiaki me te reiti matua. Naa ngaa whakatau a Waka Kotahi, ko te \$480,000 i tiakina ki te poka puutea o te reiti matua kaaore kee e hiahiaitia moo konei. I whakaaro ake kia heke ngaa reiti, te whakapau puutea raanei ki ngeetehi atu kaupapa, wheenei i te whakaea parekura taiao, te whakapau puutea raanei ki ngeetehi atu mahinga huarahi. I whakatauria kia pau teetehi waahanga o te puutea ki te whakaheke reiti, aa, ko te toenga ki

te puutea whakaea parekura taiao. Naa te tauraki, kua raru te huarahi o Seddon. Ka taea e maatou ngaa puutea ohorere kia whakatikaina te huarahi nei. Naa teenei, kua oti te whakatau kia pau te \$211,600 ki konaa, aa, ka mahue mai te \$44,400 ki te puutea whakaea parekura taiao.

Naa teenei, me ngeetehi atu mahinga, ka piki ake te reiti matua maa te 1.87 oorau, kaaore nei maa te 2.37 oorau e mea ana i roto i te Rautaki Roa. Kaaore teenei e paa atu ana ki te reiti whaaiti, e rerekee ai i te rohe kei runga i te ratonga e whiwhi ai te kaiutu reiti – wheenei i te tuku wai, i te wai parapara raanei. Ka paakia te reiti matua ki ia pitopito whenua o te rohe nui tonu.

Ko teetehi reiti whaaiti, ko te ahunga tope raakau, aa, ka paa te raru o te ahunga tope raakau ki ngaa huarahi o te tuawhenua. Naa ngaa tono ki te rautaki taura, kua puta whakatau kia koorero tonu ki ngaa kaitope raakau me ngaa hapori tuawhenua e puaawai ai he kaupapa e pai ai ngaa huarahi ki te piikau i te toimahatanga o ngaa taraka e hua mai ai i te ahunga mahi tope raakau.

Ko teetehi atu kaupapa nui ko te wai parapara o Whaanga Coast me Pokeno. E rua, e rua ngaa hapori e koorero ana i teenei take, heoi he rerekee ngaa tuumanako moo ngeenei puunaha wai parapara. Kua taarewa te tono a Pokeno, aa, naa konei ka oti te utu o te \$40,000 ki te reiti whaaiti a te rohe e tiakina ana.

I koorerotia i te rautaki taura, e mahi tahi ana ki te Huinga Koromatua o Waikato e taautu ai, e whakamaamaa ai ngaa puunaha mahi a te tangata noa ki Ngaa Kaunihera. Koia ko teetehi waahanga o teenei kaupapa takiwaa, ko te whiriwhiri i ngaa ngako o te Ture Hoko Waipiro 2012.

Kua whakapau werawera kia tautika ai ngaa whakaaro me ngaa koorero katoa i roto i a koutou tono, aa, kia haangai hoki ki

taa Te Rautaki Roa. E moohio ana maatou, araa anoo ngaa tuumanako kia tutuki atu ai ngaa kaupapa mahi, mea ake nei, kua ngana ki te whakatutuki ki taa maatou e taea ai. Whaanui noa ana, ki taa maatou kua eke ki teetehi otinga tau e tootika ai te noho kei te tau e tuu mai nei.




Allan Sanson
Koromatua




Gavin Ian
Pou Whakahaere

Navigating the plan

Last year, we produced the Long Term Plan 2012 – 22, which is a 10-year plan reviewed every three years. This document is the review of the plan's second year (2013/14). It contains information and budgets about the projects planned and the spending needed for the year, and shows how the council is progressing. It should be read in conjunction with the Long Term Plan 2012 - 22.

In the following pages we have provided an overview of the issues and projects that make up our planned work for the year.

Our eight groups of activities contain the detail of why we do these activities and what we do within the activities. They include our performance targets so we can measure what we do and how well we do it, and our timeframes.

Besides the 2013/14 activities already detailed in the Long Term Plan, we've taken into account additional factors arising from new issues and circumstances that have come up during the past year. These include the new legislation passed last year, which, among other amendments, changed the purpose of local government as defined in the Local Government Act 2002. This requires councils to 'provide good quality local infrastructure, public services and regulatory functions at the least possible cost to households and business.'

A 'compass' graphic shows how the groups of activities relate to our community outcomes; to the principles that guide our decisions; and to the social, cultural, economic and environmental wellbeings/interests.

The budgets for our planned activities show what was budgeted in the Long Term Plan, and the planned project and operational spending for 2012/13.

GUIDING PRINCIPLES



PEOPLE

- Community engagement
- Managing diversity, aspirations and capability
- Building relationships and partnerships



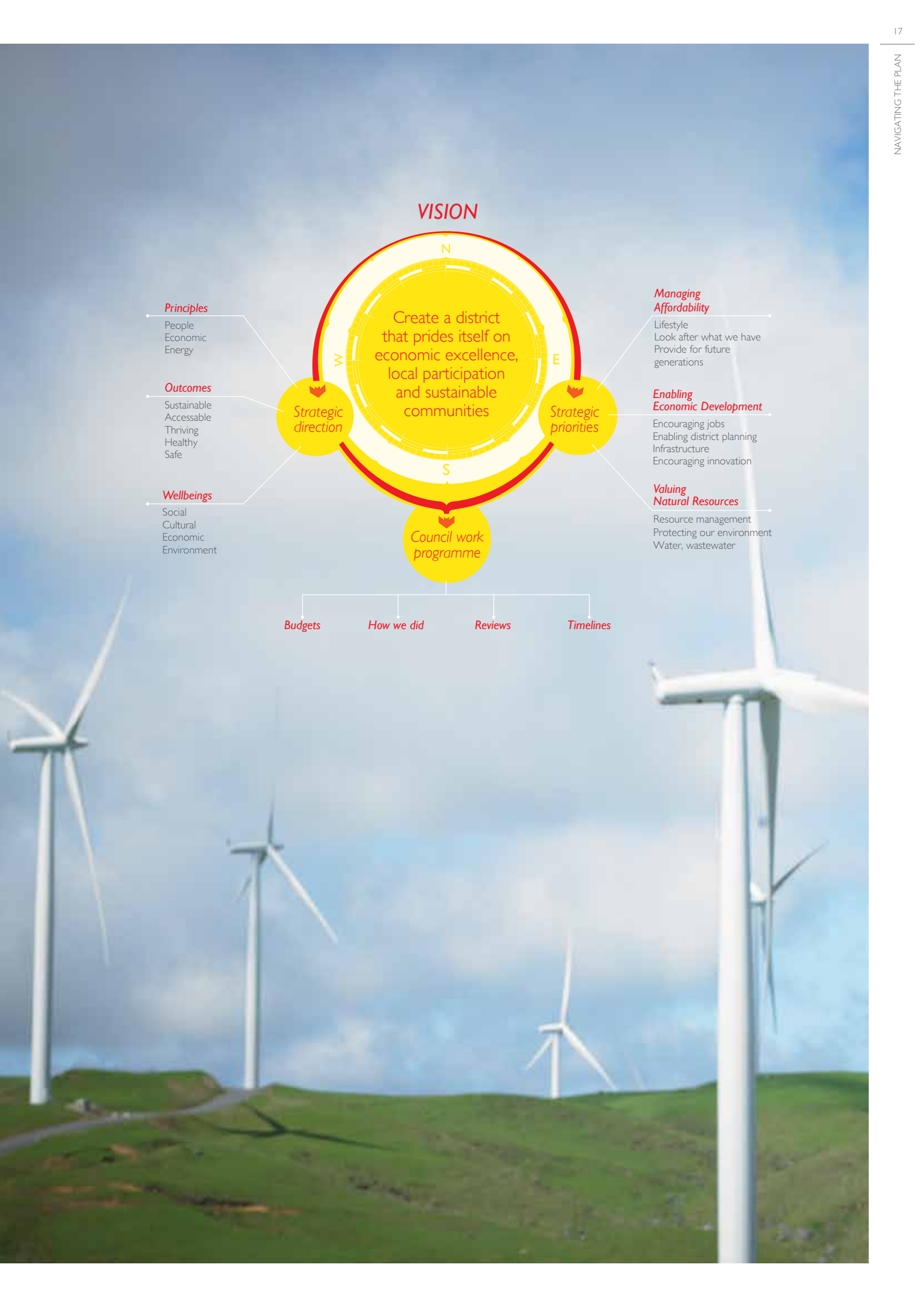
ECONOMY

- Encourage innovative thinking
- Prudent financial management
- Stimulate sustainable growth



ENERGY

- Active leadership
- Sustainable management of natural resources
- Empower



VISION



Overview

This document is the review of the second year of the Long Term Plan 2012 – 2022, and as such, contains the budgets and any changes to work programme timings or initiatives proposed for 2013/14 only.

Any changes are within the boundaries set by our strategic direction of financial prudence, providing for growth and in line with our guiding principles of People, Economic and Energy.

Local Government Act Changes

Last year the Local Government Minister announced reforms for the local government sector through the "Better Local Government" initiative. The first legislation to implement these reforms – to refocus the purpose of local government, introduce fiscal responsibility requirements, strengthen council government provisions and streamline council reorganisation procedures – was introduced May 2012 and passed into law in December to take effect in time for this year's council elections. More reforms are expected this year.

In the Local Government Act 2002 Amendment Act 2012, the Government changed the legislated purpose of local government to be "to meet the current and future needs of communities for good quality local infrastructure, local public services, and the performance of regulatory functions in a way that is most cost-effective for households and businesses."

In doing this, local authorities must have particular regard to the contribution core services make to the community:

- (a) network infrastructure:
- (b) public transport services:
- (c) solid waste collection and disposal:
- (d) the avoidance or mitigation of natural hazards:
- (e) libraries, museums, reserves, recreational facilities, and other community infrastructure.

There are also many other laws that govern our activities, so the core services the Local Government Act 2002 sets out are by no means the only services we must, by law, implement. For instance, legislation for liquor licensing, gambling, food and building quality has been reviewed. We provided detail on this in our Long Term Plan. In this second year of the plan, we have included more detail as available, about how we think we can respond to law changes and what they might mean for you both as members of the community and as ratepayers.

The substantive legislative changes so far are aimed, among

other things, to set 'prudential benchmarks' on rates and debt. This is in line with our strategic direction, with one of our strategic priorities being to manage affordability, and this document reflects this priority. We have also held our projected debt to approximately \$90 million, which is well below the limits set of \$6,355 per dwelling.

As mentioned on page 3, our staff continue to work with other councils to find new ways of sharing resources and services. This is reflected, for example, in our utility operations and building quality where we have developed standardisation in forms and requirements, making it easier for our customers to work with us.

Strategic direction

Our strategic direction takes into account the community's interests, because that is implied in our responsibility to provide the core services and amenities contributing to the community's overall wellbeing. In the annual and three-yearly reviews of the Long Term Plan, we also look at our direction to ensure it still aligns with the communities' wants and needs.

Three core principles underpin our strategic direction – People, Economy and Energy – and these principles continue to guide our thinking and decision-making. This aligns with the amended purpose of local government; taking a long-term view, and taking into account the reality of a low population; a large geographical area; potential growth and a recovering economy.

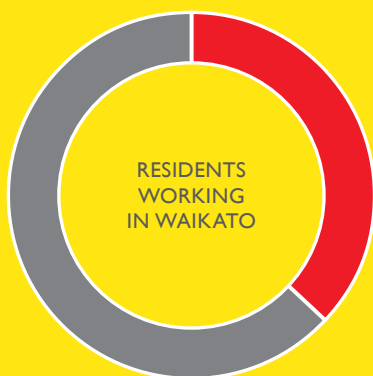
Our focus is on affordability as well as providing for growth in the long term, particularly growth in the northern part of the district (Tuakau, Pokeno and Te Kauwhata) as well as continued growth in Tamahere and industrial growth in Horotiu. The growth in Pokeno in particular has exceeded expectations and presents exciting opportunities, with benefits for the district as a whole. It reinforces that the approach we're taking with economic development is the right one.

Growth brings a need for new infrastructure and this plan reflects the continuation of the projects we have been working on over the past year, and those included in the Long Term Plan for 2013/14.

Auckland's 'greenfields' development is expected to be largely towards the south, and this will impact on our northern area

63%
Residents commute
out of the district

37%
Residents working
within Waikato
district



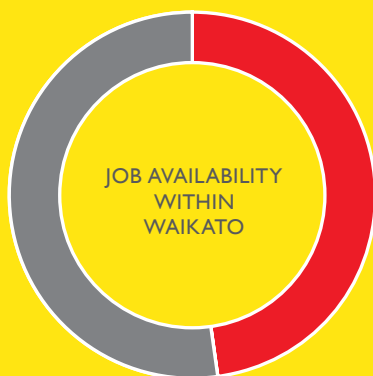
as people seek out more affordable options. This year's plan details the budgets for the projects under way for 2013/14 for services such as water and wastewater that will contribute to providing for this growth. These are funded through borrowing, with developers paying development contributions to the council as development gets under way, so repaying the council's borrowing.

There are other major projects beginning in 2013/14, on which we have already consulted in the Long Term Plan, which will upgrade and maintain our infrastructure and services. You can see the details on pages 37-70.

All these projects contribute to the overall direction we put in place in our Long Term Plan, to prepare our district for long-term growth, both population and economic. We also want to keep what we have maintained, rather than add new initiatives to the services we already provide. This is directed towards ensuring our costs are as affordable as possible for our present ratepayers, while presenting an attractive option for new businesses and industry, and new residents, to help provide jobs and contribute to our economy in the long term.

52%
Shortfall
Working residents
(28,110)

48%
Jobs available
(13,620)



Future Proof

The plan that guides the development of our future urban and rural land use, transport, resources and roads and essential infrastructure is the Future Proof Growth Strategy. This is a growth strategy specific to the Hamilton, Waipa and Waikato sub-region, and has been developed jointly by Hamilton City Council, Waikato Regional Council and Waipa and Waikato District Councils. Other organisations include Tangata Whenua, and New Zealand Transport Agency (NZTA).

Future Proof is about managing our growth collaboratively, providing a framework for future co-operation and implementation.

In November, key decisions about a document that anchors Future Proof, the Regional Policy Statement, were finalised following its review. We will be reviewing Future Proof during this 2013/14 financial year, and will provide you with information as we go through the process.

The regional spatial plan (the Waikato Plan) now being developed through the regional collaboration between councils is also going to be an important part of driving our growth. This will provide an opportunity for connected thinking and integrated decision-making across councils and in the longer term, reduce cost through greater efficiency.

Community engagement

The government's Local Government Efficiency Taskforce is recommending changes to the legislation regarding community engagement, which we have also identified for improvement.

So that we can respond to and engage with the community more effectively, we are developing a Community Engagement Strategy. This will aim to achieve effective outcomes, while providing you with ownership, assurance and feedback when addressing your specific issues. We want to go beyond making information available or gathering opinions and attitudes.

Rather, our objectives are to ensure we have our finger on the pulse regarding community perception and have this information when making our decisions; you understand the issues and are confident in approaching us with concerns; you feel we are working on your behalf and we stay focussed on our priorities on your behalf. We want to reduce barriers as much as possible, and make sure communities understand and are fully informed of why decisions have been made.

To achieve this means there has to be a continuing and genuine exchange of views and consideration of all options; and that we provide feedback regarding processes for final choices on key issues.

Regional influence creating local opportunities



Issues

While our focus is on maintaining what we have, and to implement what was in the second year of the Long Term Plan, there are some issues that have come about over the past year which either influence or have resulted in changes to our work programme.

All decisions made about projects, rates, and fees and charges that were not contained in the Long Term Plan 2012 – 22 are in bold.

Roads

The Long Term Plan contained assumptions regarding NZTA funding (subsidies) for roading. While these were correct at that time, the final decision on the amount of the funding became known after the Long Term Plan was adopted. We said in last year's Long Term Plan we had already taken advantage of lower construction costs to get our roads to a high standard, essentially using three years of our NZTA subsidies in the first two years so our budget for 2012/13 was lower.

NZTA has provided more funding for capital renewal works, for which our share comes from our reserves fund. However, we received less from NZTA for road maintenance, for which we fund our share from the general rate, and the overall amount of NZTA funding is lower. Therefore, we will be spending around \$480,000 less this year out of the general rate on roads than we had planned for.

The reduced NZTA funding will have an impact on how we carry out our roading work and we will be taking measures to reduce any reduction in overall road standards, which NZTA has classed as being above average.

The options discussed included putting the bulk of the money towards lowering the general rate; put it aside for emergency works by including in the Disaster Recovery Reserve; or use the general rate funding for other unsubsidised roading work or splitting the funding between the Disaster Recovery Reserve and lowering the general rate.

Over the summer, the drought severely affected Seddon Road in Puketaha. As a result, we are eligible for emergency relief funding to help repair the road. Therefore, we are putting \$211,600 towards the repairs (which total \$450,213 including a 53 per cent NZTA subsidy) and \$44,400 towards the disaster recovery fund, which was set up for this type of emergency repair work. Another \$220,000 will go towards reducing the general rate. In making this decision, we kept in mind the need to keep rates down as well as the cost of disaster recovery, such as storm damage and slips. The drought damage to Seddon Road falls into the same category.

The two major roading projects planned for this year are associated with roads for Pokeno and Tamahere as part of their structure plan implementation. Details of these projects are included in the financial tables for roading on page 88.

Targeted rates

A range of targeted rates will increase. Most of these increases were signalled in the Long Term Plan, and some are new (in bold). Targeted rates are a way of paying for services that some ratepayers receive and others don't, such as water, wastewater, rubbish and recycling. A summary of the impact on our townships is on pages 30-35.

They include:

- **Solid waste:** A \$7 increase (except Raglan) to address safety issues arising from the increase cost of implementing the changes imposed through the national Code of Practice for Temporary Traffic Management (see page 55). The Tuakau refuse rate will not be affected, but the recycling rate will be.
- In Raglan, the refuse recycling rate will increase by \$10.47 to \$99.59 to cover the increased costs imposed by changes to the national Code of Practice for Temporary Traffic Management, and to address a shortfall in the reserve fund because of undercharged collection costs. The code of practice was developed during the past year and is imposed on all councils.
- **Forestry:** During last year's consultation for the 2012/2022 Long Term Plan, the question of a targeted rate for forestry was raised in submissions. This was suggested as a way to provide funding for the rural roads which will experience increased heavy traffic, and therefore damage resulting from forestry harvesting. Since then, we have investigated this option. We proposed a targeted rate be applied to the rating valuation classification "exotic forestry," to be used to fund work scheduled for 2013/14 on forestry-affected roads.

Following submissions, we have decided to consult further with the forestry and rural sectors to find a way to address this that will also address the concerns many people raised during the plan consultation process.

- **Water:** There is a significant deficit in the operational reserve. Because of the increased compliance needed to meet drinking water standards our expenditure has increased. The rates did not match this increase so we need to take a longer term approach to correct this. **As proposed in the Long Term Plan, an increase of \$48 (12 per cent) this year for non-metered properties in Huntly, Ngaruawahia and Raglan will address this shortfall.**
- **Wastewater:** The operational reserve for wastewater is also in significant deficit as a result of increased resource consent compliance costs. The rates did not match this increase so we need to take a longer term approach to correct this. **In line with the Long Term Plan, there will be a 13 per cent increase, which equates to \$57 for Huntly and Ngaruawahia (Zone A); \$75 for Raglan and Te Kauwhata (Zone B) and \$99 for Maramarua, Matangi, Meremere, Te Kowhai, Taupiri and Tauwhare Pa (Zone C).**
- **Huntly septage disposal:** The funding arrangements for the Huntly septage facility will change. This facility is used by contractors to dispose of wastewater from private on-site wastewater systems. At the moment, there is a shortfall of \$106,000, because not enough on-site wastewater systems are being emptied to this facility

2011/12 2012/13 FORECAST

	\$	\$
Revenue	74,572	76,471
Costs	193,191	183,031
Shortfall	118,619	106,560

This shortfall will be funded from the general rate, with users funding the bulk of the costs. The fee for using this facility will be increased to \$25 per m³, with a remaining shortfall of \$75,000 to be met from the general rate.

- **Halls:** Targeted rates for halls will increase for the following communities within the relevant hall catchment areas which receive the benefit of the halls. This is to cover maintenance costs:
 - Tauwhare: \$22.50 to \$30
 - Raglan: \$15 to \$25
 - Otatau: \$35 to \$50
 - Glen Murray: \$35 to \$50
 - Port Waikato: \$20.44 to \$25
 - Te Hoe: \$24 to \$30
 - Te Kowhai: \$42 to \$45
 - Tuakau: The original proposal for this rate contained three options: Increase the rate from \$46 to \$53 to include operational costs for the Tuakau Sports Complex Trust; draw on the reserve fund and not charge a rate, or to draw on the reserve fund and retain the rate of \$46.

We have decided on the third option, to draw on the reserve fund and retain the present \$46 targeted rate.

