

10-Year Plan

2012-22

Building our Future Together



TE AWAMUTU - HEAD OFFICE

101 Bank Street, Private Bag 2402, Te Awamutu Ph 07 872 0030

CAMBRIDGE - SERVICE CENTRE

23 Wilson street, Cambridge Ph 07 823 3800

Whakatauki

Hutia te rito o te harakeke

Kei whea te tauranga o te kōmako e ko?

Ki mai koe, ki ahau

He aha te mea nui o tēnei ao?

Māku e ki atu

He tangata, He tangata, He tangata

If you remove the heart of the flax

Where will the bellbird then rest?

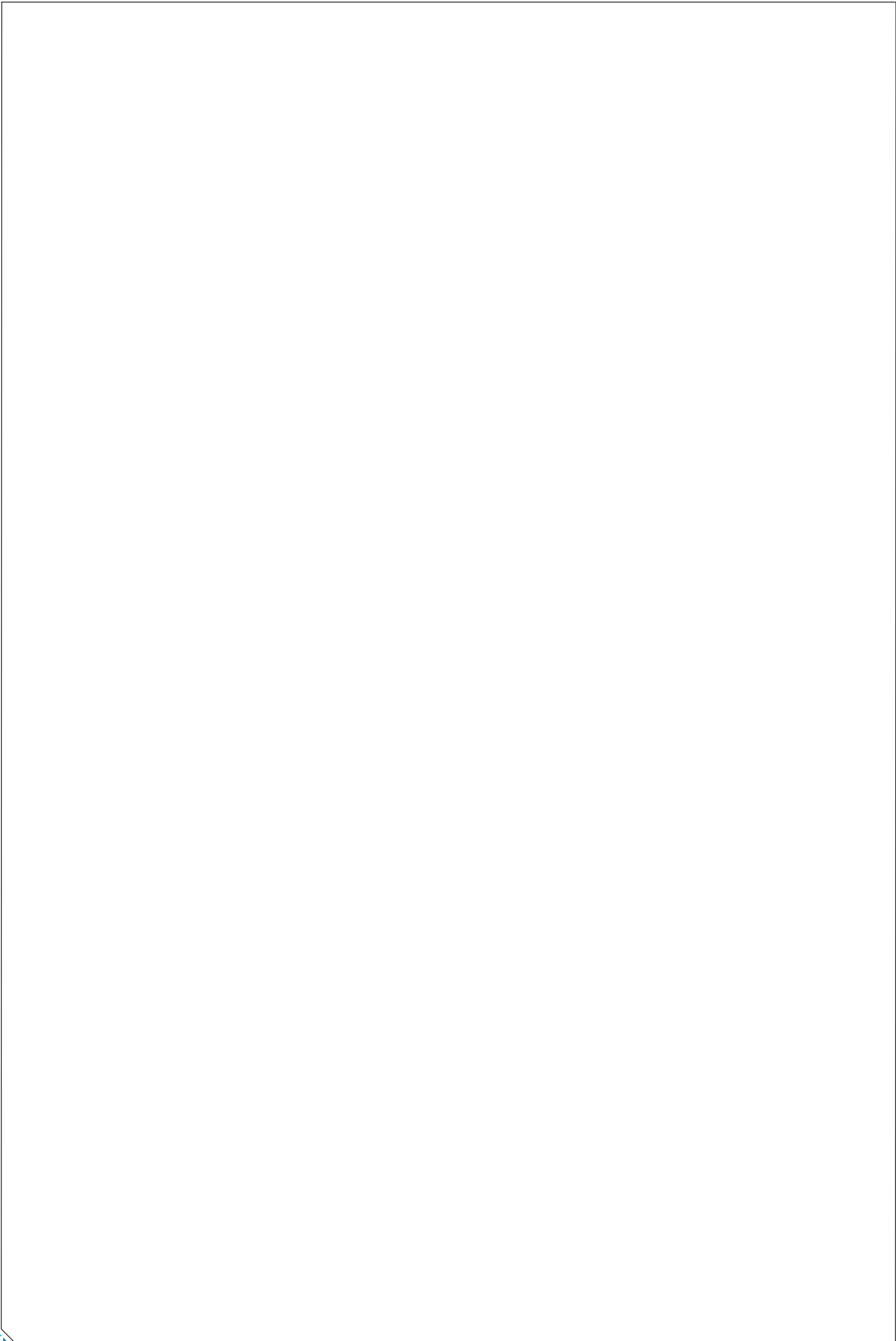
If you should ask me

What is the main thing in this world?

