



**OUR VISION:
LIVEABLE,
THRIVING AND
CONNECTED
COMMUNITIES**

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Our Vision: Liveable, Thriving, Connected Communities

He noohanga aahuru, he iwi whai ora, he hapori tuuhono tahi

Our Vision and Community Outcomes set the goals we want to achieve in everything we do. We have refreshed our vision to embrace the growth and changes we face. Our vision is that we work together as a district to build liveable, thriving, connected communities as our townships grow.

Liveable communities are well-planned and people-friendly, providing for a range of quality residential options, social infrastructure, walkways and open spaces. They reflect what's important to people, and support a shared sense of belonging both to the local community and the wider district.

Thriving communities participate in Council decision-making and community-led projects, provide input into the management of their local assets, and sustain the local business sector that provides local employment.

Connected communities have fit-for-purpose infrastructure to create liveable, thriving communities. Connectivity through roads, cycleways, walkways and digital capabilities enable rapid information sharing and engaging in activities together. By these means, people in connected communities access services and amenities that meet their social, health, education and employment needs.

Our Community Outcomes and Goals

Together with your Community Boards and Committees, we have developed the following community outcomes to guide our decision-making:

Supporting our communities: Kia tautoko ki a taatou Haapori

We consider the well-being of all of our people in all our planning and activities. We support and plan for the development of complete and connected communities.

Building our economy: Ka hanga a taatou Oohanga

We attract diverse enterprise/business; creating jobs and opportunities for our community. We continue to support our existing industry. We support others who leverage our location to ensure tourism brings benefits to a range of people in our communities.

Sustaining our environment: Kia toituu to taatou Taiao

We are a community that believes in environmental sustainability; we pursue and promote related ideas and manage regulatory processes to safeguard and improve our district.

Working together with you: Kia mahi tahi taatou

Our communities work with us so we are collectively focused on the right things at the right time.

Providing value for money: Ka whai painga mo te puutea

Residents and ratepayers get value for money because we find innovative ways to deliver strategic, timely and fit for purpose infrastructure and services at the most effective cost.

OUR APPROACH

When considering the financial picture, the Council's overall approach continues to be:

- Support growth in targeted areas
- Maintain existing assets
- Modernise infrastructure where it is prudent to do so
- Do more within existing budgets
- Move the cost of providing a service to those who use them ie. user pays

Key Decisions

Sitting between Auckland and Hamilton, and within the golden triangle anchored by Tauranga to the east, our district is attracting new businesses and residents. We expect the number of our rateable properties will increase by about 6,500 in the next decade, from 32,000 to 38,500.

Growth brings opportunities as well as challenges. In recent years we've worked to develop and maintain our infrastructure – our roads and waters services – to keep pace with this growth while seeking to maintain affordability for our ratepayers.

The options presented in our consultation document focused on how we manage our 'Three Waters' services, and how we re-balance ratepayer contributions to General Rates by adjusting the Uniform Annual General Charge.

During the consultation period between 14 March and 16 April, 733 submissions were received. Forty eight submitters presented their submissions to Council at the hearing on 16 May.

The majority of submissions received were in relation to the two consultation items 'Three Waters' management and the Uniform Annual General Charge (UAGC). The table below summarises the submissions received in support of each option on the two consultation items.

Category	Option 1	Option 2	Option 3	Option 4	Total
'Three waters' management	69	47	65	309	490
UAGC	110	292	92	-	494

'Three waters' management

As shown in the table above the majority of submitters indicated their preference for option 4 - a professional Council-appointed Waters Governance Board. This was also Council's preferred option. The Board would control the 'three waters' operations and service delivery, but the Council would retain ownership of the infrastructure and would continue to provide the background corporate support required so that the way our customers pay for their waters services would stay the same.

Re-balancing ratepayer contribution to the General Rate

As shown in the table above the majority of submitters indicated their preference for option 2 - reducing the UAGC to \$351.96. This was also Council's preferred option. When property values were reassessed in Waikato District in 2017 lower value residential properties in our townships had the highest increase in value. For example, some houses in Huntly West went up by more than 100 per cent compared with an average rise in value of 33.7 per cent across the district. This means the general rates burden is likely to fall more heavily on lower-value residential property owners than on other categories of ratepayers. Reducing the UAGC will help ease this burden.

Financial Strategy

Balancing Affordability and Growth

The Council is achieving this by:

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

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

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

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

Sustainable Growth

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

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

Growth capital will initially be funded by borrowing, this will include the Housing Infrastructure Fund (\$38 million) and this will be interest free for 10 years. Where subsidies and external funds can be earned, this will reduce the initial debt. Development contributions will be paid when developments are completed, and this revenue will reduce debt. The remainder will be paid over 25 years by existing ratepayers and by new ratepayers as they arrive.

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

The day-to-day costs resulting from population and land use changes will cost \$314 million over the 10 years, which is around 20% of total operating costs.

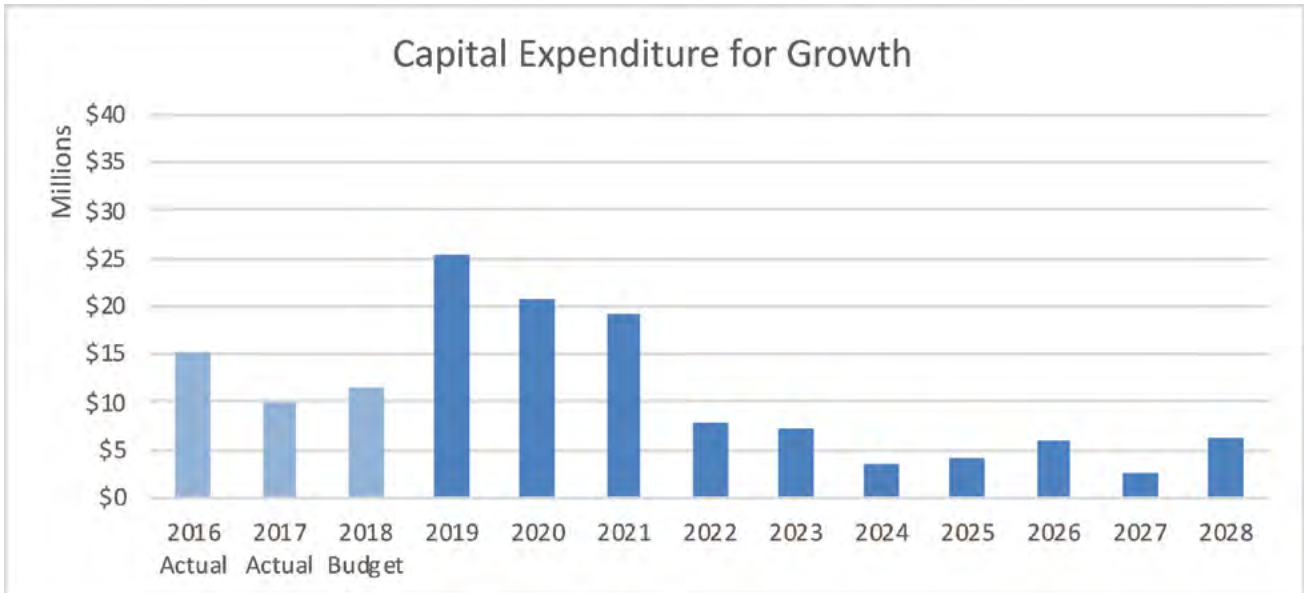


Figure 1: Capital Expenditure for Growth (\$million)

Maintaining Existing Assets

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

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

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

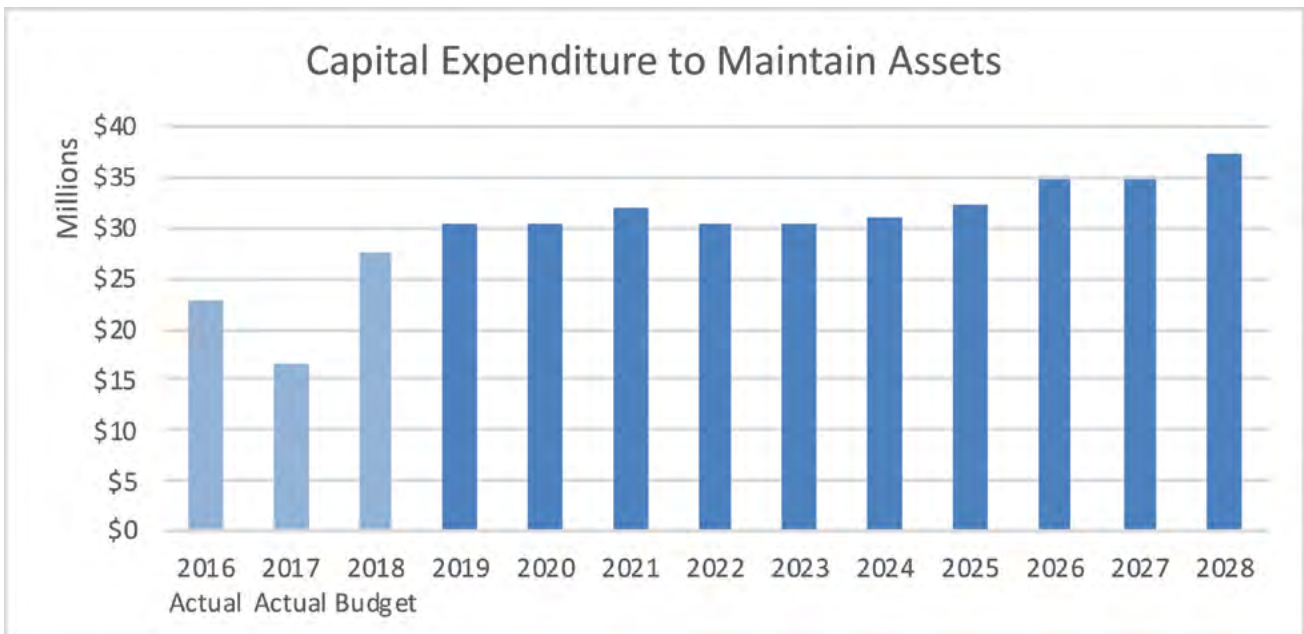


Figure 2: Renewal Expenditure to maintain asset service levels (\$million)

Figure 2 above shows the Council is providing for a consistent investment between \$30 to \$37 million in each year of the Plan. This level of investment is more than annual depreciation (forecast at \$26 million) reflecting the scale of asset replacements budgeted in this 10-year period some of which are earlier than planned for due to the need to address upgrades to support growth.

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

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

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

Better Services

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

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

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

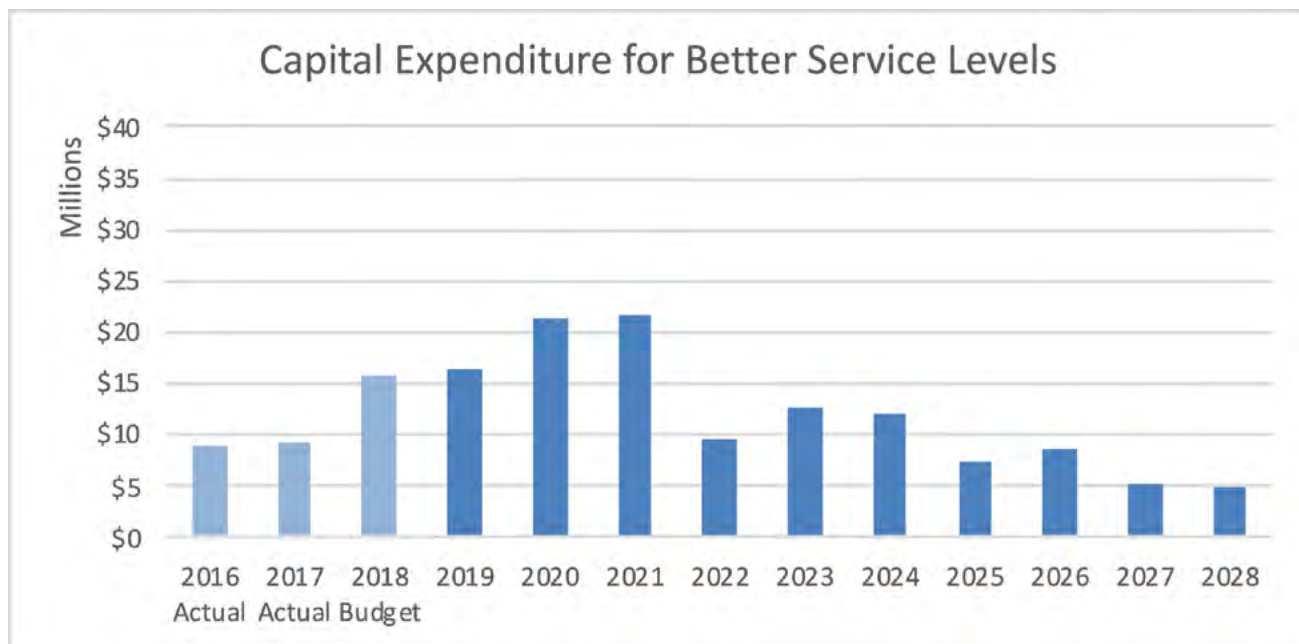


Figure 3: Capital Expenditure for Better Service Levels (\$ million)

Managing Debt

The increased investment in the next three years in growth, renewals and service levels has the consequence of increasing debt (see Figure 4). Debt rises by \$87 million in the first four years reflecting the level of investment. After that debt decreases as debt repayments exceed new investment. The Council will repay \$141 million of debt over 10 years.

A Housing Infrastructure Fund (HIF) loan is planned, with borrowing drawn down over the first three years of this Plan as investment on HIF approved projects is made. This borrowing is interest free for 10 years (saving \$17 million in interest payments over the duration of the plan). The borrowing is recognised as debt in Figure 4. and on the Council balance sheet.

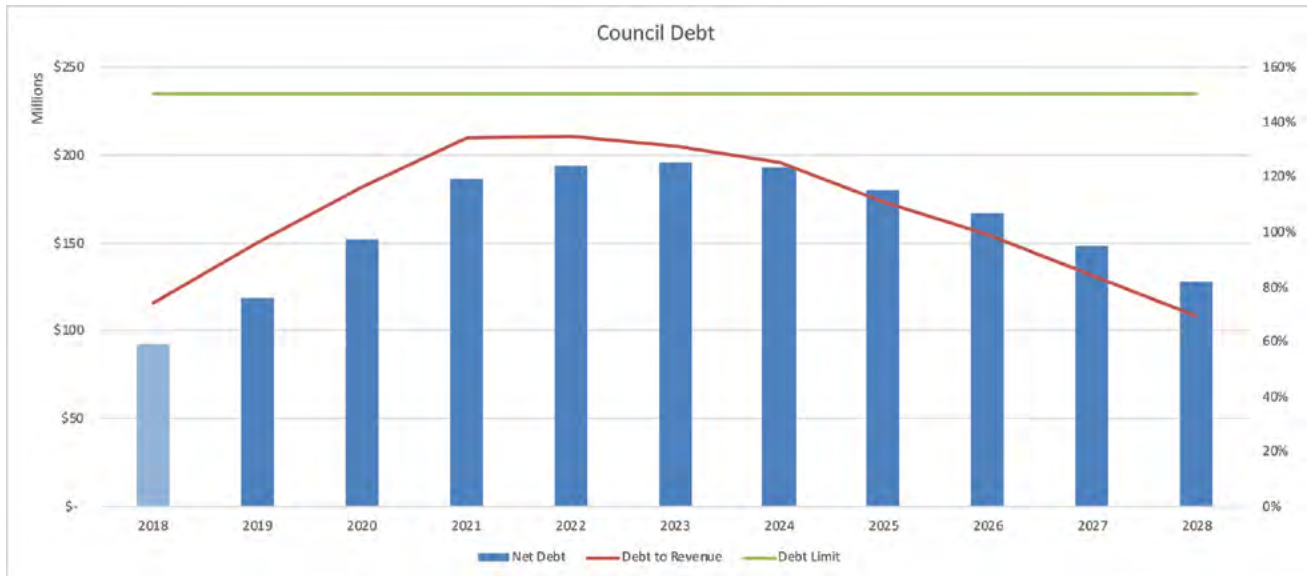


Figure 4: Debt levels (\$million) and Debt limits

Debt Limit

Net debt will not exceed 150 percent of revenue.

Net debt equals total external debt net of related borrower notes. Revenue is net of developer contributions and vested assets.

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

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

By setting a debt limit at 150 percent the Council has \$30 million of capacity it could spend before it would reach the 150 percent limit in 2022. Additionally, it retains 25 per cent (\$35 million) capacity, between 150 and 175 percent, in case of any unplanned events.

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

Affordable Rates

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

Limits Rates Increases

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

Limit on Rates

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

**Based on 2017 rating valuations. Figures are inclusive of GST.*

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

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

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

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

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

Balancing the Books

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

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

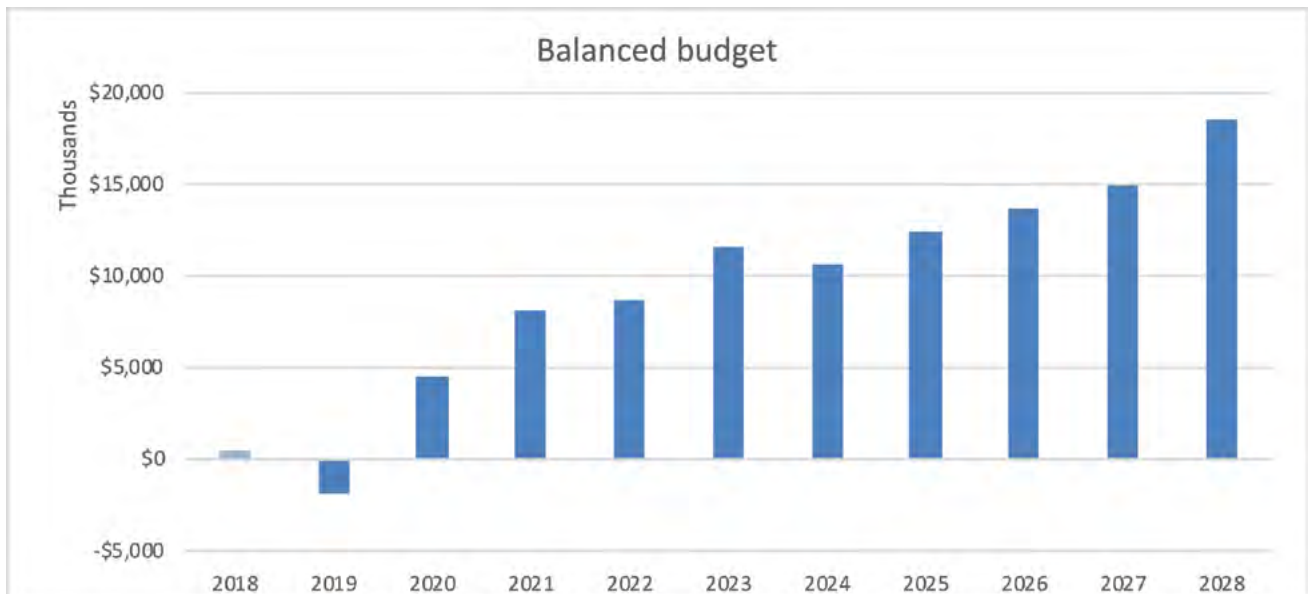


Figure 5: Balanced Budget (\$)

Good Investments

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

Investment	2017 (actual)		2018-2028
	Value \$(000)	Return	Return (forecast)
Financial	254	6.33%	5.55%
Investment Property	490	8.8%	11%
Equity			
Waikato Regional Airport Ltd	12,797	0%	0.39%
Waikato Local Authority Shared Services Ltd	219	0%	0%
Civic Financial Services Ltd	62	0%	0%
Waikato District Community Wellbeing Trust	0	0%	0%

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

Financial

Cash is held for liquidity purposes, not to make a financial gain. The Council is a net borrower and will convert surplus cash to reduce debt costs as appropriate to maintain liquidity. Any returns from cash investments are offset against the general rate. The financial investments outlined in the table above relate to a small number of community loans which will be fully repaid by 2023.

Investment Property

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

Waikato Regional Airport Ltd

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

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

Waikato Local Authority Shared Services Ltd

The company has been established to cost effectively provide councils with a vehicle to procure shared services. It is an investment which aims to reduce the cost of providing generic services. The company does not provide a financial return by way of dividend.

Civic Financial Service Limited

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

Waikato District Community Wellbeing Trust

The Waikato District Community Wellbeing Trust was formed from the winding up of the Waikato Foundation. The funds held by the trust are retained for the trust's purposes and distributed to the community. The Council's reason for holding this investment is to support projects that deliver on the aspirations and community outcomes of the Waikato district as identified and promoted by the community.

Planning for the Unexpected

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

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

In addition to this cover, council is proposing to increase the investment in our own disaster recovery fund to self-insure for events that may not trigger the natural disaster insurance policy claim criteria. A specific budget has been set aside each year to re-build the balance of the disaster recovery fund. \$122,000 has been set aside in the first year, \$242,000 in the second year and \$781,000 in the third year. This fund will continue to be replenished and built upon throughout the ten years. Additionally, a new roading budget of \$800,000 per annum is being proposed for emergency works in the event that the network sustains heavy or prolonged rainfall and a further \$300,000 of minor event emergency works budget per annum. This \$1.1 million of annual budget is additional to funds held in the disaster recovery reserve.

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

30 Year Infrastructure Strategy (2018 – 2048)

Strategic Alignment

Purpose of Infrastructure Strategy

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

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

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

¹ excludes work in progress, land and equipment

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

Note that under the Local Government Act 2002, flood protection and control works are also considered infrastructure assets. This activity is not included in this Infrastructure Strategy as Waikato District Council does not own or manage flood protection and control works. Waikato Regional Council (WRC) owns and manages most drainage and flood schemes in the district.

Overall approach

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

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

Strategy layout

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

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

Table 2: Strategy sections and corresponding parts of LGA 2002

Context

Linkage with other documents

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

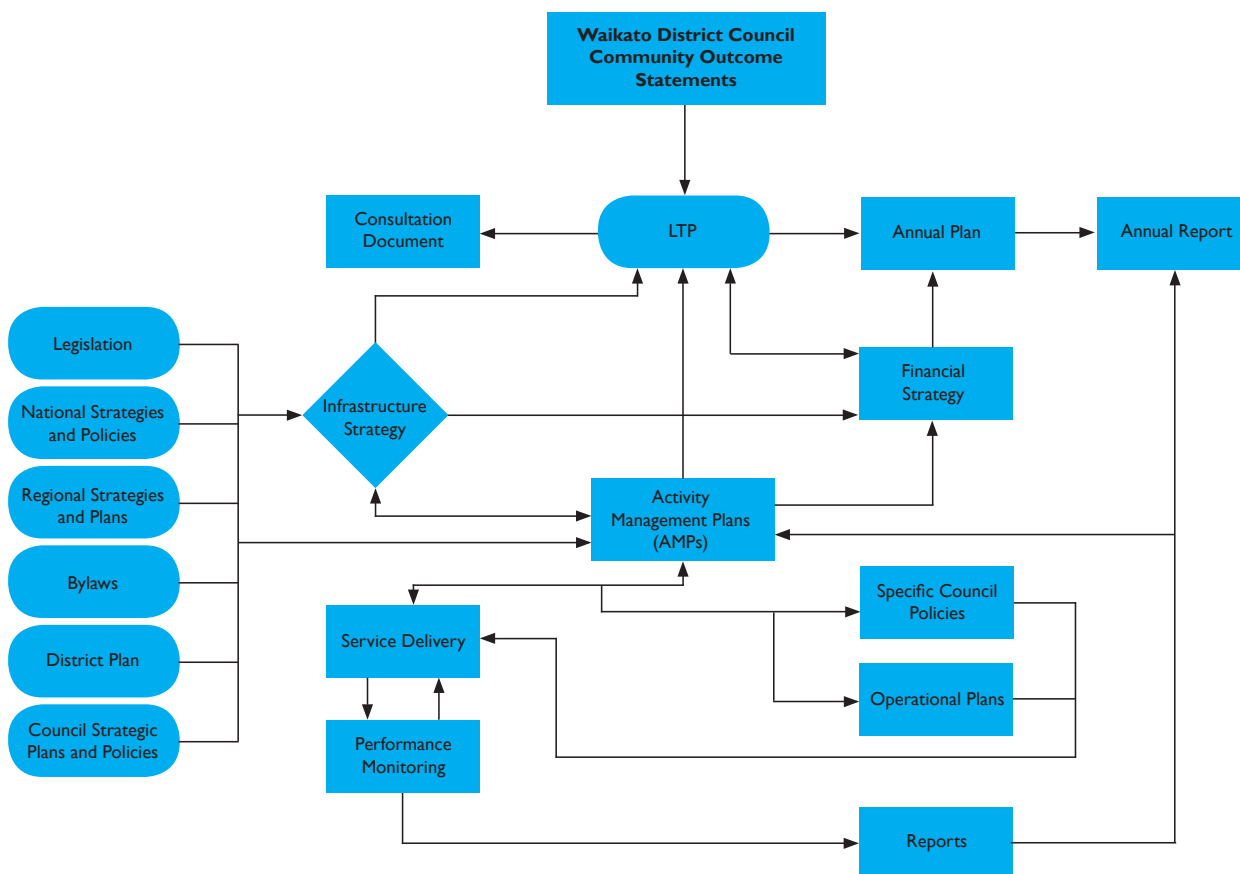


Figure 1: Infrastructure strategy linkage with other documents.

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

Geographic context

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



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

This diverse district covers more than 400,000 hectares. The major towns are Huntly, Ngaruawahia, Raglan, Te Kauwhata and Tuakau. Smaller settlements include Gordonton, Matangi, Tamahere, Meremere, Port Waikato and Pokeno. The Waikato and Waipa Rivers and their catchments are important to the cultural and economic activities in the region.

Population forecasts

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

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

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

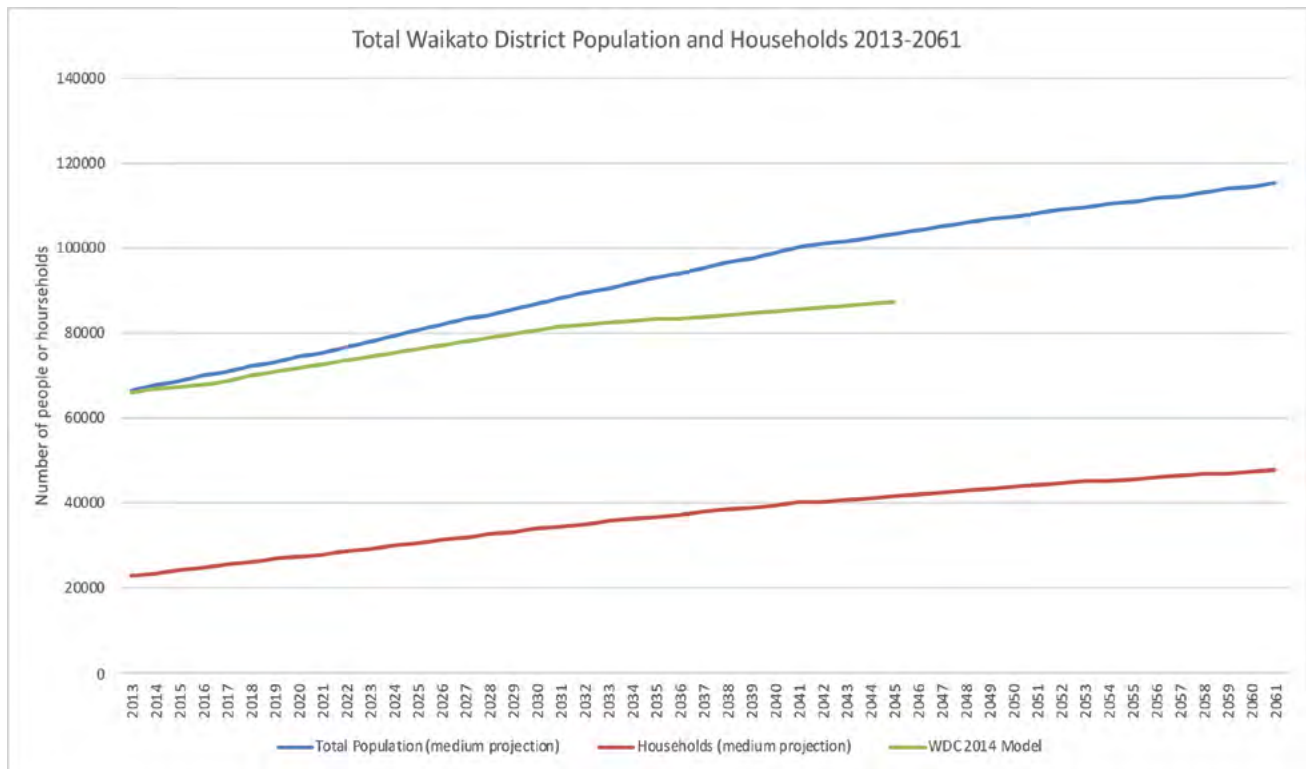


Figure 3: Waikato District projected population (Source: AMP 2017)

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

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

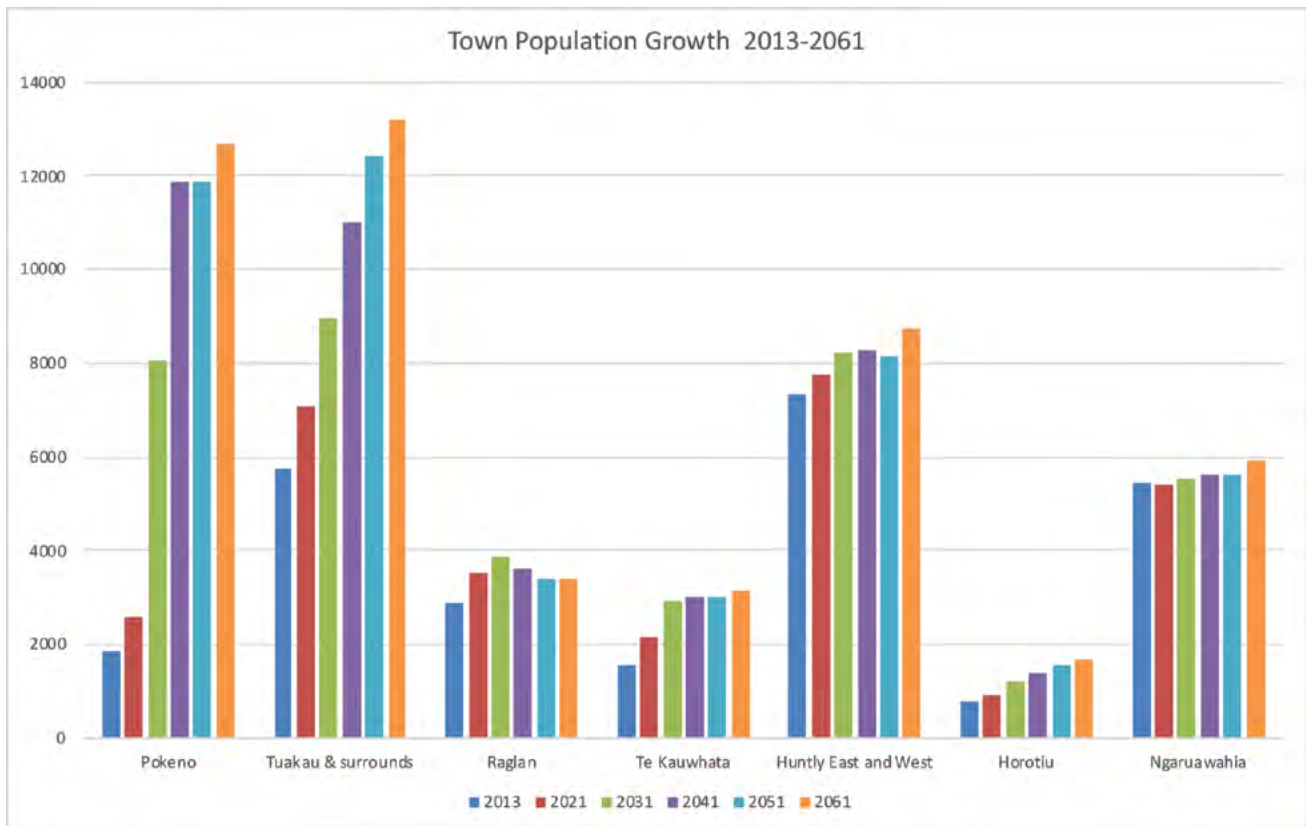


Figure 4: Town population growth 2013 – 2051 (Source: AMP 2017)

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

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

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

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

- **Future Proof Growth Strategy** - is a sub-regional growth strategy specific to the Hamilton, Waipa and Waikato Districts. It was developed jointly with Waikato Regional Council, Hamilton City, Waipa and Waikato District Councils, tangata whenua and the New Zealand Transport Agency (NZTA).
- **Northern Waikato Integrated Growth Management Programme Business Case** – this business case prepared with NZTA and Auckland Council focuses on land use and supporting infrastructure in North Waikato from Huntly through to the Auckland boundary near Pokeno and Tuakau. The majority of growth over the past 10 years has occurred in rural, rural residential zones and in Pokeno. The preferred growth approach and implications are outlined in Section 5.
- **Waikato District Economic Development Strategy** – the Waikato Economic Development Strategy 2015 focuses on developing business sectors, retaining and growing Waikato businesses and attracting people to the district.
- **National Policy Statement for Urban Development** – Waikato is identified as a high growth area and must provide sufficient zoned and serviced areas for urban development. Recent work has indicated that Waikato District meets the requirements of this NPS.
- **Housing Infrastructure Fund (HIF)** - is a one-off contestable fund, aimed at accelerating short and medium-term supply of new housing in high-growth urban areas. HIF allocation process was set out in the Housing Infrastructure Fund Call for Final Proposals announced by the Government in February 2017.

Council has been successful in securing \$38 million from the \$1 billion Fund. This is interest free loan funding to be used to build the wastewater and water infrastructure required to support development in Te Kauwhata.

Council's bid was predicated on supporting Winton Partner's proposed Lakeside development in Te Kauwhata which will bring about 1600 residential units on stream over the next ten years. The HIF loan will also bring forward the construction of 1,190 houses within the Te Kauwhata Structure Plan area.

Total HIF programme costs amount to an estimated \$72 million. The additional funding required has been factored into this Infrastructure Strategy.

Activity Management Practices

Introduction

Council has considered the following factors in preparing this Infrastructure Strategy:

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

Asset lifecycle management

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

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

Table 3: Life Cycle Management Categories

Waikato District Council's asset management approach is to:

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

Asset information and data reliability

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

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

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

Activity	Focus Areas to Improve Data Reliability
Water Supply	Water treatment plants, reservoirs and telemetry/SCADA systems
Wastewater	Wastewater treatment plants and telemetry/SCADA systems
Stormwater drainage	Pipes, drains and point assets
Roads and footpaths	Minor structures, subgrade condition
Solid waste	Drop-off centres
Parks	Condition assessment complete. Ongoing maintenance of asset condition data
Properties and facilities	Swimming pools and Raglan Harbour condition and general properties (land and leases)
Libraries	Raglan and Tuakau libraries

Table 4: Focus Areas to Improve Data Reliability

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

Condition Assessment and Critical Assets

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

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

The following criteria are used to identify assets for renewal:

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

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

Planning for changes in demand

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

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

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

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

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

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

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

Levels of service

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

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

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

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

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

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

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

Table 5: Levels of Service Performance 2016/2017

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

PROPOSED CHANGE IN WASTEWATER LOS

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

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

Public health & environmental outcomes

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

HAVELOCK NORTH ENQUIRY

The Havelock North waterborne disease outbreak in 2016 and the investigations undertaken after the event brought up many issues related to the secure provision of drinking water. The Stage 2 Report released in late 2017 listed many recommendations to prevent or reduce the risk of similar events happening again, which could result in new requirements for drinking water suppliers. The Council may need to accommodate additional requirements into the future planning and operational management of its water supply activity via the next annual plan or LTP. Currently all water supplies have chlorination in operation and Water Safety Plans are being updated to comply with the latest advice from the Ministry of Health.

HEALTHY RIVERS – WAI ORA

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

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

LOW IMPACT DESIGN

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

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

Resilience in relation to natural hazards

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

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

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

CLIMATE CHANGE

The New Zealand Climate Change Office indicates the Waikato District is likely to become warmer and wetter as a result of climate change with average temperatures increasing as much as 3°C over the next 70-100 years. This could result in longer, drier summers which will put extra demand on the water activity. Additionally, rising sea levels will limit growth along the coastal regions due to potential flooding and erosion, placing development pressure on inland areas and existing infrastructure. The Activity Management Plans identify specific likely impacts on each activity when replacing or planning new assets.

INSURANCE

Waikato District Council insures assets as part of the Local Authorities Shared Services (LASS) group. The type and level of insurance cover taken is dependent on the level of risk associated with the activity. Insurance policies taken out by the Council cover infrastructural assets above and below ground for events such as fire, storm, earthquakes, flooding, etc.