During this year, we will be reviewing targeted rates for halls across the district.

Examples of how the rating changes will affect properties across the district are on pages 30-35 and 74.

Three waters

Wastewater reticulation extensions for Tuakau, Pokeno and Te Kauwhata will be continuing. While much of the cost of these will be met from development contributions, we are consulting with existing Pokeno residents about taking advantage of the new system through a targeted rate.

In Raglan, the Whaanga Coast wastewater reticulation scheme is going ahead. This scheme was developed as a result of environmental concerns. Sixty six property owners so far have given the go-ahead, and subject to finalising the documents, the council is proceeding with the scheme. Construction work is expected to progress during the year so that the scheme is fully operational by 1 July 2014. The council has allowed funds in the annual plan for the initial financial cost of this project.

We will complete the new water reservoir and extension for Pokeno, which will double the amount of water stored from 24 to 48 hours of supply. This policy of increasing water supply storage is being applied in the southern districts as well.

There will be a development contribution of \$2615 per household equivalent unit for Huntly wastewater capital works, from 2013/14.

(Development contributions recover the cost of growth-related capital expenditure from those involved in property development. More details can be found in the Development Contributions Policy on www.waikatodistrict.govt.nz).

Major wastewater projects are generally in the northern area and are projects to provide for growth, while in Huntly, Ngaruawahia and Raglan we will continue our reticulation renewals.

The Waipa District Council, Waikato District Council and Hamilton City Councils have adopted the Three Waters sub-regional strategy following consultation. We are now working on an action implementation plan to achieve the goals outlined in the strategy and this will be in place by August 2013. The plan is the first step towards aligning our management of water and associated issues.

The detail of our water projects is in the water, wastewater and stormwater groups of activities on pages 37-70 and these demonstrate our emphasis on providing for planned growth, while maintaining what we have.

One of our major stormwater upgrades for this year is to extend the reticulation in Raglan. The clay soil makes it difficult to get rid of stormwater runoff and this reticulation extension will improve water quality, help prevent the runoff affecting the wastewater system and minimise surface flooding when it rains.

Another important stormwater project is the two-year replacement and upgrade of the stormwater systems in Port Waikato. As part of this work, a stormwater targeted rate will be consulted on in the Long Term Plan Year Three – 2014/15. The Huntly replacement and upgrade will be started in Tregoweth Lane and the rest of the upgrade will be deferred until the Huntly portion of the Waikato expressway is completed and the state highway revoked to a local road.

Solid waste

Changes to the national Code of Practice for Temporary Traffic Management (COPTTM) which came into force in January will mean added costs for picking up rubbish and recycling. These changes, which apply for all councils, were made to reduce the risk for contractors as they cross roads repeatedly to gather the rubbish bags. From July the trucks are likely to have to travel each road twice to pick up the rubbish and again for recycling, increasing costs and extending the time taken for the collections. The cost increase is estimated to be \$100,000, which is a 3.81 per cent annual increase in the refuse targeted rate.

The impact of the Emissions Trading Scheme on disposal charges began on 1 January. These are \$4 per tonne, which equates to \$34,200 per year.

Town development

Many of our projects contribute to the development of our towns, and are part of the implementation of structure plans developed in conjunction with the communities.

Last year we developed a scoping study to identify what is needed for planning in the area from Ngaruawahia to Tuakau and whether separate structure plans should be developed for each town.

Following this study, we have now begun the structure plan for Ngaruawahia. We are working closely with the community, business and industry partners, and with Waikato-Tainui through the Joint Management Agreement, to look at the options for the future development of the town. This is particularly important given the rerouting of the Waikato expressway to bypass Ngaruawahia, which should be completed by the end of this year.

We also finalised the Te Kauwhata structure plan following appeals. Our work programme, which was delayed because of the appeals, will go ahead as growth takes place. This is in addition to our core road, water, stormwater and wastewater infrastructure projects and walkways.

Regional initiatives

Nationally, there is a move towards regional collaboration and shared services and we are also working closely with Waikato councils and with our northern neighbour, Auckland Council. We recognise that boundaries are artificial, and that working together is mutually beneficial economically, socially, environmentally and culturally. Our aim is to invest in the future, creating efficiencies for both the councils and for communities, as well as making long-term cost savings.

In the short term we need to invest so as to reap these long-term benefits.

A total of \$100,000 is included in the 2013/14 budget to support the shared services and regional initiatives. This was not allowed for in the Long Term Plan. We have put the \$50,000 allowed for in the Long Term Plan for economic development towards supporting the regional economic development work.

Over the past year, we have negotiated an agreement with Auckland Council for shared library services, so that residents in the northern part of our district can have continued access to the Waiuku and Pukekohe libraries. This issue was raised in the Long Term Plan submission process, and one we have been working on for some time. We are now negotiating a Memorandum of Understanding with Auckland Council and this will come into force at the end of the existing arrangements in October.

We already have a similar arrangement with other councils, where our residents can access their libraries, with Waikato District Council paying a charge to the other councils out of the general rate. We are working on a feasibility study on a wider regional level for greater collaboration and cooperation across libraries.

The Waikato Mayoral Forum and the Local Authority Shared

Services (LASS) are actively working towards creating savings and efficiencies through shared services in a number of areas.

Cost savings are expected in the water and wastewater, and roading areas in the medium term. We are also working towards preparing a spatial plan for the Waikato region, which will provide guidance around long-term governance arrangements and also lead to better and more efficient planning processes, with less duplication and more consistency across councils.

Fees and charges

There will be changes to some of the fees and charges levied to recover costs for various services. These changes include:

- **Raglan airfield landing fees – now \$10 per landing for casual users, and \$1000 annually for regular users.** This is to cover the maintenance of the airfield.
- Changes to trade waste administration fees have been made as part of the shared services agreement. The new uniform annual charge per trade waste consent for Tuakau and Pokeno reflects our agreement with Watercare's proposal.
- **A targeted rate is budgeted and charged for the Travers Road drainage district, to cover stormwater drainage maintenance costs previously not provided for.**
- **New regulatory fees for processing a minor consent and for obtaining information about the location of contaminated sites.** This fee results from the introduction of the National Environmental standard, where people rely on council records to find out if there has been a potentially contaminating activity on a property.
- **A new fee will cover registration and renewal of food premises for multiple users.** Food premises (dairies, restaurants, bakeries, cafes etc) have to be registered. This fee will cover users other than the owner, such as people who wish to sell food products but who do not own a registered commercial kitchen. (It is illegal to prepare food intended for sale in a domestic kitchen).

Huntly pool entry fees

These will increase by: 50 cents for children (\$1.50 to \$2); adults (\$3.50 to \$4); seniors/students (\$2 to \$2.50); lane hire (\$9.50 to \$10); toddlers/bulkhead (\$26 to \$28).

Grants and donations

We have allocated an additional \$20,000 in the budget for the Annual Plan grants and donations. As a result of submissions to the draft plan, the following grants have been decided:

Ngaruawahia Rugby League Club	\$10,000
Ngaruawahia Community House	\$5,000
Surf Life Saving Northern Region	\$5,000

The organisations and charities already included in the Long Term Plan for 2013/14 are detailed in the Sustainable Communities Group of Activities on page 61.

Tuakau library

We are considering the feasibility of relocating the Tuakau library to vacant space next to the council's Tuakau service centre. We have budgeted \$460,000 in the 2016/17 and 2017/18 financial years to upgrade the current site.

In considering the possibility of the library being part of an integrated site with the service centre, we think we can provide a better service for the community. No definite proposal is being made now. Rather, we will consult directly with the Tuakau community this year to find out their views, once the options, their advantages or disadvantages are identified. This is some of our thinking to date:

- **To relocate the library.** This would mean the council would have to meet costs of the library shelving, and operational costs would increase. However, the \$460,000 currently in the budget would not be required and the library upgrade would be immediate, with more floor area.
- **Upgrade the current site, as included in the Long Term Plan.** This would mean there would not be any opportunity to integrate customer services on one site, and users would not have any change to the library's location. The library would remain unchanged until 2017/18.

Staff

Overall, staff costs are around \$428,000 higher than budgeted for in the Long Term Plan. This is a result of the following:

- We have employed our own economic development manager as part of implementing our economic development imperative committed to in the Long Term Plan. This is funded by a reduction in consulting costs of an equivalent amount.
- We have additional resources for animal control, which has been covered by higher fees.
- An additional financial staff member has been included so we can increase our focus on credit control, which is needed in the tough economic climate to collect the rates revenue levied.
- There has been higher market movement in the current year.

The procurement initiatives put in place to date have resulted in savings of around \$100,000. We expect to achieve a further \$30,000 in the 2013/14 year in addition to the \$150,000 already included in the Long Term Plan for 2013/14.

Ngaruawahia library

Last year, we closed the Ngaruawahia library because of concerns about earthquake risk. It was reopened in October after three walls were reinforced. Therefore the \$17,000 included in the Long Term Plan for leasing an additional site for the library will be put towards maintenance instead.



Financial pathway

Over the past year we have focused on affordability and sustainability. The amendments to the Local Government Act 2002 late last year, and the prospective amendments likely to come before Parliament this year, reflect the Government's and community's expectations of local government for fiscal responsibility.

Our strategic direction also reflects this approach.

We have a low debt level, while still using borrowings to fund growth particularly in Pokeno, where development is ahead of schedule. We have updated our capital works programme to reflect the actual spend to date to reflect the actual growth taking place.

As detailed on page 6, we have lowered the general rate increase from the 2.37 per cent indicated in the Long Term Plan, to 1.87 per cent. We have also held the line on increases in targeted rates budgeted for in the Long Term Plan.

While the Consumer Price Index (CPI) is used to measure inflation, councils use the Local Government Cost Index (LGCI) as their measure of inflation. This is because the CPI 'basket' of goods measured each year for price increases/decreases is inappropriate for local government. The table below shows what is included in the CPI and the LGCI.

CPI	LGCI
Food	Roading/transport (public transport, roads)
Alcohol and tobacco	Property, reserves and parks (maintaining public buildings and assets e.g. sports grounds, parks, arts, recreation)
Clothing and footwear	Water (includes electricity supply pipes etc. Repairs and maintenance for water, wastewater, stormwater)
Housing and household utilities	Energy (electricity, gas consumption in public buildings, street lighting etc)
Household contents and services	Staff for council operations
Health	Local government and civil defence
Transport	Pipelines
Communication (phones, broadband etc)	Earthmoving
Recreation and culture	Private sector salary and wage costs
Education	
Miscellaneous goods and services	

The trend for both CPI and LGCI is continuing upwards, with the local government inflation increasing at a greater rate than the CPI. We expect this trend to continue. So we can maintain what we have, as well as improve other services, rates overall may increase in percentage terms more than household incomes. However, we have worked hard to keep this year's increase as low as possible.

This plan includes provision for the final year of our transitional rates remission policy. Changes were made to the transitional rate remission calculation, which meant more would be remitted in 2013/14 than is included in the Long Term Plan. The extra cost for this will be met out of the additional rating income the council has received.

Our financials will show a level of budget carried forward. The need to carry forward budget from one year into the next is mainly because of matters largely outside of our control, such as delays in consenting processes, changes in development timelines, incomplete negotiations with land owners, extensive consultation requirements, adverse weather, as well as development-driven infrastructure not required because of development delays.

Development contributions

As the district grows, more infrastructure needs to be put in (water, wastewater, stormwater, roading and facilities to support the community such as sports grounds etc.).

Contributions from developers fund the infrastructure for growth, but as the development takes place. This can be an issue when development slows down, with the council carrying the debt. We are not leading development by putting in infrastructure well before growth occurs; what we're aiming to achieve is growth funding growth, with existing ratepayers paying only for the operation of existing plant and infrastructure and any benefits they may receive from new works.

Our development contributions policy has district-wide development contributions per household equivalent unit for roading and community facilities, with catchment-specific levies for water, wastewater and stormwater projects related to new development and growth. Where roading work is part of a structure plan, then additional 'catchment-based' development contributions are also applied to that area.

Development contributions (charges include GST) – charges for 2013/14

Activity	District Wide Community Facilities	District Wide Roading	Roads and Transport	Stormwater	Wastewater	Water	Total
All areas (if not covered below)	3,383	522	-	-	-	-	3,905
Hopuhopu/Taupiri	3,383	522	-	-	-	4,478	8,383
Huntly	3,383	522	-	59	6,592	2,619	13,175
Lorenzen Bay	3,383	522	14,967	1,986	3,826	1,556	26,240
Ngaruawahia (includes Horotiu residential in-fill)	3,383	522	-	1,223	-	8,189	13,317
Pokeno	3,383	522	5,745	5,556	8,329	2,010	25,545
Raglan	3,383	522	-	1,986	3,826	1,556	11,273
Southern Districts	3,383	522	-	-	-	4,224	8,129
Tamahere CLZ	3,383	522	8,373	1,408	-	4,224	17,910
Tamahere Subcatchment A	3,383	522	37,432	1,408	-	4,224	46,969
Tamahere Subcatchment B	3,383	522	27,521	1,408	-	4,224	37,058
Te Kauwhata and surrounds	3,383	522	6,625	481	7,331	12,087	30,429
Tuakau	3,383	522	-	1,954	11,243	5,697	22,799
Whaanga Coast	3,383	522	-	-	24,938	-	28,843

Development contributions are calculated around the programme of works for growth included in this plan. Any works required for industrial growth or residential growth in other areas need to be funded in conjunction with developers.

Operational targeted rate movements for water, wastewater, refuse and community facilities

	Huntly			Ngaruawahia			Raglan		
	2012/13	2013/14	2013/14	2012/13	2013/14	2013/14	2012/13	2013/14	2013/14
	Actual	LTP	Annual Plan	Actual	LTP	Annual Plan	Actual	LTP	Annual Plan
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Water – Metered	99.68	111.64	111.64	99.68	111.64	111.64	99.68	111.64	111.64
Water – Non-Metered	399.84	447.82	447.82	399.84	447.82	447.82	399.84	Note 1	447.82
Wastewater	438.44	495.44	495.44	438.44	495.44	495.44	576.30	651.22	651.22
Stormwater	194.26	194.26	194.26	194.26	194.26	194.26	194.26	194.26	194.26
Refuse/Recycling	178.19	183.54	190.54	178.19	183.54	190.54	86.52	89.12	99.59
Community Facilities	42.00	42.00	42.00	25.00	25.00	25.00	15.00	15.00	25.00
Community Board	18.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20
Total Cost – Metered	970.77	1,045.08	1,052.08	953.77	1,028.08	1,035.08	989.96	1,079.44	1,099.91
Additional Cost		74.31	81.31		74.31	81.31		89.48	109.95
% Increase		8%	8%		8%	9%		9%	11%
Total Cost – Non Metered	1,270.93	1,381.26	1,388.26	1,253.93	1,364.26	1,371.26	1,290.12	Note 1	1,436.09
Additional Cost		110.33	117.33		110.33	117.33		Note 1	145.97
% Increase		9%	9%		9%	9%		Note 1	11%

	Te Kauwhata			Taupiri/Meremere			Tuakau		
	2012/13	2013/14	2013/14	2012/13	2013/14	2013/14	2012/13	2013/14	2013/14
	Actual	LTP	Annual Plan	Actual	LTP	Annual Plan	Actual	LTP	Annual Plan
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Water - Metered	99.68	111.64	111.64	99.68	111.64	111.64	No Water Meter Charge		
Wastewater	576.30	651.22	651.22	762.75	861.91	861.91	495.78	495.78	495.78
Stormwater	194.26	194.26	194.26	-	-	-	194.26	194.26	194.26
Community Facilities	-	-	-	24.00	24.00	24.00	46.13	46.13	46.13
Refuse/Recycling	178.19	183.54	190.54	178.19	183.54	190.54	208.14	214.39	214.39
Community Board				18.20	18.20	18.20	18.20	18.20	18.20
Taupiri Only									
Total Cost	1,048.43	1,140.66	1,147.66	1,082.82	1,199.29	1,206.29	962.51	968.76	968.76
Additional Cost		92.23	99.23		116.47	123.47		6.25	6.25
% Increase		9%	9%		11%	11%		1%	1%

	Gordonton			Tamahere			Western Districts		
	2012/13	2013/14	2013/14	2012/13	2013/14	2013/14	2012/13	2013/14	2013/14
	Actual	LTP	Annual Plan	Actual	LTP	Annual Plan	Actual	LTP	Annual Plan
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Water - Metered	162.00	162.00	162.00	339.00	339.00	339.00	229.00	229.00	229.00
Community Facilities	26.00	26.00	26.00	70.00	70.00	70.00	-	-	-
Refuse/Recycling	178.19	183.54	190.54	178.19	183.54	190.54	178.19	183.54	190.54
Total Cost	366.19	371.54	378.54	587.19	592.54	599.54	407.19	412.54	419.54
Additional Cost		5.35	12.35		5.35	12.35		5.35	12.35
% Increase		1%	3%		1%	2%		1%	3%

Notes:

1. Water meters will be installed in Raglan 2013/2014 so there will only be metered charges from 2014/2015. Meter installation was originally planned for 2012/2013.

Please note property examples below are rounded to the nearest dollar.

Rural Property Examples

Dairy Farm – Te Kauwhata		124.37 ha 2011 CV
<i>1 dwelling</i>		\$2,550,000
Rate Type	2012-13 Actual	2013-14 Annual Plan
General	5,976	6,088
UAGC	403	410.54
Hall	-	-
Solid Waste	-	-
Water	100	112
TOTAL	6,479	6,611
	Base	6,479
Movement	\$ Increase (Decrease)	132
	% Increase (Decrease)	2%

Dairy Farm – Gordonton		116.1524 ha 2011 CV
<i>4 dwellings</i>		\$5,250,000
Rate Type	2012-13 Actual	2013-14 Annual Plan
General	12,304	12,534
UAGC	403	410.54
Hall	152	152
Solid Waste	713	762
Water	339	339
TOTAL	13,911	14,198
	Base	13,911
Movement	\$ Increase (Decrease)	287
	% Increase (Decrease)	2%

Dairy Farm - Orini		843.4469 ha 2011 CV
<i>7 dwellings</i>		\$21,150,000
Rate Type	2012-13 Actual	2013-14 Annual Plan
General	49,569	50,496
UAGC	403	410.54
Hall	182	182
Solid Waste	1,247	1,334
Stormwater	-	-
TOTAL	51,401	52,423
	Base	51,401
Movement	\$ Increase (Decrease)	1,022
	% Increase (Decrease)	2%

Waiuku Horticulture		1.9889 ha 2011 CV
<i>1 dwelling</i>		\$695,000
Rate Type	2012-13 Actual	2013-14 Annual Plan
General	1,629	1,659
UAGC	403	410.54
Hall	-	-
Solid Waste	18	19
Stormwater	-	-
TOTAL	2,050	2,089
	Base	2,050
Movement	\$ Increase (Decrease)	39
	% Increase (Decrease)	2%

Dairy Farm – Horotiu		196.0098 ha 2011 CV
<i>4 dwellings</i>		\$8,600,000
Rate Type	2012-13 Actual	2013-14 Annual Plan
General	20,742	21,129
UAGC	403	410.54
Hall	168	180
Solid Waste	713	762
Community Board	-	-
Stormwater	-	-
TOTAL	22,026	22,482
	Base	22,026
Movement	\$ Increase (Decrease)	456
	% Increase (Decrease)	2%

Pastoral – Onewhero		151.82 ha 2011 CV
<i>1 dwelling</i>		\$1,725,000
Rate Type	2012-13 Actual	2013-14 Annual Plan
General	4,043	4,118
UAGC	403	410.54
Hall	41	41
Solid Waste	-	-
Community Board	18	18
Stormwater	-	-
TOTAL	4,505	4,588
	Base	4,505
Movement	\$ Increase (Decrease)	83
	% Increase (Decrease)	2%

Grazing Property – Whatawhata		1063.9854 ha 2011 CV	
4 dwellings		\$7,175,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	16,816	17,130	
UAGC	403	410.54	
Solid Waste	853	906	
Community Board	-	-	
Stormwater	-	-	
TOTAL	18,072	18,447	
	Base	18,072	
Movement	\$ Increase (Decrease)	375	
	% Increase (Decrease)	2%	

Lifestyle Property Examples

Lifestyle Property – Raglan		12.57 ha 2011 CV	
		\$1,200,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	1,875	1,910	
UAGC	403	410.54	
Hall	15	25	
Solid Waste	-	-	
Community Board	18	18	
Stormwater	194	194	
Water	200	224	
TOTAL	2,705	2,782	
	Base	2,705	
Movement	\$ Increase (Decrease)	77	
	% Increase (Decrease)	3%	

Lifestyle Property – Matangi/Tamahere		0.8002 ha 2011 CV	
1 dwelling		\$1,375,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	3,223	3,283	
UAGC	403	410.54	
Hall	24	24	
Solid Waste	178	191	
Stormwater	189	189	
Water	339	339	
TOTAL	4,356	4,437	
	Base	4,356	
Movement	\$ Increase (Decrease)	81	
	% Increase (Decrease)	2%	