I will say to you

It is people, it is people, it is people





10-Year Plan Statement

Under the Local Government Act 2002, every council in New Zealand must adopt a Long Term Plan that covers a period of 10 years.

For the purposes of this document we refer to our Long Term Plan as the 10-Year Plan 2012-22.

The 10-Year Plan sets the direction for the district and is formally reviewed and updated every three years. It describes the activities of the council and shows the whole picture of how the activities are managed, delivered and funded.

The 10-Year Plan was adopted on 26 June 2012 and takes effect from 1 July 2012.

Please note: Information relating to future years will be updated in subsequent 10-Year Plan amendments and Annual Plans. The achievements in any year will be presented in our Annual Report for that year.

Message from the Mayor and Chief Executive

There are many attributes that shape Waipa's strong and unique identity; we strive to protect and enhance these as we plan for the future.

Building the Future Together

On behalf of Waipa District Council, we are pleased to present this 10-Year Plan for 2012-22, which continues to support our vision for the District.

Waipa: Home of Champions – Building the Future Together

The vision, which is based around a partnership approach, reflects the community's long term aspirations (community outcomes), and seeks to improve the wellbeing of residents to build on those attributes that make Waipa a great place to live, work and play. The quality of our environment, heritage, facilities and services, and recreational opportunities are what residents have identified as making Waipa a favoured place to live. We remain committed to maintaining, enhancing and promoting these unique features, and our long-term plans reflect that commitment.

We acknowledge that we are one of many agencies that contribute to the positive development of the Waipa District. There are many businesses, community organisations and voluntary groups working within our district that also contribute to the achievement of our community outcomes. Our goal is to work in partnership with those contributing to the wellbeing of Waipa so that our collective resources can be aligned and put to best effect.

This plan outlines the services, activities and projects, and their associated costs, that we intend to undertake from 1 July 2012 to 30 June 2022.

Challenging times

We are fortunate our district is in great heart and well positioned to weather the continued economic challenges. Economic activity remains buoyant, with major commercial developments recently completed and further development planned. Our district is growing, and that's projected to continue, albeit at lower levels than previously signalled.

We are mindful of economic conditions and their impact on residents and ratepayers. In this plan, we have made significant changes to planned capital works programmes and operational activities presented in earlier plans, in order to reduce rating requirements over the next 10 years. It is important to note that rating requirements are heavily influenced by external factors, such as the costs of complying with regional and national standards. In addition, cost increases facing our operations are consistently higher than the general rate of inflation, and the flow-on effect, such as the need to fund depreciation of infrastructure projects undertaken in previous years, has increased rating requirements.

In making changes to proposed activities and programmes, we seek to reduce rating pressures while continuing the work essential to maintaining core community services. Waipa is, and will continue to be, a growing district and it is important to make provision for the future as well as providing for the present. Growth brings positive benefits but puts pressure on community infrastructure, services and

operating costs. The development of our infrastructural assets (such as water and wastewater systems) have long lead-in times, consequently we need to plan now for the next 10 years and beyond.

Making good decisions

Waipa residents have high expectations of the quality of services and infrastructure required to support those services, as well as a desire to build for the future. We must balance these expectations with the financial impact it creates. Choices have to be made and consideration needs to be given to the implications and risks associated with those choices. Affordability and sustainability must underpin our planning and decision-making for the present and the future. Finding the right balance is something we sought community feedback on. We received 517 submissions to our draft plan. We considered these submissions thoroughly before confirming this 10-Year Plan. A list of changes made since the draft plan can be found on page 324.

In preparing this plan, we have also drawn on our Waipa 2050 strategic planning initiative, which has provided the basis for our future planning and the development of the district. We have also had regard to past and more recent community feedback, and completed a full review of our operations and the sustainability of the projects and work programmes in the 10-Year Plan 2009-19. These reviews resulted in a significant reduction in our operating costs and capital works programmes, which are now better aligned to our priorities and the district's growth requirements. In addition, we know that some major community projects are not affordable given their nature and scale, and these have been revised accordingly.