Strategic Issues and Significant Decisions

Strategic issues

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

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

Table 6: Waikato District Council's strategic issues

Significant decisions

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

Table 7: Significant decisions across all activities

Asset/ Network	Issue	Strategic Link	Options	Implications/ Uncertainties /Risks	Expenditure Type			Cost (\$million)	Timing of Decision and Implementation
					Renewal	LoS	Growth		
Water Supply	Te Kauwhata does not have enough water treatment plant capacity, reservoir storage or network capacity to cope with expected growth (HIF funded project)	Providing infrastructure for growing communities and businesses	<ul style="list-style-type: none"> Upgrade water treatment plant, provide additional reservoir storage and upgrade network (preferred) Connect Te Kauwhata to Watercare supply 	Part of the growth in Te Kauwhata is dependent on a private plan change. Approval of HIF funding detailed business case.	✓	✓	16.0	Decision 2018 LTP Design/ Construction 2019-21	
	Te Kauwhata Wastewater Treatment Plant (WWTP) does not have enough capacity for growth and the community do not want treated wastewater discharge to Lake Waikare. (HIF funded project)	Providing infrastructure for growing communities and businesses	<ul style="list-style-type: none"> Upgrade Te Kauwhata WWTP and discharge to the Waikato River (preferred) Transfer Te Kauwhata wastewater to Huntly and provide additional treatment plant capacity at Huntly. Upgrade Te Kauwhata WWTP and discharge to Lake Waikare 	Approval of HIF funding detailed business case. Until the new WWTP is commissioned, the existing Te Kauwhata WWTP will need to cope with additional flow and loads, with potential non-compliance with consent requirements and environmental effects. Resource consent will be required for a continued discharge to Lake Waikare after 2028 or an alternative discharge to the Waikato River.	✓	✓	39.1	Decision 2018 LTP Design/ Construction 2019-21	

Asset/ Network	Issue	Strategic Link	Options	Implications/ Uncertainties /Risks	Expenditure Type			Cost (\$million)	Timing of Decision and Implementation
					Renewal	LoS	Growth		
Wastewater	The resource consent for the discharge of treated wastewater from the Raglan WWTP expires in 2020 and more stringent environmental outcomes are expected to be required.	Looking after our environment	<ul style="list-style-type: none"> Relocate the treated wastewater discharge from the harbour to an ocean outfall (preferred). Upgrade the wastewater treatment plant and discharge higher quality treated wastewater into the harbour. 	The requirements of new consent are unknown. Technology is changing so new processes may be available to improve effluent quality. The community may not support continued discharge to the harbour or ocean.	✓		15.6	Decision 2021 LTP Design/ Construction 2023-24	
	Meremere WWTP resource consent expires in 2018, more stringent environmental outcomes are expected	Looking after our environment	<ul style="list-style-type: none"> Pump Meremere WW to Pokeno for eventual discharge to the Watercare network (preferred) Upgrade the Meremere WWTP and continue discharge to the Waikato River. 	Current WWTP is non-compliant with resource consent conditions at times so may be difficult to renew consent for a short period. Some minor improvements are planned to optimise plant until new pipeline is in place. The route for the new pipeline to Pokeno runs alongside state highway 1 which could result in increased requirements and costs.	✓		2.3	Decision 2018 LTP Design/ Construction 2020-21	

Asset/ Network	Issue	Strategic Link	Options	Implications/ Uncertainties /Risks	Expenditure Type			Cost (\$million)	Timing of Decision and Implementation
					Renewal	LoS	Growth		
Wastewater	Operating the small Te Kowhai and Matangi Wastewater Treatment Plants is costly and higher density growth is possible in these areas in future.	Partnerships	<ul style="list-style-type: none"> Pump Te Kowhai and Matangi Wastewater to the Hamilton network (preferred). Upgrade the wastewater treatment plants and expand land disposal area when needed. 	The capacity of the Hamilton wastewater network is unknown. The distances involved may make the wastewater septic producing odour and damaging pipes.	✓	✓	12.5	Decision 2027 LTP Design/ Construction 2029-33	
	Ngaruawahia and Huntly WWTP resource consents expire in 2029, more stringent environmental outcomes are expected	Looking after our environment	<ul style="list-style-type: none"> Treat Ngaruawahia and Huntly wastewater in a combined new WWTP to improve effluent quality (preferred). Upgrade the Ngaruawahia and Huntly WWTPs to improve effluent quality. 	The requirements of new consent are unknown and may depend on improvements made at other discharges. Technology is changing so new processes may be available to improve effluent quality.	✓	✓	60.5	Decision 2027 LTP Design/ Construction 2029-33	
Stormwater drainage	Catchment management plans identify deficiencies in current networks, growth impacts and where improvements are needed	Looking after our environment	<ul style="list-style-type: none"> Carry out programme of stormwater improvements to mitigate flooding and environmental effects in existing networks (preferred). Do nothing. 	Models are under development for some areas which will confirm requirements. Accurate asset and topographical information is needed for models. Climate change predictions may change.	✓		12.7	Decision 2018 LTP Design/ Construction 2019-2028	

Asset/ Network	Issue	Strategic Link	Options	Implications/ Uncertainties /Risks	Expenditure Type			Cost (\$million)	Timing of Decision and Implementation
					Renewal	LoS	Growth		
Roads and footpaths	The Wainui Walkway and Bridge in Raglan is nearing the end of its useful life and requires replacement. The bridge is one lane which results in delays at peak times	Getting around safely	<ul style="list-style-type: none"> Replace Wainui Bridge with 2 lane bridge (preferred). Replace Wainui Bridge with 1 lane bridge. 	Unexpected development in Raglan and increasing visitor numbers could increase safety issues or delays at peak times.	✓	✓	15.0	Decision 2021 LTP Design/ Construction 2023-26	
Roads and footpaths	Commuter traffic from Pokeno contributes towards congestion, limited public transport options are available	Building liveable communities Partnerships	<ul style="list-style-type: none"> Provide a Park-Ride facility in Pokeno (preferred). Investigate other public transport options such as rail 	Growth could occur faster or slower than predicted.	✓		13.6	Decision 2042 LTP Design/ Construction 2044-48	
Roads and footpaths	Traffic volumes between Pokeno and Tuakau are expected to increase significantly resulting in safety issues and congestion.	Providing infrastructure for growing communities and businesses. Getting around safely	<ul style="list-style-type: none"> Upgrade routes between Tuakau and Pokeno (preferred) Restrict growth 	Growth could occur faster or slower than predicted	✓	✓	22.5	Decision 2027 LTP Design/ Construction 2029-38	

Asset/ Network	Issue	Strategic Link	Options	Implications/ Uncertainties /Risks	Expenditure Type			Cost (\$million)	Timing of Decision and Implementation
					Renewal	LoS	Growth		
Roads and footpaths	Tuakau Bridge has limited capacity	Providing infrastructure for growing communities and businesses.	<ul style="list-style-type: none"> Upgrade Tuakau Bridge to take increased traffic loads (preferred). Restrict growth 	Growth could occur faster or slower than predicted	✓	✓	✓	39.6	Decision 2039 LTP Design/ Construction 2039-43
Solid Waste	North Waikato area does not have access to a resource recovery centre to divert waste from landfill	Building liveable communities	<ul style="list-style-type: none"> Provide new resource recovery centre in Tuakau or Pokeno (preferred) Upgrade Te Kauwhata transfer station to service the North Waikato Area Work with Auckland Council or private enterprise to ensure suitable facilities are available in Pukekohe. 	Sites for resource recovery centres may need resource consents. Potential for community partner involvement.	✓			3.1	Decision 2024 LTP Design/ Construction 2024-26

Asset/ Network	Issue	Strategic Link	Options	Implications/ Uncertainties /Risks	Expenditure Type			Cost (\$million)	Timing of Decision and Implementation
					Renewal	LoS	Growth		
Parks	Condition assessment of Parks assets has found more assets are in poor condition than expected and many need replacing to meet levels of service	Optimising asset life-cycle management	<ul style="list-style-type: none"> • Increase expenditure on renewals (preferred) • Maintain existing renewals expenditure 	Assets which are not up to suitable safety standards present risks to public health and safety.	✓			14.0	Decision 2018 LTP Implementation 2019-28
Property and Facilities	Pokeno community does not have a library facility/service centre	Building liveable communities	<ul style="list-style-type: none"> • Provide new library and service centre (preferred). • Require Pokeno residents to travel to Tuakau. 	Changing demand for library services and digital technology.		✓		3.1	Decision 2018 LTP Design/ Construction 2019-22

Major Projects

The location of major capital projects is shown below.



Figure 5: Location of major infrastructure projects 2018-2048

Assumptions and risks

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

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

Table 8: Key Forecasting Assumptions

Most Likely Scenario

Expenditure Summary

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

Infrastructure Activity	Operational Expenditure 2018/19 to 2047/48 (\$ million)	Capital Expenditure 2018/19 to 2047/48 (\$ million)
3 Waters	\$1,527	\$355
Parks	\$853	\$109
Property/facilities and Libraries	\$1,064	\$117
Roads and footpaths	\$2,296	\$997
Solid waste	\$346	\$8
Total	\$6,087	\$1,586

Table 9: 30 year capital and operational expenditure

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

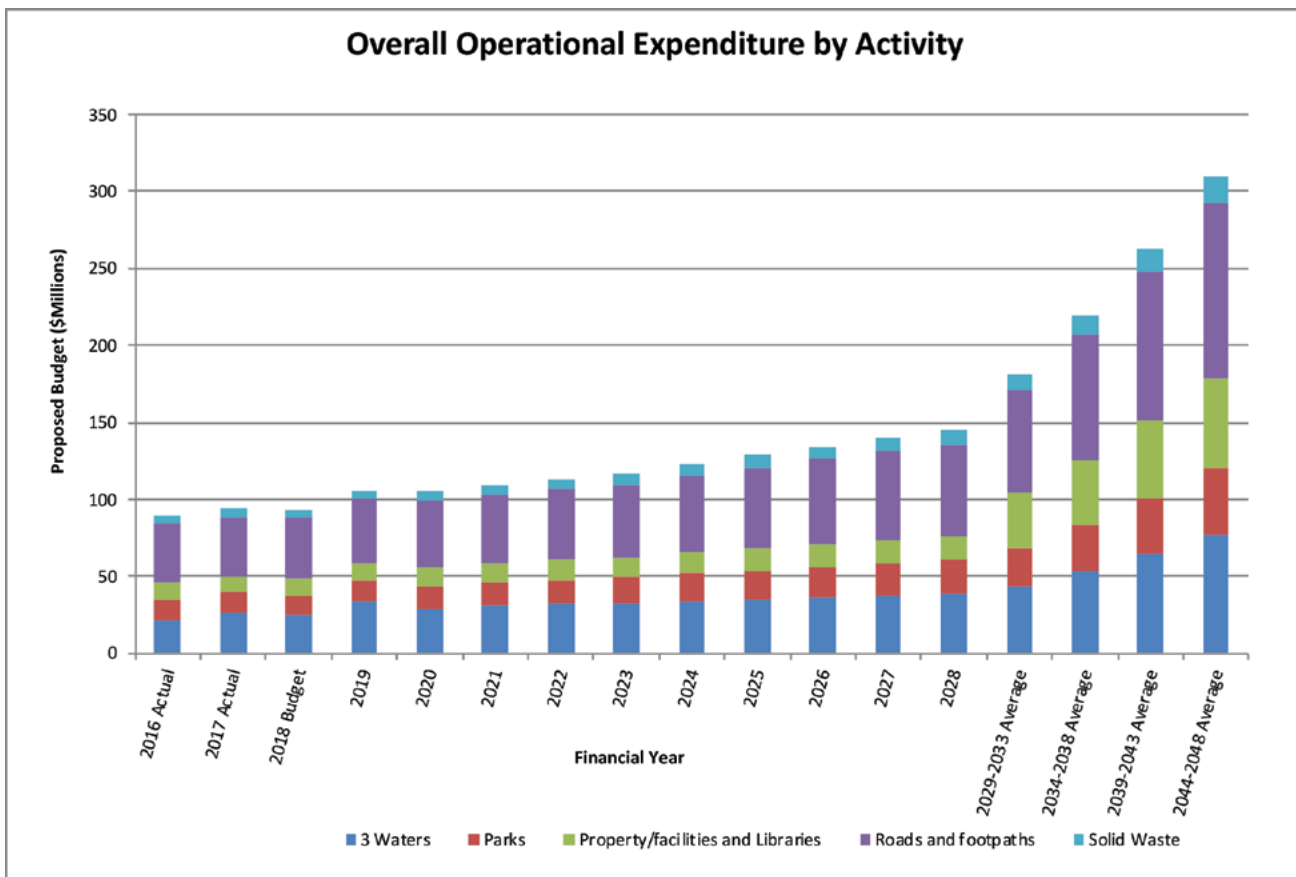


Figure 6: Overall operational expenditure by activity

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

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

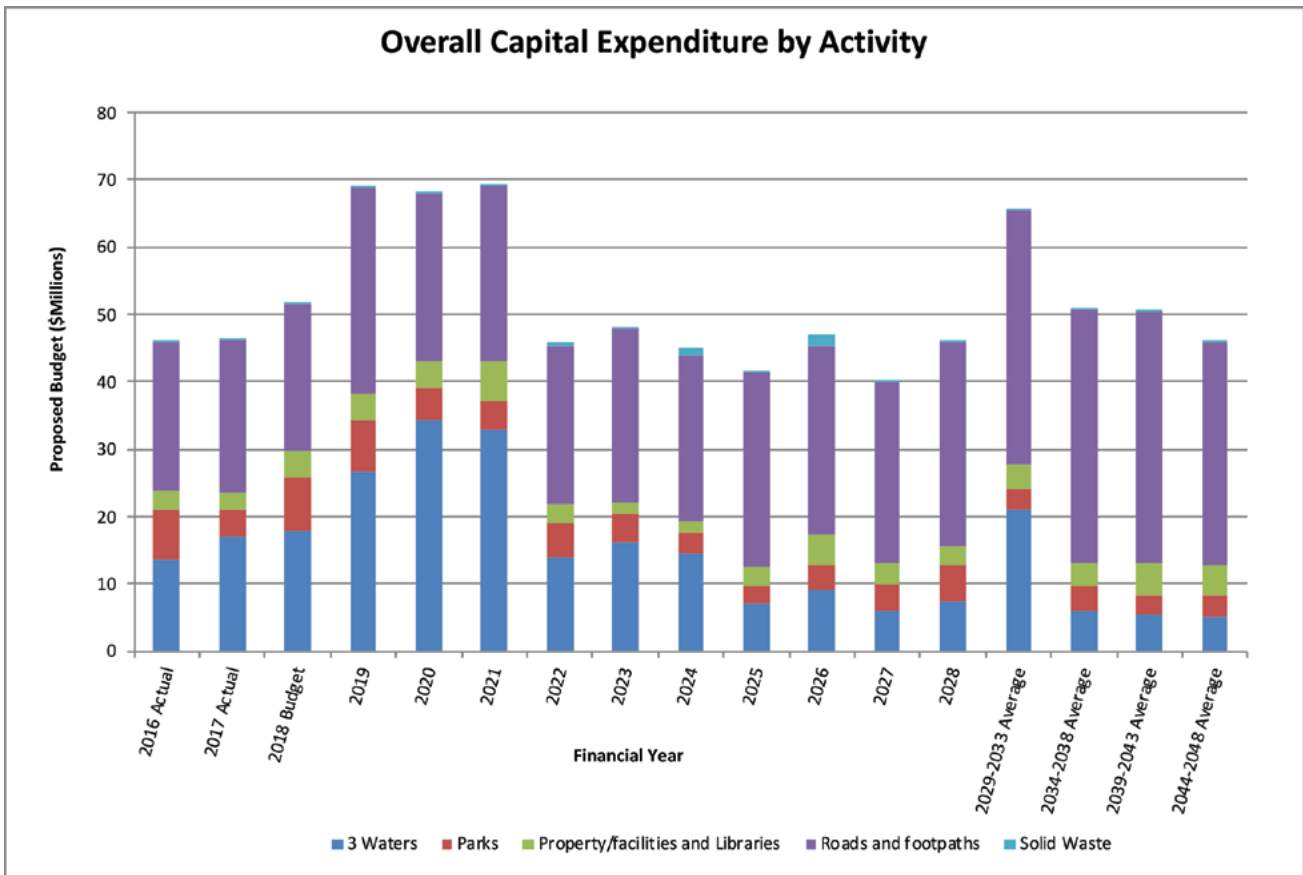


Figure 7: Overall forecast capital expenditure

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

Links to financial strategy

Council's Financial Strategy provides an overview of:

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

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

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

Key Infrastructure Activities

Water supply

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

- The water supply is safe to drink.
- The water supply is reliable and water is received at a good flow/ pressure
- Water extraction and use for potable water supply shall be managed in an efficient and sustainable manner.

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

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

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

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

ACTIVITY SUMMARY

The water supply activity is made up of:

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

FINANCIAL PROJECTIONS

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

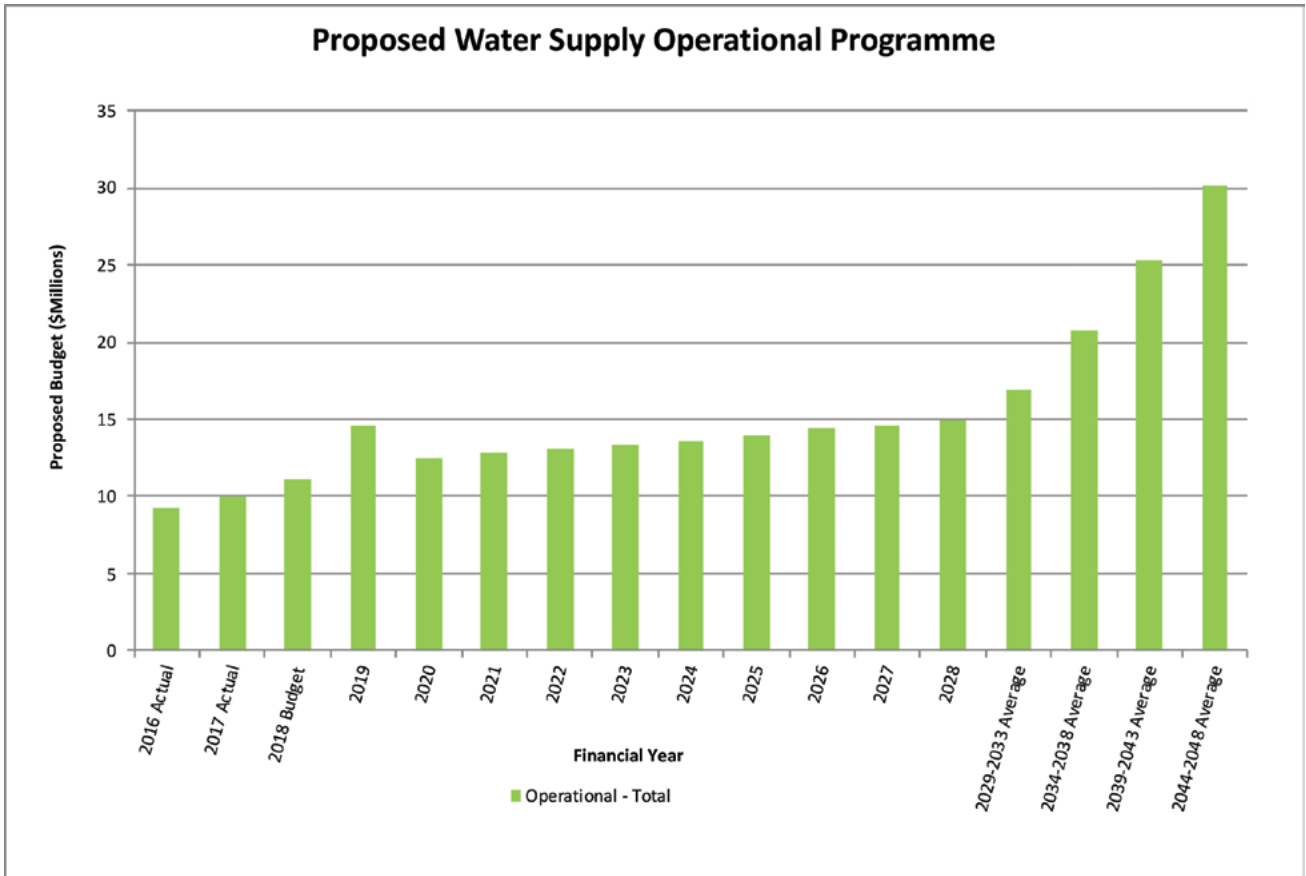


Figure 8: Planned water supply operational expenditure

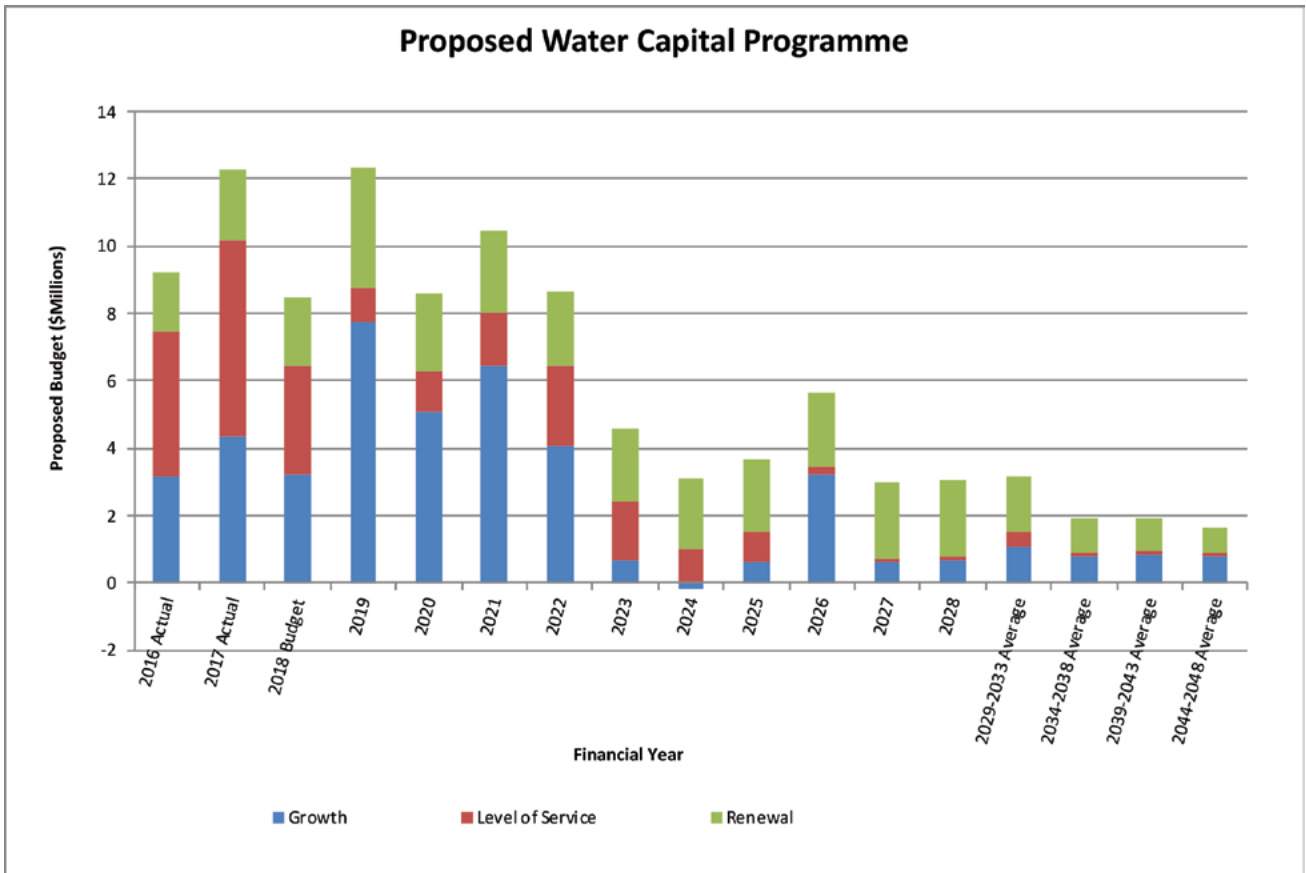


Figure 9: Planned water supply capital expenditure

Growth and Level of Service expenditure in the first 8 years of the LTP is higher due the requirement to upgrade the Mid-Waikato water treatment plant and provide reservoirs and bulk mains for Tuakau and Te Kauwhata and Southern Districts. An additional bulk water main for Raglan is planned in 2019 to improve resilience. Providing at least 24 hours storage in the reservoirs provides resilience in case of mains failure or loss of supply. Over the first 10 years of the LTP it is planned to replace AC water mains that are nearing the end of their useful lives and have higher likelihood of bursting.

Wastewater

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

- The wastewater system is operated to minimise health risks
- The wastewater system is reliable, efficient and effective
- Wastewater treatment and disposal minimises harm to the environment

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

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

ACTIVITY SUMMARY

The wastewater activity is made up of:

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

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

FINANCIAL PROJECTIONS

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

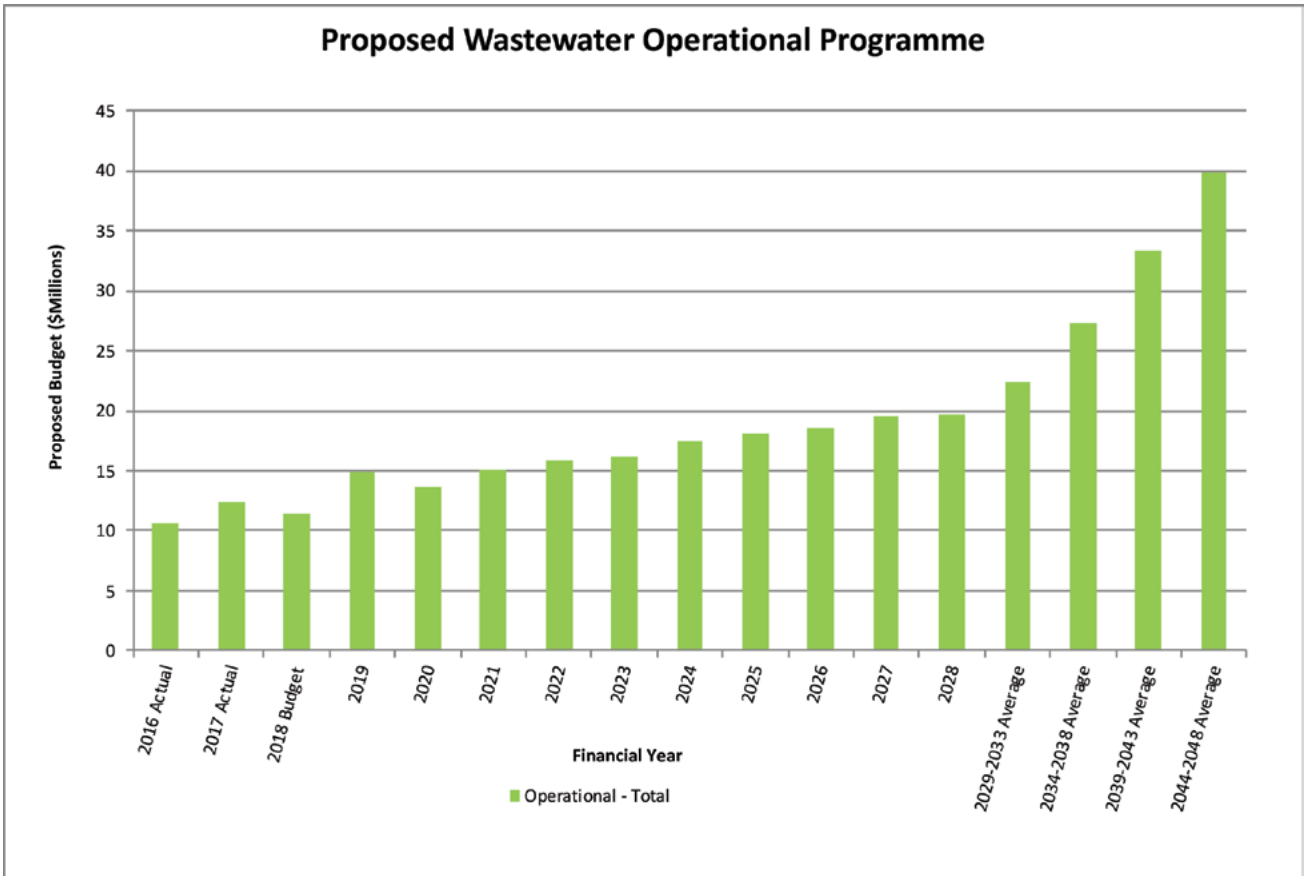


Figure 10: Planned wastewater operational expenditure 30 year projection

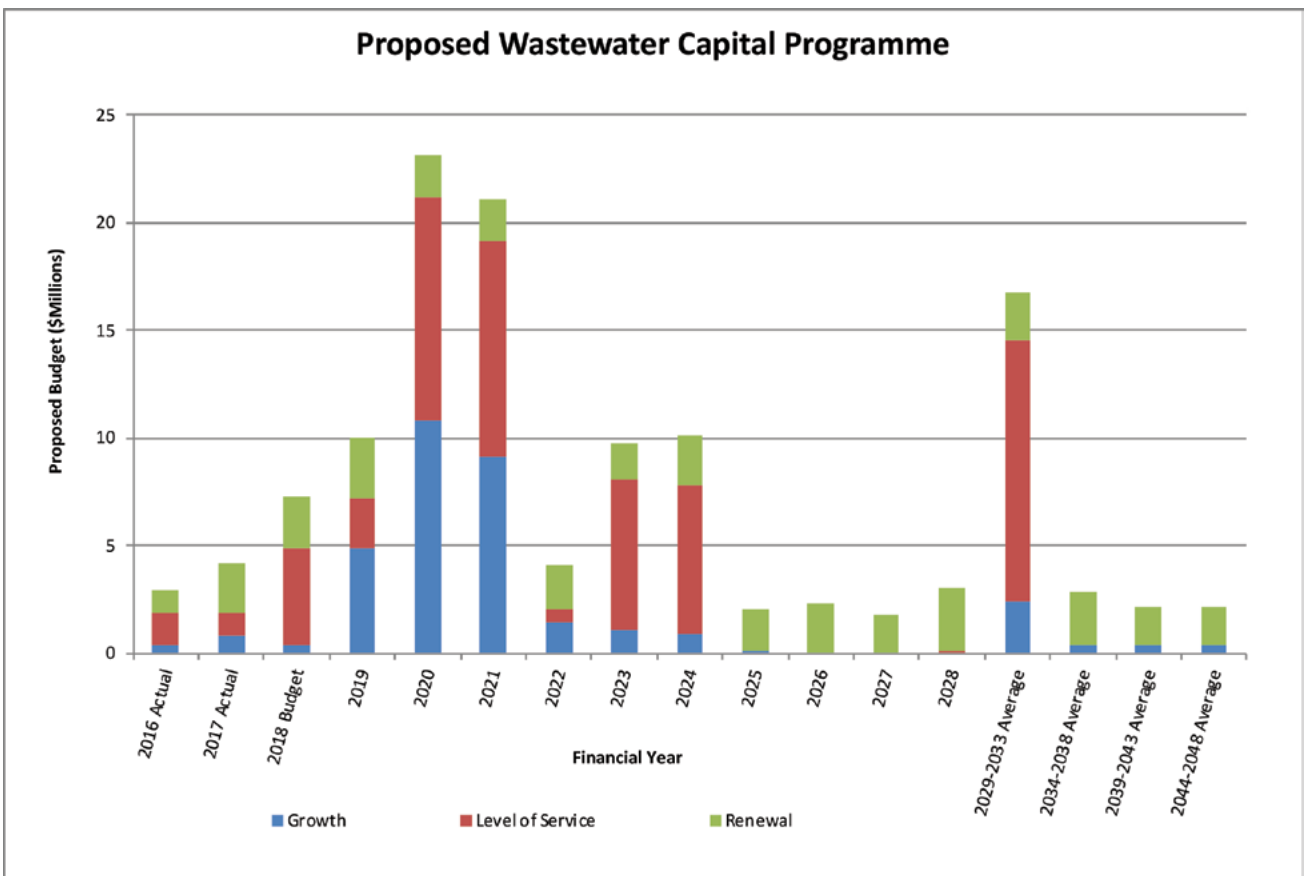


Figure 11: Planned wastewater capital expenditure 30 year projection

Providing wastewater treatment plant capacity and upgrading pump stations is required ahead of growth in Te Kauwhata, Horotiu and Pokeno resulting in higher expenditure for the first 3 years of the LTP. It is also proposed to pump wastewater from Meremere to Pokeno (for eventual discharge to the Watercare network) by 2021. An alternative discharge location is expected to be needed for Raglan treated wastewater around 2023-24 which would be implemented following the renewal of the resource consent. Continued expenditure on network renewals will be targeted at areas where poor pipe condition is contributing to issues such as overflows. Expenditure between 2029-2033 relates to upgrading of the Ngaruawahia and Huntly wastewater treatment plants following the resource consent renewal, alternative discharge locations for Te Kowhai and Matangi, and further growth related upgrades in Pokeno.

Stormwater drainage

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

- The stormwater system is managed to minimise the impact of flooding to people, their properties and livelihoods
- The stormwater system is reliable, efficient and effective
- The stormwater system is environmentally responsible

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

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

ACTIVITY SUMMARY

The stormwater activity is made up of:

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

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

FINANCIAL PROJECTIONS

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

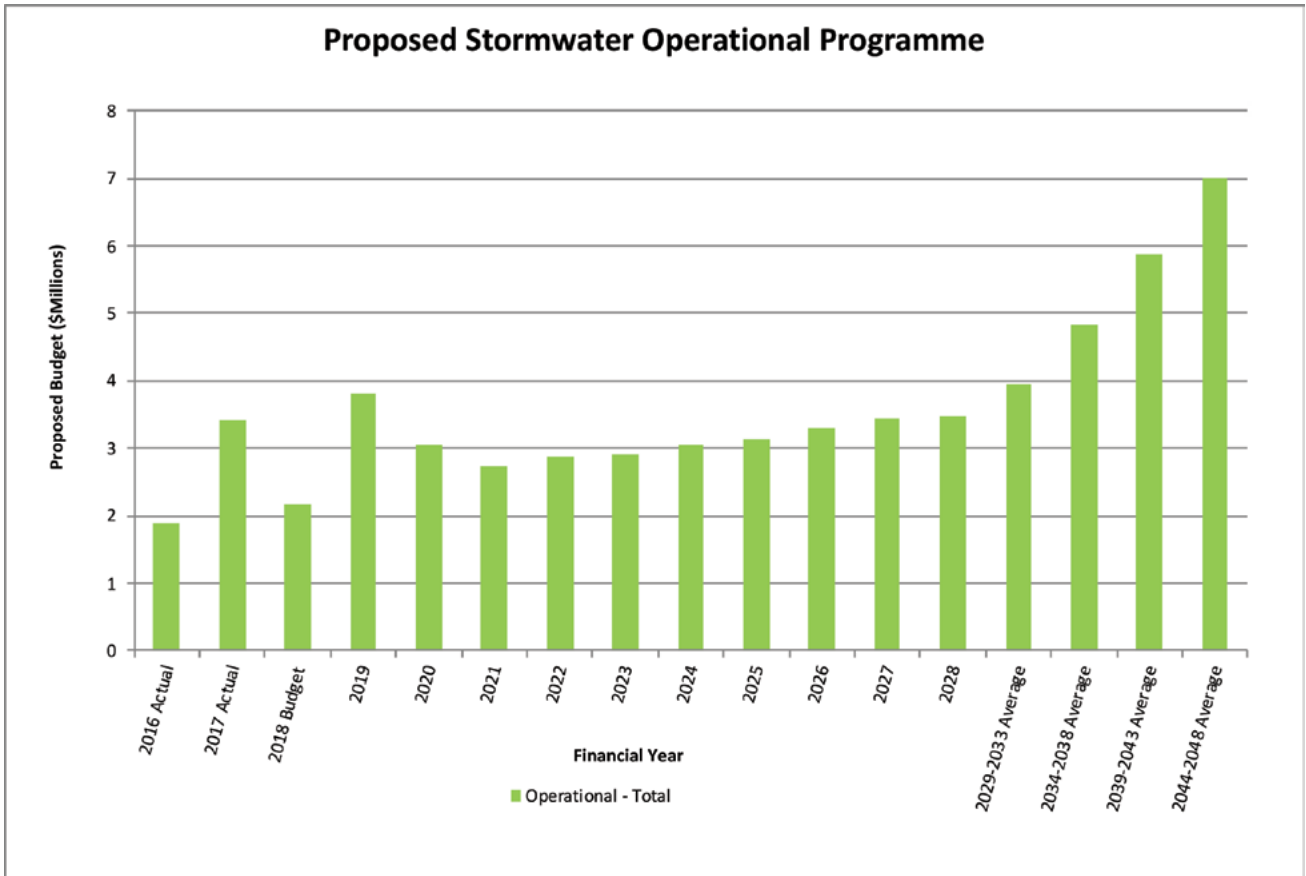


Figure 12: Planned stormwater operational expenditure 30 year projection

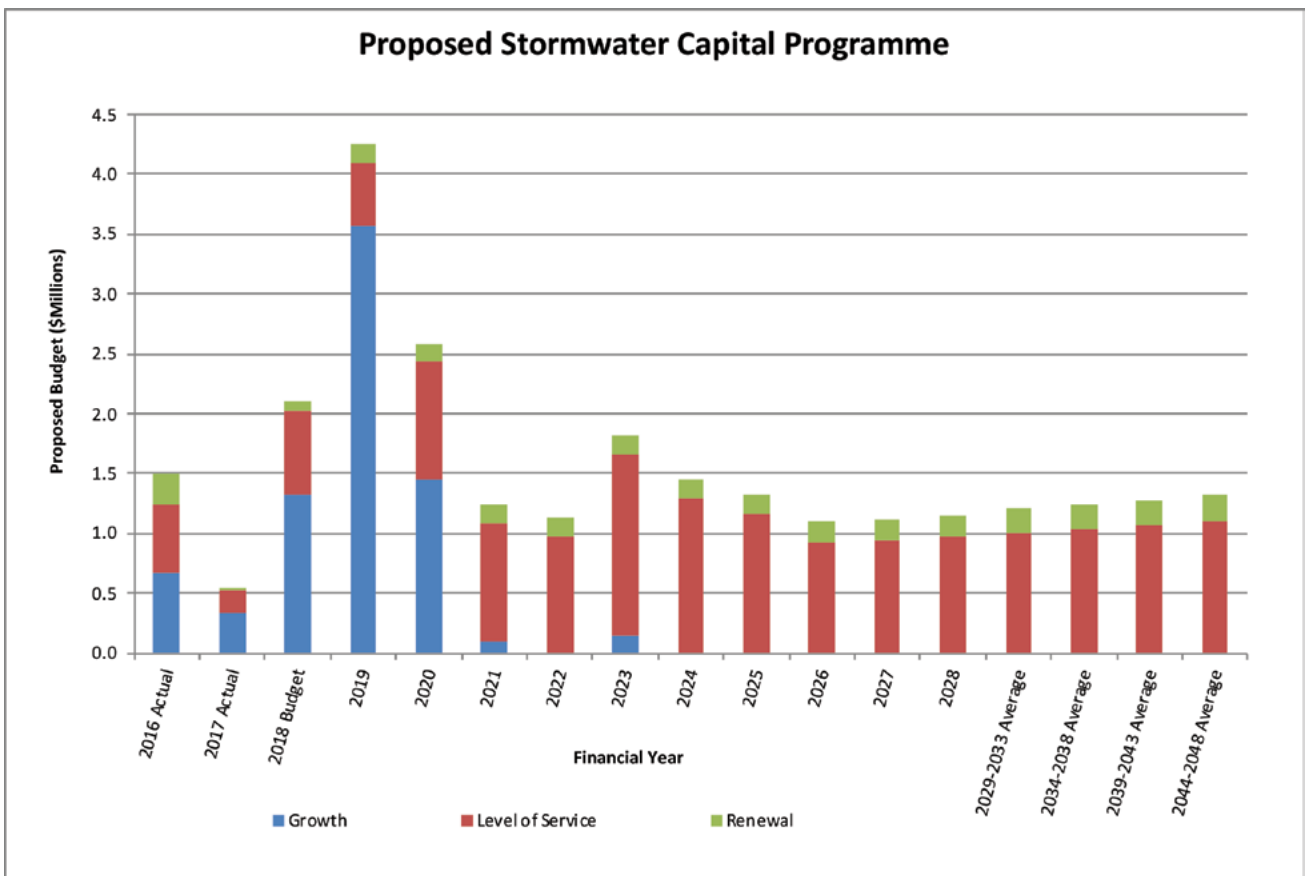


Figure 13: Planned stormwater capital expenditure 30 year projection

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

Roads and footpaths

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

- The district is safe and easy to get around
- A range of alternative transport options are available
- Footpaths are suitable, accessible and safe
- Transport infrastructure supports growth in the district and road markings, signage and lighting provide clear delineation and direction
- The roading and movement network is well maintained and managed.