Pastoral Lge Onewhero		450.233 ha 2011 CV	
1 dwelling		\$3,200,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	7,500	7,640	
UAGC	403	410.54	
Solid Waste	-	-	
Community Board	18	18	
Stormwater	-	-	
TOTAL	7,921	8,069	
	Base	7,921	
Movement	\$ Increase (Decrease)	148	
	% Increase (Decrease)	2%	

Lifestyle Property – Pokeno		4.0346 ha 2011 CV	
1 dwelling		\$485,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	1,137	1,158	
UAGC	403	410.54	
Hall	23	23	
Solid Waste	18	19	
Community Board	-	-	
Stormwater	-	-	
Water	-	-	
TOTAL	1,581	1,611	
	Base	1,581	
Movement	\$ Increase (Decrease)	30	
	% Increase (Decrease)	2%	

East Coast Road Property		23.3858 ha 2011 CV	
		\$70,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	164	167	
UAGC	403	410.54	
Hall	-	-	
Solid Waste	-	-	
Stormwater	-	-	
Water	-	-	
TOTAL	567	578	
	Base	567	
Movement	\$ Increase (Decrease)	11	
	% Increase (Decrease)	2%	

Residential Property Examples

Residential Property – Huntly		0.1105 ha 2011 CV	
<i>1 dwelling</i>		\$420,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	984	1,003	
UAGC	403	410.54	
Hall	42	42	
Solid Waste	178	191	
Community Board	18	18	
Stormwater	194	194	
Wastewater	438	495	
Water	400	448	
TOTAL	2,657	2,802	
	Base	2,657	
Movement	\$ Increase (Decrease)	145	
	% Increase (Decrease)	5%	

Residential Property – Huntly		0.0358 ha 2011 CV	
<i>1 dwelling</i>		\$63,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	148	150	
UAGC	403	410.54	
Hall	42	42	
Solid Waste	178	191	
Community Board	18	18	
Stormwater	194	194	
Wastewater	438	495	
Water	400	448	
TOTAL	1,821	1,949	
	Base	1,821	
Movement	\$ Increase (Decrease)	128	
	% Increase (Decrease)	7%	

Residential Property – Ngaruawahia		0.0682 ha 2011 CV	
<i>1 dwelling</i>		\$230,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	539	549	
UAGC	403	410.54	
Hall	25	25	
Solid Waste	178	191	
Community Board	18	18	
Stormwater	194	194	
Wastewater	438	495	
Water	400	448	
TOTAL	2,195	2,331	
	Base	2,195	
Movement	\$ Increase (Decrease)	136	
	% Increase (Decrease)	6%	

Residential – Rangiriri		0.1416 ha 2011 CV	
<i>1 dwelling</i>		\$240,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	562	573	
UAGC	403	410.54	
Hall	-	-	
Solid Waste	178	191	
Community Board	-	-	
Stormwater	-	-	
Wastewater (Including Capital Contribution)	985	1,022	
Water	100	112	
TOTAL	2,228	2,309	
	Base	2,228	
Movement	\$ Increase (Decrease)	81	
	% Increase (Decrease)	4%	

Residential – Meremere		0.0676 ha 2011 CV	
<i>1 dwelling</i>		\$155,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	363	370	
UAGC	403	410.54	
Hall	24	24	
Solid Waste	178	191	
Community Board	-	-	
Stormwater	-	-	
Wastewater	763	862	
Water	100	112	
TOTAL	1,831	1,970	
	Base	1,831	
Movement	\$ Increase (Decrease)	139	
	% Increase (Decrease)	8%	

Port Waikato Property		0.1009 ha 2011 CV	
<i>1 dwelling</i>		\$285,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	668	680	
UAGC	403	410.54	
Hall	20	25	
Solid Waste	18	19	
Community Board	18	18	
Stormwater	-	-	
Wastewater	-	-	
Water	-	-	
TOTAL	1,127	1,153	
	Base	1,127	
Movement	\$ Increase (Decrease)	26	
	% Increase (Decrease)	2%	

Residential Property – Raglan		0.1391 ha 2011 CV	
<i>1 dwelling</i>		\$940,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	2,203	2,244	
UAGC	403	410.54	
Hall	15	25	
Solid Waste	87	100	
Community Board	18	18	
Stormwater	194	194	
Wastewater	576	651	
Water	400	448	
TOTAL	3,896	4,091	
	Base	3,896	
Movement	\$ Increase (Decrease)	195	
	% Increase (Decrease)	5%	

Port Waikato Property		0.0911 ha 2011 CV	
<i>1 dwelling</i>		\$305,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	715	728	
UAGC	403	410.54	
Hall	20	25	
Solid Waste	18	19	
Community Board	18	18	
Stormwater	-	-	
Wastewater	-	-	
Water	-	-	
TOTAL	1,174	1,201	
	Base	1,174	
Movement	\$ Increase (Decrease)	27	
	% Increase (Decrease)	2%	

Residential Property – Raglan		0.0979 ha 2011 CV	
<i>1 dwelling</i>		\$193,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	452	461	
UAGC	403	410.54	
Hall	15	25	
Solid Waste	87	100	
Economic	-	-	
Community Board	18	18	
Stormwater	194	194	
Wastewater	576	651	
Water	400	448	
TOTAL	2,145	2,308	
	Base	2,145	
Movement	\$ Increase (Decrease)	163	
	% Increase (Decrease)	8%	

Tuakau Avg Value		0.689 ha 2011 CV	
<i>1 dwelling</i>		\$265,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	621	633	
UAGC	403	410.54	
Hall	46	46	
Solid Waste	208	214	
Economic	-	-	
Community Board	18	18	
Stormwater	194	194	
Wastewater	496	496	
Water	-	-	
TOTAL	1,986	2,012	
	Base	1,986	
Movement	\$ Increase (Decrease)	26	
	% Increase (Decrease)	1%	

Residential Property – Matangi		0.0684 ha 2011 CV	
<i>1 dwelling</i>		\$245,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	574	585	
UAGC	403	410.54	
Hall	24	24	
Solid Waste	178	191	
Economic	-	-	
Community Board	-	-	
Stormwater	-	-	
Wastewater	763	862	
Water	339	339	
TOTAL	2,281	2,412	
	Base	2,281	
Movement	\$ Increase (Decrease)	131	
	% Increase (Decrease)	6%	

Tuakau High Value		3.9114 ha 2011 CV	
<i>1 dwelling</i>		\$520,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	1,219	1,242	
UAGC	403	410.54	
Hall	46	46	
Solid Waste	208	214	
Economic	-	-	
Community Board	18	18	
Stormwater	194	194	
Wastewater	-	-	
Water	-	-	
TOTAL	2,088	2,125	
	Base	2,088	
Movement	\$ Increase (Decrease)	37	
	% Increase (Decrease)	2%	

Residential – Taupiri		0.1378 ha 2011 CV	
<i>1 dwelling</i>		\$218,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	511	520	
UAGC	403	410.54	
Hall	24	24	
Solid Waste	178	191	
Community Board	18	18	
Stormwater	-	-	
Wastewater (Including Capital Contribution)	1,111	1,179	
Water	100	112	
TOTAL	2,345	2,455	
	Base	2,345	
Movement	\$ Increase (Decrease)	110	
	% Increase (Decrease)	5%	

Te Kauwhata		0.082 ha 2011 CV	
<i>1 dwelling</i>		\$500,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	1,172	1,194	
UAGC	403	410.54	
Hall	-	-	
Solid Waste	178	191	
Community Board	-	-	
Stormwater	194	194	
Wastewater	576	651	
Water	100	112	
TOTAL	2,623	2,753	
	Base	2,623	
Movement	\$ Increase (Decrease)	130	
	% Increase (Decrease)	5%	

Non-Residential Property Examples

Industrial – Horotiu		9.359 ha 2011 CV	
<i>1 Com Bldg</i>		\$4,900,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	11,484	11,699	
UAGC	403	410.54	
Hall	25	25	
Community Board	18	18	
Stormwater	-	-	
Wastewater	2,192	2,477	
Water	100	112	
TOTAL	14,222	14,742	
	Base	14,222	
Movement	\$ Increase (Decrease)	520	
	% Increase (Decrease)	4%	

Commercial – Ngaruawahia		0.2929 ha 2011 CV	
<i>1 Com Bldg</i>		\$1,550,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	3,633	3,701	
UAGC	403	410.54	
Hall	25	25	
Community Board	18	18	
Stormwater	194	194	
Wastewater	1,096	1,239	
Water	399	447	
TOTAL	5,768	6,035	
	Base	5,768	
Movement	\$ Increase (Decrease)	267	
	% Increase (Decrease)	5%	

Industrial – Raglan		0.1222 ha 2011 CV	
<i>1 Com Bldg</i>		\$580,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	1,359	1,385	
UAGC	403	410.54	
Hall	15	25	
Solid Waste	-	-	
Economic	-	-	
Community Board	18	18	
Stormwater	194	194	
Wastewater	288	326	
Water	600	224	
TOTAL	2,877	2,583	
	Base	2,877	
Movement	\$ Increase (Decrease)	(295)	
	% Increase (Decrease)	(10%)	

Tuakau Business		0.1209 ha 2011 CV	
<i>1 dwelling</i>		\$265,000	
Rate Type	2012-13 Actual	2013-14 Annual Plan	
General	621	633	
UAGC	403	410.54	
Hall	46	46	
Solid Waste	367	378	
Economic	-	-	
Community Board	18	18	
Stormwater	194	194	
Wastewater	496	496	
Water	-	-	
TOTAL	2,145	2,176	
	Base	2,145	
Movement	\$ Increase (Decrease)	31	
	% Increase (Decrease)	1%	

What the council does through its District Plan, growth strategies and our core activities all contribute to helping our communities grow and develop.



What we do

See what major projects are planned for the year and how they might affect you and your community.

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This Long Term Plan Year 2 review, details how we will implement the strategic direction contained in our Long Term Plan 2012 -22, throughout the coming year. In the following pages you'll find further information about our work programme – the major projects and activities planned, our targets, how we'll measure them and their associated budgets.

The work, which is shown in eight groups of activities, contribute to keeping our district running, providing the services and facilities needed to meet residents' needs, and reflect the Local Government Act 2002 Amendment Act 2012, which states that the purpose of local authorities is to: "... to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses."

While many of the activities also relate to other legislation, for example the Building Act 2004, the Resource Management Act 1991, they all contribute to the community's overall wellbeing and to the community outcomes as a whole. This is in line with the legislated purpose of local government meeting communities' needs, for example, through our work in ensuring good quality buildings; carrying out regulatory services such as dog control and liquor licensing; maintaining roads and infrastructure such as water and wastewater; and providing facilities like libraries and parks.

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

Do keep reading and see what major projects are planned for the year and how they might affect you. These projects contribute to maintaining our current levels of service for this coming year and for the 10 years of the Long Term Plan. We will monitor and report based on the performance measures in the plan and on the progress of the capital programme. This section will give you a good indication of the work that will lead to a flourishing district, while still being financially prudent.

Water Supply

Strategic focus

To maintain our present network, addressing specific health issues and projects that are predominantly growth driven.

Water is one of the most precious assets we have.

Our residents need enough water of a consistent quality, flow and pressure to meet their day-to-day requirements and our role is to collect, treat and supply water to meet those needs. This also includes providing water for the district's fire-fighting services.

Presently we source our water from the Waikato River, treating it at plants at Ngaruawahia, Hopuhopu, Huntly and Te Kauwhata, and distributing to communities around these townships.

We also buy bulk water from Hamilton City Council for Gordonton, Puketaha, Newstead, Eureka, Matangi and Tamahere in the south-eastern parts of the district, and Te Kowhai Road and Stonebridge in the south-western parts of the district. Raglan's water comes from a spring, while Tuakau, Pokeno and Te Akau's water comes from ground bores.

On page 23 we have referred to the Three Waters Strategy, which is part of the Future Proof Growth Strategy. The final adopted strategy is a high-level one dealing with co-management of the three waters across the sub-region. This aims to support future growth, which is important for our future development and economic security.

What's planned

The following are the major projects for 2013/14. The full capital work programme is listed in the financial section.

- Extensions of reticulation for Tuakau
- New trunk main system, treatment plant extension, and new storage reservoir for Pokeno's expected growth
- Water reticulation for Pokeno to cater for growth
- Extend the Southern Districts Water supply area
- Replace and upgrade water mains in Raglan
- Replace Port Waikato's existing storage tanks with larger capacity reservoirs
- Continue infrastructure for Horotiu's industrial growth
- Continue Tamahere water reservoirs
- Water reticulation for rural Te Ohaaki Road, Huntly
- Preparation for water metering in Ngaruawahia

What's changed?

Water meters for Raglan have been delayed one year until 2014/15 while the proposed smart meter technology is developed.



Strategic Direction Contributions

- Primary
- Secondary

Objective

Healthy and Safe Waikato: The council's supply of water is reliable and safe to drink. There is a good flow of water for firefighting.

Levels of service

- The drinking water is safe
- The water is received at a good flow/pressure
- The water supply is reliable
- In town, the water supply is good for fire fighting

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
The number of times per annum we find harmful bacteria in our routine water supply reticulation testing.	3		None	
The percentage of network pressure tests that comply with set standards. (200kPA at the boundary)	78%	80%	85%	85%
The percentage of "no water" complaints where customers have been contacted within 2 hours.	New Measure	100%	100%	100%
Based on the Annual Satisfaction Survey, the percentage of respondents that are satisfied with the service they receive from the council.	46%	>75%	>78%	>80%
The percentage of time that each reservoir is maintained above 40% full.	New Measure	>96%	>97%	>98%
The percentage of hydrants that when tested have the required minimum flow of 25 litres/second at 100kPA.	New Measure	>50%	>52%	>55%

Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

Note: Resource consents are granted under the Resource Management Act 1991 to ensure the activity is operated efficiently and effectively and mitigates impact on the environment.

Once water meters are installed throughout the district, measures to demonstrate the effectiveness of monitoring and mitigation of water loss will be added.

How it's funded

2%
General rates

93%
Fees, charges and targeted rates

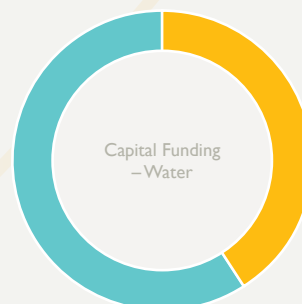
4%
Internal charges recovered

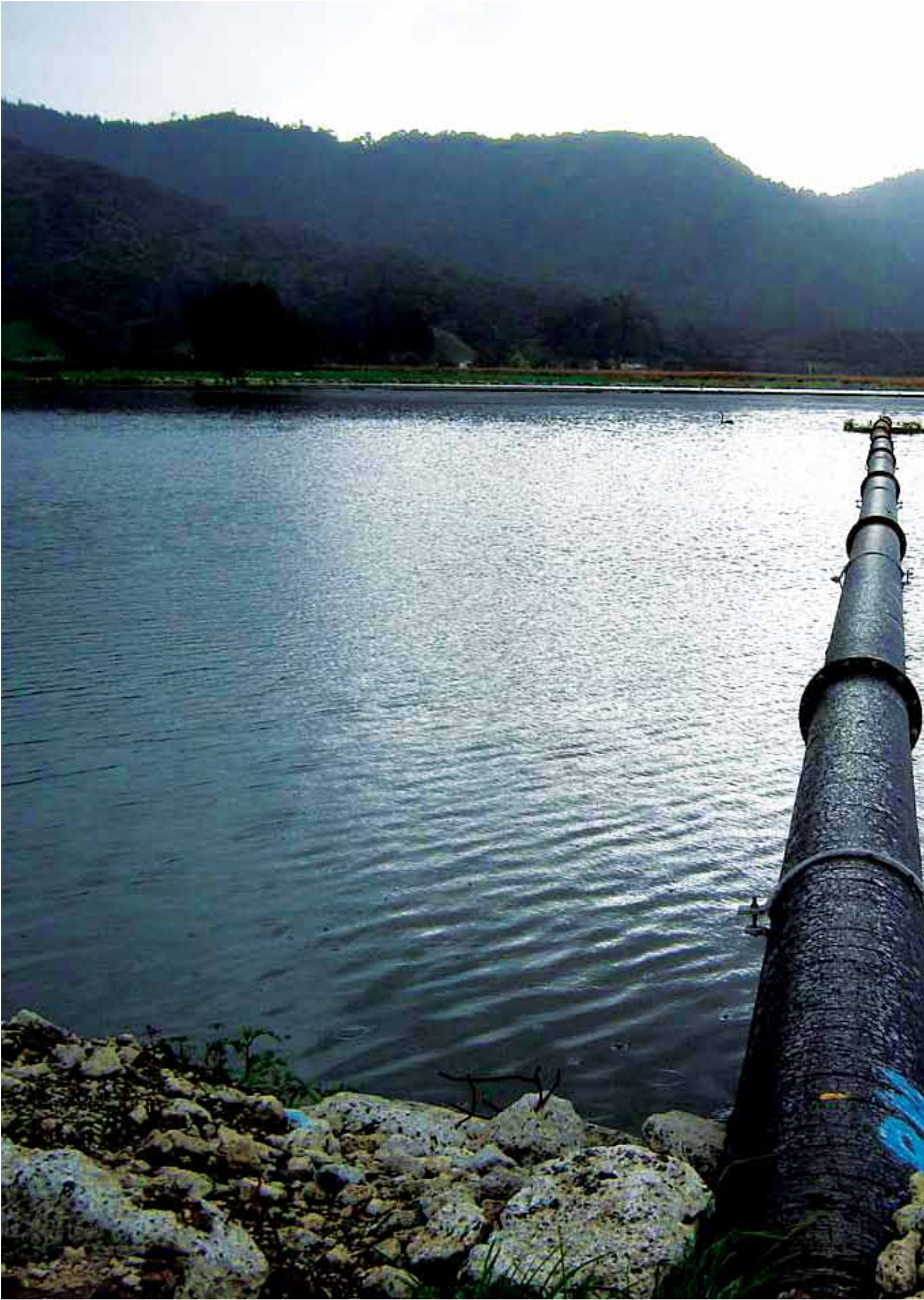
1%
Other



43%
Development and financial contributions

57%
Increase in debt





Wastewater

Strategic focus

Ensure wastewater is suitably collected, treated and disposed of to protect our environment and the public's health

Where there are people, there is waste. And if we're to take care of our environment and still continue progress economically, we have to take care of our community's health. That means dealing with our wastewater efficiently and sustainably.

It's more than just treatment and disposal, however. It's also about ensuring wastewater systems, whether they're on-site or off-site, are treating our waste to the most appropriate standards and that it is disposed suitably to protect our environment as well as the public's health.

And in a district with many urban, lifestyle and rural communities, there are many aspects to consider. Industries produce 'trade waste' to be disposed of; treatment facilities and pipe networks for larger communities are relatively economic to maintain, whereas small communities might be on land which doesn't adequately support on-site systems.

Property owners who have septic tanks onsite should have their tank pumped out every three to five years and the disposal system checked. This is required to ensure the septic tanks continue to efficiently treat domestic wastewater from these households.

We provide wastewater collection, treatment and disposal for Huntly, Ngaruawahia, Te Kauwhata, Meremere, Raglan, Hopuhopu and Horotiu with smaller facilities at Te Kowhai, Tauwhare Pa, Matangi and Maramarua. We collect wastewater in Tuakau and Pokeno and it is then treated at the Watercare treatment plant east of Tuakau.

What's planned

The following are the major projects included in the plan. The full capital work programme is listed in the financial section.

- New wastewater main to take wastewater from Tuakau and Pokeno to the Watercare plant west of Tuakau
- Continue new wastewater reticulation in Pokeno
- Continue new wastewater pump station and storage in Pokeno
- Wastewater reticulation for Whaanga Coast
- Ongoing pump station upgrades in Raglan
- Pump station extension at Te Kauwhata
- Ongoing reticulation renewals in Huntly



Strategic Direction Contributions
 ● Primary ● Secondary

Objective

Healthy and Safe Waikato: the council provides reliable, efficient and effective wastewater services

Levels of service

Wastewater does not cause any health risks.

The wastewater system is reliable, efficient and effective.

Harm to the natural environment is minimised.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
The percentage of customer complaints about wastewater overflows responded to within 1 hour:	60%		100%	
The numbers of wastewater odour complaints received reduce each year:	New Measure	< 50 complaints	< 45 complaints	< 40 complaints
The percentage of residents/ratepayers who are satisfied with wastewater services within the district.	40%	>75%	>78%	>80%
The percentage of wastewater consents that achieve at least "High Level of Compliance" from the Waikato Regional Council	New Measure	>50%	>70%	>80%

Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

Note: Resource consents are granted under the Resource Management Act 1991 to ensure the activity is operated efficiently and effectively and mitigates impact on the environment.