Having regard to community feedback and recent reviews, we have applied the following key principles to the development of this plan:

- **Investing for future wellbeing** – Being strategic with funding decisions, prioritising expenditure to suit need and investing to support staged development of the district.
- **Building on what we have** – Maintaining core infrastructure and service levels, and maximising the value from the investment already made in infrastructure and services.
- **Collaboration** – Working with our partners to achieve desired outcomes while minimising rate impacts, and pursuing opportunities for efficiencies by working with other councils.
- **Financial prudence** – Maximising non-rate revenue to support operations, looking at new business models for efficient and effective service delivery and building financial reserves to manage rating peaks.
- **Leadership** – Being a good corporate citizen, and engaging with our stakeholders on key issues.

This plan signals a period of continued consolidation and financial constraint, but with clear priorities signalled. These priorities are based on maintaining existing levels of service, including infrastructure necessary to support those services, and providing for the continued development of the district through the timely provision of new infrastructure, and appropriately scaled and timed community facilities. The impact and risks associated with this approach are identified and managing these risks is critical for us. As circumstances change, the plan will be reviewed and altered accordingly.

Key Projects

The projects in this plan are required to renew and upgrade infrastructural assets, maintain levels of service, provide for increased environmental and health standards and to support growth and development. Most are essential and failing to do them would compromise levels of service, community safety and wellbeing, or put us at odds with our statutory responsibilities. A list of the key projects/initiatives planned for the next 10 years are provided on pages 44 to 59. They include:

- Water Conservation and demand management
- Infrastructure assets condition investigations
- Change to charging for metered water
- Cambridge wastewater treatment plant upgrade
- Te Awamutu wastewater treatment plant consent and upgrade project
- Increase in storage - Construction of treated water reservoirs
- Meeting New Zealand Drinking Water Standards
- Renewing water take consents
- Introduction of universal water metering
- New Te Awamutu Library
- New Te Awamutu Museum
- Cambridge Pool
- Waste Management services
- Heritage enhancements
- Maungatautari
- Cambridge transport issues and development of Victoria Boulevard
- National Cycling Centre of Excellence

Many worthwhile projects that are consistent with our vision were considered for inclusion in this plan. However, funding constraints and economic challenges mean that they have been scaled back, deferred or have not been included at all.

Rating/financial overview

Our activities and projects are funded either from rates, fees and charges, development contributions, depreciation reserves, financial reserves and loans or some combination of these. Wherever possible, we seek to obtain funds from sources other than rates.

There are different rates for different purposes. These include a general rate for all activities, a ward rate, and rates for community facilities, capital works, stormwater, rural fire, sewerage, water, recycling and community halls.

This plan requires total rate revenue of \$41.9 million, \$44.2 million and \$46.6 million for the first three years which represents annual increases of 4.3 percent, 4.7 percent and 4.7 percent respectively. These increases take into account expected growth which is estimated to contribute 0.5 percent, 0.6 percent and 0.9 percent over these three years.

The increase in rates is a reflection of:

- Additional service demands from a growing community.
- The effect of costs associated with capital works projects and programmes undertaken over the past 5-10 years.
- Increased value of infrastructural assets and the need to fund increased levels of depreciation.
- Increased compliance costs associated with meeting legislative changes and environmental and public health standards.