ACTIVITY SUMMARY

The roads and footpaths activity is made up of:

- 1,812km sealed roads, 608km unsealed roads
- 198km footpaths, cycleways and walkways
- 203km of culverts and 232 bridges
- 3,787 street lights
- 109 bus shelters

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

FINANCIAL PROJECTIONS

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

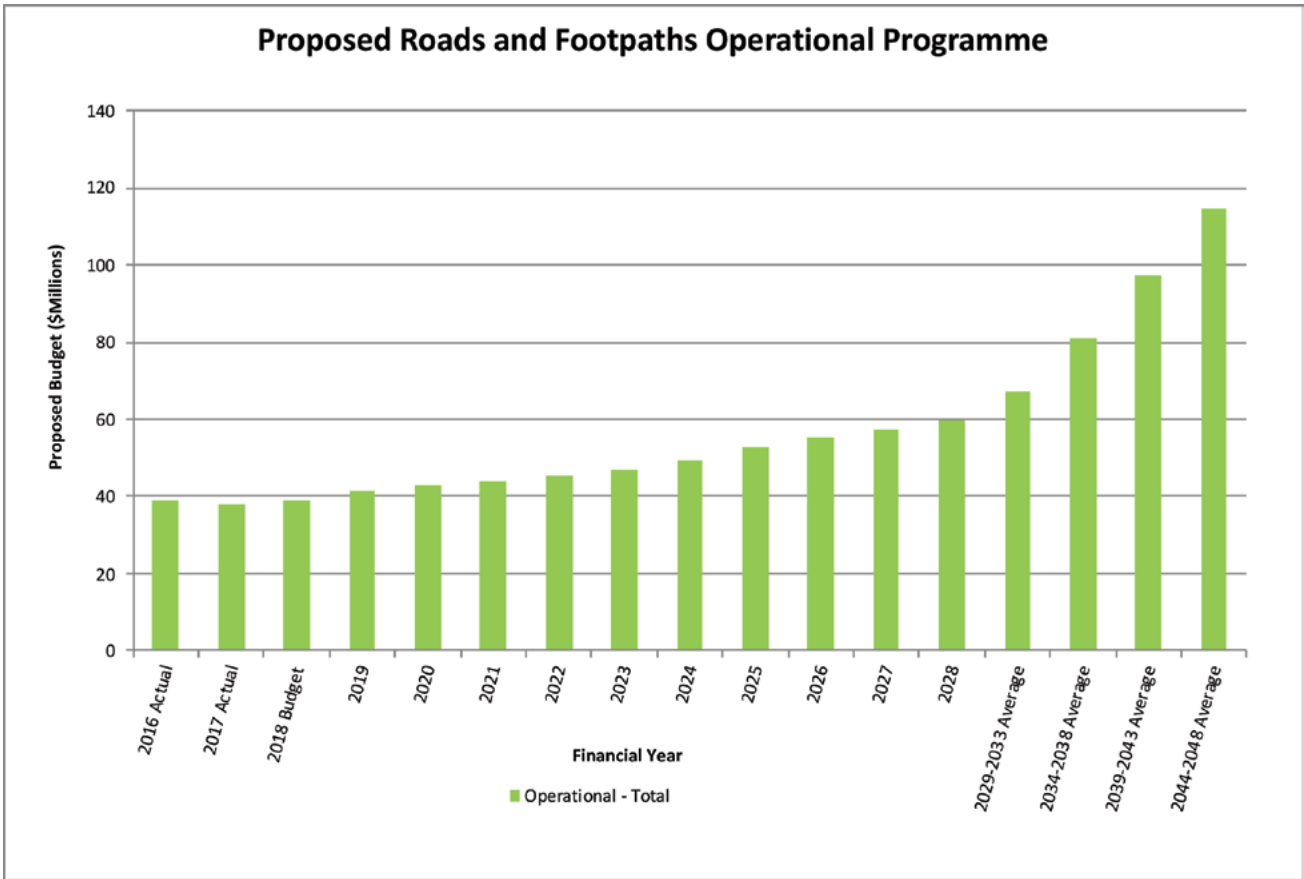


Figure 14: Planned roads and footpaths operational expenditure 30 year projection

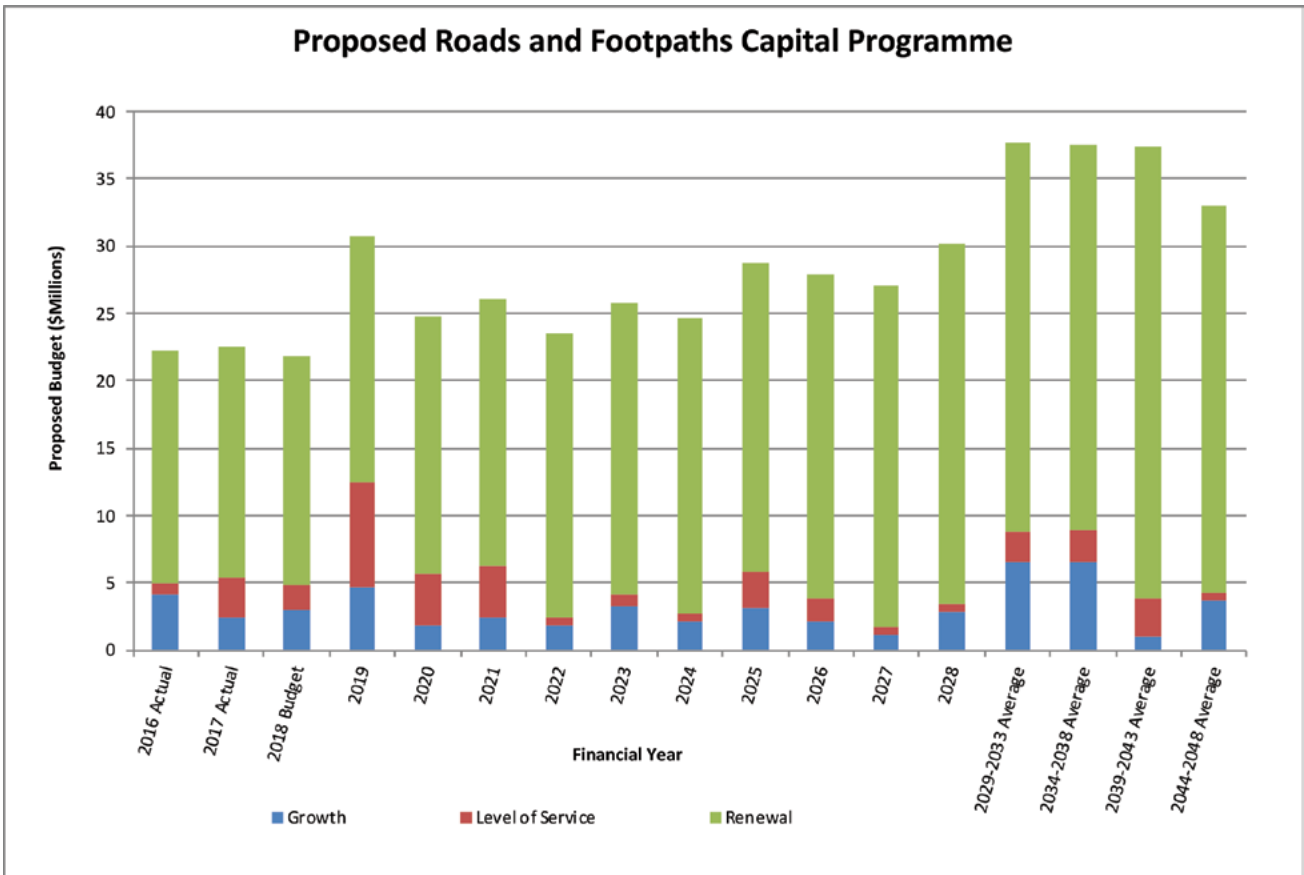


Figure 15: Planned roads and footpaths capital expenditure 30 year projection

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

Solid waste

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

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

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

ACTIVITY SUMMARY

The solid waste activity is made up of:

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

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

FINANCIAL PROJECTIONS

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

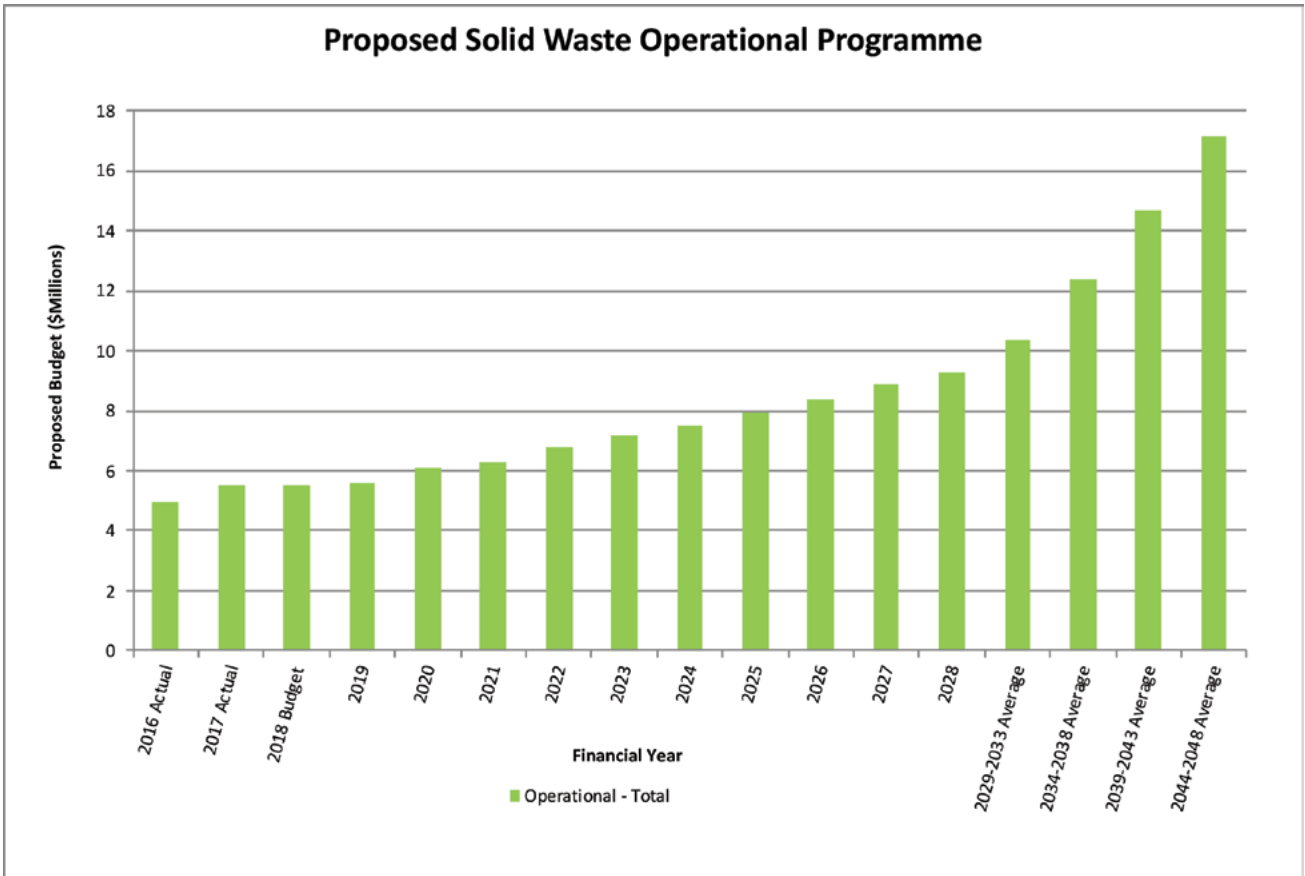


Figure 16: Planned solid waste operational expenditure 30 year projection

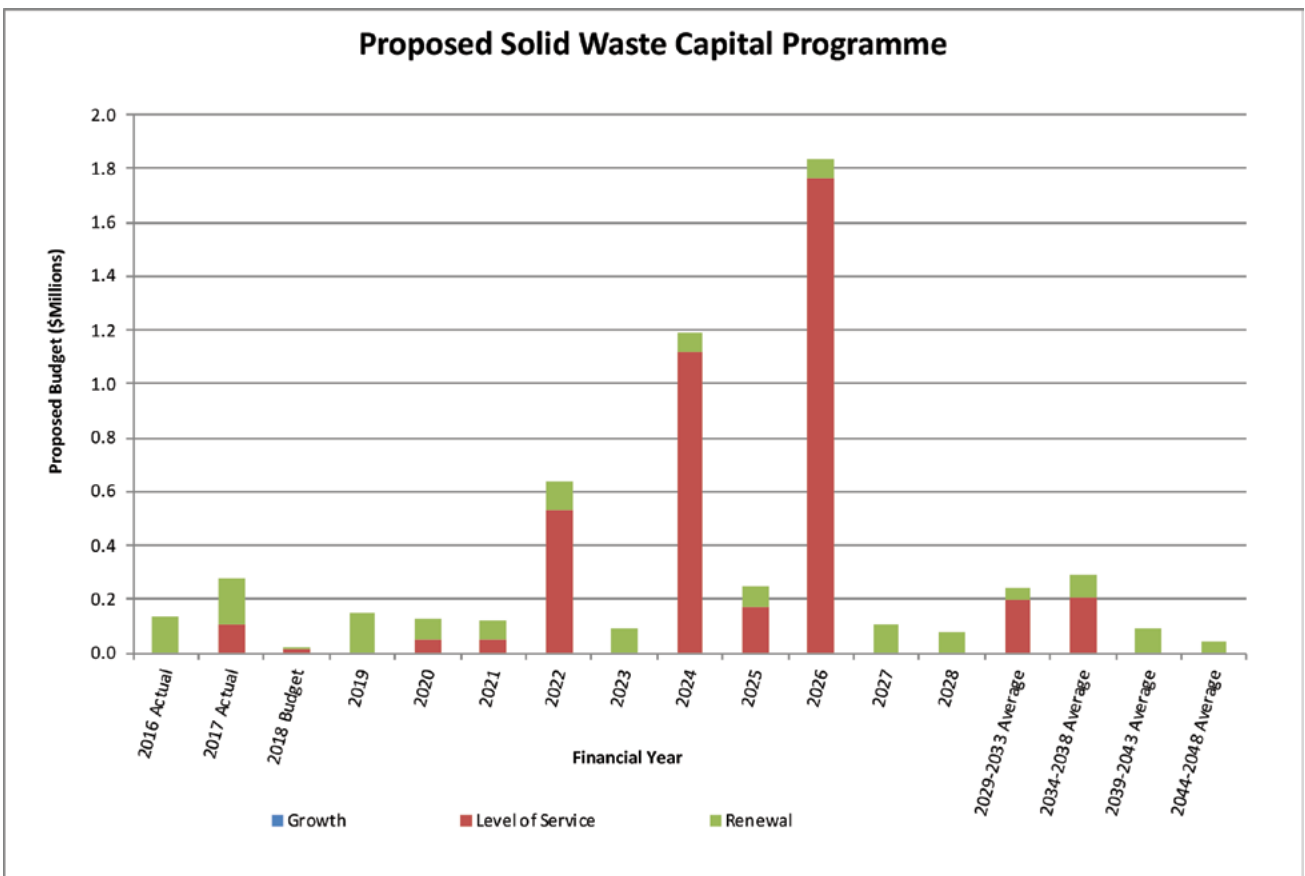


Figure 17: Planned solid waste capital expenditure 30 year projection

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

Parks

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

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

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

ACTIVITY SUMMARY

The parks activity is made up of:

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

FINANCIAL PROJECTIONS

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

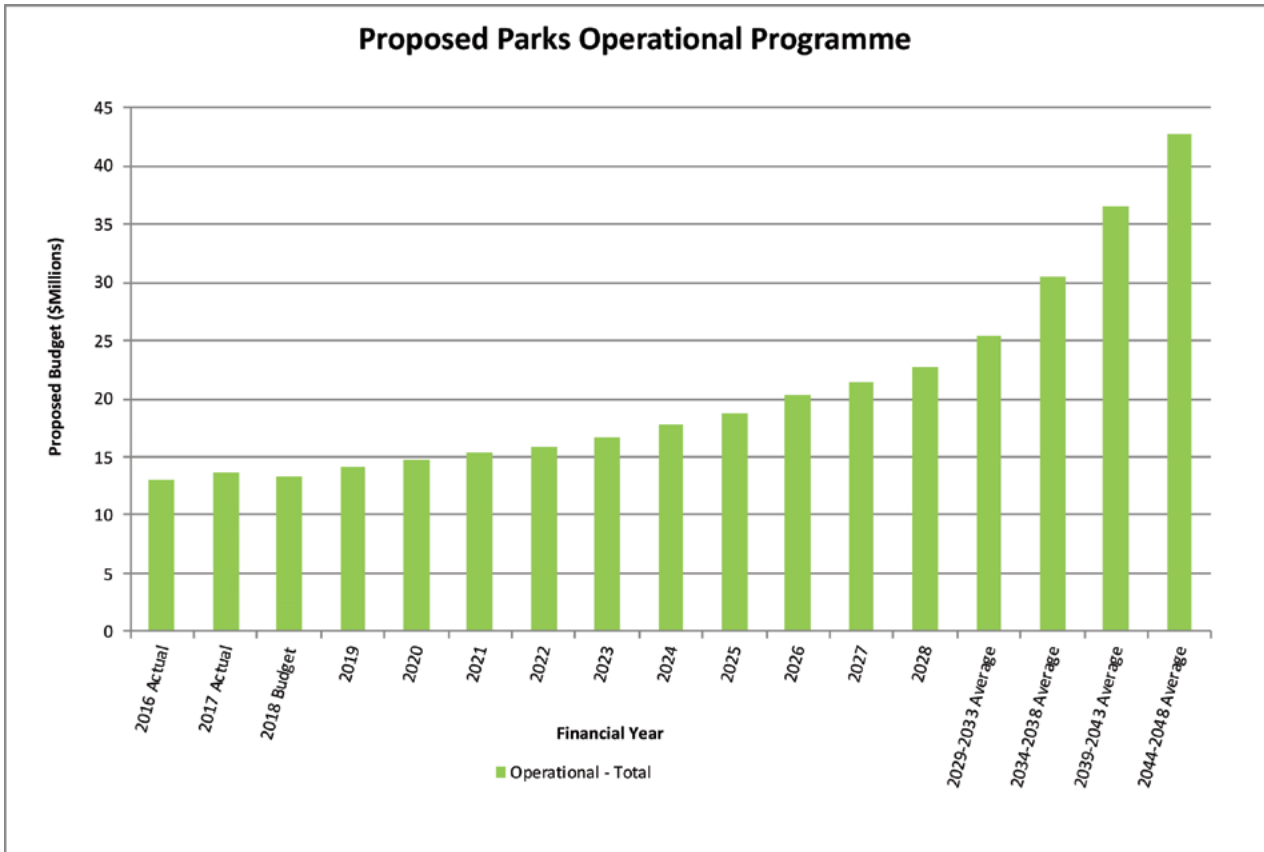


Figure 18: Planned parks operational expenditure 30 year projection

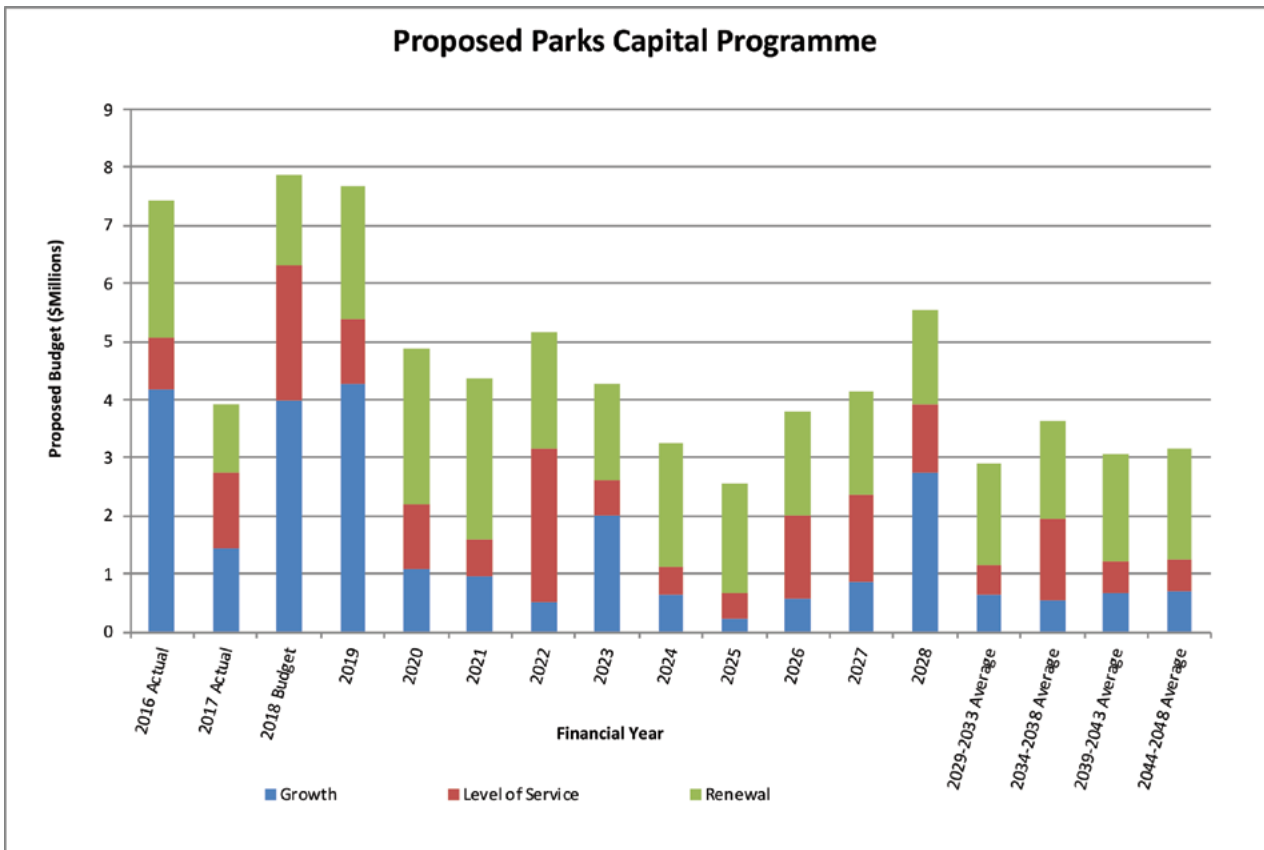


Figure 19: Planned parks capital expenditure 30 year projection

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

Properties and facilities

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

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

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

ACTIVITY SUMMARY

The properties and facilities activity is made up of:

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

FINANCIAL PROJECTIONS

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

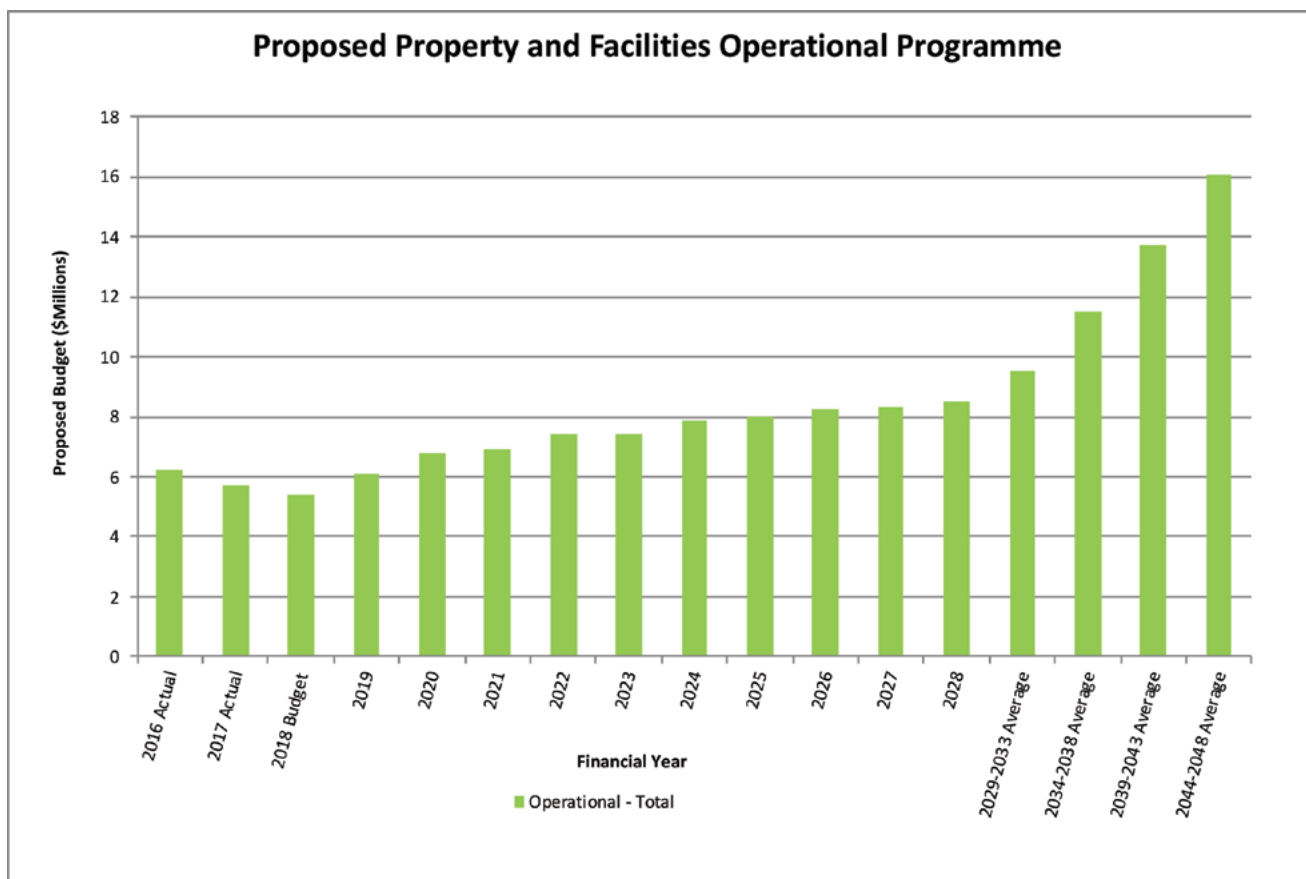


Figure 20: Planned properties and facilities operational expenditure 30 year projection

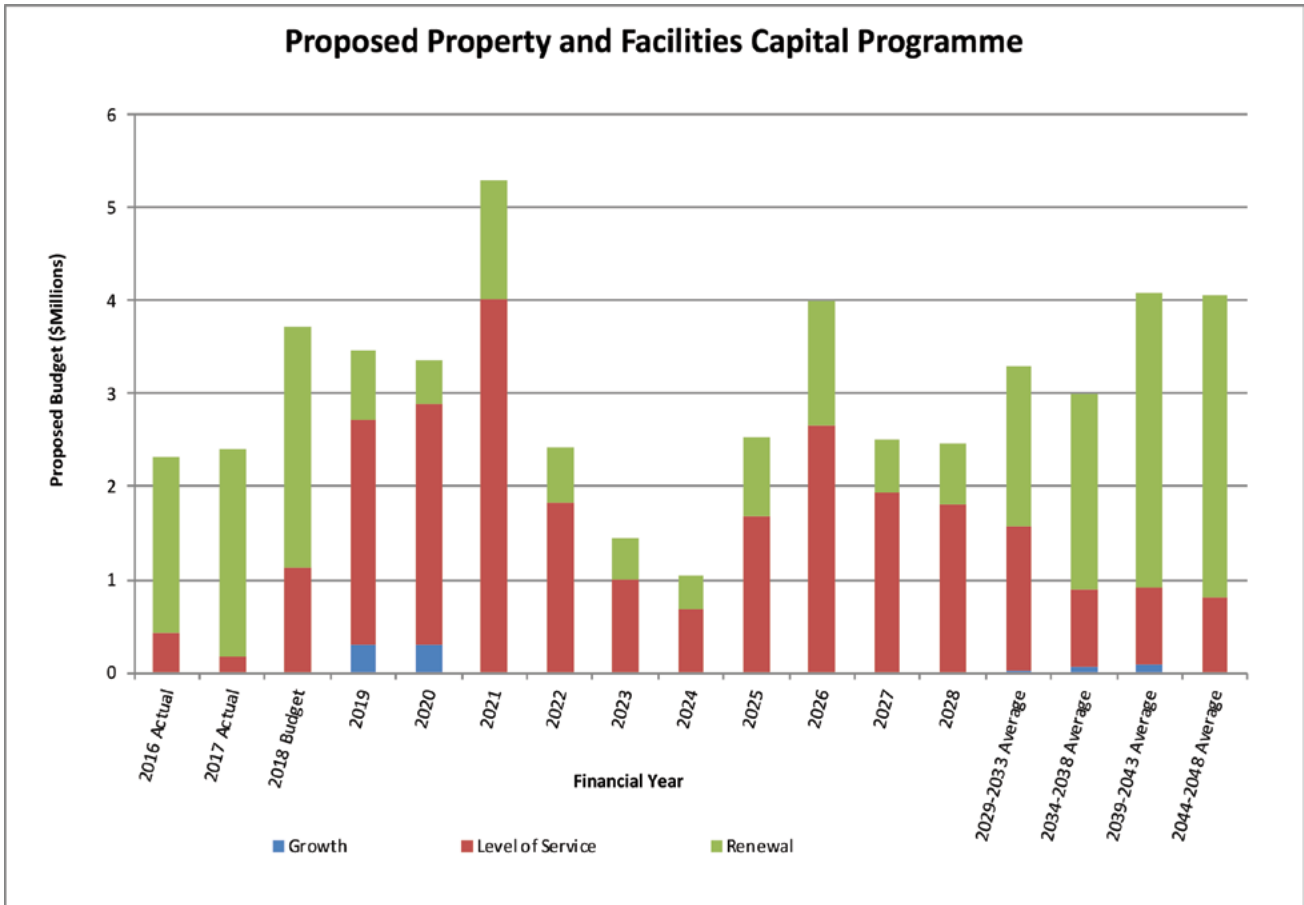


Figure 21: Planned properties and facilities capital expenditure 30 year projection

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

Libraries

The libraries activity applies to all six libraries that are owned and managed by Council. Our level of service is that library facilities are seen as community hubs that engage with, support and inspire our customers to feel a sense of ownership, belonging, and pride in their library and learning.

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

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

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

ACTIVITY SUMMARY

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

FINANCIAL PROJECTIONS

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

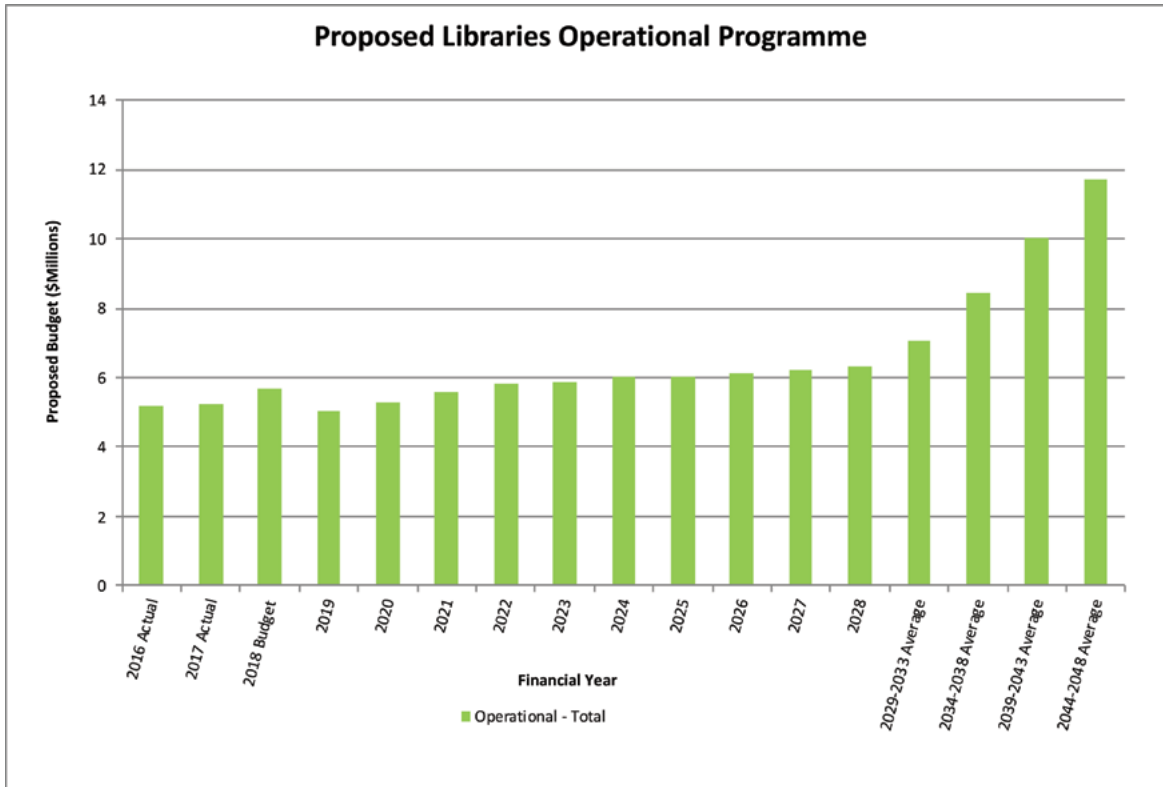


Figure 22: Planned libraries operational expenditure 30 year projection

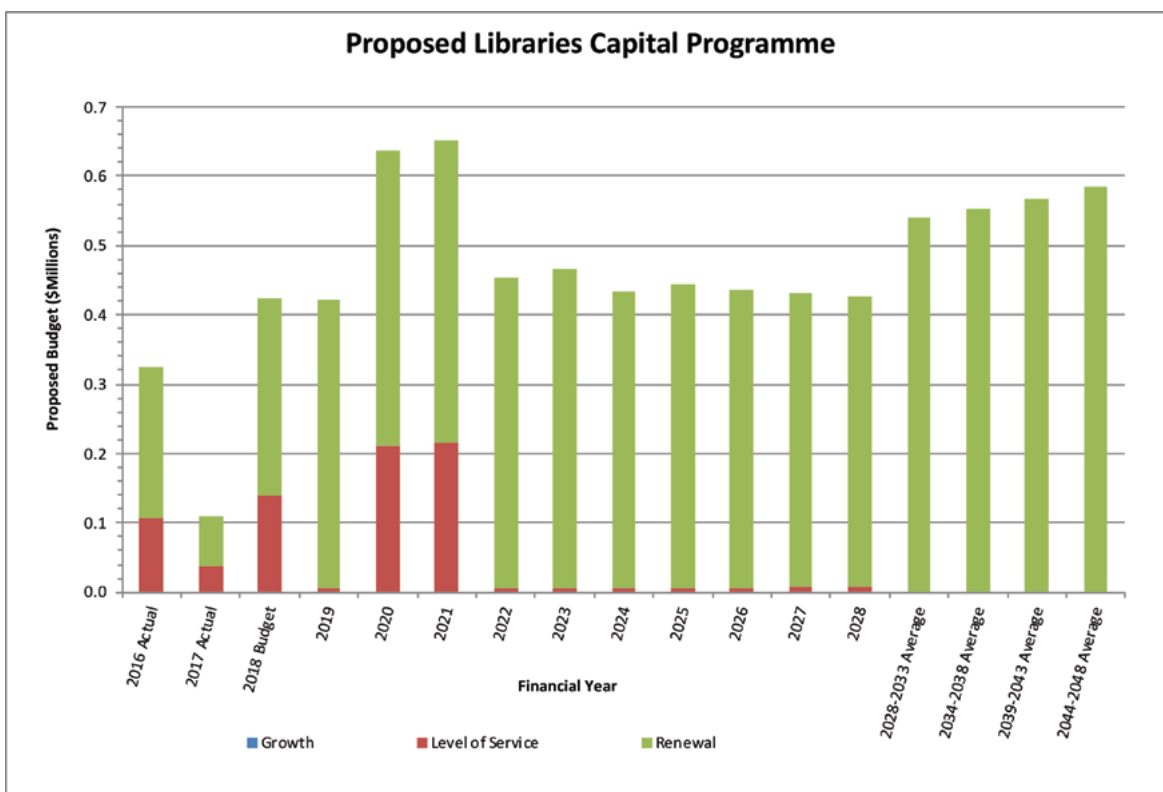


Figure 23: Planned libraries capital expenditure 30 year projection

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

The Waikato Spatial Plan

Waikato: he reo kotahi

The Waikato Plan is the first time all the councils and agencies in the Waikato region have worked together to create one plan that gives them one collective voice about important issues that affect us now and will affect us over the next 30 years.