How it's funded

4%

General rates

80%

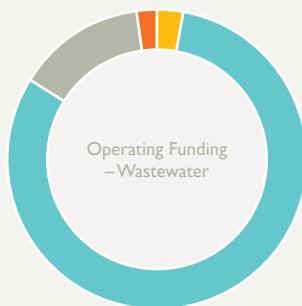
Targeted rates

14%

Fees and charges

2%

Internal charges and overheads recovered



20%

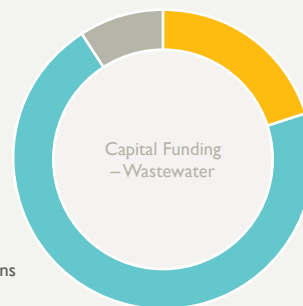
Development and financial contributions

72%

Increase in debt

8%

Lump sum contributions





Stormwater

Strategic focus

To maintain our current stormwater infrastructure to protect our environment from storm damage and runoff, and address any growth-driven projects

Waikato district's widely diverse makeup of rural land and urban development brings its own challenges. We have industries ranging from farming and agriculture, mining and energy production to quarrying. Our urban centres support residential living and small businesses. All of these bring their own specific demands including how we collect and dispose of stormwater runoff.

And as we experience more growth and development, how we manage this is increasingly important, especially because we have specific objectives to protect and maintain our natural resources and achieve a sustainable district.

The controls and infrastructure we have now, and plan to develop in the future, are designed to reduce the impact of our urban development and subdivision and protect the natural features and waterways we value.

For Waikato district to continue to grow and thrive, we need to attract new business and industry, and provide our town centres with the services and infrastructure to support their development.

Our stormwater infrastructure plays an important part in being sustainable, supporting growth and ensuring a safe and healthy community, by protecting property and land from storm damage and reducing the harmful effects that runoff can have on our harbours and waterways.

Apart from maintaining the stormwater pipe networks, we also monitor stormwater quality. We also collect and dispose of stormwater in Huntly, Ngaruawahia, Te Kauwhata, Meremere, Raglan, Te Kowhai, Pokeno, Tuakau and Port Waikato.

Similarly, for Tamahere, as part of its structure plan we are upgrading the stormwater system to deal with the runoff from the increased growth in the area.

The pumps for the rural drainage networks, except for Tamahere and Travers Road in Te Kauwhata, are operated and maintained by Waikato Regional Council.

We have comprehensive management plans and discharge monitoring programmes, as well as catchment management plans required under stormwater discharge consents. Business continuity plans and emergency management capabilities are also being improved.

What's planned

The following are the major projects included in the plan. The full capital work programme is listed in the financial section.

- Continue improvements to Raglan's stormwater network to deal with the increase inability of the urban environment to cope with stormwater runoff
- Continue stormwater extensions at Pokeno
- Stormwater treatment facility extensions at Pokeno
- Upgrade of stormwater drains and pipes in Port Waikato



Strategic Direction Contributions

● Primary ● Secondary

What's changed?

The stormwater replacement and upgrade alongside State Highway 1 at Huntly will be deferred until the Huntly portion of the Waikato expressway is completed and the highway revoked to local road.

Objective

Sustainable and Safe Waikato: During rain events, the stormwater system minimises disruption to businesses and homes.

Levels of service

The stormwater system is reliable, efficient and effective.
The stormwater system is environmentally responsible.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
The number of complaints received about stormwater flooding does not increase.	New Measure	Less than 140 complaints per year		
The percentage of residents/ratepayers who are satisfied with Stormwater services.	New Measure	>75%	>78%	>80%
The percentage of complaints about stormwater flooding where the customer has been contacted within 6 hours.	100%	100%	100%	100%
The percentage of communities that achieve at least a "High Level of Compliance" from the Waikato Regional Council.	New Measure	80%	85%	90%

Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

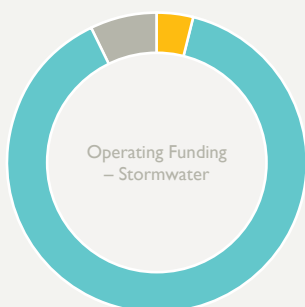
Note: Resource consents are granted under the Resource Management Act 1991 to ensure the activity is operated efficiently and effectively and mitigates impact on the environment.

How it's funded

5%
General rates

87%
Targeted rates

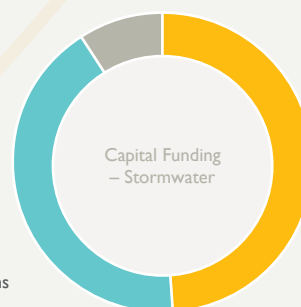
8%
Internal charges and overheads recovered



49%
Development and financial contributions

42%
Increase in debt

9%
Lump sum contributions





Roading

Strategic focus

To concentrate on maintaining the current road network and projects which are mostly growth-driven.

Roading focuses on providing and maintaining our district's roading network. The activities included in this group are:

Passenger transport, road safety, corridor maintenance, network development and maintenance, bridges, footpaths.

Roads make up a big percentage of the council's budgets, in particular their maintenance. New Zealand Transport Agency has recently inspected our roads and has categorised the overall condition of our sealed roads as above average.

We have 2,447 kilometres of local roads in the Waikato district. They service our important rural areas, which make a big contribution to our local economy, so businesses and industries can get their goods and products to their market. Roads are also essential for people getting around the district, to commute to jobs, school and recreational activities.

We have to provide for the increasing number of vehicles on our roads, but this needs to be affordable, as well as meeting people's present requirements and future needs.

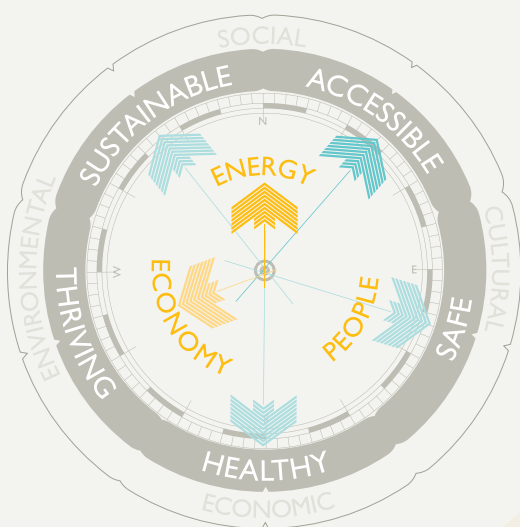
While our transport system – roads, public transport and cycleways – make a positive contribution to people's lives and our economic development, there are some negatives. These include the physical barriers the major roads create such as SH1, SH1b and SH 39, portions of which will become local roads as the new Waikato Expressway is constructed. As the different sections of the expressway are completed, the existing state highway designation will be revoked on the relevant sections and they will become local roads. The opening of the Ngaruawahia section of the expressway is scheduled for 2013.

Most of the sealed roads throughout the district are of a high quality, but there are also roads that don't reach the same standard. Because we don't have the funding to have all roads at this high standard, we need to accept a compromise between the two levels. Community feedback shows most residents want road renewals to stay at the same level, and because we haven't allowed for any seal extensions, we can focus on maintaining the existing roads.

What's planned

The following are the major projects included in the plan. The full capital work programme is listed in the financial section.

- Ongoing bridge and retaining wall renewals across the district
- Structure plan works funded in conjunction with developers:
 - Pokeno (including Helenslee Road)
 - Tamahere Devine/ SH21 Link Road construction



Strategic Direction Contributions

● ● Primary
 ● ● Secondary

What's changed

The New Zealand Transport Agency funding for roads is lower than anticipated. This means our share of the cost of roading will be about \$480,000 less than planned on roads for this year. **A total of \$44,400 will go to the disaster recovery fund, \$211,600 will go toward repairing Seddon Road in Puketaha following damage caused by the drought conditions, and the remainder will go towards reducing the general rate.**

- The Helenslee Road (Pokeno Structure Plan) budget will be \$269,260, down from the \$493,150 included in the Long Term Plan, because of reprioritisation of the construction programme
- The industrial road included in the Long Term Plan for 2013/14 as part of the Pokeno Structure Plan has been reprioritised.
- Horotiu Bridge Road SH1 intersection brought forward. This will be part of the industrial development agreement

Objective

Accessible and Safe Waikato: The roading network is well maintained, safe and provides a comfortable means of travel.

Levels of service

The district is easy and safe to get around and the road network is well maintained

The footpath network is considered to be suitable, accessible, safe and well maintained.

Road markings and signs are maintained to provide clear delineation and direction for road users.

Road users feel safe during their travels.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
Residents are satisfied or very satisfied with the standard of roads overall as measured by the annual satisfaction survey	57%	65%	65%	65%
Residents are satisfied or very satisfied with the standard of the unsealed roads as measured by the annual satisfaction survey	28%	28%	28%	28%
Residents are satisfied or very satisfied with footpaths as measured by the annual customer satisfaction survey.	New Measure	46%	46%	46%
Percentage of urgent trip hazards which are responded to within 24 hours of notification to contractor.	New Measure	100%	100%	100%
Residents/ratepayers are satisfied or very satisfied with signs and markings on the road network as measured by the annual customer satisfaction survey.	76%	76%	76%	76%
Number of reported injury crashes where road factors were a contributing factor (5 year moving average)	New Measure		Urban < 10 Rural < 22	
Residents are satisfied or very satisfied with the safety of Waikato district's roads as measured by the annual customer satisfaction survey.	53%	55%		

Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

How it's funded

59%

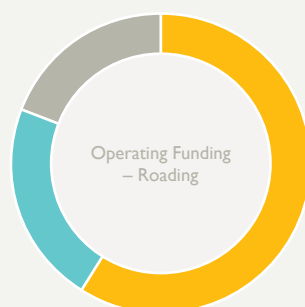
General rates

22%

Subsidies for operating purposes

19%

Internal charges recovered



78%

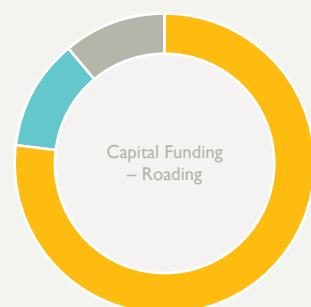
Subsidies and grants for capital expenditure

11%

Development and financial contributions

11%

Increase in debt





Sustainable Environment

Strategic focus

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

Sustainable Environment focuses on the preservation of our districts natural and urban environments.

The activities included in this group are:

Animal Control, Building Quality, Consents, Environmental Health and Liquor Licensing, Monitoring and Enforcement, Regulatory Support, Strategic and District Planning (including development of structure plans, Resource Management Act Policy etc.), Waste Minimisation and Refuse.

Waikato District's population is predicted to grow significantly by 2061. This means we have to focus even more on looking after our natural and urban environments.

It takes a wide variety of different policies, plans and activities to ensure we have a healthy and safe place to live in. Our District Plan provides us with a guide to urban and rural development so we can manage our environment both now and for the future. It also reflects our Growth Strategy, Regional Policy Statement and other regional plans and strategies such as Future Proof, so it integrates our development throughout the region and also in conjunction with other regions.

We want our towns to be attractive and safe, and this is reliant on our assessment, administration and monitoring of our building and resource consents, so our development is in line with legislation as well as regional and local policies and plans.

The Christchurch earthquakes have highlighted an important part of our work in assessing buildings for safety. In line with our Earthquake-prone, Dangerous and Insanitary Buildings Policy, we have assessed buildings throughout the district to see if they are earthquake-prone. Owners of these buildings have been notified and we will continue to work with the owners. (Also see Organisational Support for information about our Disaster Recovery Fund).

Population growth, market stability, political confidence, and changes within communities will trigger more demands for our services, even though right now there is a downturn in building activity (about 17 per cent). Further legislative requirements might cause further changes to how we carry out our building consent and monitoring services.

It's our role to minimise and dispose of waste and refuse through refuse collections, recycling, as well as inorganic collections and hazardous waste collection and litter control. Because of Code of Practice changes which will be enforced from July (see p x), costs are likely to increase for collecting solid waste. Pollution can also come through noise, and ensuring this is controlled is essential, particularly in our urban areas.

Animal control, in particular dogs, is a high priority so our communities can feel secure. Our major initiatives include measures to provide for future dog control requirements.

We make sure restaurants and cafes comply with health regulations, so food and drink is prepared in clean and healthy conditions. As well, we carry out liquor licensing through the District Licensing Agency, working with our partners to address issues in the community arising from alcohol.



Strategic Direction Contributions

● Primary ● Secondary

What's planned

The following are the major projects for 2013/14. The full capital work programme is listed in the financial section.

- The enactment of the Sale and Supply of Alcohol Act means the council will consider its options regarding Local Alcohol Policies as provided for in the Act. The council's preference is to work with other councils to develop a common basis for any policies, with local preferences reflected in the Waikato district's policy. There will be full community consultation about any proposals.
- Introduction of e-books into libraries
- Negotiation of an agreement with Auckland Council to provide continued access to libraries for residents of North Waikato who were affected by the boundary changes in 2010
- Continuation of on-going discussion with other councils about options for shared services such as procurement.
- Renovation of the Raglan library
- Consider the possible relocation of the Tuakau library into the council office to create an integrated service centre
- Upgrade of the solid waste transfer stations at Huntly, Raglan and Te Kauwhata.

What's changed

- Land purchase, design and construction for a new dog pound at Tuakau was planned for 2012/13. The site initially identified for the pound has proved to be unviable and so construction has been delayed.

How it's funded

35%

General rates

18%

Targeted rates

33%

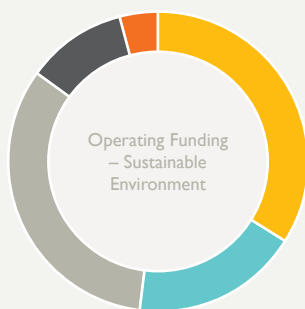
Fees and charges

11%

Internal charges and overheads recovered

3%

Other operating funding

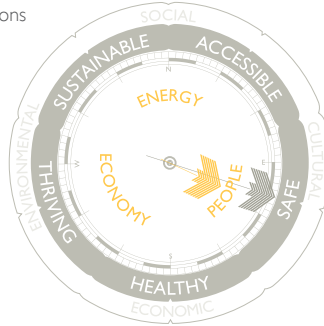


Sustainable Environment

Animal control

Strategic Direction Contributions

- Primary
- Secondary



Under our Dog Control Policy, we help ensure our community is safe from the nuisance of uncontrolled or dangerous dogs in public places. As part of this service we can seize, impound and euthanize dogs as required, and ensure they are registered. We are also able to remove livestock wandering on roadways, to prevent harm or damage to property. We have facilities for impounded stray dogs or stock and investigate complaints through our Animal Control service.

- The drop in the registration fees for 2012/13 has contributed to a fall in the number of unregistered dogs, from 1431 to 296. Another contributing factor is the efforts of the council's animal control staff, who have been working with dog owners to lower the number of unregistered dogs in the district. The Government requires the council to register all dogs in the district.

Objective

Safe Waikato: To feel safe in the community

Levels of service

Ensuring safety from the increasing number of dog attacks, and from wandering stock on our roads.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
The percentage of residents who indicate that they feel safe from dog intimidation.	New Measure	75%	75%	80%
All complaints related to aggressive dog behaviour have a response initiated within 30 minutes.	New Measure	100%	100%	100%
The percentage of complaints regarding stray stock responded to with two hours of notification.	100%	100%	100%	100%
The number of dog owners who appear on the animal control offenders list (for three or more infringements or impounds) does not increase from current levels of 432 owners and reduces over time.	New Measure	432 dog owners		

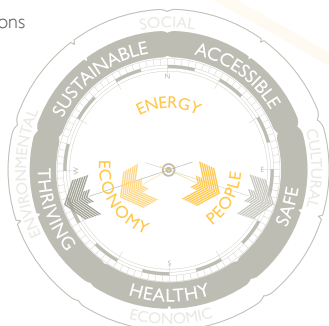
Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

Sustainable Environment

Building quality

Strategic Direction Contributions

- Primary
- Secondary



We have a responsibility for people's safety and wellbeing in the buildings they live and work in. We have the sole responsibility in our district for ensuring buildings in our district comply with legislation, including fencing of swimming pools. We process building consent applications and carry out construction inspections. The Waikato Building Consent Group has been formed with representatives from all Waikato territorial councils, so that we can have consistency across the region in managing what we do.

Objective

Safe Waikato: All building activities are carried out in accordance with legislative standards so that people feel safe.

Thriving Waikato: The council's processes recognise the need for prompt delivery of services.

Levels of service

The council protects the community by enforcing building regulations.

The council provides a timely consenting process to support building activities within our district.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
The number of existing buildings which are monitored and audited for compliance each year.	221	at least 250 per annum (60%)		
The percentage of those buildings that provide sleeping care or paid accommodation which are audited for compliance annually.	98%	100%	100%	100%
The number of existing pools which are inspected for fencing compliance within each year.	100	at least 350 per annum		
The percentage of building consent applications which are processed within 20 working days.	99%	100%	100%	100%

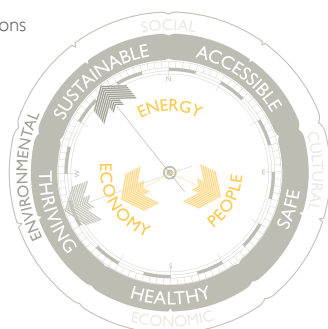
Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

Sustainable Environment

Strategic & district planning

Strategic Direction Contributions

- Primary
- Secondary



So that our district can grow and develop in a sustainable way, we have a District Plan which guides development. This includes our objectives, policies and the ways we address issues, advise on appropriate land use, and work with the community on options for development policies, regulations and future growth. We also have a role in delivering on the Waikato District Growth Strategy and on the Future Proof Growth Strategy.

From 1 November 2010 the Waikato District and Franklin District plans co-exist and a series of plan changes or variations will be undertaken to address specific resource management issues as they arise. The Environment Court has issued a consent order enabling the District Plan to be fully operative.

The implementation of the District Plan is dealt with in our consents team. Our planners provide guidance to developers and the general public on the rules within the district plan and the requirements for consents as well as process resource consent applications for subdivision and land use.

An integrated district growth strategy is planned, to be developed from the end of 2013, and this will provide information for the review of the Future Proof Growth and Development Strategy scheduled to begin in 2014.

A structure plan for Ngaruawahia is budgeted for this plan and we will also continue the development of the Tuakau structure plan, begun in 2012.

Objective

Thriving and Sustainable Waikato: The council provides an efficient and punctual service to its customers. Consultation is undertaken to provide involvement of the community in decision making.

Sustainable growth in appropriate locations beneficial to the district is encouraged.

Levels of service

The community has access to up-to-date information and receives assistance with consent applications, regulations and requirements.

Resources controlled by the council are managed in accordance with the purpose and principles of the Resource Management Act and reflect the will of the community.

Opportunities are provided for involvement in decision making.

Growth is consistent with the intent of the District Growth Strategy.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
The percentage of resource consent applications which are processed within the statutory timeframes.	95.9%	100%	100%	100%
The percentage of time that people receive assistance with consent applications when requested.	100%	100%	100%	100%
All District Plan changes will be undertaken as per the RMA statutory process.	100%	100%	100%	100%
Consultation undertaken including: Informal consultation, opportunity to submit and present views, public hearing process and written advice of the council's decision on submission	100%	100%	100%	100%
The number of consents granted that are inconsistent with our district growth strategy.	New Measure	None	None	None

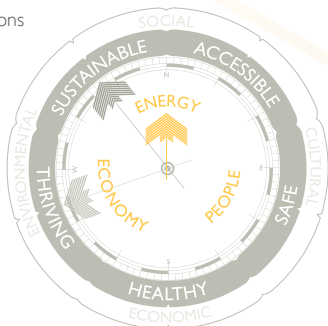
Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

Sustainable Environment

Solid waste

Strategic Direction Contributions

- Primary
- Secondary



Our environment sustains us and our way of life, so it's our responsibility to look after it. Part of that is to minimise and manage our solid waste, recycling as much as we can, returning our green waste to the earth and reducing the amount of other waste we put into landfills.

The council provides the following solid waste services:

- Kerbside refuse collection including recyclables.
- Recycle/refuse transfer stations at and collection centre.
- Monitoring of closed landfills.
- Waste education programmes.
- Enviroschools.

There are no council owned or operated landfills. Waste is disposed of at Hampton Downs, which is operated by Enviro

Waste. Closed landfills are monitored at Huntly, Raglan, Te Kauwhata, Tuakau and Ngaruawahia to meet resource consent requirements.

Over the past year, we have reviewed our Waste Minimisation and Management Plan and passed a bylaw which requires commercial companies to provide us with data so that we can better identify what goes into the waste stream.

Later this year, we will be consulting with the public about our kerbside solid waste and recycling service. We are also continuing our transfer station upgrades.

From July, changes to the Code of Practice for Temporary Traffic Management will come into force. These changes have been imposed as a way to reduce health and safety risks for contractors. This means added costs for our rubbish recycling collections.

Objective

Sustainable Waikato: To provide residents with an ideal quality Refuse and Recycling Collection Service.