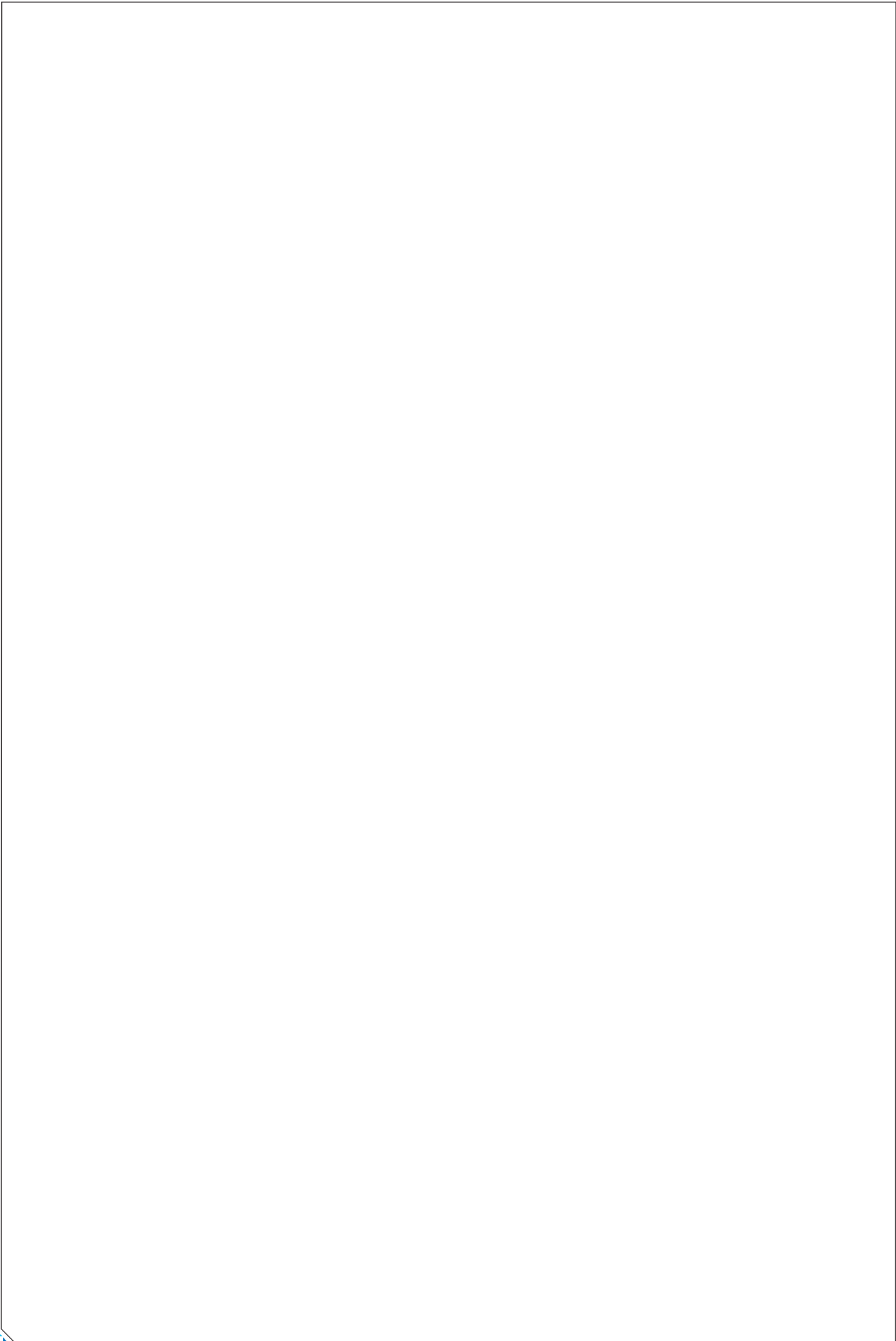
We are planning \$409 million of capital works over the next 10 years, which will increase debt levels (loans) from \$31 million to a peak of \$72 million in 2017/18, reducing to \$53.5 million in 2021/22. The projected levels of borrowing are within prudent limits and allow capacity and flexibility for future borrowing, should circumstances warrant it.

We have removed the early payment discount for rates which reduced rates by \$325,000 or 0.8 percent.

For the 2011/12 year ratepayers paid \$309,000 (net) to fund the discount, with approximately 25 percent of ratepayers receiving the discount by paying their full rates by 21 August 2011.

This means the 75 percent of ratepayers who did not pay the full years rates by the first instalment deadline subsidised the rest.

We believe it was fairer and more equitable to remove the 5 percent discount.



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Waipa District Mayor & Councillors