The Plan identifies a number of priorities and actions as being critically important for our region. It will be used in sub-national or national negotiations to leverage additional resourcing and funding for regional needs and development priorities.

The Plan is focused on five priority areas:

1. Planning for population change
2. Connecting our region through targeted investment
3. Partnering with Iwi/Māori
4. Addressing water allocation and quality, and
5. Advancing regional economic development (through [Waikato Means Business](#)(external link)).

The Plan was adopted by partner councils in July/August 2017.

Significant Forecasting Assumptions

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

NOTES

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

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
Legislative Changes This plan is based on current legislation and no adjustments have been made for future changes in legislation.	Medium	There are unexpected changes to legislation that alter the nature of services provided by the council.	Most changes to legislation are known about in advance giving Councils the ability to prepare for implementation. Based on historical trends, additional services have been transferred from central government to local government in the past. Council would have to consider the costs and user charges/rating required to fund any new services. The financial uncertainty will be around the introduction of changes and training needs for staff. Therefore, changes may have to be signalled in future annual or long term plans following a period of consultation. Should consultation be required, this would allow Council to adjust budgets accordingly. It is expected that any changes would be made to encourage efficiencies in service delivery. As part of giving effect to the requirements of S17A of the Local Government Act, Council has undertaken an assessment of services that can be reviewed. Such a review will be as part of normal business operations.
Local Government Structure			

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<p>Reorganisation</p> <p>There will be no significant changes to the structure of Local Government in the Waikato region. There will be a focus on greater collaboration with local councils.</p> <p>Shared Services</p> <p>We will continue to pro-actively explore opportunities and participate in shared services as a way to provide such services cost-effectively.</p>	<p>Low</p>	<p>The Government signals changes within Local Government that results in a change to our organisation. The likely impact would be to the structure of our organisation or to the services we offer that we have not anticipated or planned for.</p>	<p>Future shape or form of local authorities could change.</p> <p>This may have consequences for how services are provided and by whom.</p>
<p>Changing Weather Patterns</p>			
<p>The effects of changing weather patterns on infrastructure is well known and demand management plans aim to factor in that information which is relevant to our infrastructure.</p> <p>The timing of changes in weather patterns that will have a significant effect on our operations are not deemed to be within the immediate ten year period, however, council believe it is prudent to encourage water conservation via a water metering programme and localised on-site storage requirements.</p>	<p>Medium</p>	<p>That the council has not made sufficient provision for climate change events or there is insufficient water supply during periods of drought to meet ratepayer's needs.</p>	<p>If land use planning does not take into account the potential effects of rising river levels during storm events there is a real risk of development happening on land that is prone to flooding. However, this is being mitigated based on modelling that is being undertaken by the Waikato Regional Council.</p> <p>If the provisions the council has made to address changing weather patterns are insufficient, then the livelihoods of businesses reliant on council water supplies could be compromised, and landowners could be required to provide their own water for non-potable purposes.</p> <p>Costs to restore usual services could be high and the time taken to rectify the situation might be lengthy and compromise the health and wellbeing of our communities.</p> <p>If power costs are underestimated council may need to reduce council expenditure in other areas to balance the situation, or spend more than operationally budgeted for which would have a knock on effect to rates over subsequent years.</p> <p>If an unforeseen event takes place, an application would be made to NZTA for subsidy and the operational work programmes would be adjusted to allow emergency works to commence. This would be dependent on the severity of the event and whether connectivity is compromised. If the works are not urgent a subsequent Annual Plan process will be utilised to address the financial implications.</p>

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<p>District Plan</p> <p>That the district plan informs land use planning which in turn informs infrastructure planning (thereby fostering integrated land use and infrastructure planning). The AMP is predicated on where growth and development will be taking place as informed by provisions in the district plan.</p>	Low	<p>The District Plan governs land use and can impact on the levels, type and location of growth within the District.</p> <p>Timing of structure plans and spatial plans is different to that proposed in this plan.</p>	<p>If any future plan change differs markedly from any growth management intent already signalled by the council (e.g. through strategic land use plans) and from the objectives and policies contained in the proposed regional policy statement, this could impact where growth occurs and on funding the infrastructure required to support that growth.</p> <p>If growth that is inconsistent with an agreed settlement pattern is permitted then infrastructure will be under pressure and costs could escalate. The offsetting growth in rating income may not be sufficient to cover the cost of providing infrastructure and could increase the council's borrowings and rating income required for repayments.</p> <p>This could result in planning for growth becoming uncoordinated and disjointed which could ultimately lead to undesirable planning outcomes.</p> <p>If growth is curtailed then demand for services should be lower and budgets may be too high.</p>
<p>Growth</p> <p>Based on the National Institute for Demographic and Economic Analysis projections for the Waikato region, the district's population is expected to grow from the current 72,137 (2018) to 84,376 (2028).</p>	Low	<p>That the projections for population growth and likely location over the next ten years vary significantly from the assumed rates.</p>	<p>A key assumption is that the settlement pattern for the district identified in the Future Proof Growth & Development Strategy and to be given effect to in the Regional Policy Statement will be maintained. A key principle here is that most of this growth will occur in the main towns (Tuakau, Pokeno, Te Kauwhata, Huntly, Ngaruawahia (including Taupiri and Horotiu) and Raglan as opposed to the rural areas. Ultimately Council will want to get to a situation where 80% of the growth is occurring in the towns - to support economies of scale and hence cost-efficiencies; and to safeguard the productive capacity of the rural land. Factored into this this thinking are the effects of the growth of Auckland and Hamilton.</p> <p>Should growth estimates be higher than projected and planned for in certain locations, there may be pressure for the council to provide and maintain additional infrastructure than is currently provided for in this plan. The estimated financial impacts are difficult to quantify however council would adjust its work programmes to ensure that growth continues to fund growth.</p>

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
Co-Management Arrangements			
<p>This plan has assumed that the costs of implementing the Joint Management Agreement schedules and associated co-management of the Waikato river will not be significant, as the organisations current processes support co-management initiatives.</p>	High	<p>The implementation of the settlement and the Waikato River Vision and Strategy may identify impacts for local authorities that have not been factored into our LTP planning.</p>	<p>As a result of the 5 year review by the Waikato River Authority on implementation, effectiveness and achievement of the vision and strategy, it is likely that staff time to implement the recommendations will increase.</p> <p>It is not anticipated there will be any cost implications as we will not require any additional staff to undertake this work.</p>
Useful Lives of the councils assets			
<p>The useful life estimates of our assets and asset values will not change significantly for the duration of this plan.</p> <p>Useful lives are identified for each component of assets. They are assessed based on many factors including construction method, material, age, condition assessments, obsolescence and expected remaining economic potential.</p> <p>Useful lives are regularly reviewed at revaluation and during maintenance.</p> <p>The condition assessment work being undertaken on underground assets is improving the quality of planning.</p> <p>Please refer to Statement of Accounting Policies for depreciation rates on page 135.</p>	Medium	<p>Useful lives estimates change as a result of asset revaluations or through adjustments in Asset Management Plans.</p> <p>Funding for renewal programmes does not coincide with renewal expenditure. Operating expenses could be under or overstated.</p>	<p>Council operates advanced asset management practices which require the useful lives of the components assets to be reassessed at each revaluation and during maintenance.</p> <p>Changes to the useful lives of assets have a direct impact on the renewal profiles of assets, for example where asset replacements are delayed. The result of this is an increase in depreciation reserves for a period of time as this is the funding source for asset replacements.</p> <p>If the useful lives of our assets are inaccurate then:</p> <ol style="list-style-type: none"> 1. Council may have insufficient funds to undertake the renewal works. Council may be able to extend borrowing to complete the works on time; this may come at higher cost. Alternatively services levels may have to reduce until funding is available. This scenario would also likely mean that rates are understated in the years leading up to the renewal. 2. Council may have allocated excess funding to renewal programmes. This may result in other works not being undertaken at preferred times resulting in the community receiving lower service levels. This scenario likely means that rates were higher than they needed to be in the years prior the planned renewal. <p>Accurate assessment of useful lives has a large impact on Council achieving its intergenerational equity principles.</p>

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty																						
Inflation																									
The Price Level Adjustors have been provided by Business and Economic Research Limited (BERL), based on work commissioned by the Society of Local Government Managers to specifically assist local government with the presentation of their Long Term Plans.	Low	The primary risk is that our assessment of inflation is inaccurate or the combination of factors used to assess inflationary movements does not reflect what actually happens.	If inflation factors are higher than what we have assumed then we may not get sufficient income to cover our expenditure at the budgeted levels. Timing of expenditure may need to be altered. If the changes are significant this may impact on the levels of service council are able to provide, or require rates to increase over and above the predicted levels in subsequent years.																						
Borrowing costs																									
The council will be a net borrower over the next ten years and the cost of debt has been budgeted for.	Low	Interest rates vary from those used in calculations of forecasts.	The council's debt portfolio is increasing; movements in interest rates could affect the council's financial position and have an impact on the amount within the council's reserves. These reserves are used to fund capital works and other various programmes and could mean that funds are unavailable to progress works as budgeted. In the event interest rates are lower the council intends to apply the savings to reduce debt or rates in accordance with the council's prudent financial management philosophy.																						
<table border="1"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>4.49%</td> </tr> <tr> <td>2020</td> <td>4.28%</td> </tr> <tr> <td>2021</td> <td>4.32%</td> </tr> <tr> <td>2022</td> <td>4.42%</td> </tr> <tr> <td>2023</td> <td>4.55%</td> </tr> <tr> <td>2024</td> <td>4.66%</td> </tr> <tr> <td>2025</td> <td>4.58%</td> </tr> <tr> <td>2026</td> <td>4.66%</td> </tr> <tr> <td>2027</td> <td>4.74%</td> </tr> <tr> <td>2028</td> <td>4.77%</td> </tr> </tbody> </table>	Year	Percentage	2019	4.49%	2020	4.28%	2021	4.32%	2022	4.42%	2023	4.55%	2024	4.66%	2025	4.58%	2026	4.66%	2027	4.74%	2028	4.77%			
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Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
Rental Income			
Income projections will be in line with contract conditions until the expiry of each contract. Subsequently, forecasting will be based on an inflation adjustment (BERL).	Low	Actual income will be higher or lower than that budgeted.	Level of rental income is market-driven and based on the value of land and buildings, therefore difficult to predict. If the income received is lower than anticipated levels of expenditure may need to be reduced, or there will be extra costs for general rate.
Revaluation Movements			
Provisions for revaluations has been budgeted as follows: Roading and waters asset - annually. All other assets – three yearly (with different classes valued on alternate years to spread the impact of changes in depreciation expenses.	Low	The revaluation results in a higher or lower value of assets and this will have an impact on costs.	Asset values could increase by more or less than our estimate. This could impact on the level of operating costs for different activities. Large asset valuation changes could impact on councils ability to fund asset renewals
Housing Infrastructure Fund (HIF)			
We will receive \$38 million of interest free funding as indicated by MBIE to support development in Te Kauwhata. The initial application was accepted pending a detailed business case that was submitted earlier this year.	Low	Final funding application is unsuccessful in June 2018	Would have higher charges for water/wastewater development contributions. Council would remain within their debt limit and within the LGFA borrowing limit.

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty						
<p>Subsidies</p> <p><u>Waste Levy</u></p> <p>The council anticipates that the government will continue to provide waste levies using the population based formula.</p> <p><u>Water/wastewater</u></p> <p>No subsidies are available.</p> <p><u>NZTA</u></p> <p>The proposed levels of service are in line with current practice.</p> <p>Rates for future work are based on current contract rates</p> <p>Emergency works funding reserve is maintained</p> <p>Development related projects are based on current information</p> <p>The basis of funding for the ten years is assumed to be:</p> <table border="1" data-bbox="991 1512 1125 2045"> <tr> <td>Financial Year</td> <td>Maintenance</td> <td>Improvements and replacement</td> </tr> <tr> <td>2018/19 onwards</td> <td>52%</td> <td>52%</td> </tr> </table>	Financial Year	Maintenance	Improvements and replacement	2018/19 onwards	52%	52%	<p><u>Medium</u></p>	<p><u>Waste Levy</u></p> <p>That the council does not get the predicted levels of waste levy income.</p> <p><u>Water/wastewater</u></p> <p>N/A</p> <p><u>NZTA</u></p> <p>The proposed levels of service are in line with current practice.</p> <p>Significant cost increases in labour, plant and materials.</p> <p>Emergency works funding is sourced in addition to the existing roading programme.</p> <p>Development related projects are based on current information.</p>	<p><u>Waste Levy</u></p> <p>The council utilises the levy income to fund waste minimisation schemes, educational programmes and other such projects as is the intent of the levy.</p> <p>Should the council not receive the amount of income predicted, expenditure in these areas may need to be reduced. This would not support our zero waste initiatives.</p> <p><u>Water/wastewater</u></p> <p>N/A</p> <p><u>NZTA</u></p> <p>Increase or decrease to funding requirements in line with the One Network Review Classification (ONRC) development..</p> <p>The annual quantity of planned work would be reduced.</p> <p>Unforeseen and sudden funding required.</p> <p>Increased demand on the network and funding requirements.</p>
Financial Year	Maintenance	Improvements and replacement							
2018/19 onwards	52%	52%							

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

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
Ownership of a significant asset			
It is assumed throughout this plan that council will retain ownership of its significant assets and continue with the current CCO's. There is no opportunity to change the current CCO's.	Low	That the specified returns whether financial or non-financial of holding strategic assets/CCO's are not forthcoming	Should specified returns not be attainable, council would review its investment. Such a review may have a financial impact as it would be prudent for it to be undertaken by an independent entity. The outcome of a review may recommend that the council continues to hold, partially divest or sell in entirety its interest.
Waikato Expressway			
<p>It is assumed that we will obtain more roads to manage.</p> <ul style="list-style-type: none"> Hamilton Huntly – 2020 Longswamp – 2019 <p>We have assumed that the revoked State Highways as a result of the completion of the Waikato Expressway will be transferred to Council to manage as follows:</p> <ul style="list-style-type: none"> Revoked State Highways – All Current SH1 and SH1B <p>We have assumed that these inherited roads will be at an acceptable standard and will attract NZTA subsidy going forward for maintenance</p>	Low	<p>The timing and costs/values of assets associated with the revocation of state highways are different to that reflected in this plan.</p> <p>The impact of not receiving funds for upgrades could mean that the cost for maintenance on those sections of road lies with Council.</p> <p>This may require additional loans to be raised to complete any essential works which would have an impact on the amount of rates needed to cover repayments in the future. Rather than choosing to raise loans, council might defer replacement/renewal works on other local roads. This could require further rating income to carry out operational works to extend the life of those assets.</p>	

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
Resource Consents			
<p><u>Water Supply</u></p> <p>Within the next 10 years only one water supply consent will expire and it is expected to be renewed without any issues.</p> <p>Conditions of resource consents for Council activities will not alter significantly as long as Council can demonstrate that effective and sustainable long term water management plans are in place and being implemented as per the Waikato Regional Plan Variation 6.</p>	High	<p>Conditions of resource consents are altered significantly and without sufficient warning.</p> <p>Any new resource consents required are not approved or conditions imposed are not allowed for.</p>	<p>If the council is faced with significant changes to resource consent conditions, this could have a significant impact on the council's financial resources.</p> <p>If conditions change the timing of the consent process may need to be extended, particularly if upgrade works are required in order to comply.</p> <p>Any additional operational or capital expenditure would need to be funded by ratepayers or other mechanisms. Alternatively it may take longer to comply with any conditions imposed.</p> <p>Neither of these outcomes are allowed for in this Long Term Plan.</p>
<p><u>Wastewater</u></p> <p>Within the next 10 years 6 wastewater discharge consents will expire, with the Raglan discharge being of most significance.</p> <p>It is expected that the consent conditions will alter significantly due to the NPS changes and community expectations.</p> <p>Policy and regulatory reviews are being undertaken as part of the strategies that are under development.</p>			

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty																						
<p>Water Availability</p> <p>Water availability has been identified as a risk to specific individual schemes within the next 10 years; the water supply strategy has identified measures to mitigate/address these risks and outlined recommendations to accommodate the forecasted demands.</p> <p>It is assumed that Council will be able to alter existing consents and allocations to meet forecasted demands.</p>	High	Changes to allocations are not approved	If Council is unable to alter existing consents and allocations, this could have a significant impact on Council's ability to accommodate growth in specific areas of the district.																						
<table border="1"> <thead> <tr> <th colspan="2">Projected number of rating units as at 30 June:</th> </tr> </thead> <tbody> <tr><td>2018</td><td>31,916</td></tr> <tr><td>2019</td><td>32,551</td></tr> <tr><td>2020</td><td>33,286</td></tr> <tr><td>2021</td><td>34,021</td></tr> <tr><td>2022</td><td>34,756</td></tr> <tr><td>2023</td><td>35,491</td></tr> <tr><td>2024</td><td>36,226</td></tr> <tr><td>2025</td><td>36,961</td></tr> <tr><td>2026</td><td>37,696</td></tr> <tr><td>2027</td><td>38,431</td></tr> </tbody> </table>	Projected number of rating units as at 30 June:		2018	31,916	2019	32,551	2020	33,286	2021	34,021	2022	34,756	2023	35,491	2024	36,226	2025	36,961	2026	37,696	2027	38,431	Medium	The number of new rating units does not meet or exceeds expectations.	<p>Rating and development contribution income could be under or overstated. If this were to occur, both capital and operational expenditure would be adjusted to reflect actual demand.</p> <p>If projects have been progressed ahead of development which does not eventuate this could cause funding short-falls. This in turn would raise the costs of development and/or increase the borrowing costs for existing ratepayers.</p>
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Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
<p>Sources of funding for future replacement of significant assets</p> <p>Sources of funding for the replacement of assets can be found in the council's Revenue and Finance Policy found on page 146. Any changes to this policy require consultation with the community.</p> <p>NZTA subsidy will continue to be available at the currently agreed percentage (see NZTA subsidy assumption).</p> <p>Ministry of Health (MoH) subsidies are not available for Wastewater (see Water and Wastewater assumptions).</p> <p>The bank and LGFA will continue to lend to local authorities. External borrowing limits are covered within the Treasury Risk Management Policy.</p>	Medium	Sources of funds are inadequate to fund the replacement of significant assets	If funds are inadequate for the replacement of significant assets, work may not be progressed as per timing in the plan. Operational expenditure may rise as a result in an attempt to extend the life of the assets, which would potentially cost the ratepayer more as we would still need to build reserves to pay for the eventual replacement.
<p>Renewal of External Funding</p> <p>The council is able to retain all external funding even if projects are delayed.</p>	Low	A project may be delayed, which would put the external funding at risk.	Some projects may not proceed if external funding is not available.

Forecasting Assumptions	Level of Uncertainty	Risk	Possible Impact Of Uncertainty
Societal Changes			
<p>It is assumed that there has been no significant change in the make-up of our society or the way the community behaves or services it expects since the census in 2013.</p> <p>It is acknowledged that the percentage of people in older age categories will increase over the next 20 years however it is further assumed that any societal or demographic changes will not hinder the processes in place to ensure that this plan takes account of community views.</p> <p>Submissions and engagement with our communities is encouraged.</p>	Medium	<p>Changes within society may impact on the range of activities or levels of service provided by the council.</p> <p>Census information from 2013 is no longer reflective of the demographic makeup of our new district.</p>	<p>Society evolves over time. This can pose challenges for local government. This could be around issues such as transport, governance, legislation and the like.</p> <p>Higher demand for services or changes to delivery of services could result in further costs.</p>
National Policy Statement – Urban Development Capacity (NPS-UDC)			
<p>Planning for growth takes into account Councils ability to demonstrate our requirements as a high growth council under the NPS-UDC. This ensures that we are able to meet the residential and commercial demand in the short, medium and long term.</p>	Low	<p>That the technical evidence shows we are unable to meet the NPS requirements.</p>	<p>If Council does not meet the NPS-UDC requirements we will need to review our land-use settlement pattern and the 30 year Infrastructure Strategy to cater for any shortfall.</p>

What we do

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

A strategic direction is only as good as its implementation, and this is where our Groups of Activities (Governance, Sustainable Environment, Sustainable Communities, Roothing, Stormwater, Wastewater, Water Supply, Organisational Support) come in. The following pages provide information about our work programme – the major projects and activities we have decided on for the next 10 years, our targets, how we'll measure them and their associated projects.

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

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

You'll see that we've shown which outcome each group of activities primarily contributes to, and the other groups of activities they might also contribute to in a more minor way. And because the council's strategic direction is driven by five key principles - Supporting our communities, Building our economy, Sustaining our environment, Working together with you, and Providing value for money - we've also shown how our activities relate to these principles in the table below and therefore, contribute to the strategic direction.

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

Activity	Outcome				
	Supporting our communities	Building our economy	Sustaining our environment	Working together with you	Providing value for money
Governance	✓	✓	✓	✓	✓
Sustainable Communities	✓	✓	✓	✓	✓
Sustainable Environment	✓	✓	✓	✓	✓
Roothing	✓			✓	✓
Stormwater	✓		✓	✓	✓
Wastewater	✓		✓	✓	✓
Water Supply	✓		✓	✓	✓
Organisational Support				✓	✓

 - primary contribution
  - minor contribution

Service Level Definitions

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

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

Governance

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

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

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

Key Projects

The following key projects are planned for 2018-28:

Projects	Location	Budget (\$000)			
		2018/19	2019/20	2020/21	2021-28
Local Government Elections	District wide	-	422	-	930

Potential Significant Negative Effects

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

Levels of Service, Performance Measures and Targets: Governance

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

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
To ensure that our diverse community is represented in a democratically accountable and respectful manner.	Elected members represent their ward and act in the best interests of the district.	Percentage of residents satisfied that they were able to contact their councillor as and when required	83%	90%	90%	90%	90%
	Council meets obligations to iwi under formal and informal agreements	Number of joint committee meetings held per annum	4 (2 Waikato Tainui, 2 Maniapoto)	4 (2 Waikato Tainui, 2 Maniapoto)	4 (2 Waikato Tainui, 2 Maniapoto)	4 (2 Waikato Tainui, 2 Maniapoto)	4 (2 Waikato Tainui, 2 Maniapoto)
		Number of identified or notified breaches/objections under Joint Management Agreements, MOU's and MOA's	0	0	0	0	0
		Number of governance hui held between council and iwi / hapu groups	7	Minimum of 4	Minimum of 4	Minimum of 4	Minimum of 4
To ensure that decisions are underpinned by sound financial governance.	Council holds regular public meetings where information on the decisions made is accessible to the public	Percentage of minutes of all open meetings that are made publicly available via the Council's website	100%	100%	100%	100%	100%
	Specialist advice and opinion is sought when the impact of a decision on the community is unknown or unclear.	Percentage of Council decisions that comply with statutory requirements	100%	100%	100%	100%	100%
To ensure that decisions and processes take into account both short and long term impacts on our customers and partners.	Council considers the content of all available reports and analysis in its decision making process	Percentage of district plan changes that are undertaken as per the RMA statutory process	New	100%	100%	100%	100%

Waikato District Council: Prospective Funding Impact Statement – Governance

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	6,916	5,247	5,623	5,725	5,710	5,972	6,098	6,050	6,340	6,471	6,423
Targeted rates	193	222	250	268	274	281	287	293	299	305	311
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	1,334	1,031	1,055	1,082	1,114	1,130	1,158	1,173	1,195	1,223	1,248
Local authorities fuel tax, fines, infringement fees, and other receipts	16	5	273	5	5	290	5	5	310	5	5
Total operating funding	8,459	6,505	7,201	7,080	7,103	7,673	7,548	7,521	8,144	8,004	7,987
Applications of operating funding											
Payments to staff and suppliers	2,803	2,535	3,091	2,714	2,759	3,259	2,852	2,907	3,436	3,015	3,067
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	4,921	3,972	4,086	4,326	4,301	4,365	4,642	4,558	4,649	4,925	4,852
Other operating funding applications	-	2	2	2	2	2	2	2	2	2	2
Total applications of operating funding	7,724	6,509	7,179	7,042	7,062	7,626	7,496	7,467	8,087	7,942	7,921
Surplus (deficit) of operating funding	735	(4)	22	38	41	47	52	54	57	62	66
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	735	(4)	22	38	41	47	52	54	57	62	66
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	735	(4)	22	38	41	47	52	54	57	62	66
Surplus (deficit) of capital funding	(735)	4	(22)	(38)	(41)	(47)	(52)	(54)	(57)	(62)	(66)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information:											
Depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-

Sustainable Environment

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

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

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

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

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

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

The goals of the WMMP are summarised as:

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

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

Key Projects

The following key projects are planned for 2018-28:

Projects	Location	Budget (\$000)			
		2018/19	2019/20	2020/21	2021-28
North Waikato Resource Recovery Centre	Tuakau/Pokeno	-	-	-	3,051
Resource Recovery Centre	Huntly	-	51	52	534

Potential Significant Negative Effects

Potential Negative Effect	How We Are Addressing This
Animal control	
Injury to Animal Control Officers from attack by dog owners, dogs, and livestock	Continue to provide ongoing training and ensure the correct and required personal protection equipment is provided
Dog owners disgruntled by enforcement action taken against them	Professional and courteous enforcement
Members of the public are at risk from dog attack	Ensure our animal control services are maintained at a level to ensure stray dogs are impounded
Dog control activity is predominantly paid for through registration of known dogs which may not target those that use the service	Implement cost recovery options where possible
Building quality	
Legislation is requiring more council input into plan review and building inspection, which increases costs.	The council has to react to new legislation, but tries to limit the cost increase as much as possible.
Non-compliance requires the council to take offenders before the Courts.	Prosecution of blatant offences against the Building Act is necessary to reinforce compliance, maintain equity for those who obtain consents and fulfil statutory duty.
The time to process applications might be regarded as a delay to construction	This is mitigated through the simplification of the consent process
Leaky homes are identified.	More thorough vetting of the drawings, inspections by better trained highly skilled inspectors, will assist in reducing the incidence of leaky homes.
Strategic and district planning	
Planning may increase development costs, through compliance costs, development levies or financial contributions.	Benefits flow back to developers from improved environmental quality, and provision and co-ordination of services such as infrastructure, and any net negative effect is not significant.
Non-compliance with statutory requirements for the issuing of resource consents may cause delays	Improvement of systems is ongoing to ensure continual improvement in services.
Inadequate or harsh monitoring of District Plan requirements may discourage development, affecting the economy in the district	Apply a reasonable, concise, consistent monitoring process
Solid waste	
Increase in the amount of refuse to be disposed as population increases over time	The council acts as the advocate for waste reduction through the adoption of the Waste Management Plan. The council also supports education initiatives and provides education material for its customers
Environmental impacts caused by the discharge of contaminants to land and water from closed landfills	Compliance with resource consent conditions that stipulate the frequency and parameters to be monitored
Ease of disposal, through convenient waste management services, encourages increased quantities of material to be sent to waste by customers.	Education and programmes to build awareness and foster ownership of waste minimisation within the community.
Potential impacts on customer satisfaction due to service failure /delays /responsiveness	Monitor and report on Levels of Service and in Service provider contracts. Seek to resolve customer complaints "close the loop"

Potential Negative Effect	How We Are Addressing This
Health and safety risks associated with the operation, maintenance, or construction of solid waste infrastructure	Ensure compliance with legislation and health & safety management plans. Maintain an incidents register.
Under-provision of recycling facilities fails to promote a positive shift in the community's attitude to waste	Each main urban community in our District has greenwaste and/or recycling facilities
Waste entering the water bodies affect the mauri of the environment	Each main urban community in our District has greenwaste and/or recycling facilities
Environmental Health	
No potential significant effects have been identified for this activity.	N/A

Levels of Service, Performance Measures and Targets: Animal Control

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

Objective	Level of service	Performance Measure	Result				
			2016/17	2018/19	2019/20	2020/21	2021+
To ensure that animals are kept in a way that protects their well-being and minimises danger and public nuisance, and provide animal owners with education regarding their responsibilities.		The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that has council personnel on site within 1 hour	99%	95%	95%	95%	95%
	Animal control services and staff ensure that public places are free from uncontrolled dogs and wandering stock	The percentage of complaints regarding stray stock that have council personnel on site within 1 hour	95%	95%	95%	95%	95%
		The number of reported serious dog attacks on people in public places (where medical attention is required) that occur in our district does not exceed 10 per year	New	10 or less	10 or less	10 or less	10 or less
	Animal control services and facilities provide education to owners and promote community safety	Complete Engagement and Education Visits throughout the district	New	120 per annum/ 10 per month	120 per annum/ 10 per month	120 per annum/ 10 per month	120 per annum/ 10 per month

Levels of Service, Performance Measures and Targets: Building quality

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

Objective	Level of service	Performance Measure	Result				Target		
			2016/17	2018/19	2019/20	2020/21	2021+		
To ensure that building regulations and standards are met so that people living and working in buildings are safe.	The Council ensures that buildings comply with building regulations.	The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually	51%	33%	33%	33%	33%	33%	
	The Council ensures that swimming pools comply with fencing of swimming pools act requirements	The percentage of buildings that provide sleeping care or paid accommodation that are audited for compliance annually	100%	100%	100%	100%	100%	100%	
To ensure that timely and accurate information and efficient processes are provided to people planning to build on or purchase a property	The Council ensures that a timely building consenting process is provided.	The percentage of swimming pools that are inspected for compliance annually	1.7%	33%	33%	33%	33%	33%	
		The Percentage of building consent applications that are processed within 20 working days	86%	100%	100%	100%	100%	100%	

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

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

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

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
To ensure that development enhances the well-being and safety of the community, and that people have the opportunity to participate in the strategic and district planning process.	Resource consents are processed on time and within statutory requirements	The percentage of resource consent applications which are processed within statutory timeframes	99.9%	100%	100%	100%	100%
	Our plans and our monitoring and enforcement activities ensure compliance with legislation and the protection of people, properties and landforms.	The percentage of current land use consents that are older than 2 years which have been monitored in the past 2 years	New	More than or equal to 80%	More than or equal to 80%	More than or equal to 80%	More than or equal to 80%
	In order to maintain the availability of parking and ensure that vehicles are safe.	The number parking patrols that are carried out in communities that have parking controls under the bylaw.	New	More than 150	More than or equal to 150	More than or equal to 150	More than or equal to 150

Levels of Service, Performance Measures and Targets: Solid Waste

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

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

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
To ensure communities are well informed about the effects of waste and opportunities they have to reduce waste.	Information on Councils waste and recycling services is available to communities	The percentage of schools in the district that receive solid waste education.	81%	55%	55%	55%	55%
To ensure that our waste and recycling services are efficient and effective and protect our natural environment.	Refuse and recycling services are convenient, reliable and efficient	The percentage of kerbside collection complaints that are resolved within agreed timeframes	96%	97%	97%	97%	97%
	In order to minimise the impact of rubbish left in a public place	The % of time a contractor was engaged within 5 days from receiving the service request to to remove rubbish to resolution	New	95%	95%	95%	95%

Levels of Service, Performance Measures and Targets: Environmental Health

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

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
To ensure that activities are managed so that our communities are healthy and safe, legislative requirements are met and nuisance is managed	The district has clean, safe and hygienic food premises	The percentage of licensed food premises that are verified/inspected annually	100%	100%	100%	100%	100%
	Alcohol licensing is managed to minimise alcohol abuse in the community and meet legislative requirements.	The percentage of medium risk or higher fee category licensed premises that are inspected annually	100%	100%	100%	100%	100%
	Noise complaints are responded to in a timely fashion to ensure community wellbeing	Percentage of excessive noise complaints responded to within agreed timeframes	79%	85%	85%	85%	85%
	Nuisance complaints are responded to in a timely fashion ensuring community health and safety	The percentage of hazardous land use information (Hail) reports that will be completed within 10 working days. Percentage of environmental health complaints where the customer has been contacted within 3 working days	New	90%	90%	90%	90%

Waikato District Council: Prospective Funding Impact Statement – Sustainable Environment

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	7,387	7,926	8,438	8,792	9,415	9,630	10,549	11,023	11,630	12,410	13,120
Targeted rates	2,645	3,458	5,406	5,750	6,071	6,377	6,663	6,959	7,263	7,577	7,901
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	7,161	7,347	6,390	6,708	6,723	6,763	6,805	6,847	6,894	6,943	6,992
Internal charges and overheads recovered	656	762	779	804	823	823	842	846	862	887	908
Local authorities fuel tax, fines, infringement fees, and other receipts	3,136	4,215	4,396	4,516	4,491	4,605	4,723	4,841	4,962	5,083	5,206
Total operating funding	20,985	23,708	25,409	26,570	27,523	28,198	29,582	30,516	31,611	32,900	34,127
Applications of operating funding											
Payments to staff and suppliers	15,483	17,509	18,750	18,826	19,107	19,907	21,159	22,227	23,375	24,575	25,669
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	5,634	5,938	6,290	6,710	7,127	7,107	7,327	7,242	7,278	7,544	7,651
Other operating funding applications	8	39	56	57	59	60	61	63	64	65	67
Total applications of operating funding	21,125	23,486	25,096	25,593	26,293	27,074	28,547	29,532	30,717	32,184	33,387
Surplus (deficit) of operating funding	(140)	222	313	977	1,230	1,124	1,035	984	894	716	740
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	107	-	1,118	172	1,761	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	107	-	1,118	172	1,761	-	-
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	16	-	51	52	534	-	1,118	172	1,761	-	-
- to replace existing assets	5	153	76	68	102	93	73	74	76	106	80
Increase (decrease) in reserves	(161)	69	186	857	701	1,031	962	910	818	610	660
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	(140)	222	313	977	1,337	1,124	2,153	1,156	2,655	716	740
Surplus (deficit) of capital funding	140	(222)	(313)	(977)	(1,230)	(1,124)	(1,035)	(984)	(894)	(716)	(740)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information:											
Depreciation and amortisation	73	65	66	69	72	86	88	98	104	150	154

Sustainable Communities

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

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

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

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

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

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

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

Key Projects

The following key projects are planned for 2018-28:

Projects	Location	Budget (\$000)			
		2018/19	2019/20	2020/21	2021-28
Aquatic Centre	Ngaruawahia	45	40	30	1,100
Aquatic Centre	Tuakau	51	9	857	237
Community Centre	Huntly	-	60	102	633
Community Centre	Raglan	21	3	2	108
Dog Pound	Tuakau		350	1,462	-
Sports Ground	Tamahere	550	255	314	-
Sports Ground	Pokeno	700	716	-	536
Walkways	Tamahere	-	-	-	1,534
Walkways	Te Kauwhata	-	-	-	2,262
Library	Pokeno	50	102	2,611	621
Library	Tuakau	-	255	-	117
Library	Ngaruawahia	750	-	-	124
Wharf	Raglan	50	51	52	401
Pensioner Housing	District wide	30	30	30	241
Playgrounds	District wide	331	303	316	1,823
Skateparks	District wide	36	358	41	442

Potential Significant Negative Effects

Potential Negative Effect	How We Are Addressing This
Economic Development	
No potential significant effects have been identified for this activity.	
Emergency Management	
No potential significant effects have been identified for this activity.	
Customer Focus	
Damaged library items.	Repaired as condition assessed during the issuing or receipting process, or discarded in accordance with the collections policy.
Inappropriate books/magazines/material in the collection (such as adult material, or offensive to cultures, religion, or in general).	Items are acquired in accordance with the collections policy and catalogued as per the nature of the material.
Parks, Property and Facilities	
Disability access to facilities.	Development of the disabilities access policy. Design and manoeuvrability for wheelchair access, or mobility scooter. New facilities to be designed in accordance with the council's HCC development manual.
Noise and disorderly behaviour issues from events at reserves, and general use of reserves.	Events managed in line with the council's terms and conditions of hire. Any disturbance will be handled by local police or noise control if required.
Herbicides impacting environment.	Working in conjunction with Hazardous Substances and New Organisms (HSNO) standards for handling agri-chemicals. Enforcing appropriate conduct and use of wash down facilities and hard stands. Ensuring pest and weed control activities are within guidelines.
Damages to property and harm to people from falling trees and branches.	Tree maintenance programme according to industry standards. Focus on higher risk areas such as walkways, playgrounds, higher use reserves, and power networks. Responsive to customer requests and cyclical maintenance.
Reserves can create a fire hazard for properties.	Management of a fire-break to prevent this effect.
Hazardous chemicals used to keep bio hazards under control, can be harmful if mishandled.	Staff training to identify and handle emergency events and safety standards strictly adhered to. Sodium hypochloride used which is safer alternative than traditional chemicals.
Accidents at aquatic facilities.	Pools managed to Pool Safe certification standards. Wet floor signage for appropriate areas.
Isolation/location of public toilets leading to safety concerns.	Ensure toilets are designed appropriately and located in areas that are easily visible and accessible. Use CPTED design principles.
Congregation of undesirable groups with the potential to vandalise equipment.	Maintenance regimes in place to rectify any issues, installation of CCTV as appropriate. CPTED design principles.
Toilets can present a sanitary risk to the community.	Included in Water & Sanitary services assessments (three yearly).
Considered to have a negative aesthetic effect.	Use of eco design, strategic locations, planting to minimise the impact, environmentally complimentary paint colour.
Noise and disorderly behaviour issues from events at cemeteries and general use of cemeteries.	Restricted opening hours.
Congregation of undesirable groups with the potential to vandalise equipment.	Maintenance regimes in place to rectify any issues, installation of CCTV as appropriate. Use CPTED design principles.
Potential pollution of waterways from cemetery activities.	Maintain an adequate separation distance between human remains and the highest seasonal ground water table. Maintain an adequate buffer zone around cemeteries, and plant with deep rooting trees.