Levels of service

Have reliable and efficient refuse and recycling services.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
Percentage of refuse complaints resolved within three working days.	90%		100%	
Percentage of recycle complaints resolved within three working days.	New Measure		100%	
The number of missed bags in the council's bag refuse collection is no more than 200 per year	New Measure		<200 per year	

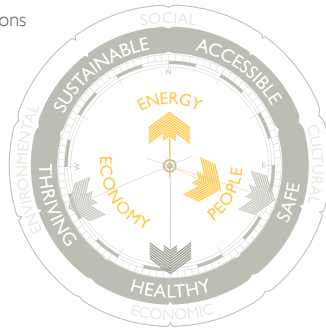
Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

Sustainable Environment

Environmental health

Strategic Direction Contributions

- Primary
- Secondary



Environmental health focuses on keeping the community healthy. Monitoring is a many faceted role; from food outlets to ensure they keep high hygiene standards; liquor outlets to ensure they keep to the conditions of their licenses; to hazardous substances and contaminated sites. As with any regulatory activity any non-compliance is dealt with on a case-by-case basis with measures taken depending on the nature of the non-compliance. Measures available regarding food and liquor outlets range from providing education and advice to prosecution and seeking closure of the premises in accordance with provisions of the applicable legislation.

General food service businesses now have the ability to voluntarily opt out of the current inspection regime and into a risk-based food control system. The council has obtained approval as an audit agency and the Environmental Health Officers have been approved to audit the new food control plans operated by those businesses opting into the voluntary

program. Uptake of the voluntary system by food businesses has been relatively slow.

Noise control is also an important part of improving, promoting and protecting public health. We also provide advice on public health aspects of resource consent applications and monitor related compliance conditions. Managing land use information and requirements related to contaminated and potentially contaminated land is also an important aspect of keeping our environment healthy. The council is continuing to develop its processes and systems in this area.

The government has enacted the Sale and Supply of Liquor Act 2012, which provides for more locally based decisions about alcohol. Councils can now, in consultation with the community, develop and implement local alcohol policies. This policy would relate to the sale, supply or consumption of alcohol within the district, and can provide differently for different parts of the district, or apply to only part of the district.

Objective

Healthy, Safe and Thriving Waikato: The community's health and wellbeing is protected.

Levels of service

Food sold within the district is safe.

Liquor outlets operate responsibly and comply with legal requirements.

Noise complaints are responded to in a timely fashion.

Nuisance complaints are responded to in a timely fashion.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
Percentage of "at risk" registered food premises inspected per year.	100%	100%	100%	100%
Percentage of "at risk" liquor premises inspected per year.	100%	100%	100%	100%
Percentage of excessive noise complaints responded to within agreed timeframes. (Due to geographical characteristics of the district, response times will vary in different parts of the district)	New Measure	90%	90%	90%
Percentage of public nuisance complaints responded to within two working days.	New Measure	95%	95%	95%

Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13



Sustainable Communities

Strategic focus

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

Sustainable Communities is predominantly about addressing those social and economic wellbeings that ensure "communities" are developed rather than just discrete sets of towns and villages. It's about the provision of leisure options and the protection of enduring communities.

The activities included in this group are:

Customer Delivery, Economic Development, Grants and Donations, Leisure Facilities (aquatic centres, libraries and parks and reserves), Emergency Management (civil defence and rural fire), Community Facilities (cemeteries, property, toilets, pensioner housing etc.)

Our communities share many qualities and at the same time have diverse outlooks and characteristics. One of our roles is to help these communities make the most of their strengths and to develop a sense of belonging and pride.

In the broader picture, aiding future economic development and growth is fundamental for the council. We work closely with the Waikato Enterprise Agency and neighbouring local authorities to help integrate new developments into the community. We are also working actively with a range of businesses looking to develop their activities in our area.

Our growth is mainly focused on Te Kauwhata, Pokeno, Tamahere and Tuakau. We want to make sure we don't try to have growth in multiple places and find it is unsustainable because of major investment in infrastructure for growth that doesn't eventuate. However, development won't go ahead if we don't have the infrastructure. Investment in infrastructure to support growth is initially funded by the council, which then recovers the amount from developers through development contributions as development actually happens.

Many of our parks and reserves and facilities such as sports grounds are also funded in part through development contributions. In addition community and leisure facilities, such as our housing for the elderly, aquatic centres and libraries, parks and reserves, and cemeteries, have an important role in the things that make up the fabric of our towns and villages.

Locally, we provide grants and donations to help individual

communities with their own initiatives, helping make activities and projects happen through active support and funding, working with local organisations.

Residents also expect to be safe within their communities and our role covers a wide spectrum, from health and well-being to road safety, emergency management as well as crime prevention. We work with the police and the community to improve safety, including using closed circuit TV cameras through the Camera Trust.

Civil defence and emergency management has taken on a much higher profile in the past two years for the public. For us, emergency management is a core service and while earthquake risk is under the spotlight now, we also have to think about other risks, such as flooding. We work with the regional council and a number of other councils to ensure we are prepared for emergency response and recovery, but our civil defence arrangement through the Waikato Valley Emergency Operating Area (WVEOA) ends as of 30 June 2013. We are in discussions with Group Civil Defence regarding a replacement arrangement. We also have our own civil defence plan in place and take part in regular training exercises to test response capability. The cost for the Civil Defence Emergency Management Group is now part of a regional rate from the Waikato Regional Council.



Strategic Direction Contributions

Primary Secondary

What's planned

The following are the major projects included in the plan. The full capital work programme is listed in the financial section.

- The replacement service for Civil Defence is estimated to be \$115,000, which is an increase of \$16,641 over the budget in the Long Term Plan.
- Upgrade of boat ramps throughout the district
- Development of land for a cemetery at Tuakau
- Start development of land for sports and recreation at Pokeno
- Upgrade of playgrounds throughout the district
- Start development of sports grounds at Tamahere
- Extend the skatepark in Ngaruawahia
- Develop walkways linked with development in Tamahere

We have also allowed for one more call centre staff member in 2013/14 so that we can provide a better service. Right now, our call centre staff answer around 80 per cent of all telephone calls within 30 seconds. However, the industry standard is 80 per cent of calls answered within 20 seconds, which with the present staff numbers is unachievable.

What's changed

- The following hall targeted rates will increase to help cover the costs of maintaining the buildings and grounds:

- Tauwhare: \$30
- Raglan: \$25
- Otaua: \$50
- Glen Murray: \$50
- Port Waikato: \$25
- Te Hoe: \$30
- Te Kowhai: \$45

During this year, we will be reviewing targeted rates for halls across the district. The new dog pound in Tuakau is now delayed because the proposed site was not viable.

- The council contributes \$25,000 each year to the development of a walkway in Te Kowhai around the Te Otamanui Lagoon. The walkway will be vested in the council, which will take responsibility for the on-going maintenance and upkeep of Stage 1. This is estimated at \$5,000 per year. These costs will increase as the walkway develops.

How it's funded

80%

General rates

3%

Targeted rates

8%

Fees and charges

2%

Internal charges and overheads recovered

7%

Other operating funding



70%

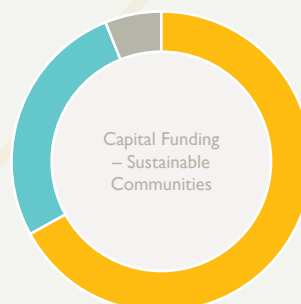
Development and financial contributions

24%

Increase in Debt

6%

Lump sum contributions

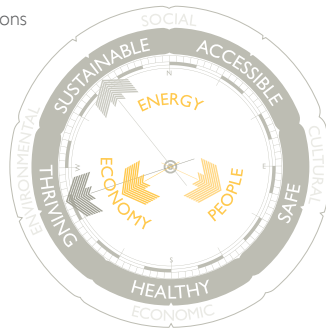


Sustainable Communities

Economic development

Strategic Direction Contributions

- Primary
- Secondary



Our focus over the next 10 years is on supporting the economic growth of our communities, so that people's lives are improved through having jobs, a better quality of life and access to better incomes and the associated benefits.

We are continually providing infrastructure to support businesses as well as residents, updating the district plan to attract industry to our district along with many other initiatives. The goal is to ensure our district has longevity by bringing more employment opportunities.

In recent times we have worked to identify where current infrastructure already exists and where there are gaps that could potentially curb further development in a particular area. Work has been carried out to identify issues in the District Plan where those objectives, policies and rules can better facilitate growth and development. How these will be addressed will be further worked on during the 2013 year.

Objective

Thriving and Sustainable Waikato: Town and village centres are developed sustainably

Levels of service

The council encourages sustainable growth in locations beneficial to the district.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
The percentage of people who have indicated that the Waikato district has processes that encourage the continuity of existing businesses and the establishment of new businesses and industry, as measured through the annual satisfaction survey.		New Measure	50%	55%
The percentage of people who agree that productive activities in the district are not unduly restricted, as measured through the annual satisfaction survey.		New Measure	50%	55%
The percentage of people who have indicated that the Waikato district is a district where the community's access to infrastructure, transport and technology meets its needs, as measured through the annual satisfaction survey.		New Measure	50%	55%

Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

Sustainable Communities

Grants and donations

Strategic Direction Contributions

- Primary
- Secondary



Objective

Thriving Waikato: The Council supports community activities.

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.

PROPOSED GRANTS AND DONATIONS	Long Term Plan 2012/13	Annual Plan 2013/14
Raglan Museum	20,000	20,000
Air ambulance	15,000	15,000
Northern Surf Lifesaving	29,500	29,500
Waikato District Sports Award	5,000	5,000
Life Education Trust	5,000	5,000
Design Festival	3,000	3,000
Ecosourced Waikato in the District	2,000	2,000
Regional Tourism	100,000	100,000
Waikato District Crime Prevention & Technology Trust	10,000	10,000
Bush Tramway	1,000	1,000
FIFA Under 20 World Cup	5,000	5,000
*Raglan Coastguard Grant	6,500	33,350
Te Akau Community Complex Grant	7,000	7,000
Te Otamanui Lagoon	25,000	25,000
Tamahere Community Committee	4,000	4,000
Te Awa Walkway	300,000	300,000
Te Kauwhata - DISC	10,000	10,000
Tuakau & District Museum Society Inc	5,000	5,000
Waikato Coalfields Museum	50,000	50,000
	603,000	629,850

* The increased grant for Raglan Coastguard is to cover an increase in rent. This grant is funded from the Raglan Harbour Reserve.

In addition to these grants, we have included a further three grants, totaling \$20,000, which were made after submissions through the draft plan consultation process.

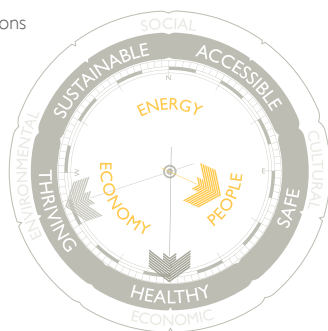
- Ngaruawahia Rugby League Club \$10,000
- Ngaruawahia Community House \$5,000
- Surf Life Saving Northern Region \$5,000

Sustainable Communities

Leisure facilities

Strategic Direction Contributions

- Primary
- Secondary



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

Our open spaces provide for a mix of activities for example walkways, tennis courts, and kayaking, boating and others. We also have some sites with archaeological value such as The Point and Puke-I-Ahua in Ngaruawahia, and Wainui Reserve in Raglan. Some of our esplanade reserves also provide access to rivers, lakes and the foreshore.

We have 25m swimming pools located in Huntly, Tuakau and Ngaruawahia, with the Huntly pool converted several years

ago to an indoor facility, which has additional learner and toddlers pools and provides a mixture of swimming lanes and recreational use.

We have six libraries in our district with a wide range of fiction and non-fiction books, youth and young children's books, talking books, large print books and magazines. Customers can also hire from our DVD and music collection.

The libraries run reading programmes for primary school children to improve literacy and comprehension.

There is access to internet and a number of growing digital resources, such as reference databases.

Objective

Healthy and Thriving Waikato: The community has access to safe and well maintained recreation and leisure facilities

Have up-to-date library stock and technology available at libraries

Levels of service

Local reserves and facilities should be safe and well maintained.

Council pools are healthy and safe.

Libraries provide for modern society

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
The percentage of people who have indicated that our parks and reserves are well maintained as measured through the annual satisfaction survey.	New Measure	100%	100%	100%
The percentage of respondents who have indicated that they feel safe in our parks and reserves as measured through the annual satisfaction survey.	New Measure	100%	100%	100%
The number of complaints the council receives about pool water quality.	New Measure	1 or less per pool per quarter		
Reliable daily access to free Internet service at all libraries (excluding supplier issues).	100%	100%	100%	100%
Library stock is purchased in accordance with the library's collection development policy and that 50% of the book collection is not more than five years old. (Note: this is based on the action collection being books less than 10 years old. Books older than 10 years are generally reference items, specialist items, local history or core stock that has long term value.	91%	80%	80%	100%
The percentage of respondents who indicate through the bi-annual library survey that they are satisfied with the service they receive.	>97.8%	>90%	>90%	>90%

Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

Sustainable Communities

Community facilities

Strategic Direction Contributions

- Primary
- Secondary



The council owns and manages property such as libraries, information centres, museum, council offices and a range of investment properties to serve the community's needs across the district. We own land designated for future roads and potential use to provide for future growth. Housing for the

elderly provides affordable and safe homes for elderly and disadvantaged tenants in Tuakau, Huntly and Ngaruawahia. Community halls and centres, cemeteries, camping grounds and harbour assets are also included.

Objective

Healthy, Thriving and Safe Waikato: The community has access to safe and well maintained facilities

Levels of service

Council facilities should be safe and well maintained.

Public toilets are clean and tidy.

Local cemeteries have a pleasant environment.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
Respondents are satisfied or very satisfied with the condition of council facilities as measured by the Annual Satisfaction Survey.	New Measure	>65%	>65%	>65%
The percentage of customer complaints regarding the condition of public toilets responded to within one working day.	New Measure	95%	95%	95%
The number of complaints received regarding the condition of our cemeteries	New Measure	less than 10 complaints/year	less than 7 complaints/year	less than 5 complaints/year

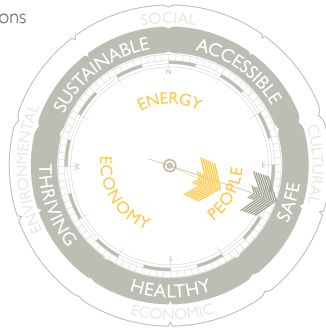
Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

Sustainable Communities

Emergency management

Strategic Direction Contributions

● Primary



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.

We are reviewing the way we respond to emergencies and are ensuring we have a structure that will deliver an effective and efficient response to our communities.

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

Objective

Safe Waikato: Provide a key role in ensuring the organisation and community are able to respond, effectively manage, and recover from disaster impacts.

Levels of service

Preparedness for emergency response and recovery in the event of an emergency.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
Emergency Operation Centre (EOC) radios are commissioned and functioning on mandated ES bands. Weekly radio test to be performed between the council's CD radio locations and WVEOA headquarters.	100%	100%	100%	100%
Undertake two Waikato district localised exercises involving community centre offices e.g. Raglan, Tuakau, etc	New Measure		2 per annum	
Undertake at least two joint training exercises per annum.	1 per annum		2 per annum	

Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

Sustainable Communities

Customer Delivery

Strategic Direction Contributions

● Primary



Customer delivery is one of the key ways residents can contact us about the issues and questions regarding the services we provide. This includes staff in our libraries and service centres, and our call centre.

Customer Service centres in Ngaruawahia, Huntly, Raglan and Tuakau provide face-to-face access for bill payments, rates enquiries, district plan enquiries, submission and consultation documents as well as general enquiries. A planning enquiry service is regularly available at Tuakau and Ngaruawahia for enquiries regarding building and resource consents.

Our call centre was expanded in 2010 to meet the increased call volumes that resulted from the change to our boundary. All web and email enquiries via Contact Us are now being processed centrally.

We also provide an after-hours service to support our customers.

Objective

Thriving Waikato: Customers are delivered an effective and responsive experience.

Levels of service

Efficient and effective service from customer delivery and call centre teams.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
Respondents are satisfied or very satisfied with the overall service received when contacting the council as measured by the annual satisfaction survey.	64%	75%	75%	80%
Respondents who deal with front-line staff are satisfied or very satisfied with the service they receive as measured by the Annual Satisfaction Survey.	New Measure	90%	90%	90%
Respondents who contact the council by phone are satisfied or very satisfied with the service they receive as measured by the Annual Satisfaction Survey.	New Measure	90%	90%	90%
Percentage of all calls to the council's main telephone number which are answered within 30 seconds.	New Measure	80%	80%	90%
Percentage of all calls to the council's main telephone number which are abandoned (caller hangs up).	New Measure	<5%	<5%	<3%

Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

Our Councillors



Allan Sanson

His worship the Mayor
(07) 824 5878



Dynes Fulton

Deputy Mayor
Hukanui-Waerenga
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Raglan
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Council Leadership

Strategic focus

To be strategic and broad-based in identifying outcomes and exploring new outcomes for communities; being more enquiring and interested in ensuring council operations are performing to expectations.

Council Leadership is where the strategic high level relationships with industry, other councils and government are developed and fostered, to advocate and represent the community as a whole.

The activities included in this group are:

Governance, Maaori Liaison, Committees and Community Boards, Elections, Council Support

Strong leadership is required for the district to progress and prosper. The council, community boards and community committees work in partnership with the community to make the key decisions for the district's long term future, responding to the differing needs of diverse communities, through plans and strategies, and by facilitating progress against community outcomes. The council in particular is instrumental in making sure people's interests are looked after, and their concerns addressed.

A vital aspect for Waikato district is its relationship with Iwi, with the Joint Management Agreement with Waikato-Tainui an integral part of this. Waikato Tainui and the council have a number of common concerns and interests.

The Council Leadership group of activities also includes the three-yearly elections, with the organisation providing support through the Electoral Officer and organisation of the election process. And while the elections are a big aspect of this work, there are other areas where support is required, for example, the poll for Maaori wards in the district and the review of representation arrangements.

Support is also needed for council and committee meetings, whether it's organising hearings and meetings with their associated agendas, consultations and open days to address community issues.



Strategic Direction Contributions

● Primary ● Secondary

What's planned

- To support the three-yearly elections process.

What's changed

- The contract for the management of the election process will require additional funding of \$20,000. We are able to recover \$13,000 of this from Waikato Regional Council and the Waikato District Health Board who contract us to for their electoral processes as well.
- A total of \$15,000 is required to fund an external appointment to the Audit Committee.

Objective

Thriving Waikato: Communities have an opportunity to influence the decision making process.

Levels of service

Our communities understand the decision making process.

Our communities have an opportunity to be involved in the decision making process.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
Percentage of residents and ratepayers who understand how the council makes decisions as measured by the annual satisfaction survey.	50%	60%	65%	70%
Percentage of residents and ratepayers who agree that they have had the opportunity to be involved and participate in the way the council makes decisions as measured by the annual satisfaction survey.	54%	60%	65%	70%

Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

How it's funded

79%

General rates

2%

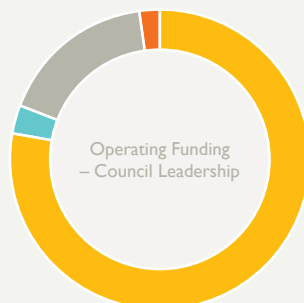
Targeted rates

17%

Internal charges and overheads recovered

2%

Other operating funding



Organisational Support

Strategic focus

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

Organisational Support is essentially the council's engine room. These functions are responsible for the council having the right people, the right systems, the right processes, and the right information so that our core service delivery areas can excel. For example, so the roading team can deliver its pavement rehabilitation work each year, the organisational support team ensures roading management has the appropriate people, systems, processes, plant and information to do this well.

The activities included in this group are:

Communications, business improvement, human resources, health and safety, finance and treasury, rates, information management, legal counsel, procurement, corporate property and plant and management, project management and analysis, infrastructure planning, design and operations.

All of these functions support our staff providing services to you, and trying to ensure active communication so that we can understand your issues and concerns.

Our staff makes this organisation work. Each and every one works and interacts with the public and with other agencies. We need to be able to manage what we do, well, so that the organisation is more streamlined, can provide better information, and go beyond what we deliver now so that we have real savings and ultimately, you get better value for your rates.

What's planned

The following are the major projects included in the plan.

- It is expected to achieve a further \$30,000 savings through procurement for 2013/14, following the \$80,000 savings achieved in the 2012/13 year.
- The council's investment in Strada is expected to provide a financial return by way of a \$100,000 dividend for the year.

What's changed

- A total of \$20,000 will fund replacement of parks and reserves and other community signs throughout the district to ensure consistency. This will enable work to begin on the replacements.



Strategic Direction Contributions

● Primary ● Secondary

Objective

Thriving Waikato: Communities feel well informed and part of consultation.

Sustainable Waikato: The council does their part in ensuring a sustainable approach to managing property.