Dennis Finn
CAMBRIDGE



Alan Livingston JP
MAYOR



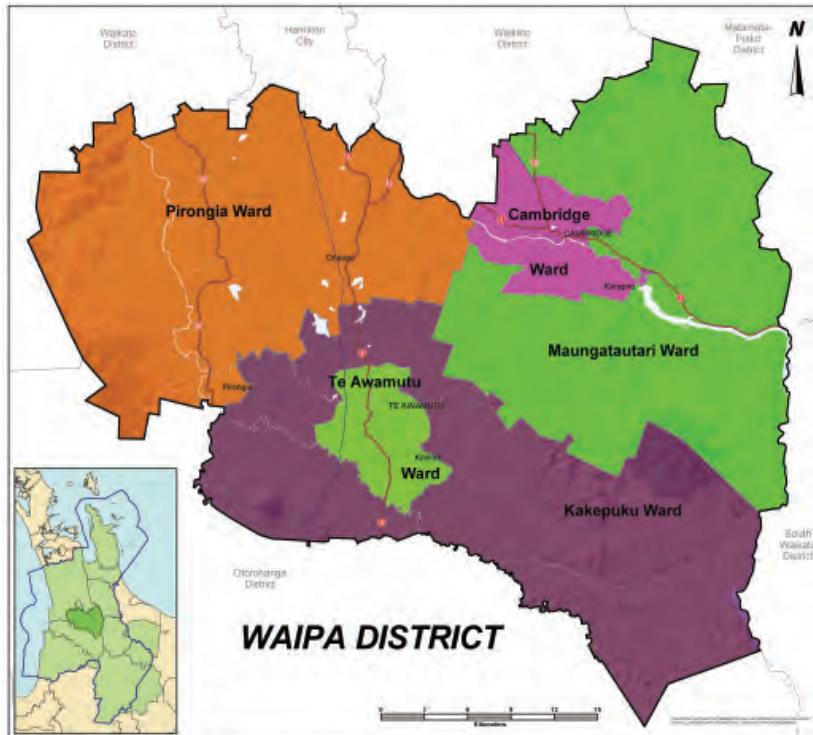
Grahame Webber
DEPUTY MAYOR
MAUNGATAUTARI