Levels of Service, Performance Measures and Targets: Economic development

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

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021 +	
Tourism in the district is enhanced and Council's processes and infrastructure support and facilitate new and existing business.	The district's unique qualities are promoted to encourage more people to live, visit and invest.	The percentage increase in measureable annual tourism expenditure (Same or higher than NZ growth rate)	New	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate
		The percentage increase in number of business units in the Waikato District (Same or higher than NZ growth rate in number of business units)	Target 1.6% Actual 2.2%	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate	District growth rate greater or equal to the NZ growth rate
	Sustainable business growth is supported by efficient processes, available land and accessible infrastructure.	The percentage of customers satisfied or very satisfied that the quality of service and expertise meets their needs	New	90%	90%	90%	90%	90%
		Business perception Survey average rating	New	Equal to or higher than 8.5 out of 10	Equal to or higher than 8.5 out of 10	Equal to or higher than 8.5 out of 10	Equal to or higher than 8.5 out of 10	Equal to or higher than 8.5 out of 10
		The percentage delivery of the Economic Development strategic work programme	100%	95%	95%	95%	95%	95%

Levels of Service, Performance Measures and Targets: Grants and Donations

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

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
To build community capacity by encouraging voluntary and community-based organisations to provide activities and services.	Consistent and fair funding processes operate to support community capacity building and the delivery of community activities and services.	Number of discretionary grant funding rounds undertaken per year	4	4	4	4	4
			100%	100%	100%	100%	100%
		The percentage of community funding/ grant recipients meeting grant obligations, as evidenced through accountability reports.					

Levels of Service, Performance Measures and Targets: Parks

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

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

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

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

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

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

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

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

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

Objective	Level of service	Performance Measure	Result	Target			
				2018/19	2019/20	2020/21	2021+
To ensure that our open spaces are safe and well maintained and offer opportunities for a wide range of recreational, cultural and community activities.	Parks are appropriate for the needs of the community, safe and well maintained.	Percentage of Customers who are satisfied with Parks And Reserves, including sports fields and playgrounds overall	92%	90%	90%	90%	90%
		Percentage of Customers who are satisfied with the Presentation of WDC Cemeteries.	New	95%	95%	95%	95%
	Public toilets are accessible, clean and fit for purpose.	Percentage of new playgrounds built to New Zealand Standard - Playground Equipment and Surfacing (NZS 5828:2015)	New	100%	100%	100%	100%
		Percentage of customers who are satisfied in the annual satisfaction survey (Public toilets)	74%	75%	75%	75%	75%
	Percentage of new public toilets built to NZS4241:1999	New	100%	100%	100%	100%	

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

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

Objective	Level of service	Performance Measure	Result	Target			
				2018/19	2019/20	2020/21	2021+
To ensure the council provides safe, accessible and well maintained community and leisure facilities and general properties which contribute to the community's recreational, economic and cultural needs.	Community facilities are appropriate for the needs of the community, safe and well maintained.	Percentage of buildings that require a building WOF that comply	100%	100%	100%	100%	100%
		Percentage of customers who are satisfied with the service provided at the WDC campgrounds.	New	90%	90%	90%	90%
To ensure the council provides safe, accessible and well maintained community and leisure facilities and general properties which contribute to the community's recreational, economic and cultural needs.	Council pools are clean, safe and well-used.	Percentage of visitors that find the pool facilities clean, accessible and welcoming	New	90%	90%	90%	90%
		Percentage of WDC Aquatic Centres that are operated under NZ Pool Safe Accreditation	New	100%	100%	100%	100%

Levels of Service, Performance Measures and Targets: Emergency Management

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

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

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

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021+	
To ensure council and our communities are resilient and have the capability to respond, manage and recover from emergencies.	The Council is resilient and ready to respond in the event of an emergency.	Successfully participate in one exercise per annum that is fully moderated by an external party	New	1	1	1	1	1
		Council maintains a minimum number of trained staff to Intermediate level, to fulfil core Emergency Operations Centre roles.	New	30	30	30	30	30
		Council maintains a minimum number of trained staff to foundation level, to fulfil core Emergency Operations Centre roles.	New	100	100	100	100	100

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

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

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

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

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
To provide our customers and partners with opportunities for engagement thereby providing input to the decision making process.	Opportunities are provided for public participation in decision making	Percentage of customers satisfied that council engages with the community regarding the right issues	45%	60%	60%	60%	60%
	Opportunities for public participation in decision making are accessible, informative and understood	Percentage of customers satisfied with the ease of access and clarity of information regarding key community issues	52%	60%	60%	60%	60%
To ensure that a seamless, consistent quality service is provided to our customers via a range of channels	It is easy for customers to access Council staff and information to meet their needs	Average level of effort to conduct business with council. (On a scale of 1 - 5 (5 being high effort) how much effort did it take to conduct your business with council?)	2.25	Less than 3	Less than 3	Less than 3	Less than 3
	Libraries are seen as community hubs that engage with, support, and inspire our customers to feel a sense of ownership, belonging, and pride in their library and learning.	Net Promoter Score (level of likelihood that library users will recommend to friends and family their library as a place to go)	92%	90%	90%	90%	90%
		Level of customer satisfaction that the quality of libraries resources meets their needs	90%	90%	90%	90%	90%
		Percentage of time that access to a free internet service is available in libraries	100%	100%	100%	100%	100%

Waikato District Council: Prospective Funding Impact Statement – Sustainable Communities

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	20,209	20,155	21,627	22,193	23,005	23,934	25,476	26,383	28,252	29,396	30,771
Targeted rates	600	704	710	716	722	727	733	739	742	748	754
Subsidies and grants for operating purposes	72	60	60	60	60	60	60	60	60	60	60
Fees and charges	1,552	1,691	1,760	1,843	1,878	1,930	1,964	2,020	2,065	2,127	2,176
Internal charges and overheads recovered	286	380	353	359	372	384	410	519	651	811	951
Local authorities fuel tax, fines, infringement fees, and other receipts	1,396	1,717	1,754	1,793	1,832	1,874	1,918	1,964	2,013	2,077	2,121
Total operating funding	24,115	24,707	26,264	26,964	27,869	28,909	30,561	31,685	33,783	35,219	36,833
Applications of operating funding											
Payments to staff and suppliers	13,401	14,277	15,053	15,114	15,443	16,153	17,351	18,345	19,955	20,845	21,894
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	5,850	5,779	6,094	6,397	6,626	6,666	6,666	6,553	6,646	6,814	6,973
Other operating funding applications	586	564	562	561	567	573	578	583	589	595	603
Total applications of operating funding	19,837	20,620	21,709	22,072	22,636	23,392	24,595	25,481	27,190	28,254	29,470
Surplus (deficit) of operating funding	4,278	4,087	4,555	4,892	5,233	5,517	5,966	6,204	6,593	6,965	7,363
Sources of capital funding											
Subsidies and grants for capital expenditure	-	360	368	400	-	-	-	-	-	-	-
Development and financial contributions	1,915	2,632	2,680	2,730	2,781	2,834	2,992	3,049	3,108	3,168	3,229
Increase (decrease) in debt	3,459	3,479	3,668	2,270	3,217	1,120	639	1,461	2,501	2,599	2,324
Gross proceeds from sale of assets	-	500	511	522	533	546	559	573	587	602	1,361
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	5,374	6,971	7,227	5,922	6,531	4,500	4,190	5,083	6,196	6,369	6,914
Applications of capital funding											
Capital expenditure	3,988	4,564	1,393	977	510	2,016	657	217	586	855	2,746
- to meet additional demand											
- to improve the level of service	3,565	4,112	4,427	3,328	3,640	1,600	1,159	2,023	3,029	3,165	2,869
- to replace existing assets	2,761	3,355	3,708	4,695	2,923	2,599	2,964	3,008	3,672	2,892	2,770
Increase (decrease) in reserves	(662)	(973)	2,254	1,814	4,691	3,802	5,376	6,039	5,502	6,422	5,892
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	9,652	11,058	11,782	10,814	11,764	10,017	10,156	11,287	12,789	13,334	14,277
Surplus (deficit) of capital funding	(4,278)	(4,087)	(4,555)	(4,892)	(5,233)	(5,517)	(5,966)	(6,204)	(6,593)	(6,965)	(7,363)
Funding balance											
Additional information:											
Depreciation and amortisation	4,563	4,689	4,874	5,200	5,417	5,609	5,928	6,049	6,184	6,518	6,653

Roading

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

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

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

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

Key Projects

The following key projects are planned for 2018-28:

Projects	Description	Budget (\$000)			
		2018/19	2019/20	2020/21	2021-28
Central Interchange/Local Road Connections	Huntly	400	818	2,088	-
Wainui Road Bridge and Walkway Investigation	Raglan	-	-	-	172
Wainui Road Walkway Construction	Raglan	-	-	-	528
Wainui Road Bridge Construction	Raglan	-	-	-	6,950
Te Awa Cycleway - Hamilton to Cambridge	Tamahere	800	818	888	-
New Footpaths	District Wide	500	511	522	2,090
Emergency Works - Future Events	District Wide	800	818	835	6,451
Harrisville Road Bridge Replacement	Tuakau	150	1,022	1,044	-
Saulbrey Road Roundabout	Ngaruawahia	-	-	-	3,110

Potential Significant Negative Effects

Potential Negative Effect	How We Are Addressing This
Road and environmental factors can contribute to crashes, particularly those that involve loss of control.	NZTA monitors and records through the Crash Analysis System (CAS) the percentage of accidents cause by loss of control. Undertake crash reduction studies (CRS). Maximise funding for minor safety works.
Increased traffic congestion on existing transport network.	Roading contributions imposed under consent conditions contribute to road upgrading.
The particular needs of cyclists and pedestrians and their conflicts with other forms of traffic.	Implement the recommendations of the Walking and Cycling Strategy.
Speed restrictions impose on inappropriate locations causing speed limits to be ignored.	Speed limit surveys carried out and resulting recommendation in accordance with Speed Limit NZ and Transport Agency rules.
If effect is not given to the livestock Movement Bylaw 2011 then existing crossings will remain with resulting traffic hazards and public nuisance.	Monitor to ensure the appropriate and safe crossing of cattle as per bylaw.
Economically, the cost of desired infrastructure improvements may exceed the community's ability to pay.	Consult with the community on all costs and options for levels of service through the LTP process.
The quality of surface runoff from roads that discharges into adjacent coastal or other waters.	Compliance with resource consents and the councils engineering standards and guidelines. Environmental controls.
Dust nuisance.	Track and record complaints and comply with resource consent conditions during construction activities.
Danger to people and property and high social cost from crashes	Continuing the programme of road safety improvements
Main roads can divide communities	Continuing to advocate for by-passes around urban centres
Potential for negative impacts from traffic noise and vibration to properties adjoining roads	High use roads are usually surfaced with asphalt to improve useful life and level of service. Traffic calming will avoid use of speed humps. Specific issues will be investigated and mitigation measures undertaken as appropriate.
Potential for air pollution from traffic fumes to affect health	Continuing to advocate for by-passes around urban centres
Heavy traffic volumes can lead to loss of amenity in urban areas	Continuing to advocate for by-passes around urban centres
Provides easier access to sites that are culturally sensitive	Continuing to better identify sites of cultural significance
Potential for road construction to disturb sites of cultural significance, including wahi tapu	Continuing to invest in good relationships with tangata whenua

Levels of Service, Performance Measures and Targets: Roading

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

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
To ensure that the district is easy and safe to get around and alternative transport options are available	The district is safe and easy to get around.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network	9 increase	reduction by 1 on the previous year	reduction by 1 on the previous year	reduction by 1 on the previous year	reduction by 1 on the previous year
		The average quality of ride on a sealed local road network, measured by smooth travel exposure.	98%	min 91%	min 91%	min 91%	min 91%
To ensure that the network is well maintained and negative environmental effects are mitigated.	Footpaths are suitable, accessible and safe.	The percentage of footpaths that fall within the level of service or service standard that is set out in the long term plan	99.7%	Greater than 90% at Category 3 or better	Greater than 90% at Category 3 or better	Greater than 90% at Category 3 or better	Greater than 90% at Category 3 or better
		The percentage of the sealed local road network that is resurfaced.	7.3%	Min 6%	Min 6%	Min 6%	Min 6%
		The roading network is well maintained and managed.		80%	80%	80%	80%
		The percentage of customer service requests relating to roads responded to within the timeframes specified.	100%	80%	80%	80%	80%
		The percentage of customer service requests relating to footpaths responded to within the timeframe specified (see page 64).		80%	80%	80%	80%

Waikato District Council: Prospective Funding Impact Statement – Rooding

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	19,412	21,374	22,151	22,736	23,476	24,322	26,185	28,470	30,162	31,943	33,801
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	7,452	8,284	8,390	8,330	8,505	8,663	8,919	10,111	10,359	10,672	10,934
Fees and charges	145	153	154	175	168	182	175	191	183	200	193
Internal charges and overheads recovered	1,941	2,185	2,379	2,433	2,526	2,575	2,674	2,704	2,780	2,845	2,923
Local authorities fuel tax, fines, infringement fees, and other receipts	2,382	2,569	2,615	2,654	2,703	2,756	2,811	2,861	2,914	2,969	3,032
Total operating funding	31,332	34,565	35,689	36,328	37,378	38,498	40,764	44,337	46,398	48,629	50,883
Applications of operating funding											
Payments to staff and suppliers	17,875	20,564	21,160	21,144	21,788	22,553	24,415	27,619	29,174	30,934	32,757
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	5,348	4,549	5,038	5,344	5,651	5,943	6,200	6,111	6,362	6,536	6,573
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	23,223	25,113	26,198	26,488	27,439	28,496	30,615	33,730	35,536	37,470	39,330
Surplus (deficit) of operating funding	8,109	9,452	9,491	9,840	9,939	10,002	10,149	10,607	10,862	11,159	11,553
Sources of capital funding											
Subsidies and grants for capital expenditure	9,037	11,050	11,093	12,776	11,784	12,576	11,764	12,352	13,086	13,852	15,444
Development and financial contributions	1,772	1,011	1,030	1,048	1,067	1,085	2,207	2,251	2,297	2,343	2,392
Increase (decrease) in debt	2,095	5,274	2,119	851	337	473	416	2,467	1,341	197	241
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	12,904	17,335	14,242	14,675	13,188	14,134	14,387	17,070	16,724	16,392	18,077
Applications of capital funding											
Capital expenditure	2,635	4,672	1,888	2,426	1,872	3,251	2,169	3,076	2,187	1,152	2,826
- to meet additional demand	2,195	7,053	2,986	2,990	489	838	497	2,794	1,665	560	657
- to improve the level of service	16,923	18,197	19,143	19,773	21,138	21,685	21,978	22,861	24,063	25,330	26,755
- to replace existing assets	(740)	(3,135)	(284)	(674)	(372)	(1,638)	(108)	(1,054)	(329)	509	(608)
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	21,013	26,787	23,733	24,515	23,127	24,136	24,536	27,677	27,586	27,551	29,630
Surplus (deficit) of capital funding	(8,109)	(9,452)	(9,491)	(9,840)	(9,939)	(10,002)	(10,149)	(10,607)	(10,862)	(11,159)	(11,553)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information:											
Depreciation and amortisation	13,884	14,421	14,896	15,653	16,066	16,528	16,971	17,411	17,923	18,445	18,977

Stormwater

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

Under the Land Drainage Act 1908, both the Regional and District Councils are responsible for drainage issues on land that is not part of a drainage district. Urban stormwater networks are maintained and managed by Council with rural land drainage largely being managed by Regional Council.

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

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

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

Key Projects

The following key projects are planned for 2015-25:

Projects	Location	Budget (\$000)			
		2018/19	2019/20	2020/21	2021-28
Stormwater Treatment Plan Extensions	Pokeno	2,656	1,170	157	165
Stormwater Reticulation Extensions	Raglan	366	376	385	3,024
Stormwater Reticulation Upgrades	District Wide	147	524	553	4,099

Potential Significant Negative Effects

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

Levels of Service, Performance Measures and Targets: Stormwater

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

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

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

Objective	Level of service	Performance Measure	Result	Target				
			2016/17	2018/19	2019/20	2020/21	2021+	
To ensure that the council's stormwater infrastructure supports safe and healthy conditions and conforms to established public health standards.	The Stormwater system is reliable and safe	The number of flooding events that occurred throughout the district	0	Less than 5 events per annum	Less than 5 events per annum	Less than 5 events per annum	Less than 5 events per annum	Less than 5 events per annum
		The total number of habitable floors affected (expressed per 1000 properties connected to Councils stormwater system) per flooding event	0	0.3 affected per thousand properties per event	0.3 affected per thousand properties per event	0.3 affected per thousand properties per event	0.3 affected per thousand properties per event	0.3 affected per thousand properties per event
To ensure that the stormwater infrastructure networks are managed and maintained to ensure it is both cost effective and reliable, and meets water industry best practice.	The Stormwater system is reliable, efficient and effective	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	No flooding events	Less than or equal to 2 hours	Less than or equal to 2 hours	Less than or equal to 2 hours	Less than or equal to 2 hours	Less than or equal to 2 hours
		The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system	3.65	Less than 6 per 1000 properties per year	Less than 5 per 1000 properties per year	Less than 4 per 1000 properties per year	Less than 4 per 1000 properties per year	Less than 4 per 1000 properties per year

Objective	Level of service	Performance Measure	Result		Target		
			2016/17	2018/19	2019/20	2020/21	2021+
To ensure that the water infrastructure network is managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment.	The Stormwater system is environmentally responsible	Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders and convictions received in relation those resource consents.	0	0	0	0	0

Waikato District Council: Prospective Funding Impact Statement – Stormwater

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	84	96	101	105	108	112	115	119	122	126	130
Targeted rates	1,695	1,692	1,793	1,897	2,004	2,115	2,229	2,347	2,469	2,595	2,725
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	295	266	244	254	279	311	352	376	416	458	498
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding	2,074	2,054	2,138	2,256	2,391	2,538	2,696	2,842	3,007	3,179	3,353
Applications of operating funding											
Payments to staff and suppliers	802	2,376	1,515	1,082	1,130	1,044	1,031	966	1,032	1,073	1,041
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	559	496	516	559	609	655	735	779	831	874	908
Other operating funding applications	4	6	6	6	6	6	6	6	7	7	7
Total applications of operating funding	1,365	2,878	2,037	1,647	1,745	1,705	1,772	1,751	1,870	1,954	1,956
Surplus (deficit) of operating funding	709	(824)	101	609	646	833	924	1,091	1,137	1,225	1,397
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	984	343	349	354	360	366	871	889	906	925	943
Increase (decrease) in debt	706	528	976	986	976	1,506	1,288	1,163	924	946	969
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	1,690	871	1,325	1,340	1,336	1,872	2,159	2,052	1,830	1,871	1,912
Applications of capital funding											
Capital expenditure											
- to meet additional demand	1,325	3,572	1,459	100	-	149	-	-	-	-	-
- to improve the level of service	706	528	976	986	976	1,506	1,288	1,163	924	946	969
- to replace existing assets	74	160	148	166	155	159	163	167	171	175	179
Increase (decrease) in reserves	294	(4,213)	(1,157)	697	851	891	1,632	1,813	1,872	1,975	2,161
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	2,399	47	1,426	1,949	1,982	2,705	3,083	3,143	2,967	3,096	3,309
Surplus (deficit) of capital funding	(709)	824	(101)	(609)	(646)	(833)	(924)	(1,091)	(1,137)	(1,225)	(1,397)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information:											
Depreciation and amortisation	681	787	827	870	903	935	974	1,011	1,048	1,083	1,119

Wastewater

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

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

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

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

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

Key Projects

The following key projects are planned for 2018-28:

Projects	Location	Budget (\$000)			
		2018/19	2019/20	2020/21	2021-28
Wastewater Treatment Plant Renewals	District Wide	800	410	421	1,666
Wastewater Treatment Plant Renewals	Raglan	-	-	-	15,639
Wastewater Reticulation Extension	Te Kauwhata	4,377	16,927	17,784	-
Wastewater Reticulation Renewals	District Wide	1,300	1,335	1,368	10,544
Wastewater Pump Station Renewals	District Wide	180	194	348	2,689

Potential Significant Negative Effects

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

Levels of Service, Performance Measures and Targets: Wastewater

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

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

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

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

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

Objective	Level of service	Performance Measure	Result	Target			
			2016/17	2018/19	2019/20	2020/21	2021+
To ensure that the council's wastewater infrastructure supports safe and healthy conditions and conforms to established public health standards.	The wastewater system is operated to minimise health risks	The number of dry weather sewage overflows from Council's system expressed per 1000 sewage connections to the sewage system.	1.8	Less than or equal to 3	Less than or equal to 3	Less than or equal to 3	<=1 for sensitive environments and 3 for non-sensitive environments

Objective	Level of service	Performance Measure	Result	Target				
				2018/19	2019/20	2020/21	2021+	
To ensure that the wastewater infrastructure networks are managed and maintained to ensure it is both cost effective and reliable, and meets water industry best practice.	Where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, the median Attendance time	Where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, the median Resolution time	30 minutes	Less than or equal to 1 hour	Less than or equal to 1 hour	Less than or equal to 1 hour	Less than or equal to 1 hour	
				Less than or equal to 4 hours	Less than or equal to 4 hours	Less than or equal to 4 hours	Less than or equal to 4 hours	
To ensure that the wastewater infrastructure networks are managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment.	The wastewater system is reliable, efficient and effective.	The total number of complaints received by Council about odour, system faults, blockages, response to issues with its sewerage system.(expressed per 1000 connections to the sewerage system):	7.3	Less than or equal to 10 per 1000 connections	Less than or equal to 10 per 1000 connections	Less than or equal to 10 per 1000 connections	Less than or equal to 10 per 1000 connections	
				Less than or equal to 2	Less than or equal to 2	Less than or equal to 2	Less than or equal to 2	
To ensure that the wastewater infrastructure network is managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment.	Wastewater treatment and disposal minimises harm to the environment	Council's level of Compliance with resource consents for discharge from its wastewater system, measured by the number of abatement notices, infringement notices and enforcement orders	0	Less than or equal to 2	Less than or equal to 2	Less than or equal to 2	Less than or equal to 2	
				0	0	0	0	

Waikato District Council: Prospective Funding Impact Statement – Wastewater

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	266	230	238	244	250	256	263	268	275	281	288
Targeted rates	9,183	10,601	11,227	11,819	12,371	13,097	13,811	14,476	15,235	15,959	16,722
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,252	1,241	1,280	1,319	1,351	1,388	1,424	1,464	1,506	1,553	1,600
Internal charges and overheads recovered	67	55	74	133	178	239	269	256	258	270	310
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding	10,768	12,127	12,819	13,515	14,150	14,980	15,767	16,464	17,274	18,063	18,920
Applications of operating funding											
Payments to staff and suppliers	3,970	6,206	4,483	4,692	4,199	4,142	4,457	4,438	4,811	5,750	5,750
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	3,191	4,463	4,668	5,189	5,772	5,923	6,341	6,516	6,465	6,419	6,358
Other operating funding applications	338	333	340	347	354	362	369	377	385	393	401
Total applications of operating funding	7,499	11,002	9,491	10,228	10,325	10,427	11,167	11,331	11,661	12,562	12,509
Surplus (deficit) of operating funding	3,269	1,125	3,328	3,287	3,825	4,553	4,600	5,133	5,613	5,501	6,411
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,900	875	889	904	919	935	1,979	2,018	2,058	2,099	2,141
Increase (decrease) in debt	4,355	2,303	10,297	10,019	679	6,954	6,917	-	-	-	89
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	6,255	3,178	11,186	10,923	1,598	7,889	8,896	2,018	2,058	2,099	2,230
Applications of capital funding											
Capital expenditure											
- to meet additional demand	370	4,852	10,841	9,102	1,398	1,113	874	76	-	-	-
- to improve the level of service	4,555	2,304	10,333	10,019	679	6,954	6,917	-	-	-	89
- to replace existing assets	2,345	2,880	1,931	1,962	1,990	1,640	2,311	1,987	2,342	1,745	2,969
Increase (decrease) in reserves	2,254	(5,733)	(8,591)	(6,873)	1,356	2,735	3,394	5,088	5,329	5,855	5,583
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	9,524	4,303	14,514	14,210	5,423	12,442	13,496	7,151	7,671	7,600	8,641
Surplus (deficit) of capital funding	(3,269)	(1,125)	(3,328)	(3,287)	(3,825)	(4,553)	(4,600)	(5,133)	(5,613)	(5,501)	(6,411)
Funding balance											
Additional information:											
Depreciation and amortisation	3,108	3,403	3,620	4,086	4,524	4,651	4,908	5,156	5,273	5,348	5,460

Water Supply

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

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

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

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

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

Key Projects

The following key projects are planned for 2018-28:

Projects	Location	Budget (\$000)			
		2018/19	2019/20	2020/21	2021-28
Water Supply Treatment Plant Renewals	District Wide	450	462	500	3,704
Water Supply Treatment Plant Upgrades	Te Kauwhata	4,859	4,990	6,138	-
Water Supply Reticulation Extensions	Tuakau	525	-	-	3,379
Water Supply Reticulation Renewals	District Wide	1,300	1,335	1,368	9,841
Water Supply Reticulation Upgrades	Raglan	2,264	-	-	-
Water Supply Reticulation Upgrades	Southern Districts	-	-	-	1,770
Water Supply Reservoir Extensions	Te Kauwhata	1,010	1,037	1,276	-
Water Supply Reservoir Extensions	Pokeno	-	-	-	4,421

Potential Significant Negative Effects

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

Potential Negative Effect	How We Are Addressing This
Water abstraction from streams and rivers can have an adverse effect on the mauri of the water body	Continuing to better identify the cultural significance of water catchments through resource consent conditions
Insufficient water available during times of drought and emergencies.	Implement conservation measures and prioritise use for public health requirements

Levels of Service, Performance Measures and Targets: Water Supply

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

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

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

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

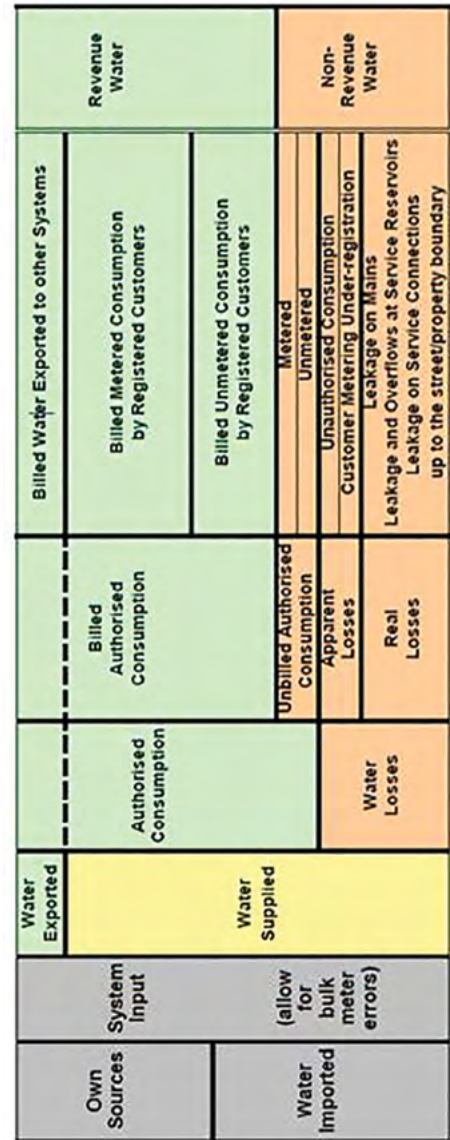
Under the Health (Drinking Water) Amendment Act 2007, the requires suppliers of drinking water to take all practicable steps to ensure that an adequate supply of drinking water is provided to each point of supply that the supplier provides for (Section 69S).

Objective	Level of service	Performance Measure	Result				
			2016/17	2018/19	2019/20	2020/21	2021+
To ensure that the council's water infrastructure supports safe and healthy conditions and conforms to established public health standards.	The water supply is safe to drink.	The extent to which Councils drinking water supply complies with Part 4 of the drinking water standards (bacteria compliance criteria)	18 zones	18 (no. of zones that comply out of 18)	18 (no. of zones that comply out of 18)	18 (no. of zones that comply out of 18)	18 (no. of zones that comply out of 18)
			new	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)
			18 zones	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)

Objective	Level of service	Performance Measure	Result	Target				
				2018/19	2019/20	2020/21	2021+	
To ensure that the waters infrastructure networks are managed and maintained to ensure it is both cost effective and reliable, and meets water industry best practice.	The water supply is reliable and water is received at a good flow/pressure.	Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the median Attendance time for Urgent call-outs	28 minutes	Less than or equal to 1 hour	Less than or equal to 1 hour	Less than or equal to 1 hour	Less than or equal to 1 hour	
		Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the median Resolution time for Urgent call-outs	88 minutes	Less than or equal to 4 hours	Less than or equal to 4 hours	Less than or equal to 4 hours	Less than or equal to 4 hours	
		Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the median Attendance time for Non-Urgent call-outs	1 day	Less than or equal to 5 days	Less than or equal to 5 days	Less than or equal to 5 days	Less than or equal to 5 days	
		Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the median Resolution time for Non-Urgent call-outs	1 day	Less than or equal to 5 days	Less than or equal to 5 days	Less than or equal to 5 days	Less than or equal to 5 days	
		The total number of complaints received by Council about drinking water clarity, taste, odour, water pressure or flow, continuity of supply and response to any of these issues (expressed per 1000 connections to the water system)	22	Less than or equal to 25 per 1000 connections	Less than or equal to 25 per 1000 connections	Less than or equal to 25 per 1000 connections	Less than or equal to 25 per 1000 connections	

Objective	Level of service	Performance Measure	Target				
			Result	2018/19	2019/20	2020/21	2021+
To ensure that the water infrastructure network is managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment.	Water extraction and use for potable water supply shall be managed in an efficient and sustainable manner.	The average consumption of drinking water per day per resident within the Waikato District.	270 litres	270 litres per day	260 litres per day	250 litres per day	240 litres per day
	Water extraction and use for potable water supply shall be managed in an efficient and sustainable manner.	The percentage of real water loss from Council's networked reticulation system	Varied for each plant, between 6.5% and 71.2%	30%	29%	28%	27%

Water loss calculation - water output from water treatment plant less billed consumption and exported water give loss. See table below from the water balance report.



*Other dedicated capital funding for the water supply group of activities represents capital income from fees charged to fund the capital works for new connections.

Waikato District Council: Prospective Funding Impact Statement – Water Supply

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	302	170	179	186	192	197	204	210	216	223	229
Targeted rates	8,988	9,191	9,940	10,729	11,404	12,309	13,263	14,070	15,116	16,260	17,263
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	42	94	97	97	99	102	105	108	111	114	118
Internal charges and overheads recovered	332	273	284	303	321	352	400	436	478	528	579
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding	9,664	9,728	10,500	11,315	12,016	12,960	13,972	14,824	15,921	17,125	18,189
Applications of operating funding											
Payments to staff and suppliers	3,933	7,059	4,586	4,575	4,384	4,238	4,188	4,485	4,793	4,880	5,269
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	3,766	3,975	4,253	4,406	4,625	4,820	4,943	4,864	4,846	4,782	4,645
Other operating funding applications	41	36	37	38	39	40	41	42	43	45	46
Total applications of operating funding	7,740	11,070	8,876	9,019	9,048	9,098	9,172	9,391	9,682	9,707	9,960
Surplus (deficit) of operating funding	1,924	(1,342)	1,624	2,296	2,968	3,862	4,800	5,433	6,239	7,418	8,229
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,874	1,313	1,335	1,357	1,380	1,404	2,030	2,070	2,112	2,154	2,197
Increase (decrease) in debt	3,201	1,018	1,156	1,587	2,400	1,749	1,000	891	244	109	112
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding (*See note on page 103)	97	120	124	125	128	130	135	138	142	147	151
Total sources of capital funding	5,172	2,451	2,615	3,069	3,908	3,283	3,165	3,099	2,498	2,410	2,460
Applications of capital funding											
Capital expenditure	3,231	7,750	5,109	6,451	4,041	652	362	619	3,205	629	644
- to meet additional demand	3,236	1,018	1,156	1,587	2,400	1,749	441	890	243	110	111
- to improve the level of service	2,023	3,582	2,338	2,440	2,202	2,156	2,106	2,156	2,208	2,261	2,315
- to replace existing assets	(1,394)	(11,241)	(4,364)	(5,113)	(1,767)	2,588	5,056	4,867	3,081	6,828	7,619
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	7,096	1,109	4,239	5,365	6,876	7,145	7,965	8,532	8,737	9,828	10,689
Surplus (deficit) of capital funding	(1,924)	1,342	(1,624)	(2,296)	(2,968)	(3,862)	(4,800)	(5,433)	(6,239)	(7,418)	(8,229)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information:											
Depreciation and amortisation	2,428	2,710	2,911	3,089	3,294	3,479	3,604	3,712	3,824	3,970	4,076

Organisational Support

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

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

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

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

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

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

We support projects (as appropriate) across the business.

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

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

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

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

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

- Council will ensure that it operates within the Health & Safety Act 2002
- will adapt all policies and procedures to meet the Health and Safety Reform Bill as it is legislated in 2015
- complete the Health and Safety Strategic Action Plan items and other initiatives to promote safe work practises.
- Council is part of the ACC Workplace Safety Management Practices programme and currently holds Secondary accreditation and will be working towards achieving Tertiary in 2015.

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

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

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

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

Waikato District Council: Prospective Funding Impact Statement – Organisational Support

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	(417)	3,234	4,052	5,691	6,666	7,533	6,371	6,116	5,180	4,967	4,865
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	12	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	32,881	32,956	35,067	37,464	39,827	40,718	42,385	42,151	42,733	43,818	44,036
Local authorities fuel tax, fines, infringement fees, and other receipts	789	436	508	675	459	465	472	479	486	494	501
Total operating funding	33,265	36,626	39,627	43,830	46,952	48,716	49,228	48,746	48,399	49,279	49,402
Applications of operating funding											
Payments to staff and suppliers	20,135	21,558	22,393	23,363	23,583	23,839	24,441	24,833	25,434	26,134	26,611
Finance costs	4,393	4,267	4,947	5,602	6,150	6,469	6,330	5,648	5,100	4,396	3,417
Internal charges and overheads applied	7,519	7,480	7,856	8,422	9,203	9,509	10,052	10,241	10,671	11,291	11,806
Other operating funding applications	1,815	1,382	1,426	1,614	1,502	1,541	1,741	1,623	1,666	1,881	1,756
Total applications of operating funding	33,862	34,687	36,622	39,001	40,438	41,358	42,564	42,345	42,871	43,702	43,590
Surplus (deficit) of operating funding	(597)	1,939	3,005	4,829	6,514	7,358	6,664	6,401	5,528	5,577	5,812
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	14,484	19,429	13,553	10,314	2,884	(15,002)	(21,478)	(22,154)	(19,671)	(25,451)	(26,135)
Gross proceeds from sale of assets	202	193	193	232	222	279	170	201	324	302	289
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	14,686	19,622	13,746	10,546	3,106	(14,723)	(21,308)	(21,953)	(19,347)	(25,149)	(25,846)
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	1,468	1,415	1,334	2,768	854	66	45	212	1,056	301	124
- to replace existing assets	3,278	2,192	2,911	2,935	2,007	1,994	1,513	2,092	2,284	2,268	2,080
Increase (decrease) in reserves	8,981	17,560	12,229	9,514	6,589	(9,374)	(16,041)	(17,600)	(16,952)	(21,796)	(21,879)
Increase (decrease) of investments	362	394	277	158	170	(51)	(161)	(256)	(207)	(345)	(359)
Total applications of capital funding	14,089	21,561	16,751	15,375	9,620	(7,365)	(14,644)	(15,552)	(13,819)	(19,572)	(20,034)
Surplus (deficit) of capital funding	597	(1,939)	(3,005)	(4,829)	(6,514)	(7,358)	(6,664)	(6,401)	(5,528)	(5,577)	(5,812)
Funding balance	-	-	-	-	-	-	-	-	-	-	-
Additional information:											
Depreciation and amortisation	2,211	2,090	2,419	3,010	3,363	3,193	3,045	2,517	2,259	2,314	2,316

Funding Impact Statement

Definitions

RESIDENTIAL - GENERAL

Properties for which the permitted activity in the District Plan is related to residential zone, village zone, country living zone, rural zone, paa, education, recreation, and conservation use.