Levels of service

Communication and consultation is effective

Corporate property is energy efficient.

How we'll know we are on track

	11/12 Actual	Targets		
		Year 1	Year 2	Year 3
Percentage of community who are satisfied with information provided by the council as measured by the annual satisfaction survey.	New Measure	>50%	>55%	>60%
Percentage of community who are satisfied with the council's consultation programme as measured by the annual satisfaction survey.	New Measure	>50%	>55%	>60%
Reduction in total annual electricity consumption for council occupied buildings compared to 2011/12 total consumption.	New Measure	2%	4%	5%

Note: The actual percentages for Year 1 (2012/13) will be reported on in the Annual Report 2012/13

How it's funded

3%

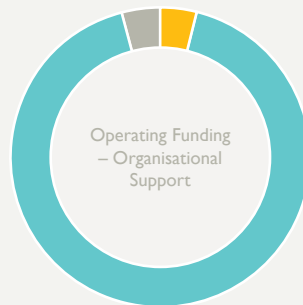
General rates

93%

Internal charges and overheads recovered

4%

Other operating funding



100%

Increase in Debt





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Prospective Consolidated Funding Impact Statement

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
COUNCIL WIDE			
Sources of Operating Funding			
General rates, uniform annual general charges, rate penalties	44,536	46,009	46,079
Targeted rates (other than a targeted rate for water supply)	12,113	12,826	13,258
Subsidies and grants for operating purposes	7,134	7,407	6,712
Fees, charges and targeted rates for water supply	10,870	12,433	11,716
Interest and dividends from investments	200	250	292
Local authorities fuel tax, fines, infringement fees and other receipts	2,706	3,016	2,986
Total Operating Funding	77,559	81,941	81,043
Applications of Operating Funding			
Payments to staff and suppliers	50,548	51,715	58,340
Finance costs	2,571	4,132	3,818
Other operating funding applications	9,183	9,329	2,186
Total Applications of Operating Funding	62,302	65,176	64,344
Surplus / (Deficit) of Operating Funding	15,257	16,765	16,699
Sources of Capital Funding			
Subsidies and grants for capital expenditure	9,879	10,041	10,270
Development and financial contributions	7,095	7,490	7,539
Increase/(decrease) in debt	38,171	27,414	30,900
Gross proceeds from sale of assets	149	95	63
Lump sum contributions	1,107	1,031	959
Total Sources of Capital Funding	56,401	46,071	49,731
Applications of Capital Funding			
Capital expenditure			
– to meet additional demand	17,285*	16,563	18,910
– to improve the level of service	14,451*	11,973	11,071
– to replace existing assets	26,921*	24,649	26,005
Increase/(decrease) in reserves	13,001	9,651	10,444
Total Applications of Capital Funding	71,658	62,836	66,430
Surplus/(Deficit) of Capital Funding	(15,257)	(16,765)	(16,699)
Funding Balance	-	-	-

Additional Information

*The forecast includes capital works programmes that were budgeted for completion in 2012/13. Due to timing issues it is likely that a portion of these works will now be restaged over 2013/14 as shown below:

Transfer of capital budgets from 2012/13	16,870,629	6,602,521	5,000,000
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Some capital works from prior years will have budget carried forward into 2013/14. The delay in capital spend will affect the timing of finance costs and external borrowing. The impact on finance costs and borrowings has been adjusted.

Revenue and Financing Mechanism

The revenue and financing mechanisms to be used by the council, including the amount to be produced by each mechanism are as follows:

Rate types

Rates may be levied by General Rate, Uniform Annual General Charge or Targeted Rates (either on the basis of value or as a fixed charge). The following rates are proposed to be set by the council for the financial year commencing 1 July 2013 and ending 30 June 2014.

General rate

A General Rate will be set on the capital value of rateable properties. The General Rate required to undertake the work programme outlined in the draft Annual Plan 2013/14 will be \$238.75 per \$100,000 of the capital value. This level is based on the existing rating databases and a review of the number and value of properties, which may be added to the rating base, prior to setting the rate based on an effective date of 30 June.

Differential rating

Historically, the council is not in favour of differential rating for the General Rate. The council believes that some of the rating inequities are removed through the capital value rating system and therefore does not consider it appropriate to introduce differential rating.

Rating of utilities

By legislation, the council is required to value the assets of utility companies. This includes gas, electricity and telecommunication networks as well as council-owned networks for water, wastewater and stormwater.

After considerable debate, the council elected to fully rate these assets. Several utility companies made submissions on rating issues but, after considering the issues raised, the council is still of the opinion that fully rating is the only fair and equitable approach to adopt. The council does not consider that utility assets have a significantly different pattern of rating benefit to justify a differential rate. The council does not intend to charge utility operators targeted rates because of the nature of the assets – mainly pipelines and power poles. These assets are not connected to water, wastewater or stormwater systems. In addition, infrastructural assets do not require a refuse collection.

Uniform Annual General Charge (UAGC)

A UAGC of \$410.54, which is not linked to property values, will be assessed per rating unit for the 2013/2014 year.

The council considered and agreed on a range of services, which a UAGC might cover. The appropriate services are viewed as people-related, rather than property-related.

The \$410.54 UAGC will contribute towards the funding of people-related services, which include libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental health, resource management planning, environmental consents planning, area offices and democracy/local government.

The council considered that the public portion of all the activities listed could legitimately be funded by way of UAGC. In practice this is not legally possible as the Local Government (Rating) Act 2002 (LGRA) restricts the level at which the UAGC can be set.

At \$410.54, the UAGC is set at approximately 25 per cent of the legislative maximum, (which is 30 per cent). The council considered this was fair and equitable and took into account the needs of our diverse community.

Targeted rates

Targeted rates are set on each rateable property within a defined rating area to cover the operation, maintenance and part of the capital costs of:

- Halls, community centres and community facilities
- Land drainage and urban stormwater
- Refuse collection, recycling and disposal
- Wastewater collection, treatment and disposal
- Water supplies
- Community boards.

The council adopts the following as definitions for the differential categories for the 2013/2014 financial year:

- *Residential* – any part of a rating unit that is used primarily for residential purposes
- *Commercial* – any part of a rating unit that is not categorised as residential
- Rating of separately used or inhabited parts of a rating unit.

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

Conditions and Criteria:

- The council will raise multiple charges against each separately inhabited part of a rating unit.
- The basis of a unit of occupancy is that which can be separately let and permanently occupied.

For the purpose of this charge, where the occupancy is an accessory one or is ancillary to another property or part thereof, no separately used part exists. For example:

Not separately used parts of a rating unit:

- A residential sleep-out or granny flat without independent kitchen facilities.
- A hotel room with or without kitchen facilities.
- Motel rooms with or without kitchen facilities.
- Individual storage garages/sheds/partitioned areas of a warehouse.
- Individual offices/premises of partners in a partnership.

These are separately used parts of a rating unit:

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

Community Facilities

The council has set a targeted rate for the purpose of covering the costs of maintenance and operation of community facilities in the respective defined rating areas. This charge is set per rating unit within the ward boundary. The targeted rates are specific to individual areas and are set as a fixed charge across each area.

Community Centres

The council has set a targeted rate for the purpose of covering the costs of maintenance and operation of halls, other facilities and community centres in the respective defined rating areas. This charge is set per separately used or inhabited portion of a property within the defined hall/community centre area. The targeted rates are specific to individual areas. The rates are differentiated in that only residential parts are charged, taking into account that commercial parts do not use this service.

The council also invoices and collects the following hall rates on behalf of the mentioned councils once their plans have been adopted:

Matamata-Piako District Council

Hoe-O-Tainui
Tauhei

Waipa District Council

Fencourt
Koromatua
Hautapu

District refuse

The council has set a targeted rate for the purpose of covering the costs of household refuse collection, recycling and disposal where the refuse collection service is provided (excluding Raglan and Te Mata/Te Uku, and ex-Franklin district). This charge is set per separately used or inhabitable portion of a property or building and is set as a fixed charge.

Raglan recycling and waste minimisation

The council has set a targeted rate for the purpose of covering the costs of recycling and waste minimisation where the service is provided in Raglan. This charge is per separately used or inhabitable portion of a property or building and is set as a fixed charge.

Te Mata/Te Uku recycling collection point

The council has set a targeted rate for the purpose of covering the costs of recycling and waste minimisation collection points for the Te Mata and Te Uku area. This charge is per separately used or inhabited portion of a property or building and is set as a fixed charge.

Ex-Franklin district refuse collection

The council has set targeted rates for the purpose of covering the costs of recycling and waste minimisation collection in the ex-Franklin District Council area.

Water Supply

The council has set a targeted rate for water supply based on the provision (connected to the supply) or availability (property situated within 100 metres of any part of the waterworks) of a water supply service to land.

The targeted rates are set as a fixed charge per connection or 50 per cent of this fixed charge for availability in the main urban centres. The charges are differentiated taking into account the extent of use of the water supply service. Properties with meters are charged 25 per cent of the connected rate as they contribute through their consumption charges. Non-metered commercial properties and commercial properties with accommodation are charged 100 per cent of the connected rate.

The charges for Gordonton, Tauwhare Pa, Southern and Western Districts are excluded from the district-wide targeted rate as they are supplied from Hamilton City and the charging regime is different.

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. The targeted rate is differentiated, with Northern Waikato paying a higher rate to take into account the different cost structures of providing water. Water by meter rates are applicable per six-month usage.

The charges for Southern and Western Districts are excluded from the district-wide targeted rate as they are supplied from Hamilton City and the charging regime is different.

Wastewater

The council has set a targeted rate for wastewater based on the provision (connected to the supply) or availability (property situated within 30 metres of a public wastewater drain - to which it is capable of being effectively connected) of the service.

The targeted rates are set as a fixed charge per connection or 50 per cent of this fixed charge for availability in the main urban centres.

The targeted rates are differentiated by area to take into account the different cost structures of providing the wastewater services in different areas.

The five levels of differentiation are as follows:

Zone A – Huntly, Ngaruawahia, Horotiu and Te Ohaki

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

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

Zone D – Tuakau

Zone E – Pokeno*

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

Wastewater Pan

The council has set a targeted rate for wastewater based on the provision of services (connected to the supply) for each of the third and subsequent pans. As per Note 4 of the Local Government (Rating) Act 2002 this rate will not apply to residential properties. This targeted rate is differentiated based on the use to which the land is put.

The following are the differential land use definitions for wastewater in relation to the third and subsequent pans:

Non-rateable: Organisations classified by the Act as fully non-rateable or organisations deemed by the council to be non-profitable are charged 10 per cent of the connected rate for the third and subsequent pans in accordance with the council's aim to assist non-profit organisations.

Assistance for the Elderly: Organisations deemed by the council to be supportive of the elderly, including retirement homes, rest homes and council - owned pensioner flats are charged 20 per cent of the connected rate for the third and subsequent pans in accordance with the council's aim of assisting with the elderly.

Commercial: Commercial organisations (such as motels, clubs such as the Raglan Club, RSAs and Workingmen's Clubs), hotels and retail/business premises and other organisations are charged 50 per cent of the connected rate for the third and subsequent pans for the additional use they make of the wastewater systems.

Urban stormwater

The council has set a targeted rate for urban stormwater catchments based on the availability of drainage to land and it is set on a fixed charge basis.

Land drainage – Travers Road

Council sets a Land Drainage targeted rate based on the degree of benefit received from the drainage system. This charge is levied on a land area basis (per hectare).

Tamahere rural stormwater – availability and land drainage

The council has set a targeted rate for Tamahere rural stormwater based on the availability of drainage to land. This targeted rate is specific to the Tamahere stormwater rating area and is set on a fixed charge basis across the scheme. In addition to this targeted rate, ratepayers will also incur a Land Drainage targeted rate based on the degree of benefit received from the drainage system. This charge is levied on a land area basis (per hectare).

In addition to these targeted rates, ratepayers will also incur a capital contribution charge as outlined below.

Tamahere stormwater infrastructural development

The council has set a charge for extensions to the existing stormwater infrastructure in Tamahere to ensure that the potential for high water flows to cause erosion in the gully system is minimised. This charge is specific to the Tamahere structure plan area and is set on a fixed charge basis across the area for a period of 10 years up to and including the rating year 2017/2018.

Capital works contribution

The council has set charges for the purpose of covering the capital cost and interest charges of work. The targeted rates are differentiated taking into account the extent of use of the service. Council provides ratepayers with an option on whether to pay for the cost of the capital work by a single payment over 3 instalments or via a loan over a period of 10 years.

Taupiri wastewater contributions*

A charge of \$2,531.25 per property was made for the purpose of covering the capital cost of the wastewater system.

There are two available payment methods as outlined below:

1. Payment over the year 1 July 2013 to 30 June 2014, in three instalments.
2. Payment over 10 years. The annual payment will comprise \$225.00 capital per year from 1 July 2007 to 30 June 2017 plus GST and interest on the outstanding portion of the lump sum at the start of each rating year.

Rangiriri wastewater contributions*

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

There are two available payment methods as outlined below:

1. Payment over one rating year 1 July 2013 to 30 June 2014, in three instalments.
2. Payment over 10 years. The annual payment will comprise \$250.00 capital per year from 1 July 2008 to 30 June 2018 plus GST and interest on the outstanding portion of the lump sum at the start of each rating year.

Te Ohaki Road wastewater contributions*

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

There are two available payment methods as outlined below:

1. Payment over one rating year 1 July 2013 to 30 June 2014, in three instalments.
2. Payment over 10 years. The annual payment will comprise \$280.00 capital per year from 1 July 2011 to 30 June 2021 plus GST and interest on the outstanding portion of the lump sum at the start of each rating year.

Tauwhare Pa wastewater contributions*

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

There are two available payment methods as outlined below:

1. Payment over one rating year 1 July 2013 to 30 June 2014, in three instalments.
2. Payment over 10 years. The annual payment will comprise \$403.23 capital per year from 1 July 2011 to 30 June 2021 plus GST and interest on the outstanding portion of the lump sum at the start of each rating year.

Community board charges

The council has set a targeted rate for the purpose of covering the direct costs of operating the community boards within the district. This charge is set per rating unit within the community board catchment. The targeted rates are specific to Onewhero-Tuakau, Huntly, Taupiri, Ngaruawahia and Raglan community boards and are set as a fixed charge across the district.

Targeted Rates

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
WATER			
District Wide Water Supply Huntly	399.84	447.82	447.82
District Wide Water Supply Ngaruawahia	399.84	447.82	447.82
District Wide Water Supply Raglan*	399.84	-	447.82
Huntly, Ngaruawahia, Raglan Water Supply Metered (does not include usage charges)	99.68	111.64	111.64
Te Kauwhata, Meremere and Taupiri Water Supply	99.68	111.64	111.64
Gordonton Water Supply	162.00	162.00	162.00
Southern Districts Water Supply	339.00	339.00	339.00
Tauwhare Pa Water Supply	162.00	162.00	162.00
Western Districts Water Supply	229.00	229.00	229.00
* anticipated to switch to water-by-meter part way through plan			
WASTEWATER			
Capital contribution Wastewater Pokeno - Instalments	-	2,700.40	-
Capital contribution Wastewater Rangiriri - Instalments	408.62	386.60	370.82
Capital contribution Wastewater Taniwharau - Instalments	720.26	-	-
Capital contribution Wastewater Taupiri - Instalments	347.94	328.12	317.07
Capital contribution Wastewater Tauwhare Pa - Instalments	765.64	730.12	687.69
Capital contribution Wastewater Te Ohaki - Instalments	531.65	506.99	477.53
Wastewater Connection - Zone A (Huntly, Ngaruawahia, Horotiu and Te Ohaki)	438.44	495.44	495.44
Wastewater Connection - Zone B (Raglan, Te Kauwhata and Rangiriri)	576.30	651.22	651.22
Wastewater Connection - Zone C (Maramarua, Matangi, Meremere, Te Kowhai, Taupiri and Tauwhare Pa)	762.75	861.91	861.91
Wastewater Connection - Zone D (Tuakau)	495.78	495.78	495.78
Wastewater Connection - Zone E (Pokeno*)	-	633.06	633.06
*New charges proposed to come into effect from 1 July 2013 (once connected to wastewater system)			
STORMWATER			
District Wide Stormwater	194.26	194.26	194.26
Tamahere Rural Stormwater - availability	13.27	13.27	27.91
Tamahere Rural Stormwater - land drainage	3.01	3.01	6.32
Tamahere Structure Plan Stormwater	189.00	189.00	189.00
Travers Road Land Drainage - Class A	-	-	173.58
Travers Road Land Drainage - Class B	-	-	115.72
Travers Road Land Drainage - Class C	-	-	86.79

Targeted Rates

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
SUSTAINABLE COMMUNITIES			
Aka Aka Community Centre	23.00	23.00	23.00
Eureka Community Centre	26.00	26.00	26.00
Glen Murray Community Centre	34.50	34.50	50.00
Gordonton Community Facility	26.00	26.00	26.00
Horsham Downs Community Centre	27.00	27.00	27.00
Huntly Community Facilities	42.00	42.00	42.00
Huntly Pool Rural Catchment Area	16.00	16.00	16.00
Karioitahi Community Centre	28.74	28.74	28.74
Mangatangi Community Centre	23.00	23.00	23.00
Mangatawhiri Community Centre	57.50	57.50	57.50
Maramarua Community Centre	24.00	24.00	24.00
Matangi Community Centre	24.00	24.00	24.00
Meremere Community Facilities	24.00	24.00	24.00
Naike Community Centre	40.89	40.89	40.89
Ngaruawahia Community Facilities	25.00	25.00	25.00
Ohinewai Community Facilities	24.00	24.00	24.00
Opuatia Community Centre	23.00	23.00	23.00
Orini Community Centre	26.00	26.00	26.00
Otaua Community Centre	34.50	34.50	50.00
Pokeno Community Centre	23.00	23.00	23.00
Port Waikato Community Centre	20.44	20.44	25.00
Pukekawa Community Centre	23.00	23.00	23.00
Puketaha Community Centre	38.00	38.00	38.00
Raglan Community Facilities	15.00	15.00	25.00
Ruawaro Hall	29.00	29.00	29.00
Tamahere Community Centre	70.00	70.00	70.00
Taupiri Community Centre	24.00	24.00	24.00
Tauwhare Community Centre	26.00	26.00	30.00
Te Akau/Waingaro Hall	32.00	32.00	32.00
Te Hoe Community Centre	24.00	24.00	30.00
Te Kohanga Community Centre - based on land value	0.000026	0.000026	0.000026
Te Kowhai Community Centre	42.00	42.00	45.00
Te Mata Hall	24.00	24.00	24.00
Tuakau Community Centre	46.13	46.13	46.13
Waikaretu Community Centre - based on land value	0.000042	0.000042	0.000042
Whangarata Community Centre	46.00	46.00	46.00
Whitikahu Community Centre	53.00	53.00	53.00
SUSTAINABLE ENVIRONMENT			
Recycling Collection Franklin (Tuakau)	49.73	51.22	51.22
Recycling Collection Raglan	86.52	89.12	99.59
Recycling Collection Te Mata/Te Uku	35.02	36.07	36.07
Solid Waste Collection District Wide (includes recycling)	178.19	183.54	190.54
Solid Waste Collection Franklin Rural	18.01	18.56	18.56
Solid Waste Collection Port Waikato	18.01	18.56	18.56
Solid Waste Collection Tuakau	158.41	163.17	163.17
COUNCIL			
Community Board TR Huntly	18.20	18.20	18.20
Community Board TR Ngaruawahia	18.20	18.20	18.20
Community Board TR Raglan	18.20	18.20	18.20
Community Board TR Taupiri	18.20	18.20	18.20
Community Board TR Onewhero – Tuakau	18.20	18.20	18.20

Funding Impact Statement		LTP	LTP	Annual Plan
		2012/13	2013/14	2013/14
		NZ(000's)	NZ (000's)	NZ (000's)
WATER SUPPLY	Sources of Operating Funding			
	General rates, uniform annual general charges, rates penalties	134	137	193
	Targeted rates (other than a targeted rate for water supply)	3,008	2,851	3,337
	Fees, charges and targeted rates for water supply	3,592	4,771	4,027
	Internal charges and overheads recovered	281	279	331
	Local authorities fuel tax, fines, infringement fees, and other receipts	44	46	46
	Total Operating Funding	7,059	8,084	7,934
	Applications of Operating Funding			
	Payments to staff and suppliers	2,993	3,357	3,243
	Internal charges and overheads applied	2,477	2,770	2,720
	Other operating funding applications	40	42	43
	Total Applications of Operating Funding	5,510	6,169	6,006
	Surplus/(Deficit) of Operating Funding	1,549	1,915	1,928
	Sources of Capital Funding			
	Development and financial contributions	1,604	1,748	1,797
	Increase/(decrease) in debt	2,084	2,547	2,369
	Lump sum contributions	-	-	-
	Total Sources of Capital Funding	3,688	4,295	4,166
	Applications of Capital Funding			
	Capital expenditure			
	– to meet additional demand	2,989	3,669	3,778
	– to improve the level of service	1,995	2,642	2,464
– to replace existing assets	2,436	2,126	2,126	
Increase/(decrease) in reserves	(2,183)	(2,227)	(2,274)	
Total Applications of Capital Funding	5,237	6,210	6,094	
Surplus/(Deficit) of Capital Funding	(1,549)	(1,915)	(1,928)	
Funding Balance	-	-	-	
Additional information:				
Depreciation and amortisation	1,825	1,938	1,976	