Hazel Barnes JP
TE AWAMUTU



Sue Milner
CAMBRIDGE



Marcus Gower
TE AWAMUTU



Joe Scaramuzza
CAMBRIDGE



George Simmons
TE AWAMUTU



Barbara Taranaki JP
CAMBRIDGE



Laurie Hoverd
KAKEPUKU



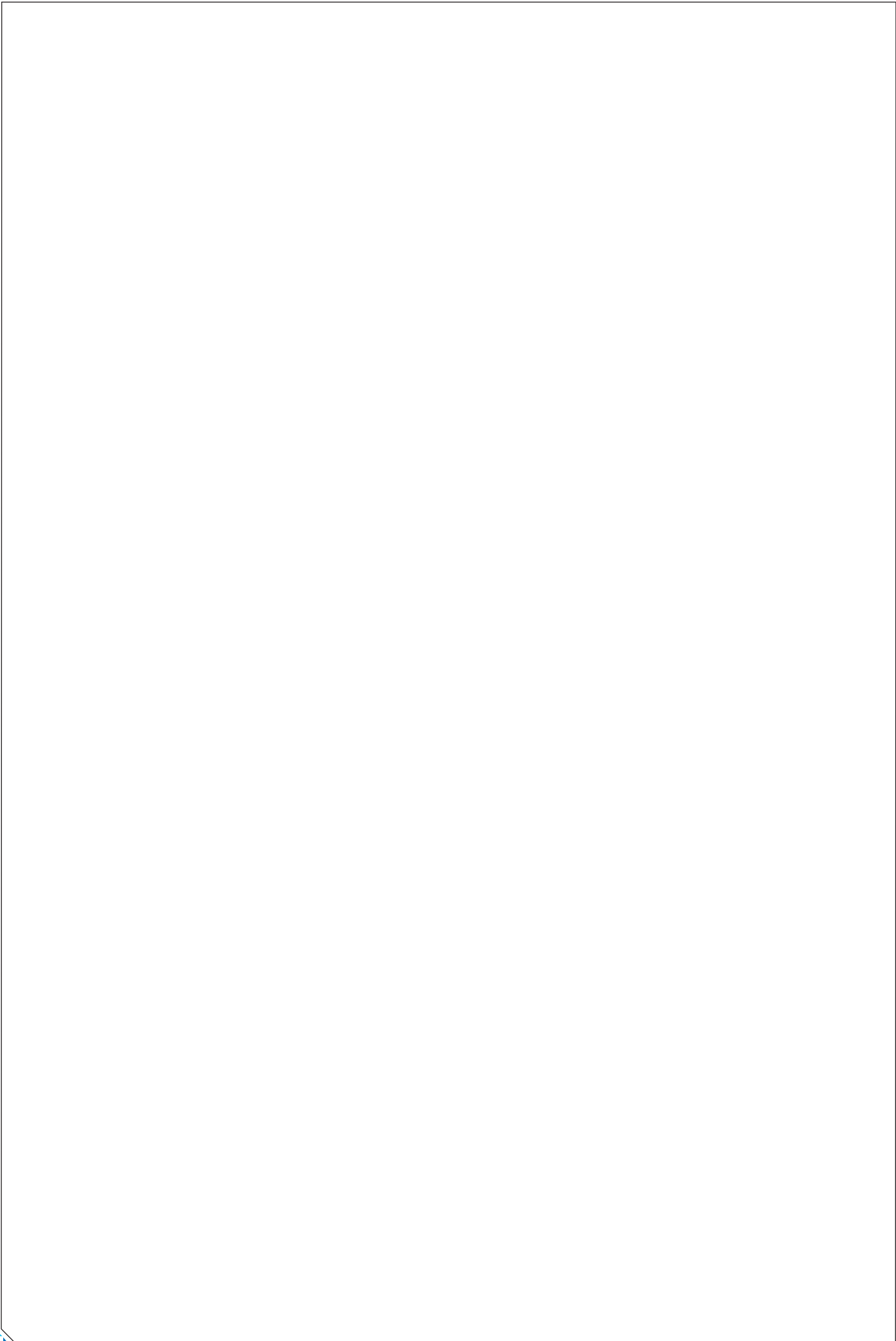
Diane Sharpe JP
PIRONGIA



Bruce Thomas
PIRONGIA



Vern Wilson
TE AWAMUTU





Strategic Direction, Financial Strategy and Key Projects



Strategic Direction, Financial Strategy and Key Projects

Overview

Our 10-Year Plan 2009-2019 was developed at a time when growth was very strong and our activities, programmes and projects were aimed at supporting an economically buoyant and growing district. At that time, we proposed a number of major projects which were heavily dependent on external fundraising and asset sales.

In 2010, in response to the global financial crisis, we reviewed the sustainability and affordability of the projects in that plan. The review concluded that continuing with these projects would markedly change our financial position and push us close to breaching established affordability limits.

The review resulted in a substantially reduced capital works programme, and around \$40 million less debt than projected. In addition, around \$4 million was removed from our annual operating budget.

As part of our financial refocusing we have developed a clear vision that supports and guides this 10-Year Plan. Our service, activity and project priorities are aligned to this strategic direction, which will guide our future decision-making. The details of our strategic direction, financial strategy and key projects are set out later in this section. In 10 years, and in line with our vision and goals, we anticipate that:

- Our infrastructural asset life cycle will be well managed, with maintenance and renewal programmes appropriately aligned
- Compliance with environmental and safety standards, particularly water and wastewater, will have been achieved and maintained
- Levels of service will have been maintained, and any new services or increases in service levels have been based on community need
- The security and continuity of our water supplies is assured for the long term
- Growth of the district has been orderly and supported
- Key facilities will have been maintained and developed in line with community needs and priorities

Financial sustainability is fundamental to the provision of affordable, value-for-money services, and continuing to maintain the extensive infrastructure supporting these services. Most of our \$409 million proposed capital works programme is dedicated to supporting our roads/footpaths and water supply, wastewater and stormwater services, and need to be undertaken to ensure service continuity. Those projects which require external funding will not proceed unless that funding is secured.

The inflationary pressures on our operating activities are expected to sit at 3.8 percent for the 2012/13 year, with an annual average of 3.5 percent over the 10 years of this plan. Environmental and other compliance costs are additional. For us to maintain levels of service and meet our statutory obligations we require an average annual rate increase of around 4 percent. If we choose to introduce new services, or enhance existing services, costs will increase further. This plan signals a maximum average annual rates increase over the 10-year period of 4.1 percent after growth. This signals our ability to find cost savings and efficiencies so that service enhancements can be accommodated within this plan.

A key early focus in this plan is improving the life cycle management of our water services assets, and continuing to improve the effectiveness of our renewals programmes for these assets. Our asset management plans and renewal programmes are based on a combination of actual condition assessment and expected useful life information as determined by industry standards. This information suggests that a major system failure is unlikely, but should it occur during this period we have strategies in place to ensure levels of service are promptly restored and any financial impacts minimised.