RESIDENTIAL - WASTEWATER

Residential is defined as any part of a rating unit that is used primarily for residential purposes.

COMMERCIAL

Properties for which the permitted activity in the District Plan is related to business, industrial, transportation use and other network utilities.

COMMERCIAL - WASTEWATER

Commercial (commercial) is defined as any part of a rating unit that is not categorised as residential, commercial (non-rateable) or commercial (assistance for the elderly).

Commercial (non-rateable) is defined as organisations classified by the Act as fully non-rateable or organisations that are not-for-profit as determined by the Council.

Commercial (assistance for the elderly) is defined as organisations that are supportive of the elderly, including retirement homes, rest homes and Council-owned pensioner flats, as determined by the Council.

SEPARATELY USED OR INHABITED PART OF A RATING UNIT (SUIP)

A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner, or a person other than the owner and who has the right to use or inhabit that portion by virtue of a tenancy, lease, license, or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the purposes of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'. This includes any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

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

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

The following are examples of where there may be application of multiple charges because a rating unit is comprised of more than one separately used or inhabited part:

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

As a minimum, the land or premises intended to form a separately used or inhabited part of the rating unit must be capable of actual habitation or actual separate use.

The Council proposes to set the following rates for the financial year commencing 01 July 2018 and ending 30 June 2019.

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

Rates

GENERAL RATE

The Council proposes to set a General Rate on the capital value of rateable land within its district. The General Rate required to undertake the work programme outlined in the first year of the Long Term Plan 2018-28 is proposed to be \$0.0020544 in the dollar of capital value. This work programme covers Animal Control, Community and Safety, Corporate and Council Leadership, Environmental Health, Community Liaison, Libraries, Parks and Reserves, Resource Management, Rooding, Solid Waste management, Stormwater, Wastewater and Water Supply.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

The Council proposes to set a UAGC of \$351.96 per rating unit in the 2018/2019 year.

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

At \$351.96 the UAGC along with other fixed charges will contribute approximately 18 percent of the total rates revenue expected to be collected by the Council. The legislative maximum for rates revenue collected from the UAGC and targeted rates set on a uniform basis is 30 percent as per the Local Government (Rating) Act (LGRA). The Council considered that the amount of the UAGC was fair and equitable and took into account the needs of our diverse community.

Targeted Rates

COMMUNITY FACILITIES RATES

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

HALL OR COMMUNITY CENTRES

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

TAMAHERE RECREATION RESERVE

The Council proposes to set a targeted rate for the purpose of covering the costs of loan interest and additional operational costs for the above average level of service of Tamahere Recreation Reserve. This rate is a fixed amount per separately used or inhabited part of a rating unit (SUIP) used for residential purposes within the defined catchment area of the Tamahere Ward. www.waikatodistrict.govt.nz/ltmmaps

HUNTLY POOL (RURAL)

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

Refuse & Recycling

District wide refuse and recycling collection

The Council proposes to set a targeted rate for household refuse collection, recycling and disposal where the refuse collection service is provided. The rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area. www.waikatodistrict.govt.nz/ltmmaps

RAGLAN RECYCLING COLLECTION

The Council proposes to set a targeted rate for the purpose of covering the costs of recycling and waste minimisation where the service is provided in Raglan. This rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area. www.waikatodistrict.govt.nz/ltmmaps

TE MATA/TE UKU RECYCLING COLLECTION POINT

The Council proposes to set a targeted rate for the purpose of covering the costs of recycling collection points for the Te Mata and Te Uku area. This rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area. www.waikatodistrict.govt.nz/ltmmaps

TUAKAU REFUSE AND RECYCLING COLLECTION

The Council proposes to set a targeted rate for refuse collection, recycling and disposal in the Tuakau area. The rate is a fixed amount per wheelie bin supplied to each rating unit within the serviced area. www.waikatodistrict.govt.nz/ltmmaps

GLEN MURRAY RECYCLING COLLECTION POINT

The Council proposes to set a targeted rate for the purpose of covering the costs of recycling collection points for the Glen Murray area. This rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area. www.waikatodistrict.govt.nz/ltmmaps

Water Supply

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

AVAILABILITY

The rate is a fixed amount of \$223.45 per rating unit for availability/serviceability of a water supply service to a rating unit (Available or serviceable means a rating unit situated within 100 metres of any part of the water network).

METERED – CONNECTION CHARGE

The rate is a fixed amount of \$223.45 per separately used or inhabited part of a rating unit (SUIP).

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

WATER BY METER

The Council proposes to set targeted rates to fund expenditure on water activities for metered water supply. The rates are an amount per unit of water (cubic metre) consumed or supplied as measured or controlled by a meter. The rate for 2018/2019 is \$1.89 per cubic metre.

WASTEWATER

The Council proposes to set a District Wide targeted rate to fund expenditure on wastewater activities for those properties that receive the wastewater service.

The rates are differentiated by residential or commercial use.

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

For the purposes of this rate:

- Residential is the base differential. The rate is set and assessed as an amount per separately used or inhabited part of a rating unit (SUIP) for connected rating units.
- Availability is defined as any rating unit situated within 30 metres of a public wastewater drain to which it is capable of being effectively connected - set as 50 per cent of the fixed amount for connected properties and set and assessed as an amount per rating unit for residential properties.
- Commercial (commercial) - The rates are set and assessed as:
 - An amount per separately used or inhabited part of a connected rating unit (SUIP) for the first two pans (equivalent to 100% of the residential connected differential); and
 - An amount per pan for the third and subsequent pans in any connected separately used or inhabited parts of a rating unit (SUIP; equivalent to 50% of the residential connected differential).
- Commercial (non rateable) - The rates are set and assessed as:
 - An amount per separately used or inhabited part of a connected rating unit for the first two pans (SUIP; equivalent to 100% of the residential connected differential); and
 - An amount per pan for the third and subsequent pans in any connected separately used or inhabited parts of a rating unit (SUIP; equivalent to 10% of the residential connected differential).

- Commercial (Assistance for the elderly) - The rates are set and assessed as
 - An amount per separately used or inhabited part of a connected rating unit for the first two pans (SUIP; equivalent to 100% of the residential connected differential) and
 - An amount per pan for the third and subsequent pans in any connected separately used or inhabited part of a rating unit (SUIP; equivalent to 20% of the residential connected differential).

URBAN STORMWATER

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

TAMAHERE RURAL STORMWATER – AVAILABILITY AND LAND DRAINAGE

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

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

COMMUNITY BOARD TARGETED RATE

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

CAPITAL WORKS TARGETED RATES

The Council proposes to set targeted rates for the purpose of funding the capital cost and interest charges of specific capital work. The rates are a fixed charge per connection for connected properties within the relevant scheme catchment area.

Council initially provided ratepayers with an option on whether to pay for the cost of the capital work by a single payment over 3 instalments in a year or via targeted rates over an expected period of 10 years.

Council annually provides ratepayers with an option to pay off the balance of the rating unit's anticipated liability for future years for these targeted rates.

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

POKENO WASTEWATER SCHEME

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

For rating units that have not discharged their liability, the Council will set a targeted rate as:

- a fixed amount per connection of \$1,813.87 (inclusive of GST) (comprising \$1,184.26 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

TE OHAKI ROAD WASTEWATER SCHEME

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

For rating units that have not discharged their liability, the Council will set a targeted rate as:

- a fixed amount per connection of \$359.31 (inclusive of GST) (comprising \$280.00 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

TE OHAKI ROAD MARAE WASTEWATER SCHEME

A charge of \$51,101.40 for the Marae was made for the purpose of covering the capital cost of the wastewater system.

If the marae has not discharged their liability, the Council will set a targeted rate as:

- a fixed amount for the Marae of \$5,702.25 (inclusive of GST) (comprising \$4,443.60 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year)

TAUWHARE PA WASTEWATER SCHEME

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

For rating units that have not discharged their liability, the Council will set a targeted rate as

- a fixed amount per connection of \$517.45 (inclusive of GST) (comprising \$403.23 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

TE OHAKI ROAD WATER SCHEME

A charge of \$2,817.50 per rating unit was made for the purpose of covering the capital cost of the wastewater system.

For rating units that have not discharged their liability, the Council will set a targeted rate as:

- a fixed amount per connection of \$379.87 (inclusive of GST) (comprising \$245.00 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year)

Lump Sum contributions

WHAANGA COAST WASTEWATER SCHEME CONTRIBUTIONS

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

For rating units that have not discharged their liability, the Council will set a targeted rate as:

- a fixed amount per connection of \$1,931.31 (inclusive of GST) (comprising \$1,338.26 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

LUMP SUM CONTRIBUTIONS GENERALLY

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

Early Payment Policy

Per resolution WDC05/105/1/2 Council will accept payment in advance of any applicable rate installment both in the current or future years. No discount will be given or interest paid in relation to any payments on this basis.

Any such payments made in advance will be credited against the appropriate rate installment as directed by the ratepayer.

Due Dates

The Waikato District Council due dates for rate payments for the 2018/19 year (excluding water by meter rates) shall be due in three equal instalments as follows:

First Instalment	24 September 2018
Second Instalment	23 January 2019
Third Instalment	23 May 2019

A penalty of 10% on so much of any rates instalment that has been assessed after 01 July 2018 and which is unpaid after the due date for payment, will be applied on the penalty dates as follows:

First instalment	25 September 2018
Second instalment	24 January 2019
Third instalment	24 May 2019

The Waikato District Council water by meter rates shall be invoiced separately and payable in two instalments each year. For the 2018/19 financial year, the meter reading dates and the payment due dates of instalments for each area are:

Area	Reading Date 1	Payment Due Date 1	Reading Date 2	Payment Due Date 2
Ngaruawahia	July 2018	07 September 2018	January 2019	08 March 2019
Taupiri	July 2018	07 September 2018	January 2019	08 March 2019
Horotiu	July 2018	07 September 2018	January 2019	08 March 2019
Huntly	August 2018	05 October 2018	February 2019	05 April 2019
North Waikato	September 2018	09 November 2018	March 2019	10 May 2019
Port Waikato	September 2018	09 November 2018	March 2019	10 May 2019
Onewhero	September 2018	09 November 2018	March 2019	10 May 2019
Tuakau	September 2018	09 November 2018	March 2019	10 May 2019
Pokeno	September 2018	09 November 2018	March 2019	10 May 2019
Southern Districts	October 2018	07 December 2018	April 2019	07 June 2019
Western Districts	October 2018	07 December 2018	April 2019	07 June 2019
Raglan	November 2018	04 January 2019	May 2019	05 July 2019
Te Akau	November 2018	04 January 2019	May 2019	05 July 2019

A penalty of 10% on so much of any water by meter instalment that has been assessed after 01 July 2018 and which is unpaid after the due date for payment will be applied on the following dates:

Area	Penalty date 1	Penalty date 2
Ngaruawahia	10 September 2018	11 March 2019
Taupiri	10 September 2018	11 March 2019
Horotiu	10 September 2018	11 March 2019
Huntly	08 October 2018	08 April 2019
North Waikato	12 November 2018	13 May 2019
Port Waikato	12 November 2018	13 May 2019
Onewhero	12 November 2018	13 May 2019
Tuakau	12 November 2018	13 May 2019
Pokeno	12 November 2018	13 May 2019
Southern Districts	10 December 2018	10 June 2019
Western Districts	10 December 2018	10 June 2019
Raglan	07 January 2019	08 July 2019
Te Akau	07 January 2019	08 July 2019

A penalty of 10% on so much of any rates or metered water rates assessed before 30 June 2018 which remain unpaid on 01 July 2018. The penalty date is 1 July 2018.

A further penalty of 10% on any rates or metered water rates to which a penalty has been added on 01 July 2018 if the rates remain unpaid. The penalty date is 01 January 2019.

Rating Base Information

Rates for the financial year commencing 1 July 2018 to 30 June 2019 (All figures are inclusive of GST)

Source	Category	Funding	Basis of Rating	LTP 2018/19 (\$)	Estimated Revenue (\$'000)
General Rate		Work program as highlighted in the long term plan including Animal Control, Community and Safety, Corporate and Council Leadership, Environmental Health, Community Liason, Libraries, Parks and Reserves, Resource Management, Rooding, Solid Waste management, Stormwater, Wasterwater and Water Supply.	Uniform rate in the dollar of capital value	0.0020544	55,956
Uniform annual general charge (UAGC)	All rateable land in the district	People related activities including but not limited to libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental health, resource management planning, environmental consents planning, area offices and democracy/ local government.	Fixed amount per rating unit	351.96	10,325
Targeted community facilities rates (apply to all rating units within each ward catchment area).	Huntly Community Facilities (urban catchment)			42.00	129
	Ngaruawahia Community Facilities	Covers the cost of maintenance and operation of community facilities.	Fixed amount per rating unit	25.00	65
	Raglan Community Facilities			25.00	53
Huntly pool rural	Based on location of rating unit in catchment area	Covers the cost of maintenance and operation of community facilities.	Fixed amount per rating unit	16.00	3
Tamahere Recreation Reserve	Based on location of rating unit within the Tamahere Ward	Covers the cost of loan interest and additional operational costs for the above average level of service of the Tamahere Recreation Reserve	Fixed amount per separately used or inhabited part of a rating unit used for residential purposes	38.00	76

Source	Category	Funding	Basis of Rating	LTP 2018/19 (\$)	Estimated Revenue (\$'000)
	Te Kohanga		Uniform rate in the dollar of land value	0.000026	2
	Aka Aka			35.00	7
	Eureka			35.00	9
	Glen Murray			50.00	6
	Gordonton			26.00	14
	Horsham Downs			35.00	15
	Karioitahi			28.74	1
	Mangatangi			30.00	5
	Mangatawhiri			58.50	13
	Maramarua			24.00	8
	Matangi			24.00	25
	Meremere			24.00	4
	Naike			40.89	4
	Ohinewai			24.00	3
	Opuatia			32.00	3
	Orini			26.00	5
	Otaua			50.00	9
	Pokeno			23.00	23
	Port Waikato			25.00	11
	Pukekawa			40.00	16
	Puketaha			38.00	13
	Ruawaro			29.00	7
	Tamahere			70.00	102
	Taupiri			24.00	13
	Tauwhare			30.00	10
	Te Akau/Waingaro			32.00	7
Targeted hall or community centre rates (apply to all rating units within each hall catchment area).		Covers the cost of maintenance and operation of halls, other facilities and community centres.	Fixed amount per separately used or inhabited part of a rating unit		

Source	Category	Funding	Basis of Rating	LTP 2018/19 (\$)	Estimated Revenue (\$'000)
	Te Hoe			30.00	4
	Te Kowhai			50.00	41
	Te Mata			24.00	6
	Tuakau			46.13	83
	Whangarata			46.00	3
	Waikaretu			50.00	2
	Whitikahu			53.00	9
Tuakau refuse and recycling collection	Rating units within serviced areas		Fixed amount per wheeie bin.	160.00	316
Glen Murray recycling collection	Residential rating units within serviced areas		Fixed amount per separately used or inhabited part of a rating unit	57.27	14
Raglan recycling collection	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit	116.67	230
Te Mata/Te Uku recycling collection points	Residential rating units within serviced areas.	Covers the cost of refuse and recycling collection where the service is provided.	Fixed amount per separately used or inhabited part of a rating unit	42.25	30
District wide refuse and recycling collection	Residential rating units within serviced areas. (Eureka, Glen Afton/Pukemiro, Gordonton and surrounds, Horotiu, Horsham Downs, Huntly and surrounds, Meremere, Ngaruawahia and surrounds, Pukekawa, Rangiriri and surrounds, Rotokauri, Tamahere and surrounds, Taupiri and surrounds, Te Kauwhata and surrounds, Te Kowhai, Whatawhata)		Fixed amount per separately used or inhabited part of a rating unit	160.00	3,387

Source	Category	Funding	Basis of Rating	LTP 2018/19 (\$)	Estimated Revenue (\$'000)
Water Supply - Non metered	Serviceable properties in the urban centres of Huntly, Ngaruawahia, Pokeno and Raglan.		Fixed amount per rating unit	223.45	195
Water Supply - Metered	Metered rating units in serviced areas	District wide water activities as per the long term plan.	Fixed amount per separately used or inhabited part of a rating unit	223.45	3,099
			Charge Per cubic metre of water consumed (as measured by meter).	1.89	7,277
	Residential - connected		Fixed amount per separately used or inhabited part of a rating unit	1,021.29	11,279
	Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)		Fixed amount per rating unit	510.64	455
Wastewater	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected	Wastewater activities	Fixed amount per separately used or inhabited part of a rating unit for the first two pans.	1,021.29	-
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Additional fixed amount per pan for the third and any subsequent pans.	102.13	98

Source	Category	Funding	Basis of Rating	LTP 2018/19 (\$)	Estimated Revenue (\$'000)
Wastewater	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected	Wastewater activities	Fixed amount per separately used or inhabited part of a rating unit for the first two pans.	1,021.29	-
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans.	204.25	12
	Non residential/commercial - Commercial - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans.	1,021.29	-
	Non residential/commercial - Commercial - Connected		Additional fixed amount per pan for the third and any subsequent pans.	510.64	230
Urban Stormwater	Rating units within the stormwater catchment areas for which the service is available (Horotiu, Huntly, Matangi, Meremere, Ngaruawahia, Pokeno, Port Waikato, Raglan, Taupiri, Te Kauwhata and Tuakau).	District wide stormwater activities as per the long term plan.	Fixed amount per rating unit	167.28	1,909
Tamahere rural stormwater	Rating units within the Tamahere stormwater catchment area.	Tamahere rural stormwater activities	Fixed amount per rating unit	29.11	27
Tamahere land drainage	Rating units within the Tamahere land drainage catchment area.	Land drainage activities.	Amount per hectare of land area	6.59	10
Community Boards	Huntly ward	Direct costs of operating all the community boards within the district	Fixed amount per rating unit	20.02	62
	Ngaruawahia ward			20.02	53
	Onewhero-Tuakau ward			20.02	87
	Raglan ward			20.02	49
	Taupiri ward			20.02	5

Source	Category	Funding	Basis of Rating	LTP 2018/19 (\$)	Estimated Revenue (\$'000)
Te Ohaki Capital Water Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	379.87	-
Pokeno Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	1,813.87	65
Te Ohaki Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	359.31	8
Te Ohaki Capital Wastewater Scheme	Connected Marae in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	5,702.25	6
Tauwhare Pa Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	517.45	18
Whaanga Coast Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	1,931.31	19

Rates Breakdown Indicator Properties

These are the indicated rates, inclusive of GST.



RESIDENTIAL

	Awaroa Ki Tuakau		Huntly		Ngaruawahia		Raglan		Tamahere	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Average Capital Value	410,000	600,000	185,000	320,000	230,000	395,000	405,000	610,000	470,000	610,000
General Rates	1,003.68	1,232.64	452.88	657.41	563.04	811.49	991.44	1,253.18	1,150.56	1,253.18
UAGC	454.49	351.96	454.49	351.96	454.49	351.96	454.49	351.96	454.49	351.96
Fixed Targeted Rates	1,292.65	1,432.44	1,465.80	1,634.44	1,448.80	1,617.44	1,428.76	1,574.11	310.30	368.00
Total Rates	2,750.82	3,017.04	2,373.17	2,643.81	2,466.33	2,780.89	2,874.69	3,179.25	1,915.35	1,973.14
Total % increase (over 2017/18)		9.68%		11.40%		12.75%		10.59%		3.02%
Total \$ increase (over 2017/18)		266.22		270.64		314.56		304.56		57.79



RURAL

	Low range		Mid range		High range	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Average Capital Value	475,000	680,000	860,000	1,125,000	6,260,000	7,600,000
General Rates	1,162.80	1,396.99	2,105.28	2,311.20	15,324.48	15,613.44
UAGC	454.49	351.96	454.49	351.96	454.49	351.96
Fixed Targeted Rates	344.98	383.45	382.98	421.45	1,091.60	1,357.00
Total Rates	1,962.27	2,132.40	2,942.75	3,084.61	16,870.57	17,322.40
Total % increase (over 2017/18)		8.67%		4.82%		2.68%
Total \$ increase (over 2017/18)		170.13		141.86		451.83

Note 1:

Individual rate increases will vary depending on property type, value and location, and services available. You can see what the impact is for your own property if you go to our Rating Information Database at waikatodistrict.govt.nz/rid

Note 2:

Average Capital Value for 2018/2019 is per the 2017 rating valuation.

Note 3:

Fixed Targeted Rates reflect the range of services available for each property example. These do not include water-by-meter charges.



LIFESTYLE

COMMERCIAL

INDUSTRIAL

	LIFESTYLE		COMMERCIAL		INDUSTRIAL	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Average Capital Value	580,000	880,000	1,230,000	1,520,000	3,860,000	4,810,000
General Rates	1,419.84	1,807.87	3,011.04	3,122.69	9,449.28	9,881.66
UAGC	454.49	351.96	454.49	351.96	454.49	351.96
Fixed Targeted Rates	557.98	407.45	1,317.65	1,457.44	630.51	697.94
Total Rates	2,432.31	2,567.28	4,783.18	4,932.09	10,534.28	10,931.56
Total % increase (over 2017/18)		5.5%		3.11%		3.77%
Total \$ increase (over 2017/18)		134.97		148.91		397.28

Financial Planning

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

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	54,159	58,432	62,409	65,672	68,822	71,956	75,261	78,639	82,177	85,817	89,627
Targeted rates	23,304	25,868	29,326	31,179	32,846	34,906	36,986	38,884	41,124	43,444	45,676
Subsidies and grants for operating purposes	7,524	8,344	8,450	8,390	8,565	8,723	8,979	10,171	10,419	10,732	10,994
Fees and charges	10,164	10,526	9,681	10,142	10,219	10,365	10,473	10,630	10,759	10,937	11,079
Interest and dividends from investments	100	180	180	180	180	180	180	180	180	180	180
Local authorities fuel tax, fines, infringement fees, and other receipts	7,619	8,762	9,366	9,463	9,310	9,810	9,749	9,970	10,505	10,448	10,685
Total operating funding	102,870	112,112	119,412	125,026	129,942	135,940	141,628	148,474	155,164	161,558	168,241
Applications of operating funding											
Payments to staff and suppliers	77,398	90,828	89,597	90,031	90,867	93,591	98,310	104,223	110,385	115,551	120,371
Finance costs	4,393	4,267	4,947	5,602	6,150	6,469	6,330	5,648	5,100	4,396	3,417
Other operating funding applications	2,792	2,362	2,429	2,625	2,529	2,584	2,798	2,696	2,756	2,988	2,882
Total applications of operating funding	84,583	97,457	96,973	98,258	99,546	102,644	107,438	112,567	118,241	122,935	126,670
Surplus (deficit) of operating funding	18,287	14,655	22,439	26,768	30,396	33,296	34,190	35,907	36,923	38,623	41,571
Sources of capital funding											
Subsidies and grants for capital expenditure	9,037	11,410	11,461	13,176	11,784	12,576	11,764	12,352	13,086	13,852	15,444
Development and financial contributions	8,445	6,174	6,283	6,393	6,507	6,624	10,079	10,277	10,481	10,689	10,902
Increase (decrease) in debt	28,300	32,031	31,769	26,027	10,600	(3,200)	(10,100)	(16,000)	(12,900)	(21,600)	(22,400)
Gross proceeds from sale of assets	202	693	704	754	755	825	729	774	911	904	1,650
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	97	120	124	125	128	130	135	138	142	147	151
Total sources of capital funding	46,081	50,428	50,341	46,475	29,774	16,955	12,607	7,541	11,720	3,992	5,747
Applications of capital funding											
Capital expenditure											
- to meet additional demand	11,549	25,410	20,690	19,056	7,821	7,181	4,062	3,988	5,978	2,636	6,216
- to improve the level of service	15,741	16,430	21,263	21,730	9,572	12,713	11,465	7,254	8,678	5,082	4,819
- to replace existing assets	27,409	30,519	30,255	32,039	30,517	30,326	31,108	32,345	34,816	34,777	37,148
Increase (decrease) in reserves	9,307	(7,670)	295	260	12,090	82	323	117	(622)	465	(506)
Increase (decrease) of investments	362	394	277	158	170	(51)	(161)	(256)	(207)	(345)	(359)
Total applications of capital funding	64,368	65,083	72,780	73,243	60,170	50,251	46,797	43,448	48,643	42,615	47,318
Surplus (deficit) of capital funding	(18,287)	(14,655)	(22,439)	(26,768)	(30,396)	(33,296)	(34,190)	(35,907)	(36,923)	(38,623)	(41,571)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Waikato District Council: Prospective Statement of Comprehensive revenue and expense

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
Revenue											
Rates	77,463	84,300	91,735	96,851	101,668	106,862	112,247	117,523	123,301	129,261	135,303
Development and financial contributions	8,445	6,174	6,283	6,393	6,507	6,624	10,079	10,277	10,481	10,689	10,902
Subsidies and grants	16,561	19,754	19,911	21,566	20,349	21,299	20,743	22,523	23,505	24,584	26,438
Finance revenue	100	130	130	130	130	130	130	130	130	130	130
Other revenue	17,879	26,925	57,350	21,019	23,933	21,017	21,383	22,487	23,198	23,372	23,870
Total revenue	120,448	137,283	175,409	145,959	152,587	155,932	164,582	172,940	180,615	188,036	196,643
Expenses											
Depreciation and amortisation expense	26,948	28,165	29,613	31,977	33,639	34,481	35,518	35,954	36,615	37,828	38,755
Personnel expenses	29,477	31,068	32,355	33,435	34,115	34,743	35,128	35,809	36,540	37,285	37,983
Finance costs	4,393	4,267	4,947	5,602	6,150	6,469	6,330	5,648	5,100	4,396	3,417
Other expenses	50,631	61,991	59,559	59,143	59,179	61,346	65,919	71,029	76,461	81,131	85,184
Total operating expenses	111,449	125,491	126,474	130,157	133,083	137,039	142,895	148,440	154,716	160,640	165,339
Surplus (deficit)	8,999	11,792	48,935	15,802	19,504	18,893	21,687	24,500	25,899	27,396	31,304
Other comprehensive revenue and expense											
Gain (loss) on property revaluations	40,016	30,680	46,961	38,342	40,996	57,339	45,365	48,287	67,404	54,432	57,690
Total other comprehensive revenue & expense	40,016	30,680	46,961	38,342	40,996	57,339	45,365	48,287	67,404	54,432	57,690
Total comprehensive revenue and expense	49,015	42,472	95,896	54,144	60,500	76,232	67,052	72,787	93,303	81,828	88,994
Note 1: Reconciliation of total comprehensive revenue and expense with net operating funding per prospective whole of Council funding impact statement											
Total prospective revenue and expense wholly attributable to Waikato District Council	49,015	42,472	95,896	54,144	60,500	76,232	67,052	72,787	93,303	81,828	88,994
Surplus (deficit) of operating funding per prospective whole of Council funding impact statement	18,287	14,655	22,439	26,768	30,396	33,296	34,190	35,907	36,923	38,623	41,571
Difference	30,728	27,817	73,457	27,376	30,104	42,936	32,862	36,880	56,380	43,205	47,423
The difference is due to:											
Capital income	17,579	17,704	17,868	19,694	18,419	19,330	21,978	22,767	23,709	24,688	26,497
Vested assets	-	7,466	38,128	1,240	4,227	660	976	1,698	1,743	1,790	1,904
Revaluation of assets	40,016	30,680	46,961	38,342	40,996	57,339	45,365	48,287	67,404	54,432	57,690
Gain (loss) on sale of assets	81	132	113	77	101	88	61	82	139	123	87
Depreciation and amortisation	(26,948)	(28,165)	(29,613)	(31,977)	(33,639)	(34,481)	(35,518)	(35,954)	(36,615)	(37,828)	(38,755)
Total explained difference	30,728	27,817	73,457	27,376	30,104	42,936	32,862	36,880	56,380	43,205	47,423
Note 2: Exchange and non-exchange revenue											

Waikato District Council: Prospective Statement of Comprehensive revenue and expense

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
Revenue from non-exchange transactions											
Revenue from rates	71,317	77,972	84,895	89,473	93,884	98,458	103,194	107,985	113,061	118,243	123,673
Vested & found assets	-	7,466	38,128	1,240	4,227	660	976	1,698	1,743	1,790	1,904
Regulatory revenue	1,584	1,743	1,776	1,810	1,846	1,885	1,927	1,969	2,015	2,063	2,113
Infringements and fines	276	273	279	279	279	279	279	279	279	279	279
NZTA government subsidies	16,488	19,682	19,838	21,493	20,275	21,225	20,669	22,448	23,430	24,508	26,362
Petrol tax	458	480	490	499	510	521	533	545	558	572	587
Other subsidies and grants	72	73	142	143	145	147	149	151	154	156	158
Other fees and charges - Council	483	387	657	405	405	708	418	436	742	457	459
Other non-exchange revenue	746	260	324	481	261	261	261	261	262	262	262
Total revenue from non-exchange transactions	91,424	108,336	146,529	115,823	121,832	124,144	128,406	135,772	142,244	148,330	155,797
Revenue from exchange transactions											
Water billing charges	6,146	6,328	6,840	7,378	7,784	8,404	9,053	9,538	10,240	11,018	11,630
Development & financial contributions	8,445	6,174	6,283	6,393	6,507	6,624	10,079	10,277	10,481	10,689	10,902
Other fees and charges - Council	10,624	12,173	11,369	11,865	11,897	12,099	12,282	12,494	12,689	12,919	13,127
Finance income	100	130	130	130	130	130	130	130	130	130	130
Dividends	-	50	50	50	50	50	50	50	50	50	50
Subvention payment received	-	-	-	-	-	-	-	-	-	-	-
Other exchange revenue	3,709	4,092	4,208	4,320	4,387	4,481	4,582	4,679	4,781	4,900	5,007
Total revenue from exchange transactions	29,024	28,947	28,880	30,136	30,755	31,788	36,176	37,168	38,371	39,706	40,846
Total revenue	120,448	137,283	175,409	145,959	152,587	155,932	164,582	172,940	180,615	188,036	196,643

Waikato District Council: Prospective Statement of Financial Position

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
ASSETS											
<u>Current assets</u>											
Cash and cash equivalents	7,720	492	413	407	413	585	570	528	543	543	473
Recoverables from non-exchange transactions	6,106	4,338	4,505	4,726	4,779	4,974	5,230	5,456	5,671	5,868	6,116
Receivables from exchange transactions	7,924	4,624	4,802	5,038	5,094	5,302	5,575	5,817	6,045	6,257	6,521
Non-current assets held for sale	386	-	-	-	-	-	-	-	-	-	-
Biological assets - cattle	102	110	110	110	110	110	110	110	110	110	110
Other financial assets	59	61	50	45	46	-	-	-	-	-	-
Prepayments	616	822	811	814	724	750	754	764	808	798	837
Total current assets	22,913	10,447	10,691	11,140	11,166	11,721	12,239	12,675	13,177	13,576	14,057
<u>Non-current assets</u>											
Property, plant and equipment	1,755,574	1,864,200	1,989,463	2,068,576	2,138,081	2,211,493	2,268,817	2,326,277	2,408,012	2,468,321	2,534,742
Intangible assets	5,960	7,423	9,254	9,894	9,231	8,819	8,285	7,752	7,250	7,049	8,086
Investment property	475	490	490	490	490	490	490	490	490	490	490
Investments in CCO's and other similar organisations	3,558	13,016	13,016	13,016	13,016	13,016	13,016	13,016	13,016	13,016	13,016
Other financial assets	809	3,442	3,730	3,894	4,062	4,057	3,895	3,639	3,433	3,087	2,729
Total non-current assets	1,766,376	1,888,571	2,015,953	2,095,870	2,164,880	2,237,875	2,294,503	2,351,174	2,432,201	2,491,963	2,559,063

Waikato District Council: Prospective Statement of Financial Position

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
Total assets	1,789,289	1,899,018	2,026,644	2,107,010	2,176,046	2,249,596	2,306,742	2,363,849	2,445,378	2,505,539	2,573,120
LIABILITIES											
Current liabilities											
Payables under exchange transactions	24,929	20,165	19,991	20,064	18,022	18,450	18,597	18,830	19,829	19,685	20,555
Taxes and transfers payable	993	950	942	945	849	869	876	887	934	928	969
Employee entitlements	3,521	2,724	2,857	2,969	3,039	3,104	3,144	3,214	3,290	3,368	3,439
Provisions	419	310	310	310	310	310	310	310	310	310	310
Borrowing	15,988	29,233	37,175	43,682	46,332	45,532	43,007	39,007	35,782	30,382	24,782
Total current liabilities	45,850	53,382	61,275	67,970	68,552	68,265	65,934	62,248	60,145	54,673	50,055
Non-current liabilities											
Provisions	1,578	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801
Employee entitlements	213	181	191	197	201	207	207	212	216	221	226
Derivative financial instruments	5,561	4,963	4,963	4,963	4,963	4,963	4,963	4,963	4,963	4,963	4,963
Borrowing	82,712	87,698	111,525	131,045	138,995	136,595	129,020	117,020	107,345	91,145	74,345
Total non-current liabilities	90,064	94,643	118,480	138,006	145,960	143,566	135,991	123,996	114,325	98,130	81,335
Total liabilities	135,914	148,025	179,755	205,976	214,512	211,831	201,925	186,244	174,470	152,803	131,390
Net assets/equity	1,653,375	1,750,993	1,846,889	1,901,034	1,961,534	2,037,765	2,104,817	2,177,605	2,270,908	2,352,736	2,441,730
NET ASSETS/EQUITY											
Accumulated comprehensive revenue and expense	1,061,464	1,114,968	1,182,868	1,212,561	1,228,716	1,239,853	1,247,488	1,257,490	1,271,534	1,280,908	1,295,027
Other reserves	591,911	636,025	664,021	688,473	732,818	797,912	857,329	920,115	999,374	1,071,828	1,146,703
Total net assets/equity	1,653,375	1,750,993	1,846,889	1,901,034	1,961,534	2,037,765	2,104,817	2,177,605	2,270,908	2,352,736	2,441,730

Waikato District Council: Prospective Statement of Changes in Net Assets/Equity

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
Balance at beginning of year											
Accumulated comprehensive revenue & expense	1,042,700	1,071,311	1,114,968	1,182,869	1,212,561	1,228,715	1,239,853	1,247,489	1,257,490	1,271,534	1,280,908
Other reserves											
Revaluation	584,212	650,957	681,637	728,598	766,940	807,936	865,275	910,640	958,927	1,026,331	1,080,763
Restricted	174	182	182	182	181	180	180	179	178	177	176
Council created	18,370	17,218	17,326	18,092	20,949	25,174	30,919	35,997	41,318	45,885	49,965
Special rates and user pays	(9,331)	(8,155)	(15,965)	(18,119)	(20,416)	(21,692)	(21,470)	(18,642)	(14,920)	(10,091)	(4,042)
Capital replacement funds	7,999	9,033	7,210	7,045	8,606	13,271	18,509	22,096	25,130	26,881	30,355
Development contributions	(39,807)	(42,231)	(64,571)	(81,983)	(97,993)	(102,257)	(105,707)	(103,147)	(100,724)	(100,015)	(95,595)
Fair value through other comprehensive revenue and expense	43	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206
Total net assets/equity at beginning of year	1,604,360	1,708,521	1,750,993	1,846,890	1,901,034	1,961,533	2,037,765	2,104,818	2,177,605	2,270,908	2,352,736
Comprehensive revenue and expense for the year											
Accumulated surplus (deficit)	8,999	11,792	48,935	15,802	19,504	18,893	21,687	24,500	25,899	27,396	31,304
Other reserves											
Revaluation	40,016	30,680	46,961	38,342	40,996	57,339	45,365	48,287	67,404	54,432	57,690
Revaluation (landfill)	-	-	-	-	-	-	-	-	-	-	-
Fair value through other comprehensive revenue and expense	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive revenue and expense for the year	49,015	42,472	95,896	54,144	60,500	76,232	67,052	72,787	93,303	81,828	88,994
Transfers to (from) accumulated comprehensive revenue & expense											
Accumulated comprehensive revenue & expense	9,765	31,865	18,965	13,890	(3,349)	(7,755)	(14,052)	(14,499)	(11,855)	(18,022)	(17,185)
Other reserves	-	-	-	-	-	-	-	-	-	-	-
Revaluation	1	-	-	(1)	(1)	-	(1)	(1)	(1)	(1)	(1)
Restricted	(3,253)	108	766	2,857	4,225	5,745	5,078	5,321	4,567	4,080	5,149
Council created	(913)	(7,810)	(2,154)	(2,297)	(1,276)	222	2,828	3,722	4,829	6,049	7,154
Special rates and user pays	170	(1,823)	(165)	1,561	4,665	5,238	3,587	3,034	1,751	3,474	2,936
Capital replacement fund	(5,770)	(22,340)	(17,412)	(16,010)	(4,264)	(3,450)	2,560	2,423	709	4,420	1,947
Development contributions											