Capital Projects

	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
WATER SUPPLY		
Growth		
Water Retic Extensions Horotiu	438	438
Water Retic Extensions Pokeno	485	485
Water Retic Renewals Nga	208	208
Water Retic Upgrades Raglan	97	97
Water Pump Station Exten Te Ohaaki	61	121
WA Reservoir/Storage Ext Huntly	60	60
Water Connections Extensions Huntly	16	16
Water Connections Extensions Nga	8	8
Water Connections Extensions Raglan	13	13
Water Connections Extensions Northern Waikato	-	49
Water Retic Extensions Tuakau	474	474
Water Connections Mid/Northern Waikato	29	29
Water Retic Extensions Southern District	237	237
Water Pump Station Exten Southern District	21	21
Water Reservoirs/Storage Renewals Southern District	1,423	1,423
Water Connections Extensions Southern District	97	97
Water Connections Extensions Western District	2	2
TOTAL	3,669	3,778
Level of Service		
Water Retic Upgrades - District Wide	154	154
Water Retic Upgrades Raglan	664	664
Water Pump Stations Extensions - Huntly	154	154
WA Reservoir/Storage Ext Huntly	121	121
Water Reservoirs/Storage Upgde - Port Waikato	109	109
Water Connections Upgrades Ngaruawahia	949	949
Water TP Upgde Raglan	178	-
Water Reservoirs/Storage Upgde District Wide	60	60
Water Reservoirs/Storage Upgde - Tuakau	36	36
Water TP Upgde Te Kauwhata	121	121
Water Reservoirs/Storage Upgde - Mid Waikato	48	48
Water Pump Station Exten Southern District	12	12
WA Reservoir/Storage Upgde Southern District	36	36
TOTAL	2,642	2,464

Capital Projects

	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
WATER SUPPLY continued		
Renewal		
Water Retic Emerg Wks District Wide	66	66
Water Retic Renewals Huntly	516	516
Water Retic Renewals Nga	166	166
Water Retic Renewals Raglan	317	317
Water Retic Upgrades Raglan	190	190
Water Pump Station Ren Huntly	24	24
Water Reservoirs/Storage Upgde - Port Waikato	109	109
Water Connections Renewals Huntly	10	10
Water Connections Renewals Nga	9	9
Water Con Renewals Taupiri	7	7
Water Connections Renewals Raglan	2	2
Water TP Emerg Wks District Wide	60	60
Water TP Emerg Wks Tuakau	6	6
Water TP Renewal Huntly	60	60
Water TP Emerg Wks TK	12	12
Water Retic Emerg Wks Mid Waikato	24	24
Water Retic Emerg Wks Tuakau	18	18
Water Retic Renewals Onewhero	24	24
Water Retic Renewals Tuakau	253	253
Water Connections Renewals Nth waikato	22	22
Water Con Renewals Tuakau	87	87
Water Retic Emerg Wks SD	16	16
Water Pump Station Exten Southern D	11	11
Water PS Renewals- Southern Districts	60	60
Water Connections Renewals SD	45	45
Water Retic Emerg Wks WD	8	8
Water Connections Renewals WD	4	4
TOTAL	2,126	2,126

Funding Impact Statement		LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
WASTEWATER	Sources of Operating Funding			
	General rates, uniform annual general charges, rates penalties	82	130	244
	Targeted rates (other than a targeted rate for water supply)	4,129	4,806	4,750
	Fees, charges and targeted rates for water supply	735	826	854
	Internal charges and overheads recovered	91	94	102
	Local authorities fuel tax, fines, infringement fees, and other receipts	27	28	28
	Total Operating Funding	5,064	5,884	5,978
	Applications of Operating Funding			
	Payments to staff and suppliers	2,785	2,224	2,168
	Internal charges and overheads applied	1,989	2,701	2,526
	Other operating funding applications	54	56	104
	Total Applications of Operating Funding	4,828	4,981	4,798
	Surplus/(Deficit) of Operating Funding	236	903	1,180
	Sources of Capital Funding			
	Development and financial contributions	1,584	1,647	1,647
Increase/(decrease) in debt	5,022	5,806	5,984	
Lump sum contributions	58	726	655	
Total Sources of Capital Funding	6,664	8,179	8,286	
Applications of Capital Funding				
Capital expenditure				
– to meet additional demand	3,122	6,896	6,896	
– to improve the level of service	5,096	6,157	6,335	
– to replace existing assets	1,409	1,468	1,468	
Increase/(decrease) in reserves	(2,727)	(5,439)	(5,233)	
Total Applications of Capital Funding	6,900	9,082	9,466	
Surplus/(Deficit) of Capital Funding	(236)	(903)	(1,180)	
Funding Balance	-	-	-	
Additional information:				
Depreciation and amortisation	1,926	2,102	1,905	

Capital Projects

	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
WASTEWATER		
Growth		
WW Retic Extensions TK	427	427
WW Retic Extensions - Pokeno	1,098	1,098
Wastewater Reticulation - Extensions Tuakau	4,745	4,745
WW Retic Upgdes Raglan	19	19
WW Pump Station Extensions Horotiu	132	132
WW Pump Station Extensions TK	475	474
TOTAL	6,896	6,896
Level of Service		
WW Retic Extensions - Pokeno	4,394	4,394
Wastewater Reticulation - Extensions Tuakau	1,186	1,186
WW Retic Upgde Huntly	178	178
WW Retic Upgdes Raglan	77	77
WW Pump Station Upgde Nga	60	60
WW Pump Station Upgde Raglan	237	237
WW TP Planning and Management DW	13	12
WW TP Planning & Mgmt Maramarua	12	12
WW TP Upgde Raglan	-	179
TOTAL	6,157	6,335
Renewal		
WW Retic Emerg Wks DW	72	72
WW Retic Renewals Huntly	606	606
WW Retic Renewals Tuakau	196	196
WW Pump Stations Emerg Wks D Wide	12	12
WW Pump Station Renewals GD	121	121
WW Pump Station Upgde - District Wide	181	181
WW TP Emerg Wks District Wide	24	24
WW TP Renewals Nga	202	202
WW Retic Renewals Hopuhopu	54	54
TOTAL	1,468	1,468

Funding Impact Statement

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
STORMWATER			
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	67	69	91
Targeted rates (other than a targeted rate for water supply)	1,482	1,526	1,464
Subsidies and grants for operating purposes	-	-	-
Internal charges and overheads recovered	117	142	127
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding	1,666	1,737	1,682
Applications of Operating Funding			
Payments to staff and suppliers	433	388	414
Internal charges and overheads applied	632	834	958
Other operating funding applications	-	-	5
Total Applications of Operating Funding	1,065	1,222	1,377
Surplus/(Deficit) of Operating Funding	601	515	305
Sources of Capital Funding			
Development and financial contributions	852	877	877
Increase/(decrease) in debt	1,575	819	746
Lump sum contributions	151	155	154
Total Sources of Capital Funding	2,578	1,851	1,777
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	3,580	1,412	1,412
- to improve the level of service	1,639	975	877
- to replace existing assets	145	151	151
Increase/(decrease) in reserves	(2,185)	(172)	(358)
Total Applications of Capital Funding	3,179	2,366	2,082
Surplus/(Deficit) of Capital Funding	(601)	(515)	(305)
Funding Balance	-	-	-
Additional Information:			
Depreciation and amortisation	425	447	459

Capital Projects

		LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
STORMWATER	Growth		
	Strmwtr Structure Plan Wks Tamahere	48	48
	Strmwtr TP Extensions Pokeno	1,068	1,068
	Strmwtr Retic Upgrade - Pokeno	296	296
	TOTAL	1,412	1,412
	Level of Service		
	Strmwtr Structure Plan Wks Tamahere	67	67
	Strmwtr Retic Extensions Raglan	344	344
	Strmwtr Retic Renewals Huntly	356	258
	Strmwtr Retic Upgrades Pt Wkto	208	208
TOTAL	975	877	
Renewal			
Strmwtr Retic Emerg Wks District Wide	72	72	
Strmwtr Retic Emerg Wks Huntly	30	30	
Strmwtr Retic Emerg Wks Nga	24	24	
Strmwtr Retic Emerg Wks TK	25	25	
TOTAL	151	151	

Funding Impact Statement

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
ROADING			
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	18,110	18,338	17,855
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	7,113	7,386	6,696
Fees, charges and targeted rates for water supply	-	-	-
Internal charges and overheads recovered	5,366	5,501	5,583
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding	30,589	31,225	30,134
Applications of Operating Funding			
Payments to staff and suppliers	9,626	9,881	15,766
Finance costs	-	-	-
Internal charges and overheads applied	5,336	5,253	5,279
Other operating funding applications	7,103	7,340	102
Total Applications of Operating Funding	22,065	22,474	21,147
Surplus/(Deficit) of Operating Funding	8,524	8,751	8,987
Sources of Capital Funding			
Subsidies for capital expenditure	9,879	10,041	10,270
Development and financial contributions	1,477	1,523	1,523
Increase/(decrease) in debt	193	1,279	1,501
Gross Proceeds from sale of assets	-	-	-
Lump sum contributions	793	-	-
Total Sources of Capital Funding	12,342	12,843	13,294
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	2,391	3,462	5,700
- to improve the level of service	190	1,278	565
- to replace existing assets	18,040	17,742	19,063
Increase/(decrease) in reserves	245	(888)	(3,047)
Total Applications of Capital Funding	20,866	21,594	22,281
Surplus/(Deficit) of Capital Funding	(8,524)	(8,751)	(8,987)
Funding Balance	-	-	-
Additional Information:			
Depreciation and amortisation	11,198	11,647	11,588

Capital Projects

	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
ROADING		
Growth		
Chip Sealing	283	241
Area Wide Pavement Treatment	374	382
NZTA Minor Safety	131	132
Tamahere SP - Implementation	730	1,802
Te Kauwhata Structure Plan	260	260
Level Crossing Road - Pokeno SP	-	1,574
Industrial Road - Pokeno SP	523	-
Intersections	692	608
Train Station Property	-	531
Helenslee Road - Pokeno SP	469	170
TOTAL	3,462	5,700
Level of Service		
Rural Seal Extension Physical Works	-	40
Tamahere SP - Implementation	1,008	-
Level Crossing Road - Pokeno SP	-	65
Industrial Road - Pokeno SP	28	-
Intersections	218	192
Train Station Property	-	168
Helenslee Road - Pokeno SP	24	100
TOTAL	1,278	565
Renewal		
Austrad Guideline Manuals	3	3
Thin Asphalt Surfacing	155	155
Chip Sealing	4,376	4,574
Drainage Renewals - District Wide	585	600
Area Wide Pavement Treatment	7,103	7,252
Bridge Renewals	1,427	1,513
Retaining Wall Renewals	41	50
Traffic services	412	475
NZTA Minor Safety	2,495	2,504
Emergency Works	-	80
Seddon Road Emergency Works	-	450
SH1/Horotiu Bridge Rd/Northgate Dev Upgde	500	722
Tuakau Platform Upgrade (50% Subsidy)	500	500
Minor maintenance upgrade works	20	20
Footpaths	100	100
Kerb and Channel	25	25
Rural Seal Extension Physical Works	-	40
TOTAL	17,742	19,063

Funding Impact Statement

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
SUSTAINABLE ENVIRONMENT			
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	5,980	6,006	5,774
Targeted rates (other than a targeted rate for water supply)	2,767	2,915	2,944
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	5,125	5,377	5,377
Internal charges and overheads recovered	1,668	1,674	1,854
Local authorities fuel tax, fines, infringement fees, and other receipts	606	628	544
Total Operating Funding	16,146	16,600	16,493
Applications of Operating Funding			
Payments to staff and suppliers	12,023	12,417	12,270
Internal charges and overheads applied	4,539	4,567	4,636
Other operating funding applications	-	-	18
Total Applications of Operating Funding	16,562	16,984	16,924
Surplus/(Deficit) of Operating Funding	(416)	(384)	(431)
Sources of Capital Funding			
Increase/(decrease) in debt	-	-	-
Total Sources of Capital Funding	-	-	-
Applications of Capital Funding			
Capital expenditure			
- to improve the level of service	90	64	64
- to replace existing assets	-	228	228
Increase/(decrease) in reserves	(506)	(676)	(723)
Total Applications of Capital Funding	(416)	(384)	(431)
Surplus/(Deficit) of Capital Funding	416	384	431
Funding Balance	-	-	-
Additional information:			
Depreciation and amortisation	18	19	21

Capital Projects

	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
SUSTAINABLE ENVIRONMENT		
Level of Service		
Trfr Station (Capital works) Raglan	64	64
TOTAL	64	64
Renewal		
Transfer Stations Huntly	116	116
Transfer Stations Te Kauwhata	112	112
TOTAL	228	228

Funding Impact Statement

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
SUSTAINABLE COMMUNITIES			
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	14,498	15,243	15,135
Targeted rates (other than a targeted rate for water supply)	535	536	570
Subsidies and grants for operating purposes	21	21	16
Fees, charges and targeted rates for water supply	1,408	1,449	1,448
Internal charges and overheads recovered	534	539	463
Local authorities fuel tax, fines, infringement fees, and other receipts	1,268	1,303	1,303
Total Operating Funding	18,264	19,091	18,935
Applications of Operating Funding			
Payments to staff and suppliers	11,388	11,673	11,466
Finance costs	-	-	-
Internal charges and overheads applied	4,148	4,479	4,569
Other operating funding applications	504	533	563
Total Applications of Operating Funding	16,040	16,685	16,598
Surplus/(Deficit) of Operating Funding	2,224	2,406	2,337
Sources of Capital Funding			
Development and financial contributions	1,578	1,696	1,696
Increase/(decrease) in debt	3,517	682	591
Lump sum contributions	105	150	150
Total Sources of Capital Funding	5,200	2,528	2,437
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	5,205	1,124	1,124
- to improve the level of service	4,671	793	702
- to replace existing assets	1,759	1,214	1,249
Increase/(decrease) in reserves	(4,211)	1,803	1,699
Total Applications of Capital Funding	7,424	4,934	4,774
Surplus/(Deficit) of Capital Funding	(2,224)	(2,406)	(2,337)
Funding Balance	-	-	-
Additional information:			
Depreciation and amortisation	2,407	2,530	2,701

Capital Projects

		LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
SUSTAINABLE COMMUNITIES	Growth		
	P&R General Pokeno	172	172
	Sports grounds Tamahere	399	399
	Sports grounds Pokeno	86	86
	Walkways Wainui Reserve Raglan	23	23
	Walkways Pokeno	13	13
	Walkways Tamahere	431	431
	TOTAL	1,124	1,124
	Level of Service		
	Boat Ramp - DW	57	57
	Cemeteries Whatawata	46	46
	Cemeteries Tuakau	171	171
	Lake Kainui	11	11
	Lake Rotokauri	25	25
	Neighbourhood Parks Pt Waikato	29	29
	P&G General	57	57
	Sports grounds Pokeno	29	29
Skate Park Ngaruawahia	171	171	
Skate Park Meremere	17	17	
Sports Pavillions - Te Kauwhata	91	-	
Community Centres DW	52	52	
Pensioner Housing - Ngaruawahia	11	11	
Library Books	26	26	
TOTAL	793	702	

Capital Projects

	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
SUSTAINABLE COMMUNITIES continued		
Renewal		
Boat Ramp - DW	23	23
Boat Ramps Rangiriri	23	23
Boat Ramps Puni	17	17
Cemeteries Pokeno	3	3
Heritage Tuakau	23	23
Lake Hakanoa	23	23
Neighbourhood Parks District Wide	11	11
Neighbourhood Parks Nga	57	57
Neighbourhood Parks Gordonton	11	11
Neighbourhood Parks Meremere	17	17
Neighbourhood Parks Mercer	11	11
Neighbourhood Parks Pt Waikato	46	46
Neighbourhood Parks Tuakau	17	17
Parks Furniture District Wide	23	23
Playgrounds District Wide	86	86
Playgrounds Nga	46	46
Playgrounds Glen Murray	6	6
Playgrounds Port Waikato	43	43
Playgrounds Raglan	-	34
Playgrounds Tuakau	40	40
P&R General District Wide	34	34
P&R General Raglan	11	11
P&R General Puni	21	21
P&R General Tuakau	2	2
Sports Grounds Port Waikato	11	11
Sports Grounds Tuakau	91	91
Walkways Nga	34	34
Aquatic Centres Tuakau	3	3
Toilets - Tuakau	2	2
Farm Wainui Reserve	64	65
Heritage Woodlands	86	86
Raglan Wharf Raglan	21	21
Library Books	286	286
CD's & Audio Books	11	11
DVD's	11	11
TOTAL	1,214	1,249

Funding Impact Statement

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
Sources of Operating Funding			
COUNCIL LEADERSHIP General rates, uniform annual general charges, rates penalties	5,558	5,753	6,042
Targeted rates (other than a targeted rate for water supply)	193	193	193
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	-	-	-
Internal charges and overheads recovered	1,248	1,283	1,306
Local authorities fuel tax, fines, infringement fees, and other receipts	41	126	139
Total Operating Funding	7,040	7,355	7,680
Applications of Operating Funding			
Payments to staff and suppliers	2,051	2,258	2,452
Internal charges and overheads applied	4,540	4,595	4,708
Other operating funding applications	-	-	-
Total Applications of Operating Funding	6,591	6,853	7,160
Surplus/(Deficit) of Operating Funding	449	502	520
Sources of Capital Funding			
Increase/(decrease) in debt	-	-	-
Total Sources of Capital Funding	-	-	-
Applications of Capital Funding			
Capital expenditure			
- to improve the level of service	-	-	-
Increase/(decrease) in reserves	449	502	520
Total Applications of Capital Funding	449	502	520
Surplus/(Deficit) of Capital Funding	(449)	(502)	(520)
Funding Balance	-	-	-

There are no capital projects for 2013/14

Funding Impact Statement		LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
ORGANISATIONAL SUPPORT	Sources of Operating Funding			
	General rates, uniform annual general charges, rates penalties	108	333	745
	Fees, charges and targeted rates for water supply	9	10	10
	Internal charges and overheads recovered	23,858	25,323	25,422
	Local authorities fuel tax, fines, infringement fees, and other receipts	920	1,134	1,218
	Total Operating Funding	24,895	26,800	27,395
	Applications of Operating Funding			
	Payments to staff and suppliers	13,356	13,766	14,910
	Finance costs	2,571	4,132	3,818
	Internal charges and overheads applied	5,393	5,384	5,445
	Other operating funding applications	1,483	1,359	1,351
	Total Applications of Operating Funding	22,803	24,641	25,524
	Surplus/(Deficit) of Operating Funding	2,092	2,159	1,871
	Sources of Capital Funding			
Increase/(decrease) in debt	38,270	27,414	19,709	
Gross Proceeds from sale of assets	149	95	63	
Lump sum contributions	-	-	-	
Total Sources of Capital Funding	38,419	27,509	19,772	
Applications of Capital Funding				
Capital expenditure				
– to meet additional demand	-	-	-	
– to improve the level of service	770	64	64	
– to replace existing assets	3,132	1,719	1,719	
Increase/(decrease) in reserves	36,609	27,885	19,860	
Total Applications of Capital Funding	40,511	29,668	21,643	
Surplus/(Deficit) of Capital Funding	(2,092)	(2,159)	(1,871)	
Funding Balance	-	-	-	
Additional Information:				
Depreciation and amortisation	1,656	1,862	1,828	

Capital Projects

	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)	
ORGANISATIONAL SUPPORT	Level of Service		
	Council Offices Nga	64	64
	TOTAL	64	64
	Renewal		
	Council Offices Nga	191	191
	Council Offices Operating Huntly	159	159
	Furniture District Wide	26	26
	Microsoft Office and Exchange Upgrade	142	142
	PABX Replacement	178	178
	Disk Storage	33	33
	Purchase new servers	85	85
	Information Management Graphical Imaging Systems	46	46
	CI - Proclaim Upgrade	123	123
	Wide Area Network Upgrade	53	53
	Additional Library Licenses - Tamahere	53	53
	Laser printer new	3	3
	Laser Printers Replace	14	14
	Laptops new	6	6
	Laptops Replace	37	37
	Standard workstations new	37	37
	Standard workstations replace	80	80
	Thin Clients new	2	2
	Thin Clients replace	28	28
	Self Issue Machine - Huntly Library	32	32
	Fleet Replacement - Asset Management Plan	391	391
	TOTAL	1,719	1,719