Waikato District Council: Prospective Statement of Changes in Net Assets/Equity

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
Total transfers to (from) accumulated comprehensive revenue & expense	-	-	-	-	-	-	-	-	-	-	-
Net assets/equity at end of year											
Accumulated comprehensive revenue & expense	1,061,464	1,114,968	1,182,868	1,212,561	1,228,716	1,239,853	1,247,488	1,257,490	1,271,534	1,280,908	1,295,027
Other reserves											
Revaluation	624,228	681,637	728,598	766,940	807,936	865,275	910,640	958,927	1,026,331	1,080,763	1,138,453
Restricted	175	182	182	181	180	180	179	178	177	176	175
Council created	15,117	17,326	18,092	20,949	25,174	30,919	35,997	41,318	45,885	49,965	55,114
Special rates and user pays	(10,244)	(15,965)	(18,119)	(20,416)	(21,692)	(21,470)	(18,642)	(14,920)	(10,091)	(4,042)	3,112
Capital replacement funds	8,169	7,210	7,045	8,606	13,271	18,509	22,096	25,130	26,881	30,355	33,291
Development contributions	(45,577)	(64,571)	(81,983)	(97,993)	(102,257)	(105,707)	(103,147)	(100,724)	(100,015)	(95,595)	(93,648)
Fair value through other comprehensive revenue and expense	43	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206
Total net assets/equity at end of year	1,653,375	1,750,993	1,846,889	1,901,034	1,961,534	2,037,765	2,104,817	2,177,605	2,270,908	2,352,736	2,441,730

Waikato District Council: Statement of Reserve Funds

A forecast for the ten years ending 30 June 2028

Reserve	Purpose	Related activities	Forecast Balance 1 July 2018 (\$000)	Transfers into fund 2018-28 (\$000)	Transfers out of fund	Balance 30 June 2028 (\$000)
Conservation fund	To fund expenditure items for conservation purposes.	Sustainable environment	430	121	(388)	163
Raglan Harbour reserve	Council took over assets from the Raglan Harbour Board. Any revenue or expense on these properties is kept separate from general funds.	Sustainable communities	26	5,405	(5,198)	233
Housing for the elderly	Income from housing for the elderly is put aside for use on the properties involved.	Sustainable communities	(74)	3,817	(3,624)	119
Plant reserve	Reserve used for control of expenditure and sale proceeds for vehicle and other plant running and maintenance costs.	Organisational support	392	19,489	(19,669)	212
Lake Hakanoa Caravan Park reserve	Revenue and expense for the Lake Hakanoa Caravan Park at Huntly is kept separate. The camp operation is self funding.	Sustainable communities	162	2,122	(2,180)	104
Raglan Kopua Holiday Park reserve	Revenue and expense for Kopua Camp at Raglan is kept separate. The camp operation is self funding.	Sustainable communities	1,325	17,478	(13,196)	5,607
Wainui Reserve farm	Revenue and expense for Wainui Reserve farm operations is kept separate. The farm operation is self funding and surpluses are used towards projects at Wainui Reserve.	Sustainable communities	276	1,756	(2,027)	5
Hillary Commission grants	These funds are committed to a club development programme for the future.	Sustainable communities	22	-	-	22
Creative NZ grant	The balance from Creative Communities New Zealand to be re-distributed as grants to suitable candidates.	Sustainable communities	46	-	-	46
Disaster recovery fund	Fund set aside for use in the event of a disaster.	Organisational support	418	11,236	-	11,654

Waikato District Council: Statement of Reserve Funds

A forecast for the ten years ending 30 June 2028

Reserve	Purpose	Related activities	Forecast Balance 1 July 2018 (\$'000)	Transfers into fund 2018-28 (\$'000)	Transfers out of fund	Balance 30 June 2028 (\$'000)
Hillary Commission loans	Remaining funds and interest credits built up from Council's contribution to match Hillary Commission loans used in the past to assist sporting organisations. All loans have been repaid.	Sustainable communities	58	28	1	87
North Waikato development reserve	Remaining funds with interest credits from the Department of Corrections for use to assist the local community.	Sustainable communities	354	172	-	526
Hamilton East property proceeds	Proceeds from the sale of the Hamilton East property held separate for property related purposes.	Organisational support	2,308	-	-	2,308
Hakarimata Restoration Trust	A restricted reserve for Hakarimata Hills Reserve Trust to record all trust operations.	Sustainable environment	16	8	-	24
Landfill aftercare contribution	Reserve created on amalgamation of part of the Franklin District Council with Waikato District Council to assist with aftercare costs for closed landfills transferred.	Sustainable environment	258	30	(288)	-
Structure plan non-growth reserve	Reserve to provide funding for the non growth element of Structure Plan development.	Organisational support	897	11,810	-	12,707
Waste minimisation reserve	To manage waste minimisation grants and qualifying expenditure.	Sustainable environment	258	2,567	(2,789)	36
Huntly College jubilee award	A restricted reserve; the interest income from which is to be used for educational sponsorship.	Sustainable communities	14	7	(1)	20
Frances Paki Trust	A restricted reserve in memory of Francis Paki of Huntly. Interest income to be used as sponsorship for educational purposes.	Sustainable communities	1	1	-	2

Waikato District Council: Statement of Reserve Funds

A forecast for the ten years ending 30 June 2028

Reserve	Purpose	Related activities	Forecast Balance 1 July 2018 (\$000)	Transfers into fund 2018-28 (\$000)	Transfers out of fund	Balance 30 June 2028 (\$000)
Mungall Scholarship Trust	A restricted reserve in memory of Agnes Simpson Mungall. Interest income to be used for educational sponsorship.	Sustainable communities	1	-	-	1
Huntly Social Services	A restricted reserve created by the transfer of funds from the former Huntly Social Services Coordination Committee Inc. when it was wound up in 2015.	Sustainable communities	150	56	(79)	127
Sundry reserves	Sundry reserves for township development and other operational purposes.	Sustainable communities	16,377	14,223	(8,614)	21,986
Targeted rate reserves – operational	Reserves to monitor operational costs in relation to special rates and user pays.	Stormwater, Sustainable communities, Wastewater, Water supply	(8,155)	360,662	(349,395)	3,112
Replacement funds	Reserves where amounts equivalent to funded depreciation are held for use on capital renewals work.	Roading, Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply, Organisational support	9,033	293,421	(269,163)	33,291
Revaluation reserves	Non-cash reserves representing the increases or decreases in the value of infrastructural assets that are periodically revalued.	Roading, Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply, Organisational support	650,957	487,496	-	1,138,453
Capital rates and contributions	Reserves for structure plans, development contributions, financial contributions and capital targeted rates.	Roading, Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply	(38,340)	94,189	(139,991)	(84,142)
Total			637,210	1,326,094	(816,601)	1,146,703

Waikato District Council: Prospective cash flow statement

A forecast for the ten years ending 30 June 2028

	Annual Plan 2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
Cash flows from operating activities											
Receipts											
Receipts from rates revenue	71,155	77,706	84,619	89,290	93,708	98,276	103,004	107,793	112,858	118,036	123,454
Subsidies received	17,251	20,145	20,326	21,867	20,898	21,680	21,261	22,859	23,921	25,005	26,809
Contributions received	8,970	6,982	6,274	6,384	6,498	6,614	9,792	10,261	10,464	10,672	10,885
Receipts from other revenue	23,843	25,321	25,582	26,601	26,981	28,171	28,908	29,741	31,065	31,998	32,966
Interest received	100	130	130	130	130	130	130	130	130	130	130
Dividends received	400	-	50	50	50	50	50	50	50	50	50
Payments											
Employee costs	(29,342)	(30,909)	(32,212)	(33,316)	(34,040)	(34,672)	(35,086)	(35,734)	(36,458)	(37,203)	(37,905)
Suppliers	(51,161)	(61,641)	(59,877)	(59,259)	(59,276)	(61,256)	(65,602)	(70,685)	(76,149)	(80,867)	(84,939)
Interest paid	(4,393)	(4,267)	(4,947)	(5,602)	(6,150)	(6,469)	(6,330)	(5,648)	(5,100)	(4,396)	(3,417)
Goods and services tax (net)	-	-	-	-	-	-	-	-	-	-	-
Net cash flows from operating activities	36,823	33,467	39,945	46,145	48,799	52,524	56,127	58,767	60,781	63,425	68,033
Cash flows from investing activities											
Purchase of property, plant and equipment	(63,101)	(70,163)	(69,272)	(70,333)	(58,513)	(48,529)	(45,626)	(43,007)	(48,411)	(42,293)	(47,645)
Proceeds from sale of property, plant and equipment	202	693	704	754	755	825	729	774	911	904	1,650
Community loans repayments received	-	-	-	-	-	-	-	-	-	-	-
Purchase of intangible assets	(1,848)	(2,931)	(2,948)	(2,441)	(1,465)	(1,499)	(1,306)	(832)	(573)	(781)	(67)
Community loans granted	-	-	-	-	-	-	-	-	-	-	-
Acquisition of investments	(618)	(554)	(357)	(558)	(170)	(29)	83	(138)	(70)	187	189
Proceeds from the sale of investments	256	160	80	400	-	80	78	394	277	158	170
Net cash flows from investing activities	(65,109)	(72,795)	(71,793)	(72,178)	(59,393)	(49,152)	(46,042)	(42,809)	(47,866)	(41,825)	(45,703)
Cash flows from financing activities											
Proceeds from borrowings	48,300	42,031	36,769	51,027	10,600	1,800	-	8,600	4,400	-	-
Repayment of borrowings	(20,000)	(10,000)	(5,000)	(25,000)	-	(5,000)	(10,100)	(24,600)	(17,300)	(21,600)	(22,400)
Net cash flows from financing activities	28,300	32,031	31,769	26,027	10,600	(3,200)	(10,100)	(16,000)	(12,900)	(21,600)	(22,400)
Net increase (decrease) in cash and cash equivalents	14	(7,297)	(79)	(6)	6	172	(15)	(42)	15	-	(70)
Cash and cash equivalents at the beginning of the year	7,706	7,789	492	413	407	413	585	570	528	543	543
Cash and cash equivalents at 30 June	7,720	492	413	407	413	585	570	528	543	543	473

Long Term Plan Disclosure statement

For the 10 years commencing 1 July 2018

What is the purpose of this statement?

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

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

Rates affordability benchmark

Council meets the rates affordability benchmark if:

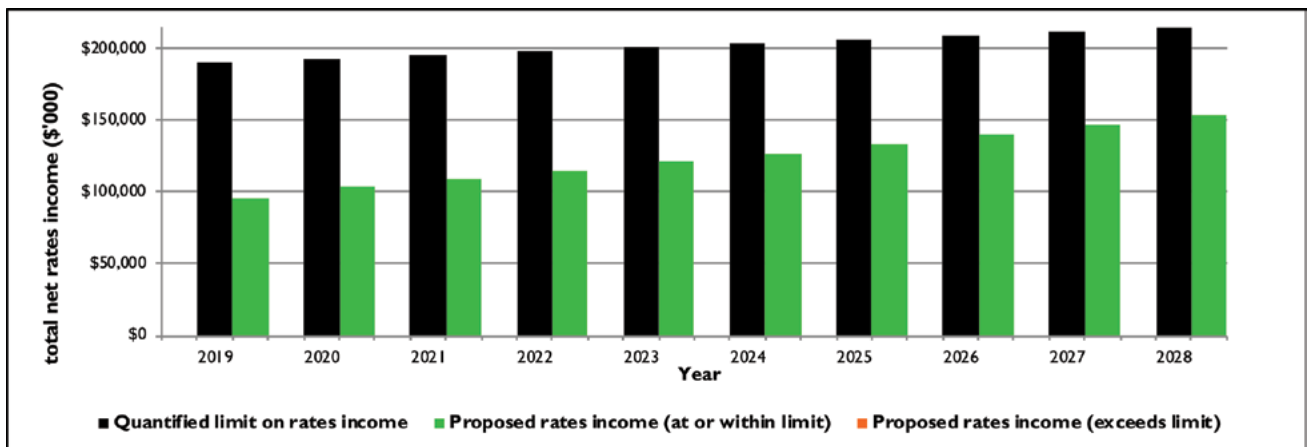
- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

RATES (INCOME) AFFORDABILITY

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

The quantified limits for total rates (\$'000) are:

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
\$190,659	\$193,294	\$195,930	\$198,566	\$201,202	\$203,838	\$206,474	\$209,110	\$211,746	\$214,382

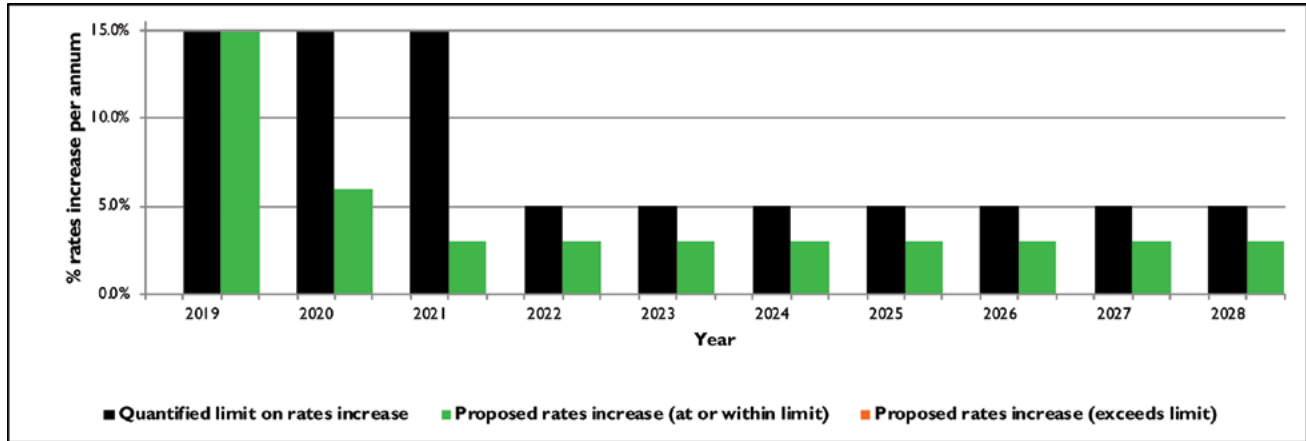


RATES (INCREASES) AFFORDABILITY

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

The quantified limits for rates increases are:

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
15%	15%	15%	5%	5%	5%	5%	5%	5%	5%



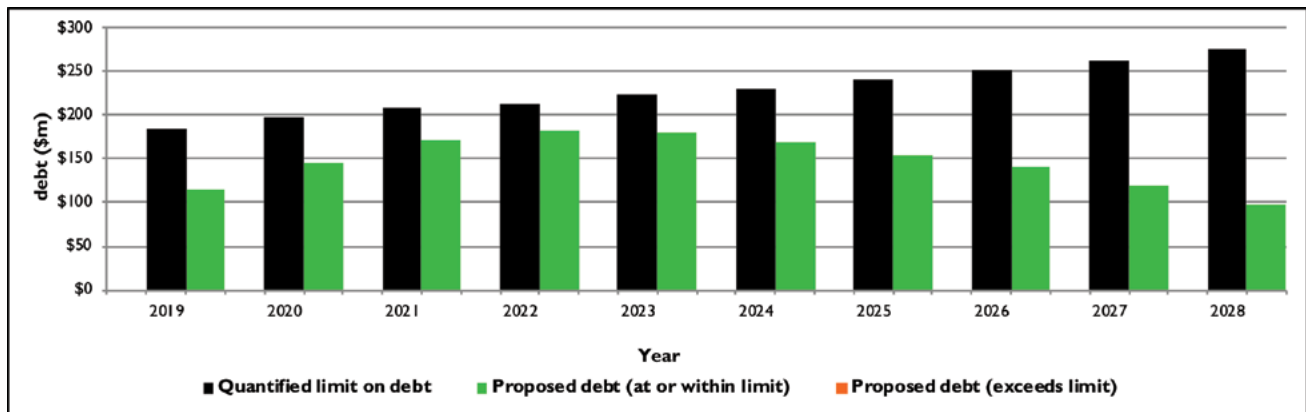
Debt affordability benchmarks

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

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

The quantified limits for total debt are:

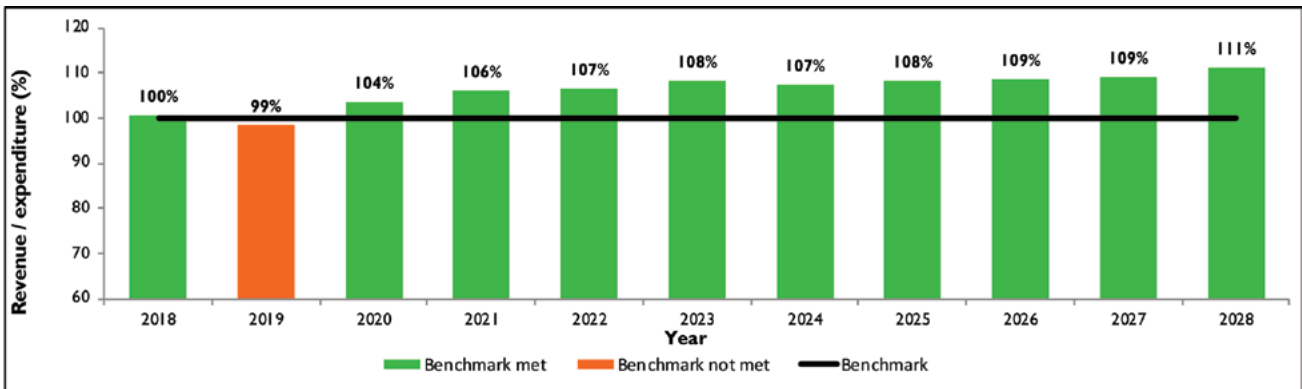
2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
\$185.5m	\$196.5m	\$207.5m	\$212.8m	\$223.0m	\$230.3m	\$241.4m	\$252.6m	\$263.3m	\$275.8m



Balanced budget benchmark

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

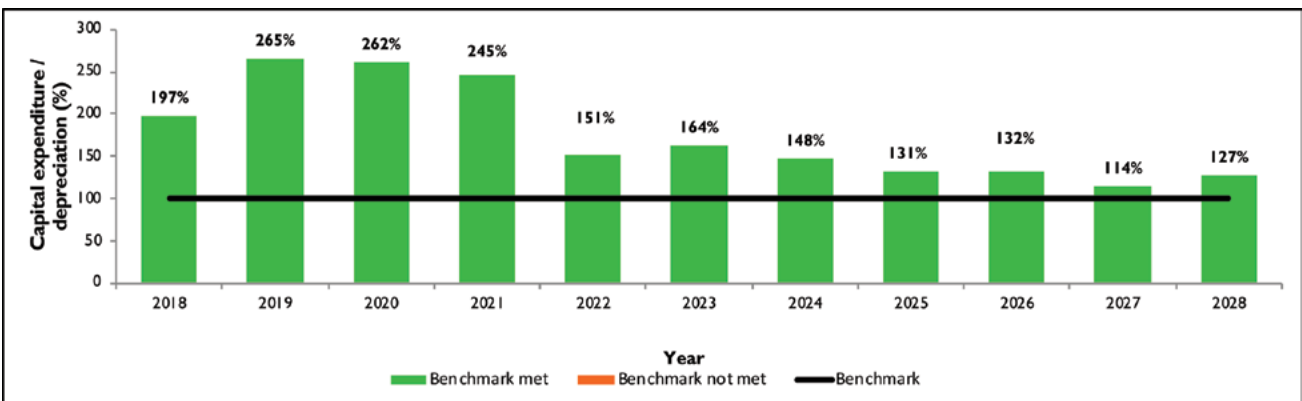
Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

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

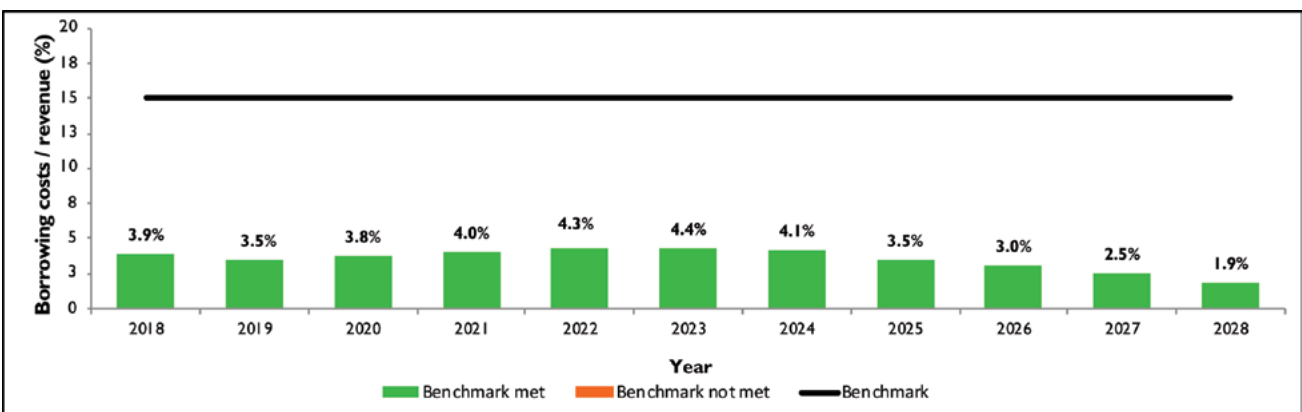
Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

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

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



Statement of Accounting Policies

For the ten years ending 30 June 2028

Reporting entity

Waikato District Council (Council) is a territorial authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing Council's operations includes the LGA and the local Government (Rating) Act 2002 (LG(R)A)

The Waikato District Council Group (the Group) consists of the ultimate parent Waikato District Council (Council), its 100% owned subsidiaries Strada Corporation Limited (Strada) and the Waikato District Community Wellbeing Trust (WBT). Strada is in the process of being wound up; the remaining assets include a deferred receivable relating to the sale of its share in the joint venture Waikato Quarried Limited. All the companies in which Council has an interest are incorporated and domiciled in New Zealand.

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

The prospective financial statements are for the ten years ending 30 June 2028. They were authorised for issue by Council on 27 June 2018. Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Basis of preparation

Statement of compliance

Council's prospective financial statements have been prepared in accordance with the requirements of LGA and the Local Government (Financial Reporting and Prudence Regulations 2014 (LG(FRP)R) which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These prospective financial statements (with the exception of the Funding Impact Statement) have been prepared in accordance with and comply with Tier 1 PBE accounting standards; including PBE FRS 42 Prospective Financial Statements.

Included in this plan are three types of financial information –

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

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

The FIS is intended to make the sources and applications of Council funds more transparent to its stakeholders than might be the case if only the usual NZ GAAP financial statements were provided. The FIS format is prescribed by LG(FRP)R and is required by the LGA.

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

Measurement base

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

The actual results for the 2016/2017 financial year and the Annual Plan financial performance and cash flows for the 2017/2018 financial year, as modified by known changes, have been used to arrive at the opening balances for the plan as at 1 July 2018.

Functional and presentation currency

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

Standards issued and not yet effective which have been early adopted

Standards and amendments issued but not yet effective which have been early adopted are:

IMPAIRMENT OF REVALUED ASSETS

In April 2017, the XRB issued Impairment of Financial Assets which now includes revalued property, plant and equipment in its scope; previously, only property, plant and equipment assets measured at cost were included. The change is effective for periods beginning on or after January 2019.

Council has early adopted this amendment in preparing its financial statements for the financial year ending 30 June 2018. From the 30 June 2018 year onwards, Council is required to assess at each reporting date whether there is any indication an asset may be impaired. If any indication exists, Council is required to assess the recoverable amount of the asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. Council can therefore impair a revalued asset without having to revalue the entire class of asset to which the asset belongs.

STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED

Standards and amendments issued but not yet effective which have not been early adopted and which are relevant to Council and the Group are:

INTEREST IN OTHER ENTITIES

In January 2017 the XRB issued new standards for interests in other entities (PBE-IPSAS 34 – 38). These new standards replace the existing standards for interests in other entities (PBE-IPSAS 6 – 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

Council plans to apply the new standards in preparing the 30 June 2020 financial statements. Council has not yet assessed the effects of these new standards.

FINANCIAL INSTRUMENTS

In January 2017 the XRB issued PBE-IFRS 9 Financial instruments.). PBE-IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risk.

Council plans to apply the new standards in preparing the 30 June 2022 financial statements. Council has not yet assessed the effects of these new standards.

OTHER CHANGES IN ACCOUNTING POLICIES

There have been no other changes in accounting policies since the publication of Council's 2017 Annual Report.

Significant Accounting Policies

Basis of consolidation

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

Revenue

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

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

Specific revenue items are recognised as follows:

- General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the year to which the rates resolution relates. They are recognised at the amounts due. Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Revenue from water-by-meter rates is recognised on an accrual basis. Unbilled usage, because there are unread meters at year-end, is accrued on an average usage basis.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.
- Council receives government grants from the New Zealand Transport Agency (NZTA), which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.
- Revenue from the sale or provision of goods is recognised when a product is sold to the customer. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
- Fees and charges revenue is recognised when the service is provided.
- Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease.
- Traffic and parking infringement income is recognised when the infringement notice is issued.
- Found and vested assets are recognised at fair value at the time Council obtains control of the asset. The fair value is recognised as revenue and the amount is determined by reference to the costs of purchase and/or construction.
- Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged.
- Interest income is recognised using the effective interest method.
- Dividends receivable are recognised when the right to receive the payment has been established.

Construction contracts

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

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

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

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

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses 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.

Grant expenditure

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

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

Foreign currency transactions

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

Leases

OPERATING LEASES

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts. The carrying amount of cash and cash equivalents approximates their fair value.

RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS AND OTHER RECEIVABLES

Short-term receivables are recorded at the amount due, less any provision for uncollectability.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Cattle

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

Gains and 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

Other financial assets

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

Council classifies its financial assets into the following categories:

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

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

LOANS AND RECEIVABLES

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

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

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

HELD TO MATURITY INVESTMENTS

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

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

FINANCIAL ASSETS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT

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

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE

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

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

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

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

Impairment of financial assets

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

LOANS AND RECEIVABLES

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

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

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

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

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE

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

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that

financial asset previously recognised in surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to surplus or deficit.

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

Derivative financial instruments

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The associated gains or losses of derivatives are recognised in surplus or deficit. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

Property, plant and equipment

Property, plant and equipment consist of:

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

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

Land (operational and restricted) is measured at fair value; buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

ADDITIONS

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the Group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at cost. Where an asset is acquired through a non exchange transaction it is recognised at its fair value as at the date of acquisition.

ASSETS UNDER CONSTRUCTION (WORK IN PROGRESS)

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

DISPOSALS

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

DEPRECIATION

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

Description	Useful Life (Years)	Depreciation Rate
Audio-visual materials and electronic games – Libraries	5	20%
Buildings	15 – 100	1 – 6.7%
Vehicles / Moveable plant	4 – 20	5 - 25%
Library books	8	12.5%
Computers	4 – 7	14 - 25%
Office equipment	3 – 15	6.7 – 33.3%
Furniture and fixtures	10	10%
Water supply	2 – 100	1 - 50%
Wastewater	4 – 100	1 - 25%
Urban stormwater	3 – 100	1 - 33.3%
Roading pavement – sealed	2 – 100	1 - 50%
Pavement (basecourse)		
- sealed	65 – 105	0.95 - 1.5%
- unsealed metal	20	5%
Surface water channel	20 – 80	1.25% - 5%
Culverts	50 - 80	1.25 – 2%
Guardrails/Barriers	40 – 80	1.25% - 2.5%
Drainage	50 - 80	1.25 – 2%
Retained walls	50 - 100	1 – 2%
Footpaths	15 – 80	1.25 - 6.7%
Street lighting	20	5%
Bridges	40 – 100	1 – 2.5%
Parks and reserves	1.5 - 125	0.8 - 66.7%
Solid waste		
- refuse transfer stations	10 - 80	1.25 – 10%
- landfills	5 – 90	1.11 – 20%
Signs	20	5%

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

REVALUATION

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

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

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

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

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment having a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

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

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

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was 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, the reversal of an impairment loss is recognised in the surplus or deficit.

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. This asset class, which is amortised on a straight line basis, has a finite useful life of three to seven years and the amortisation rates are between 14% and 33%.

CONSENTS

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

IMPAIRMENT OF INTANGIBLE ASSETS

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in surplus or deficit.

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.

Investment property

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

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

Creditors and other payables

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

Employee entitlements

SHORT-TERM EMPLOYEE ENTITLEMENTS

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

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

LONG-TERM EMPLOYEE ENTITLEMENTS

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

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information; and
- The present value of the estimated future cash flows.
- The inflation factor is based on the expected long-term increase in remuneration for employees.

PRESENTATION OF EMPLOYEE ENTITLEMENTS

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

Superannuation schemes

DEFINED CONTRIBUTION SCHEMES

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

Provisions

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

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

Borrowings

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

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

Net assets/equity

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

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

ASSET REVALUATION RESERVES

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

RESTRICTED RESERVES

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

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

COUNCIL-CREATED RESERVES

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

FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE

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

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation policy

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

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

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

Cautionary note for prospective financial statements

The purpose for the preparation of the prospective financial statements is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cash flows of Council for the ten years ending 30 June 2028. The information contained in these statements may not be appropriate for purposes other than that as previously described.

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

Significant forecasting assumptions

The significant forecasting assumptions and risks underlying the financial estimates are identified on pages 50-62.

Policies and Plans

Significance and Engagement Policy

Council adopted their Significance & Engagement Policy (SEP) in August 2014. The SEP is a device for letting the public know what decisions or matters the Council and the community consider being important, how the Council will assess the importance of those matters, and how and when the community can expect to be consulted on both. The SEP will guide the Council's assessment of significance in decision-making and the level of engagement applied to those decisions. The full SEP can be viewed at www.waikatodistrict.govt.nz/significanceandengagementpolicy

Revenue and Finance Policy

OVERVIEW

The council has reviewed each individual activity with a view to determining an equitable funding policy. In doing so the council considered the nature of the service and the benefits and beneficiaries for each service. Items taken into account during that deliberation were:

- Community outcomes to which an activity contributes
- The distribution of benefits between the community as a whole, identifiable parts of the community and individuals
- The period during which the benefits are expected to occur
- The extent to which actions, or inactions, of individuals or groups contribute to the need to undertake the activity
- Costs and benefits of funding the activity distinctly from other activities.

The list of activities and the funding mechanisms used for each service are included in the table below, along with some explanation of the terminology used.

The funding of operating expenditure and capital expenditure are in accordance with the sources listed in section 103 (2) of the Local Government Act 2002.

FUNDING OF OPERATING EXPENSES

The council sets its long-term revenue to fund its on-going operation and asset maintenance programme as outlined within this plan. The sources used depend on the council's analysis of individual services and are outlined in the table below.

The table outlines the funding mechanism used for individual activities. These mechanisms fall under three headings: General rates (including uniform annual general charges), targeted rates and fees & subsidies. In addition to these sources, the council receives revenue from investments. The details of the investment activity are included separately within this plan. Within this plan, the net revenue from investments is projected to be used to reduce the requirement for general rates.

Group	Activity	Funding Source		
		General Rates	Targeted Rates	Fees
Water Supply	Water Reticulation	Residual	Majority	Fees
	Water Treatment and Supply	Residual	Majority	
Wastewater	Wastewater Reticulation	Residual	Majority	Fees
	Wastewater Treatment and Disposal	Residual	Majority	Fees
Stormwater	Stormwater	Residual	Majority	
Roading	Passenger Transport	Residual		Petrol tax, Subsidies and Fees

Group	Activity	Funding Source		
		General Rates	Targeted Rates	Fees
Roading	Road Safety	Residual		Petrol tax, Subsidies and Fees
	Corridor Maintenance	Residual		Petrol tax, Subsidies and Fees
	Network Development and Maintenance	Residual development		Petrol tax, Subsidies and Fees
	Bridges	Residual		Subsidies and Fees
	Footpaths	Full		
Council Leadership	Governance (Council and Chief Executive)	Full		
	Maaori Liaison	Full		
	Council	Full		
	Elections	Full		
	Committees and Community Boards	Residual	Partial	
	Council Support	Full		
Organisational Support	Communications	Full		
	Business Improvement	Full		
	Human Resources	Full		
	Health and Safety	Full		
	Finance and Treasury	Full		
	Rates	Full		
	Information Management	Residual		Fees
	Legal Counsel	Full		
	Corporate Property and Plant	Full		
Management, Infrastructure Planning, Infrastructure Design and Operations	Residual		Fees	
Sustainable Environment	Animal Control	Residual		Fees
	Building Quality	Residual		Fees
	Consents	Residual		Fees
	Environmental Health and Liquor licensing	Residual		License Fees
	Monitoring and Enforcement	Residual		Enforcement fees
	Regulatory Support	Residual		Fees
	Emergency Management (civil defence and rural fire)	Full		
	Waste Minimisation and Refuse	Residual	Majority	Fees
Sustainable Communities	Economic Development	Residual	Partial	

Group	Activity	Funding Source		
		General Rates	Targeted Rates	Fees
Sustainable Communities	Strategic and District Planning (includes Structure Planning, Resource Management Act policy etc.)	Full		
	Customer Delivery	Full		
	Leisure Facilities (Aquatic Centres, Libraries and Parks & Reserves)	Residual	Partial	Availability
	Community Facilities (Cemeteries, Property, Toilets, Pensioner housing, halls etc.)			
	Grants and Donations	Full		

Explanation of notations made in the table

- 1. Full** means that all, or almost all, of the cost of the activity is funded from that particular source. If the comment is made in the rates column it does not preclude making minor charges for the service but indicates that the charges are a negligible part of the total funding.
- 2. Availability** means that the cost of having the service available is met from that funding source. For these services council believes that charges can be a major barrier to access for some members of the community. Revenue in these services reflects revenue from programmes, hire of the facility and added value services.
- 3. Subsidy** means that a portion of the activity is funded from a government subsidy. In some instances the subsidy makes a relatively minor contribution, but in others, such as roading, the subsidy is a substantial contributor to the cost of the activity. Those subsidies are identified within the individual plan of the activity.
- 4. Petrol tax** is a local government share of the petrol tax levied by central government. It is used to contribute to the costs of road maintenance.
- 5. Majority** means the majority of the service is funded from this source. When used in the fees and charges column it reflects the view that the services should be recovered from users but that legislation imposes some constraints which may mean that full recovery is not possible.
- 6. Market** means that the council attempts to set its charges at a level that is affordable for the users and competitive with similar services either within the district or outside the district. It is used where market rates are not sufficient to meet the full costs of the service. The balance is funded from rates.
- 7. Residual** indicates that a portion of funds comes from this source. It reflects that in some circumstances there are constraints on council charges, or that the alternative revenue source may include enforcement revenue which is imposed to achieve compliance and may not always cover the costs of enforcement.
- 8. Licence and enforcement fees** can be charged for some services. Licence fees may be set by the council or by regulation, and may not always cover the full costs of the service. Enforcement fees are charged to achieve compliance and do not necessarily meet the full costs of the enforcement activity
- 9. Partial** reflects that the service will be partially funded from targeted rates.

Bases for selection of mechanisms to fund operating expenses

- 1. User charges** are used for services where there is a benefit to an individual. If it is possible to efficiently impose a charge, the council does so, on the basis of either recovering the full cost of the service, the marginal cost added by users, or a rate that the market will pay.

The market rate becomes an issue to limit the potential for charging. It applies in circumstances where the council believes that a charge set too high will reduce use and therefore, diminish the value of the facility to the community, and impose a greater cost on ratepayers. In selecting market rate the council has made a judgement that the community values the existence of the facility and would rather fund it from rates than for it to close.

- 2. General rates** is used to fund those services where the council believes there is a public benefit even though it may not be to the whole community. It typically funds “public goods” for which there is no practical method for charging individual users as the benefit is wider than just specific users. An analysis of benefits indicates that there is no difference in incidence between multiple targeted rates and a differentiated general rate.

General rates fund a range of services which are used by individual ratepayers to varying extents. The council uses the general rate rather than a number of targeted rates in order to achieve a simpler rating structure. That simpler structure makes it easier for ratepayers to understand how they are being rated and it is also simpler and cheaper to administer. Rates are regarded as a tax which funds the collective community benefit, rather than being any form of proxy for use of a service.

The general rate is applied on a uniform basis on the capital value of all rateable property across the district in accordance with the generally accepted principles of taxation.

- 3. Uniform annual general charges** are used to fund people-related, rather than property-related services, including libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental consents planning, area offices, democracy/local government, environmental health and resource management planning.
- 4. Targeted rates** are also used to fund community benefits and wider public goods. A targeted rate means a rate to be used exclusively to pay for that operating expense. It is used in circumstances where the council believes that the benefits from the services are such that the principles of a general rate approach (noted above) are not sufficient and that they should be targeted to a particular beneficiaries group or groups.