STATEMENT OF PROSPECTIVE COMPREHENSIVE INCOME

A forecast for the year ending 30 June 2014

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
Income			
Rates income - targeted rates and general rates	56,859	59,716	60,146
Finance income	200	250	192
Contributions	6,937	7,325	7,326
Subsidies	17,013	17,447	16,982
Other revenue	14,632	15,764	15,166
Total Income	95,641	100,502	99,812
Expenditure			
Depreciation and amortisation expense	19,456	20,545	20,478
Personnel costs	23,688	24,399	3,818
Finance costs	2,571	4,132	24,313
Other expenditure	36,047	36,645	36,204
Total operating expenditure	81,762	85,721	84,813
Surplus/(Deficit) before tax	13,879	14,781	14,999
Other Comprehensive Income			
Gain/(loss) on property revaluations	38,089	59,174	50,824
Total other comprehensive income	38,089	59,174	50,824
Total Comprehensive Income	51,968	73,955	65,823

**STATEMENT RECONCILING PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME
WITH PROSPECTIVE CONSOLIDATED FUNDING IMPACT STATEMENT**

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
Statement of Prospective Comprehensive Income	51,968	73,955	65,823
Surplus/(Deficit) of Operating Funding per Prospective Consolidated Funding Impact Statement	15,257	16,765	16,700
Difference	36,711	57,190	49,123

The difference is due to:

Capital Income	18,082	18,561	18,768
Revaluation of Assets	38,089	59,174	50,823
Gain (loss) on sale of assets	(4)		10
Depreciation and Amortisation	(19,456)	(20,545)	(20,478)
	36,711	57,190	49,123

STATEMENT OF PROSPECTIVE CASH FLOWS

A forecast for the year ending 30 June 2014

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
Cash Flows from Operating Activities			
Receipts from rates revenue	56,753	59,602	60,015
Subsidies received	17,207	17,411	17,183
Contributions received	7,032	7,293	7,643
Receipts from other revenue	14,743	15,670	15,066
Interest received	150	150	192
Dividends received	-	50	50
Payments to suppliers	(36,161)	(36,581)	(36,492)
Payments to employees	(23,451)	(24,321)	(24,182)
Interest paid	(2,571)	(4,132)	(3,818)
Goods and services tax (net)	-	-	-
Net Cash from Operating Activities	33,701	35,142	35,657
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment	787	95	63
Community loans repayments received	-	-	-
Purchase of intangible assets	(783)	(772)	(701)
Purchase of property, plant and equipment	(72,648)	(61,099)	(66,337)
Community loans granted	-	-	-
Acquisition of investments	(2)	-	-
Net cash from Investing Activities	(72,646)	(61,776)	(66,975)
Cash Flows from Financing Activities			
Proceeds from borrowings	62,500	28,000	31,483
Repayment of borrowings	(24,329)	(586)	(583)
Payment of Finance Leases	-	-	-
Net cash from Financing Activities	38,171	27,414	30,900
Net (Decrease)/ Increase in Cash, Cash Equivalent and Bank Overdrafts	(774)	780	(418)
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year	1,685	909	848
Cash, Cash Equivalents and Bank Overdrafts at 30 June	909	1,690	430

STATEMENT OF PROSPECTIVE FINANCIAL POSITION

A forecast for the 10 years ending 30 June 2022

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
ASSETS			
Current Assets			
Cash and cash equivalents	909	1,690	430
Debtors and other receivables	17,544	17,912	14,597
Non-current assets held for sale	-	-	622
Biological assets – cattle	59	59	75
Other financial assets	103	103	98
Prepayments	255	240	169
Total current assets	18,870	20,004	15,991
Non-current Assets			
Property, plant and equipment	1,543,813	1,642,650	1,591,465
Intangible assets	1,830	2,085	2,558
Investment property	535	535	440
Other financial assets	8,800	9,151	8,909
Total Non-current assets	1,554,978	1,654,421	1,603,372
Total Assets	1,573,848	1,674,425	1,619,363
LIABILITIES			
Current Liabilities			
Creditors and other payables	22,182	20,960	16,961
Employee entitlements	2,761	2,834	2,873
Provisions	122	122	246
Borrowings	586	248	256
Total current liabilities	25,651	24,164	20,336
Non-current Liabilities			
Provisions	1,201	1,201	1,496
Employee entitlements	191	196	207
Derivative financial instruments	1,559	1,559	2,476
Borrowings	63,559	91,662	88,936
Total Non-current liabilities	66,510	94,618	93,115
Total Liabilities	92,161	118,782	113,451
Net Assets	1,481,687	1,555,643	1,505,912
EQUITY			
Retained earnings	916,773	942,075	934,904
Other reserves	564,914	613,568	571,008
Total Equity	1,481,687	1,555,643	1,505,912

PROSPECTIVE STATEMENT OF RESERVE FUNDS

A forecast for the year ending 30 June 2014

Reserves showing as negative have a debit balance and arise mainly for development contribution and structure plan reserves. These reserves are in place to monitor the income and costs associated with development and growth. Often the council must incur the cost of works for base infrastructure before development contributions are received. Essentially the negative balance for a reserve is the amount borrowed internally to fund the work ahead of income being received. A negative reserve is used instead of a loan because the amount borrowed is repaid by income received rather than from a loan repayment regime. Like a loan, interest is charged and is added to the reserve balance for repayment from contributions received over time.

Reserve	Purpose	Related activities	Opening Balance		Deposit During 13/14 NZ\$000's	Withdrawal During 13/14 NZ\$000's	Closing Balance 30 June 2014 NZ\$000's
			1 July 2013 NZ\$000's	236			
Conservation Fund	To fund expenditure items for conservation purposes.	Sustainable Environment	236	87	(68)	255	
Raglan Harbour Reserve	Council took over assets from the Raglan Harbour Board. Any income or expenditure on these properties is kept separate from general funds.	Sustainable Communities	610	403	(502)	511	
Housing for the Elderly	Income from Housing for the Elderly is put aside for use on the properties involved.	Sustainable Communities	9	193	(212)	(10)	
Plant Reserve	Reserve used for control of expenditure and sale proceeds for vehicle and other plant running and maintenance costs.	Organisational support	271	3	(412)	(138)	
Lake Hakanoa Caravan Park Reserve	Income and expenditure for the Lake Hakanoa Caravan Park at Huntly is kept separate. The camp operation is self funding.	Sustainable Communities	(27)	117	(123)	(33)	
Raglan Kopua Holiday Park Reserve	Income and expenditure for Kopua Camp at Raglan is kept separate. The camp operation is self funding.	Sustainable Communities	229	725	(695)	259	
Wainui Reserve Reserve	Income and expenditure for Wainui Reserve farm operations is kept separate. The farm operation is self funding and surpluses used towards projects at Wainui Reserve	Sustainable Communities	45	109	(88)	66	
Hillary Comm 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	12	-	-	12	
Disaster Recovery Fund	Fund set aside for use in the event of a disaster.	Organisational support	990	65	-	1,055	
Hillary Comm 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	46	2	-	48	
North Waikato Development Reserve	Remaining funds with interest credits from the Department of Corrections for use to assist the local community.	Sustainable Communities	278	14	-	292	
Hamilton East Property Proceeds	Proceeds from the sale of the Hamilton East property held separate for property related purposes	Organisational support	2,696	-	-	2,696	

Hakarimata Restoration Trust	A restricted reserve for Hakarimata Hills Reserve Trust to record all trust operations.	Sustainable Environment	13	1	-	14
Ex FDC CR Community P'ship loans Reserve	Reserve taken over from the former Franklin District Council to fund loans for community initiatives	Sustainable Communities	121	6	-	127
Ex FDC CR Development Fund (ex Shares sold)	Reserve representing the share of the Auckland Airport Shares received by the former Franklin District Council and transferred to Waikato District Council on part amalgamation in 2010	Organisational support	1,986	-	-	1,986
Ex FDC CR LTCCP contribution reserve	Reserve created on amalgamation of part of the Franklin District Council with Waikato District Council to assist with operational funding	Organisational support	5,266	20	(1,000)	4,286
Ex FDC CR 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	431	20	(52)	399
Structure Plan Non-Growth Reserve	Reserve to provide funding for the non growth element of Structure Plan development	Organisational Support	478	399	-	877
Waste Minimisation Reserve	To manage waste minimisation grants and qualifying expenditure	Sustainable Environment	199	213	(141)	271
Huntly College Jubilee Award	A restricted reserve for the interest income to be used as educational sponsorship	Sustainable Communities	14	1	-	15
Francis 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
Mungall Scholarship Trust	A restricted reserve in memory of Agnes Simpson Mungall. Interest income to be used for educational sponsorship	Sustainable Communities	1	-	-	1
Sundry reserves	Sundry Reserves for Township development and other operational purposes.	Sustainable communities	1,207	935	(99)	2,043
Targeted rate reserves – operational	Reserves to monitor operational costs in relation to special rates and user pays	Water, Wastewater, Storm water, Sustainable Communities	(3,208)	13,258	(13,220)	(3,170)
Replacement funds	Reserves where amounts equivalent to funded depreciation are held for use on capital renewals work.	Roading, Water, Wastewater, Stormwater, Sustainable Communities, Sustainable Environment	3,538	17,353	(17,397)	3,494
Revaluation reserves	Non cash reserves representing the increases or decreases in the value of infrastructural assets that are periodically revalued	Roading, Water, Wastewater, Stormwater, Sustainable Communities, Sustainable Environment	546,323	50,824	-	597,147
Capital rates and contributions	Reserves for Structure Plans, Development Contributions, Financial Contributions and Capital Targeted rates	Roading, Water, Wastewater, Stormwater, Sustainable Communities, Sustainable Environment	(28,778)	8,636	(21,376)	(41,518)
			533,009	93,384	(55,385)	571,008

STATEMENT OF PROSPECTIVE CHANGES IN EQUITY
for the year ending 30 June 2014

	LTP 2012/13 NZ(000's)	LTP 2013/14 NZ (000's)	Annual Plan 2013/14 NZ (000's)
Balance at beginning of year			
Retained earnings	887,169	916,773	907,080
Other reserves – asset revaluation	541,567	579,656	546,323
Other reserves – restricted	29	31	29
Other reserves – council created	14,015	12,944	13,157
Other reserves – special rates and user pays	(3,092)	(4,727)	(3,208)
Other reserves - capital replacement fund	6,511	4,275	3,538
Other reserves - development contribution	(16,563)	(27,349)	(26,880)
Other reserves – fair value through other comprehensive income	84	84	50
Total Equity at beginning of year	1,429,720	1,481,687	1,440,089
Comprehensive income for the year			
Retained earnings	13,878	14,782	14,999
Other reserves – asset revaluation	38,089	59,174	50,824
Other reserves – revaluation (landfill)	-	-	-
Other reserves – fair value through other comprehensive income	-	-	-
Total comprehensive income for the year	51,967	73,956	65,823
Transfers to/(from) retained earnings			
Retained earnings	15,726	10,520	12,825
Other reserves – asset revaluation	-	-	-
Other reserves – restricted	2	2	1
Other reserves – council created	(1,071)	(288)	(421)
Other reserves – special rates and user pays	(1,635)	(69)	38
Other reserves - capital replacement fund	(2,235)	(71)	(44)
Other reserves - development contribution	(10,787)	(10,094)	(12,399)
Total transfers to/(from) retained earnings	-	-	-
Equity at end of year			
Retained earnings	916,773	942,075	934,904
Other reserves – asset revaluation	579,656	638,830	597,147
Other reserves – restricted	31	33	30
Other reserves – council created	12,944	12,656	12,735
Other reserves - special rates and user pays	(4,727)	(4,796)	(3,170)
Other reserves - capital replacement fund	4,275	4,205	3,494
Other reserves - development contribution	(27,349)	(37,444)	(39,278)
Other reserves – fair value through other comprehensive income	84	84	50
Total equity at end of year	1,481,687	1,555,643	1,505,912



Statement of Accounting Policies

For the year ending
30 June 2014

Reporting Entity

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

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

The primary objective of the council and group is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, the council has designated itself and the group as Public Benefit Entities (PBE) for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The prospective financial statements are for the year ending 30 June 2014. They were authorised for issue by the council on 25 June 2013. The 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. The prospective financial statements, once approved by the council as part of its adoption of the Annual Plan (the plan), will not be updated except if unforeseen circumstances would result in significant changes in these statements.

Basis of Preparation

Statement of compliance

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

These prospective financial statements (with the exception of the Funding Impact Statement) have been prepared in accordance with NZ GAAP as it relates to prospective financial statements, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The prospective financial statements incorporated in the plan have been prepared in compliance with Financial Reporting Standard No. 42 (FRS 42): *Prospective Financial Statements*.

In the interests of transparency we provide two sets of financial information –

1. the usual Generally Accepted Accounting Principles (GAAP) regulated statements of financial position, comprehensive income and the like; and
2. a funding impact statement.

Key differences between these two sets of information is that the Funding Impact Statement is not GAAP compliant.

The Funding Impact Statement (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 GAAP financial statements were provided. The FIS is prescribed by the Local Government (Financial Reporting) Regulations 2011 and is required by the Local Government Act 2002.

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 2011/2012 financial year, and the Annual Plan financial performance and cash flows for the 2012/2013 financial year, as modified by known changes, have been used to arrive at the opening balances for the plan as at 1 July 2013.

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 council's functional currency is New Zealand dollars.

Changes in accounting policies

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

Standards, amendments and interpretations issued that are not yet effective

The council is a PBE and has applied the PBE exemptions allowable under NZ IFRS. In September 2011 the External Reporting Board issued a position paper and consultation papers proposing a new external reporting framework for PBEs. The papers proposed that accounting standards for PBEs would be based on International Public Sector Accounting Standards, modified as necessary. The proposals in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore the accounting policies on which the prospective financial information for 2013-2014 has been prepared are based on the current New Zealand equivalents to International Financial Reporting Standards.

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: *Recognition and Measurement*. At present, NZ IFRS 9 does not need to be applied by councils until 30 June 2016, given that IFRS 9 (on which NZ IFRS 9 is based) has delayed its application date. Based on the External Reporting Board's timelines we expect new PBE standards to be in place and required to be used by councils, before councils would otherwise have been required to apply NZ IFRS 9.

Significant Accounting Policies

Basis of consolidation

The council has not consolidated the prospective financial statements to include its subsidiary Strada and group, because the council believes the consolidation does not enhance the understanding of the council's core activities and services.

Revenue

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

- Rates are set annually by a resolution from the council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.
- Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

- The council receives government grants from the New Zealand Transport Agency (NZTA), which subsidises part of the council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.
- Revenue from the sale of goods is recognised when a product is sold to the customer. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
- 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 the council are recognised as income when control over the asset is obtained.
- Development contributions and financial contributions are recognised as revenue when the council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development contributions and financial contributions are recognised as liabilities until such time as the council provides, or is able to provide, the service.
- 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 expenses 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 loss on construction contracts is recognised immediately as an expense in the 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 profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, 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, in accordance with the transitional provisions applicable to public benefit entities under NZ IAS 23 *Borrowing costs (Revised 2007)*.

Grant expenditure

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

Discretionary grants are those grants where the 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 the council's decision.

Foreign currency transactions

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

Income tax

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted at balance date.

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

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle the carrying amount of its assets and liabilities.

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

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

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income, or directly to equity.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised 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 the council's cash management are shown within borrowings in current liabilities in the statement of financial position.

Debtors and other receivables

Debtors 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.

Inventories

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at cost and adjusted when applicable for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost 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 first-in first-out (FIFO) method.

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

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 the surplus or deficit.

The council classifies its financial assets into the following categories:

- loans and receivables
- fair value through surplus or deficit
- fair value through other comprehensive income

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

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 maturities greater than 12 months after the 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 and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made by the council at nil, or below-market, interest rates are initially recognised at the present value of their expected future cash flows discounted at the current market rate of return for a similar 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 the surplus or deficit as a grant.

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. The 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 remeasurement recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income 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 the balance date. They comprise of the following:

- the council's shares in NZ Government Insurance which is stated at net asset backing; and
- shareholdings that it holds for strategic purposes

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

On derecognition the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost. The council's investments in the Waikato Regional Airport Limited and Local Authority Shared Services are classified as financial assets at fair value through other comprehensive income and are stated at cost.

The council's investment in its subsidiary is also held at cost.

Impairment of financial assets

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

Loans and other receivables

Impairment is established when there is objective evidence that the council and 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 the 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 instruments' carrying amount. For certain categories of financial assets, such as trade receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

Financial assets at fair value through other comprehensive income

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 income, 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 the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

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

Derivative financial instruments

The council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. The council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and are subsequently remeasured at their fair value at each balance date. The associated gains or losses on derivatives are recognised in the 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 the 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 the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

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 the 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 the 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.

The 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 the council and 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.

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

Assets under construction are 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 the surplus or deficit. When revalued assets are sold the amounts included in the asset revaluation reserves, in respect of those assets, are transferred to retained earnings.

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:

	Useful Life (Years)	Depreciation Rate
Audio-Visual Materials and Electronic Games – Libraries	5	20%
Buildings	20 – 100	1% – 5%
Vehicles	6.6	15%
Library Books	8	12.5%
Computers	4 – 7	14% – 25%
Office Equipment	3 – 10	10% – 33%
Furniture and Fixtures	10	10%
Water Treatment	10 – 100	1% – 10%
Water Reticulation	10 – 100	1% – 10%
Wastewater	8 – 100	1% – 12.5%
Drainage	35 – 100	1% – 2.8%
Urban Stormwater	35 – 100	1% – 2.8%
Roading Pavement – sealed	2 – 100	1% – 50%
Pavement (basecourse)		
- sealed	20 – 100	1% – 50%
- unsealed metal	20	5%
Surface Water Channel	20 – 80	1.25% – 5%
Culverts	80	1.25%
Guardrails/Barriers	40 – 80	1.25% – 2.5%
Footpaths	15 – 80	1.25% – 6.7%
Street Lighting	20	5%
Bridges	20 – 100	1% – 5%
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), and infrastructural assets (except land under roads) are revalued on a regular basis to ensure that their carrying amount does 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 income 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 the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and recognised in other comprehensive income.

Opening asset value at 1 July 2013 was calculated using 30 June 2012 actual assets re-valued at 30 June 2013, using appropriate BERL factors. In addition, new assets per the 2012/13 annual Plan were added at cost.

Details of the latest revaluation are as below:

Operational and restricted land and buildings:

Land and buildings and properties valued by their components have been valued at fair value as determined by an independent valuer from market-based evidence. The most recent valuation was performed by Chris Coakley of QV Valuations, and the valuation is effective as at 1 July 2012.

Parks and Reserves

Parks and Reserves assets have been valued at fair value as determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Manjit Devgun of Opus International Consultants Ltd. The valuation is effective as at 1 July 2012.

Infrastructural assets classes: water, wastewater, stormwater and refuse transfer stations

Utilities and solid waste assets have been valued at fair value determined on an optimised depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by David Jeffrey of GHD. The valuation is effective as at 30 June 2011.

Infrastructural asset classes: roading and bridges

Road and bridge assets have been valued at fair value determined on an optimised depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Gemma Mathieson of Opus International Consultants Limited. The valuation is effective as at 30 June 2012.

Land under roads

Land under roads was valued by both the former Franklin District Council (FDC) and Waikato District Council (WDC) before the transition by each to NZ IFRS. On transition to NZ IFRS both councils elected to use the revaluation amounts for land under roads as the deemed cost. Following the merger of part of the former FDC with WDC, land under roads continues to be stated at deemed cost and is not revalued.

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. 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 three to seven years and the amortisation rates are between 14 per cent and 33 per cent. Staff training costs are recognised as an expense when incurred.

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 the surplus or deficit.

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life 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 is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the council or group would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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

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

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

Biological assets

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

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

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rate 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 payable beyond 12 months, 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
- the present value of the estimated future cash flows

The discount rate is based on the relevant interest rate for government stock. 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 liability. All other employee entitlements are classified as non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contribution to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as 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 expenditure 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.

Borrowings

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

Borrowings are classified as current liabilities unless the council or group has an unconditional right to defer settlement of the liability at least 12 months after the balance date or if the borrowings are expected to be settled within 12 months of the balance date.

Equity

Equity is the community's interest in the council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings
- Other reserves – asset revaluation
- Other reserves – restricted
- Other reserves – council created
- Other reserves – special rates and user pays
- Other reserves – capital replacement fund
- Other reserves – development contribution
- Other reserves – fair value through other comprehensive income

Asset revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

Restricted reserves

Restricted reserves are those subject to specific conditions accepted as binding by the council, and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Council-created reserves

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

Fair value through other comprehensive income

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive income instruments.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST except for Debtors and Other Receivables and Creditors and Other Payables 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

The council has derived the cost of service for each significant activity of the 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 the council for the year ending 30 June 2014. 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 expenses. 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.





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Ngaruawahia Sesquicentennial Anniversary

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