It is also used where the council considers that the level of charge is outside the council's control and the extent of the impost should be clear to the community.

- 5. Grants and subsidies** are used where they are available. This includes petrol tax.
- 6. Borrowing** is not generally used to fund operating expenses, but is used as a tool to smooth out major lumps in the capital replacement and acquisitions programme.

The council may choose to borrow for an operating expense to give a grant to a community organisation that is building a community facility.

- 7. Income from dividends, interest and net rental income** is used to offset the cost of provision of other services. Income from interest and dividends is included as revenue in the Finance & Treasury activity. This revenue is applied to the council's general purposes. Income from rental of property is applied to the activity which is the primary user of a facility.
- 8. Licence fees** are charged where they are available as a mechanism. They are set as for user charges but may have constraints on the level of the fee. These constraints are established under various legislation.
- 9. Enforcement fees** are charged when possible. The purpose of the fee is to promote compliance rather than to raise revenue. At times enforcement fees will recover the full cost and at other times it will not depending on the level of compliance and also the extent to which the charges are limited by statute or the courts.

Predictability of rates and rate increases

The council is aware that the public needs to be able to predict their rates if they are to have confidence in the rates system. While it is not possible to provide absolute predictability in all years within the three year planning cycle, it is possible to provide greater stability and predictability in the years when properties are not re-valued.

The council considers the benefit splits (amounts recovered from ratepayers for services through the general and targeted rates) within the Revenue & Financing Policy is robust.

However, the council is always conscious of the impact of applying different increases to individual rates. This can mean that rates rises for individual ratepayers vary significantly to the average expected rates rise. In this case, the council may determine in any given year, which is not a revaluation year, that it will apply increases in individual rates to achieve a more even distribution of rates rises. This is done in the interests of predictability and affordability for the ratepayer, which is an underlying goal of both the Long Term Plan and the Revenue & Financing Policy.

Funding of capital

- 1. Rates** in all forms will be used to fund an on-going replacement programme and may be used to fund a portion of capital acquisition work. This will be balanced against the affordability for the current ratepayers and the extent to which a capital replacement or acquisitions programme is even over the period of the plan. Over the period of the plan the council will get to the point where asset renewals are being met from operating revenue, and also a contribution is being made to levels of service and growth capital.
- 2. Borrowing** can be applied to all capital works subject to the preceding statement on the use of rates. The council views debt as a smoothing mechanism and a means of achieving equity between time periods. However the council does not have an unlimited capacity to borrow and the community does not have unlimited capacity to service those loans into the future. Therefore, the council adopts a prudent approach to debt and its capital programme to ensure that the burden of debt and the interest cost does not place an impossible burden on the community. In doing so the council is conscious of its peak debt and its on-going funding stream for debt servicing and work programme.
- 3. Grants and subsidies** are used where they are available.
- 4. User charges** are used for connection services where there is a benefit to an individual. If it is possible to efficiently impose a charge, the council does so, on the basis of either recovering the full cost of the infrastructure, the marginal cost added by users, or a rate that the market will pay.
- 5. Proceeds from asset sales** may be used to fund capital works or repay debt. The preferred option will be for debt repayment with any new works funded from new debt draw down. This method is favoured due to its transparency and the neutral effect it has on rating. There is no major planned asset sales programme over the period of this plan, but assets which are no longer required for strategic or operational purposes may be sold.
- 6. Development and Financial contributions** The district's community is growing. That growth drives a significant portion of our capital work requirement to maintain levels of service to a growing community. As the cost of growth is driven by development the council considers that it is equitable that a development should make a contribution to the costs that are being imposed. Otherwise, existing ratepayers would subsidise new ratepayers and this is inconsistent with council's principles. An exception might occur if development contributions would impose an excessive burden on developers and new ratepayers and this conflicted with council's overall development objectives for the district. In this case, the principle of affordability may mean that some degree of subsidisation is appropriate.

The council has a Development Contributions Policy and a Financial Contributions Policy to obtain contributions to fund the infrastructure required due to district growth. The infrastructure includes roading, water, wastewater, stormwater and community infrastructure (i.e., parks & reserves, libraries, etc). Further details about development and financial contributions and the projects they are used to fund can be found in council's Development Contributions Policy and Financial Contributions Policy.

Rate remission and postponement policies

Remission of Penalties

OBJECTIVE

To enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the due date.

CONDITIONS AND CRITERIA

In this part of this policy, the term 'individuals' means ratepayers who are natural persons. Penalty remissions will be considered where an applicant meets any of the following criteria:

- a. Individuals on benefits or other low-incomes or who have been made redundant/unemployed, have no other means, and who have exhausted all other avenues of relief.
- b. Individuals suffering significant family disruption, eg serious illness or accident of self or a close family member, death of a close family member or separation/divorce.
- c. Individuals in cases of extenuating circumstances, e.g. loss of records by fire or theft.
- d. Individuals who contact the council prior to a penalty date to advise that they will not have funds available to pay the rates instalment until after the due date, and payment is made within fourteen (14) days of the due date. (Limited to one penalty within any two (2) year period for any particular ratepayer).
- e. Where the council accepts an agreed payment arrangement, penalties added subsequent to the commencement of the payment arrangement may be remitted at the end of the relevant rating year, provided that the payment arrangement is being honoured.
- f. Where the council accepts an agreed payment arrangement to clear accumulated arrears and current rates, penalties may be remitted at the end of each rating year provided the payment arrangement is being honoured and the payments have the effect of reducing the arrears. The penalty remitted may include either instalment penalties, arrears penalties or both.
- g. The ratepayer has a good payment history (being 2 clear years without incurring penalties).
- h. Penalties may be remitted in other situations where, in the opinion of the Council, it would be just and equitable to do so.

All applications for remission of penalties must be in writing and must be made by the ratepayer of the rating unit concerned.

Decisions under this policy are delegated to officers as set out in the Council's delegations manual.

Remission & Postponement Policy – Maaori Freehold Land

OBJECTIVE

To provide for the fair and equitable collection of rates from all sectors of the community, while recognising that certain Maaori-owned land has particular characteristics, features or ownership structures, or there are other circumstances which may make it appropriate to provide relief from rates.

Specifically, the policy is intended to:

1. Recognise situations where there is no occupier or no persons gaining an economic or financial benefit from the land
2. Set aside land that is better left unused because of its natural features
3. Recognise matters related to the physical accessibility of the land
4. Recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes
5. Facilitate development or use of the land where the council considers rates based on actual land value make the actual use of the land uneconomic.
6. Where only a part of the block is occupied, grant remission for the unoccupied part of the land.

APPROACH

In establishing this policy, regard has been had to the following matters:

1. In terms of section 91 of the Local Government (Rating) Act 2002, Maaori freehold land is liable for rates in the same manner as if it were general land.
2. The council is required to consider whether it should have a policy on rates relief on Maaori freehold land.
3. The council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.
4. Applications for relief meet the criteria set by the council.
5. The policy does not provide for the permanent remission or postponement of rates in respect of the property concerned.

CONDITIONS

The Council will consider rate remission for land if the following conditions and criteria are met:

1. Application for remission of rates must be made by the owners or trustees of the land for which the remission is sought.
 - a. Maaori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maaori Land Court. Only land that is the subject of such an order may qualify for remission under this policy.
 - b. Owners or trustees making application must include the following information in their applications:
 - i. The details of the property for which remission is being sought
 - ii. The objectives (as outlined under 'Objectives' above) that will be achieved by providing a remission, together with an explanation as to how the land fits within the objectives
 - iii. Documentation that proves the land which is the subject of the application is Maaori freehold land, as defined at (2) above.
 - d. Where after due enquiry the owners of an unoccupied block cannot be found, the Council may apply a remission without the need for a request.
 - a. Decisions as to remission of rates, and the extent of any remission, are at the sole discretion of the council, and apply only to the rating year for which the application is made.

CRITERIA

Rates will be remitted where the land meets any or all of the following criteria:

- a. The land is unoccupied and no income is derived from that land
- b. The land is better set aside for non-use because of its natural or cultural features
- c. The land is inaccessible and is unoccupied
- d. The land carries a best potential use value that is significantly in excess of the economic value arising from its actual use.
- e. Maaori freehold land that exceeds 2 hectares and on which a Maaori meeting house is erected.
- f. The land is only partially occupied (Note that in this case the Council may remit rates of the unoccupied part only).

Postponement Policy - Financial Hardship

OBJECTIVE

To give ratepayers whose financial circumstances affect their ability to pay their rates an option to postpone the whole or part of their rates for an agreed period of time.

POSTPONEMENTS IN CASES OF FINANCIAL HARDSHIP

CONDITIONS AND CRITERIA

1. When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be taken into consideration including the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust, the ratepayer's age, physical or mental disability, injury, illness and family circumstances.
2. If after due enquiry the council is satisfied that financial hardship exists (or would exist if the rates or a portion of the rates were not postponed), the council may postpone part or all of the rates.
3. An application will only be considered where the following criteria are met:
 - a. The application must be made on the prescribed form.
 - b. Only the person registered as the owner of the rating unit or their authorised agent may make an application for postponement
 - c. The applicant must be a natural person
 - d. The owner must have owned a residential property in the Waikato District for not less than five years,.
 - e. The rating unit must be the owner's permanent place of residence.
 - f. The rating unit is used solely for residential purposes
 - g. The owner has not less than 25% equity in the property as determined by council.
 - h. The owner must not own any other rating units, investment properties or other realisable assets in the Waikato District or any other district.
4. The owner must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
5. The council will charge an annual postponement fee of 10% on the postponed rates for the period between the due date and the date they are paid. This fee will cover the council's administration and financial costs and may vary from year to year.
6. Any postponement will apply from the beginning of the rating year in which the application is made.
7. Where an application is granted, the rates will be postponed until the earlier of:
 - a. The death of the ratepayer(s); or
 - b. Until the ratepayer(s) ceases to be the owner of the rating unit; or
 - c. Until the ratepayer(s) ceases to use the property as his/her permanent place of residence; or
 - d. Until a date as determined by the council in the postponement agreement or
 - e. Until the property is no longer used solely for residential purposes;
 - f. The ratepayer no longer meets the qualifying criteria as set out in the prescribed declaration form which must be completed and returned to council every two years for review.

All rates that have been postponed will become payable when qualification of postponement ceases.

8. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
9. Postponed rates will be registered as a charge on the certificate of title of the rating unit, under the Statutory Land Charges Registration Act 1928. All costs incurred by council associated with registering the statutory land charge will be borne by the applicant. No dealings with the land may be registered by the ratepayer while the charge is in place except with the consent of the Waikato District Council.

10. When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the applicant and Council that contains the following terms:
 - a. The amount of rates postponed
 - b. The timeframe and conditions upon which the postponed rates will become payable.
 - c. Arrangements for the payment of future rates
 - d. Acknowledgement that the postponed rates will be registered as a first charge against the land
 - e. Requirement that the applicant seeks legal or other professional advice prior to signing the agreement
 - f. Signature of both parties.
11. When postponed rates have been paid by the ratepayer the Council will remove the land charge registered on the title of the rating unit.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual

Remission Rating of Community, Sporting and Other Organisations Policy

OBJECTIVES OF THE POLICY

- To facilitate the operation of charitable groups, non-profit sporting and other community facilities which meet the needs of Waikato district residents.
- To assist the organisation's survival.
- To make membership of the organisation more accessible to the general public, in particular young persons and disadvantaged groups.

CONDITIONS AND CRITERIA

Organisations applying for a rates remission must meet the following criteria:

1. The organisation must operate on a non-commercial basis. Community facilities which are operated for private pecuniary profit of any members of the organisation do not qualify for any rates remission.
2. Any application for rates remission must be made to the council prior to the commencement of the rating year; rates remissions will not be applied during the rating year or retrospectively.
3. An application for rates remission must include the following information in support of the application:
 - a. Objectives of the organisation
 - b. Funding and financial information
 - c. Information on activities and programmes
 - d. Membership or client details.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

A full remission of the General Rate and Uniform Annual General Charge may be applied to land which is owned or used by community, sporting and other organisations for the purposes of providing community facilities accessible to the general public. Such organisations include all sports clubs (except horse and greyhound racing clubs), arts clubs, scouts and youth clubs, St John/Red Cross, community and church halls, whether they are charitable organisations or not, and the Hamilton Zoo.

A 100% remission of the General Rate and Uniform Annual general Charge may be applied to land owned or used by charitable institutions and groups which provide care of the aged and disadvantaged persons. These charitable institutions or groups are currently limited to the Tamahere Eventide Home, Assisi Home and Hospital and the Tamahere Hospital and Healing Centre. The remission applies only to the common land that provides the care and does not relate to the land owned privately within the boundaries of these institutions. 50 per cent remission of the General Rate and Uniform Annual General Charge will be granted to Tainui Awhiro and the Auckland/Waikato Fish and Game Council

Note: A mandatory remission of 50 per cent applies to land owned or used by Agricultural and Pastoral Societies incorporated under the Agricultural and Pastoral Societies Act 1908, art clubs and sports clubs (whether incorporated or not) but excluding horse and greyhound racing clubs.

Land Protected for Historic or Cultural Conservation Purposes or Land Protected for Natural Conservation Purposes Policy

A full remission of all rates may be applied to land used to preserve its natural features.

OBJECTIVES OF THE POLICY

- To protect the historic or cultural significance of certain land in the Waikato district
- To protect the natural beauty and conservation values of certain land in the Waikato district
- To preserve the natural character of the coastal environment
- To protect significant indigenous vegetation and fauna
- To encourage land owners to leave certain land undisturbed in order to prevent erosion.

CONDITIONS AND CRITERIA

1. The land must not be used for grazing, farming, residential or commercial purposes and must have discernible historical cultural or natural features.
2. If only part of the land is to be protected, whether or not identified by a registered conservation or heritage covenant, the following aspects will be taken into account to determine whether a remission should be granted:
 - a. The size of the area to be protected in relation to the size of the rating unit
 - b. The significance of the features to be protected.
 - c. Where land is to be protected for natural conservation purposes that are not under covenant, the minimum aggregate conservation area shall be 10 hectares.
4. If a remission for a natural conservation area is granted under Clause 2, the remission shall be calculated on the relevant land value as determined by Council's Valuation Service Provider. Any rates remission applies as long as the land meets the criteria stipulated in Clauses 1 to 2 above. If the land is no longer used for conservation purposes, the ratepayer will be advised that full rates are again payable.
5. In granting remissions under this policy the council may specify certain conditions before remission will be granted, such as arrangements for monitoring and access to the property. Such conditions have to be agreed to by the ratepayer in writing. Non-compliance with any condition will result in remissions being stopped.
6. Any applications for remission under this policy must be made before 1 July of the year of the initial remission. Remissions will not be granted retrospectively.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

Remission of Uniform Annual General Charge on rating units with exceptional circumstances

A full remission of the uniform annual general charge may be applied to rating units with the following exceptional circumstances:

- Uneconomic, multiple owned Maaori rating units that are being leased by neighbouring landowners and being used as one
- Unformed or closed roads (as gazetted) owned by the council whether or not a licence to occupy has been granted to neighbouring landowners.

OBJECTIVE

To allow the council to act fairly and reasonably where:

- Multiple owned Maaori rating units are being leased by adjoining owners and are being used as part of their land, but do not qualify for contiguous classification in terms of the Local Government (Rating) Act 2002; or
- The council has allowed adjoining property owners to occupy unformed roads and use the Council owned land as part of their properties, but does not qualify for contiguous classification in terms of the Local Government (Rating) Act 2002.

CONDITIONS AND CRITERIA

1. The rating units must be:
 - a. Multiple owned Maaori freehold land or closed/unformed roads owned by the Council for which permission to occupy has been granted;
 - b. The rates notices are sent to and the rates are paid by the lessee
 - c. Used jointly as a single unit with neighbouring land owned by the ratepayer
 - d. The rating unit is of an uneconomic size.
2. If circumstances change in respect of the rating unit, the council will review whether this remission policy is still applicable to the rating unit;
3. Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

Remission of rates - Other categories

This part of the policy is prepared pursuant to sections 102 and 109 of the Local Government Act 2002 and Section 85 of the Local Government (Rating) Act 2002.

OBJECTIVE

- To enable the Council to grant full rates relief for land that has a capital value of less than \$1,500, whether or not contiguous with other properties.
- To remit rates in respect of cemeteries of an area exceeding two hectares and not being used for any other purpose than as a cemetery (cemeteries less than two hectares are non-rateable)

CONDITIONS AND CRITERIA

1. Full remission of the general rates is granted where the registered capital value of the rating unit is \$1,500 or less.
2. Full remission of the general rates is granted in respect of land used or set aside for cemetery purposes that has an area greater than two hectares. If circumstances change in respect of the rating unit, the Council will review whether rates remission should still be granted.
3. This policy does not apply to land owned or used by any person or corporation operating a utility of any description on the land.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

Subdivision Development Remission

OBJECTIVE OF THE POLICY

To facilitate subdivision development in the Waikato district.

REMISSION FOR UNSOLD LOTS OF A NEW SUBDIVISION

Developers may apply for remission on the second and subsequent lots of a new subdivision that remain unoccupied or unsold after the end of the rating year in which they are first charged rates. The remission applies to the Uniform Annual General Charge and targeted rates.

CONDITIONS AND CRITERIA

1. The subdivided new lots must be unsold and unoccupied after the end of the rating year in which they are first charged rates.
2. The land must be vacant land.
3. Rates remission will apply to the second and subsequent lots of the subdivision.
4. The owner must apply for rates relief and provide reasons why rates relief should be granted and supporting evidence.
5. Each application will be considered on its merits, taking into account the following factors:
 - a. The landholdings of the owner within the Waikato district

- b. The extent of the subdivision
 - c. The impact of the request on development in the district
 - d. The anticipated sales process of the subdivided lots
 - e. The rating account must be up to date prior to application.
6. The term rates include penalties payable on unpaid rates.
 7. Decisions under this policy are delegated to officers as set out in the council's Delegations Manual.

Postponement of rates for a new subdivision on the grounds of financial hardship

OBJECTIVE

- To assist developers.
- A postponement of part of the rates may be granted in respect of a subdivision development on the grounds of financial hardship. This policy applies to all classes of land (including Maaori freehold land).

CONDITIONS AND CRITERIA

1. Rates will be postponed until the new lots have been sold or leased.
2. The owner/developer must apply for postponement of rates in writing, provide reasons why rates should be postponed and supply supporting evidence.
3. Each application will be considered on its merits, taking into account the following factors:
 - a. the landholdings of the owner within the Waikato district
 - b. the extent of the subdivision
 - c. the impact of the request on development in the district
 - d. the anticipated sales process of the subdivided lots.
4. Postponement of rates will be granted to the extent that the owner still pays the quantum of rates which were payable before the property was developed.
5. If rates postponement is granted, a postponement fee will be charged which will be treated as part of the rates. The postponement fee will cover the council's administration and financial costs.
6. Postponed rates will be registered as a statutory land charge on the certificate of title for the land concerned.
7. Any postponement will be for a maximum period of five years.
8. The term 'rates' includes penalties payable on unpaid rates.

Decisions under this Policy are delegated to officers as set out in the council's Delegations Manual.

Remission Policy on Uncollectible Rates

OBJECTIVES

To allow for situations where all practicable methods of enforcing rates collection have been exhausted and it is in the Council's financial interests to remit such rates.

CONDITIONS AND CRITERIA

1. All rates both arrears and current including any targeted rates will be remitted where council considers the objective will be achieved in so doing. This policy will be applied at council instigation.
2. Properties receiving a remission under this policy must be reviewed every year.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual

Policy on Maaori participation in decision making

Introduction

The Local Government Act (LGA) 2002, Section 81 (1), requires councils to:

- a. establish and maintain processes to provide opportunities for Maaori to contribute to the decision-making processes of the local authority; and
- b. consider ways in which it may foster the development of Maaori capacity to contribute to the decision-making processes of the local authority; and
- c. provide relevant information to Maaori for the purposes of paragraphs (a) and (b).

Section 82 (2) of the LGA further requires that a local authority ensures that it has processes in place for consulting with Maaori.

Council has obligations under the Waikato-Tainui Raupatu Claims (Waikato River) Settlement 2009 and the Nga Wai o Maniapoto (Waipa River) Act 2012 to enhanced and meaningful working relationships with Waikato-Tainui and the Maniapoto Maaori Trust Board to ensure the enhancement of the health and wellbeing of these tuupuna awa.

Policy

In order to meet its statutory obligations and in recognition of the principles of Te Tiriti o Waitangi, Waikato District Council will strive to ensure the following in its decision-making activities:

1. Recognise the cultural significance of the Waikato and Waipaa Rivers and their tributaries by ensuring meaningful engagement in decision-making and the co-management of these awa.
2. Maintain and enhance the social, cultural, environmental and economic wellbeing of Maaori by ensuring that the values and aspirations of iwi, hapuu and Marae are understood and take into account.
3. Work actively with iwi / Maaori to develop arrangements and protocols that will ensure that they are included in Council decision-making.
4. Work actively with iwi / Maaori to foster the development of capacity to participate in Council decision-making.

Water and Sanitary Services Assessment and Waste Management Plan Statement

Council is required under the Local Government Act 2002 to identify any significant variations between the proposals outlined in its 10-Year Plan and its:

1. Assessment of Water and Other Sanitary Services.
2. Waste Management and Minimisation Plan.

Assessment of Water and Other Sanitary Services

The Water and Sanitary Services Assessment details all water and sanitary services across the district's boundaries, including public and services. The assessment focuses on protection of public health and wellbeing of the community.

Waste Management and Minimisation Plan

Under the Waste Minimisation Act 2008, Council has a legal responsibility to promote effective and efficient waste management and minimisation. Council's draft 2012 Waste Management and Minimisation Plan (required by the Waste Minimisation Act) provides a strategic framework for how this will be achieved. Council's vision is to become recognised as a national leader in the minimisation of waste and to ensure that innovative and sound waste management practices underpin the city's environmental, social, economic and cultural well-being.

Statement of Significant Variation

Council's 'Water and other Sanitary Services' Assessment was adopted in 2008. It includes all services relating to water supply, wastewater and storm water services, public toilets, cemeteries and interments and solid waste. This assessment is required by the Local Government Act 2002 and aims to determine whether public health in the district is adequately protected through the provision of these services, both now and in the future. No further assessments have been undertaken since the 2009-19 Long Term Plan was adopted.

The proposals contained in Council's 2018-28 10-Year Plan have been reviewed against the Assessment of Water and Other Sanitary Services. There are no significant variations between the proposals outlined in this plan and the current assessment contained in the Long Term Plan 2015-25.

Council Controlled Organisations

The Council operates four Council Controlled Organisations (CCO's). These organisations independently manage facilities and deliver services, with the exception of Strada Corporation Limited which wound up activities during the 2016/17 financial year. The following information explains what the organisations do and how their performance is measured.

Strada Corporation Limited

Strada Corporation Limited (formerly Tanlaw Corporation prior to 1 July 2009) was established in 1992 as a wholly owned Council Controlled Organisation (CCO). The Council wished to separate the planning and development of its work programme from the physical works. Strada was established to achieve this and to operate as a profitable business for the Council's benefit, and ultimately Waikato District ratepayers'.

The company generally traded profitably and provided significant dividends that supplemented the council's income. However, in recent years in a more competitive market Strada had difficulty securing maintenance contract work and when the opportunity arose during 2015/16 to sell Strada's joint venture the decision was made to wind up operations.

The operational assets were sold during 2016/17 and liabilities extinguished. The company will remain active until the warranty requirements under the sale of the joint venture are satisfied.

Waikato Regional Airport Limited

In December 1995, the Council along with four other local authorities purchased the Crown's 50 per cent shareholding in the Waikato Regional Airport Limited. The purchase increased the Council's shareholding to 15.625 per cent. At the time the Council considered the airport to be a significant infrastructural asset for the region and important to economic growth and development. The Council's shareholding is considered a strategic asset. The airport also operates a tourism subsidiary which aims to promote the region to tourists. The Council contributes separately to this entity.

The Airport has the following core purpose and key objectives for the business:

Core Purpose

1. Enabler of air services to the region.
2. Operate a first class, safe and compliant regional airport.
3. Strategic positioning of the business to enhance capital value.

Key Objectives of the Group (incorporating Titanium Park Limited & Hamilton Waikato Tourism Limited)

4. Operate an efficient and compliant airport.
5. Enhance the traveller experience.
6. Maintain a viable aeronautical business.
7. Maximise revenue diversification through non-aeronautical business opportunities.
8. Develop and optimise the land holdings of the Group to generate a long-term property income from a diversified property portfolio.
9. To promote the Hamilton & Waikato region as an appealing destination to international and domestic visitors.

Agreed Measures	2018/19	2019/20	2020/21
Shareholders funds to total assets	65%	65%	65%
Earnings before interest, taxation and depreciation (EBITDA) of at least	\$3,000,000	\$3,200,000	\$3,400,000
Net surplus/(deficit) after tax of no less than	\$75,000	\$150,000	\$200,000
Net operating cashflow	\$1,600,000	\$1,800,000	\$2,000,000
Net investing cashflow excluding Titanium Park Limited	(\$3,050,000)	(\$1,800,000)	(\$1,950,000)

Agreed Measures	2018/19	2019/20	2020/21
Funding Titanium Park Limited	(\$200,000)	\$100,000	\$100,000
Net cashflow at least	(\$1,650,000)	\$100,000	\$150,000
Net debt a maximum of	\$18,000,000	\$18,000,000	\$18,000,000
Total liabilities/shareholders' funds (debt/equity ratio) a maximum of	35:65	35:65	35:65
Percentage of non-landing charges revenue to total revenue of at least	74%	74%	74%
Interest rate cover of at least	4.0x	4.0x	4.0x
Net profit before tax, interest, revaluations to total assets	0.5%	0.5%	0.5%
Net profit before tax, interest, revaluations to shareholders funds	0.5%	0.5%	0.5%
Net profit after tax, interest, revaluations to total assets	0.08%	0.1%	0.1%
Net profit after tax, interest, revaluations to shareholders funds	0.1%	0.1%	0.1%

Waikato Local Authority Shared Services Limited

Local authorities of the Waikato region established the Waikato Local Authority Shared Services (WLASS) Limited during 2005/2006, the 12 local authorities of the region, being Environment Waikato; Hamilton City Council; Hauraki District Council; Matamata – Piako District Council; Otorohanga District Council; Rotorua District Council; South Waikato District Council; Taupo District Council; Thames-Coromandel District Council; Waikato District Council; Waipa District Council and Waitomo District Council, jointly own the company.

These local authorities have worked closely together over the years on mutually beneficial joint projects. The Councils believe the company will generate saving through economies of scale and through additional purchasing power and the ability to recover costs.

The objectives of WLASS are:

- enable the Waikato councils to collectively be more effective as a region on the national stage
- contribute to building central government's confidence in the Waikato region, and to encourage central government investment
- achieve effectiveness and efficiency gains
- reduce duplication of effort and eliminate waste through repetition
- make it easier for customers to engage with councils in the Waikato region
- promote and contribute to the development of best practice
- promote business transformation to improve customers' experiences.

There are currently 12 major initiatives operating under the WLASS umbrella:

1. Shared Valuation Data Service
2. Road Asset Technical Accord
3. Waikato Regional Transportation Model
4. Waikato Building Consents group
5. Future Proof
6. Energy Management
7. Joint Procurement Initiatives
8. Historic Aerial Photos
9. Waikato Regional Aerial Photography Service
10. Aligned Resource Consent Planning

11. Regional Infrastructure Technical Specifications

12. Local Government Contractor Health & Safety Pre-qualification Scheme

Collaborative opportunities in the areas of governance, spatial planning, two waters, roading and economic development are also under review. Each of these working parties is led by a Council Chief Executive in conjunction with a group of Mayors/Chairs from the Waikato Mayoral Forum. WLASS is the support entity to assisting these working parties.

Measures

Target	Method	Measure
Procurement		
Joint procurement initiatives for goods and services for WLASS councils will be investigated and implemented.	Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for integration.	The Procurement Specialist has developed standard regional procurement policies, templates and procedures and provided training in each council by the end of the financial year. New suppliers are awarded contracts through a competitive tender process.
Collaborative Projects		
Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.	The focus is on shared services which will benefit all councils.	A minimum of three priority projects for collaboration are identified per annum. If considered of value, business cases are developed for approval by the Board, and the projects are implemented.
Existing LASS Contracts		
Existing contracts are managed and renegotiated as required.	Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.	The WLASS Contracts Register is maintained and managed. Contracts which are due for renewal are tested for competitiveness and either renegotiated or re-tendered through a competitive process.
Cashflow		
The company shall maintain a positive cashflow position.	The Financial Accountant reviews cashflow monthly, and the WLASS Board reviews the financial statements quarterly.	The WLASS Board reviews the financial statements at least quarterly.
Cost Control		
Administration expenditure shall be managed and monitored.	The Financial Accountant and Chief Executive review expenditure monthly.	Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.
Reporting		
Six monthly reports provided to Shareholders.	The Chief Executive prepares a written report for the WLASS Board every meeting. One 6-monthly and one Annual Report are prepared for shareholders.	The Board shall provide a written report on the business operations and financial position of WLASS to the shareholders every six months. Every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the WLASS are being adhered to.

Target	Method	Measure
Waikato Mayoral Forum		
The company shall provide administrative support to the Mayoral Forum work streams and to the Mayoral Forum.	Mayoral Forum projects shall be managed financially through the WLASS.	Approved invoices for Mayoral Forum projects are paid by the 20th of the month following their receipt.
Shared Valuation Data Services (SVDS)		
The SVDS is reliable, well maintained and available to all users.	<p>A Contract Manager is appointed for SVDS.</p> <p>The Contract Manager monitors performance of the contractors and reports quarterly to the SVDS Advisory Group.</p> <p>Risks associated with the SVDS are well managed.</p> <p>The long-term provision of SVDS services is achieved.</p>	<p>The SVDS is available to users at least 99% of normal working hours.</p> <p>The SVDS Advisory Group meets at least 6-monthly.</p> <p>The Annual Business Plan is accepted by the Advisory Group by 31 March 2019, and includes consideration of strategic and operational risks, a disaster recovery plan, and a business continuity plan.</p> <p>The timetable and milestones for implementing the long-term provision of SVDS Services (as agreed by the Board), are being achieved.</p>
Insurance		
Achieve the relevant KPIs in Appendix 4 of the Insurance Brokerage contract with Aon.	The Insurance Broker delivers on the terms of their contract and provides value to the participating councils.	<p>Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.</p> <p>The day-to-day service provided by Aon is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.</p>
Road Asset Technical Accord (RATA)		
<p>Deliver better data for decision making across the Waikato Region, enabling more consistent best practice</p> <p>Lead engagement and increase capability within the sector</p>	<p>Quarterly update reports are provided to all stakeholders participating in the Data Collection contracts.</p> <p>Data supplied by contractors is of good quality and meets all of the participating councils' requirements.</p> <p>Innovation: Identify opportunities to modify standard approaches and/ or develop new approaches that will lead to optimal asset management.</p> <p>Leadership: Lead engagement and increase capability within the sector.</p>	<p>Reports are presented to stakeholders in October/ January/April and July each year.</p> <p>Reports on progress presented to WLASS Board as at 30 December and 30 June.</p> <p>All data are reviewed for compliance and all good practice requirements are met.</p> <p>Procurement of services complies with WLASS and NZTA's procurement requirements.</p> <p>Present to a national conference on RATA innovations at least once per year.</p> <p>At least two RATA guidance documents detailing good practice are produced each year.</p> <p>RATA Forums are held 2-monthly to share learnings and experience.</p>

Target	Method	Measure
Waikato Regional Transport Model (WRTM)		
The WRTM is reliable, well maintained and available to all users.	<p>RATA manages the WRTM on behalf of the participating councils, and monitors the performance of the model supplier (currently Traffic Design Group).</p> <p>RATA reports quarterly to the WRTM Project Advisory Group.</p>	<p>All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget.</p> <p>A report from RATA on any new developments and on the status of the model is provided to the WLASS Board at least every six months.</p> <p>The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual), and is independently peer reviewed each time the model is updated.</p>
Waikato Building Consent Group		
Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.	<p>Implement the strategic priorities detailed in the "Build Waikato" May 2017 strategic review document.</p> <p>Fulfil the roles and responsibilities set out in clause 9 of the WBCG's Memorandum of Understanding, 2016.</p>	<p>Milestones for the five strategic review work streams are achieved for:</p> <ul style="list-style-type: none"> Digital experience and technology: a common online customer experience. Success is defined as user friendly, convenient, quick, end-to end management and communication, measured by customer surveys and systems comparisons. People capability. Success is defined as a successful recruitment and training programme, measured by compliance with BCA Reg. 8 -11. Quality assurance. Success is defined as continued accreditation and increased service consistency, measured by accreditation outcomes, BCA annual audits, and customer surveys. Lift industry competency and compliance. Success is measured by increased industry compliance, with reduced RFIs, and reducing percentages of application or building consent rejection. Central government: engagement and legislative influence. Success is measured by legislative submissions and outcomes. <p>There is a common understanding and buy-in by all BCAs for the WBCG vision and actions that are taken to achieve this vision, measured by:</p> <ol style="list-style-type: none"> Full participation in WBCG projects and programmes Audits demonstrating implementation and compliance with the agreed QA systems Consistency in service delivery, measured by customer surveys. <p>Risk management is visible through regular reviews of the Risk Register.</p> <p>All funding requirements are met by each of the participating councils.</p> <p>Minimum of two reports presented to the WLASS Board on the Group's activities.</p>

Target	Method	Measure
Future Proof		
<p>Planning for growth in the sub-region is co-ordinated and collaborative.</p> <p>The Future Proof budget is well managed and monitored.</p> <p>Future Proof influences and inputs into District Plan, Regional Plan, growth strategy and any other planning processes which manage growth within the sub-region and neighbouring regions.</p>	<p>Joint preparation and input into Phase 2 of the Strategy update.</p> <p>Bi-monthly reports presented to Waikato Plan and Future Proof Chief Executive Group, and six monthly and annual reports to WLASS Board.</p> <p>Future Proof works collaboratively and provides input into the planning work undertaken by all FP partners and any other relevant planning authorities.</p>	<p>Phase 2 of the Future Proof Strategy is adopted by the Future Proof Implementation Committee no later than December 2018.</p> <p>The overall Future Proof work programme is delivered within the approved budget.</p> <p>Future Proof makes submissions (using RMA and Local Government processes), on District Plans, LTPs, growth management planning documents, and any central government initiatives which have the potential to impact growth management planning in the sub-region.</p>
Shareholder Survey		
Shareholders are satisfied with the performance of WLASS.	An annual survey of shareholders is undertaken to assess satisfaction levels with WLASS.	A survey of shareholders is undertaken each year, and the results are reported to all shareholders.
Review of Benefits		
Shareholders are informed of the benefits being provided to shareholding councils by WLASS.	The benefits of WLASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.	<p>Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders.</p> <p>The WLASS website is regularly maintained and updated.</p>

Waikato District Community Wellbeing Trust

In 2010, the Waikato Foundation Trust proposed to distribute its capital fund to projects or trusts to fund projects of a community nature which will result in long term benefits to as many people as possible within the geographical area of the three constituent territorial authorities namely the Hamilton City Council, the Waikato District Council and the Waipa District Council. The Waikato District Community Wellbeing Trust was established to receive funds from the Waikato Foundation Trust which wound up in 2010. \$2.56 million was transferred to the Waikato District Community Wellbeing Trust during 2011/12.

The trust distributes fund that:

- Promote the social, environmental and cultural wellbeing of the Waikato district and its communities; and
- Deliver on the aspirations and community outcomes of the Waikato district identified and promoted by the community and endorsed by the Waikato District Council

Target	Objective	Measure
Governance		
The Trust will be governed in accordance with the terms of the Trust Deed.	To comply with the terms of the Trust Deed and in particular with the duties of the Trust as set out in clause 11 of the Deed;	Undertake an annual legal review of compliance with the Trust Deed no later than two months after the end of each financial year.
Investment		
<p>The Trust will, in accordance with the Trust Deed, invest or reinvest part or parts of the Trust Fund not immediately required for the purposes of the Trust (whether income or capital) in investments or securities, as the Trust Board considers beneficial to the Trust Fund.</p> <p>The Trust will also seek other opportunities and avenues for growing the Trust fund. The intention of the Trustees is that the real value of the Trust Fund is preserved.</p>	<p>To adhere to the Trust's Management of Investment Portfolio and Distribution Policy.</p> <p>To review, on an annual basis, the investment mandate and the performance of the portfolio manager.</p>	At each quarterly meeting review compliance with the Trust's Management of Investment Portfolio and Distribution Policy during that quarter.
Funds Disbursement		
The Trust will, as appropriate, disburse funds towards projects that meet the Trust's criteria and that meet the objectives of the Trust Deed.	As per the Management of Investment Portfolio and Distribution Policy, to distribute total grants that do not exceed 50% of the accumulated net income after allowing for accumulated expenses, inflation movements and prior year distributions.	<p>A distribution process is undertaken that distributes the annual fund to eligible recipients in accordance with funding targets set by the Trustees in accordance with the Management of Investment Portfolio and Distribution Policy.</p> <p>Six-monthly reports are received from all successful applicants within the required timeframes.</p>

Each Council Controlled Organisation has both financial and non-financial performance deliverables more detail can be found in the individual statements of intent of these organisations.



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