A number of other projects, while aligned to our strategic direction, support service level enhancements. In finalising this plan, we particularly sought feedback on these. The projects are:

- Change to charging for metered water
- Introduction of universal water metering
- New Te Awamutu Library
- New Te Awamutu Museum
- Waste Management
- Heritage enhancements
- Cambridge transport issues and development of Victoria Boulevard

These projects, will be funded by rates, loans or a combination of both. The proposed timing, benefits, costs and funding arrangements for these projects are set out in more detail in pages 44 to 51. In some cases these projects are only at a concept stage because their timing is beyond the next review of the 10-Year Plan, which is scheduled for 2015. These projects will require further development, including detailed costing and consultation, before they are finalised.

Our financial strategy recognises the need to balance diverse community needs and expectations, ensuring those who use our services, now and in the future, pay a fair share, and continuing to maintain rates at affordable levels. Based on the priorities and outcomes signalled in this plan, we anticipate rate increases will need to be slightly above the general rate of inflation. In addition, we have set rate and borrowing limits as part of our financial strategy that we consider to be prudent and affordable.

This plan has a substantially reduced financial baseline compared to the 10-Year Plan 2009-2019 and sets a clear vision for the district and how we propose to work towards achieving it. We have also sought stakeholder feedback and taken account of community feedback received over the past 12-15 months.

In 2022, we believe we will have remained financially sustainable, and that our services will be cost effective and continue to be aligned to community priorities. Ultimately, Waipa will have been further enhanced as a great place to live, work and do business in.

Affordability and quality of council services

Local Government costs are increasing at a greater rate than general inflation (Consumer Price Index), and most of this cost pressure is associated with maintaining existing infrastructure. In addition, the Government is showing an increasing tendency to impose new responsibilities and increased compliance requirements on councils, all of which add to our costs and place pressure on rate levels.

Waipa residents have historically expected high standards of service, which is also reflected in the nature and extent of the community facilities provided over the past 10-15 years. The introduction of new services and increases in service levels have been supported by significant community demand, but come with additional rate requirements. Invariably community satisfaction levels with these services are consistently high, confirming the value of these services to residents.

Maintaining our services at current standards will require annual budget increases. While significant service reduction will lower overall costs, the pressures influencing cost increases will not change. If there is widespread ratepayer desire to limit rate increases, then hard decisions will need to be made about which services, or levels of service, should be cut. Given the diversity of needs and expectations, this will not be a straightforward exercise.

Economic climate and growth

Since the development of the 10-Year Plan 2009-19 there has been considerable publicity and debate about the global economy and its impacts on New Zealand, particularly for the near future. Overall, growth in Waipa has slowed to about one-third of the pre-global recession levels, and each year we have reviewed and down-scaled our infrastructure development programme to match lower growth.

As actual growth rates have been substantially lower than forecast, growth assumptions for this plan have been closely reviewed in order to provide a more realistic projection. Waipa continues to grow, with forecast annual growth rates expected to increase over the next 10 years from current levels of 0.6 percent to 1.4 percent in 2022. Overall, this reflects an expected 12 percent increase in population and a 15 percent increase in the number of new dwellings. Commercial development will be additional. The completion of the Waikato Expressway in 2015/16 is expected to increase growth, particularly in the Cambridge area. However, while this has been considered in the growth projections, further work is being undertaken to quantify the nature and extent of any impacts and to take account of those in the 2015 Long Term Plan.

In 2008 we commenced the Waipa 2050 project which included a District Growth Strategy, Environment Strategy, and Town Concept Plans. Waipa 2050 provides good guidance as to where future development and population growth will occur over the next 40 years. Provision has been made for growth areas across the district, with a focus on expansion of existing urban and village areas, and minimising further fragmentation of rural areas. The timing of this development is subject to economic and market conditions, but sufficient capacity exists to accommodate accelerated growth as it occurs.

We have shifted towards developer-funded growth, meaning developers make the necessary infrastructure investments to support their development activities. Traditionally, we funded infrastructure at the start of a development and recouped costs (through development contributions) as the properties were sold and developed. This alternate approach substantially reduces the risk, with developers having to manage the cost implications associated with slower levels of growth. This plan assumes that most growth will be developer funded, with our focus limited to the development of strategic areas only¹ and the timed upgrade of major infrastructure, such as water and wastewater treatment plants.

We reviewed our Development Contributions Policy in association with this plan in response to a change in our capital works programme.

Key changes made to the policy are:

- The transport network is now treated as a single network or catchment as all transport costs associated with growth are now reflected by a single network fee. The historic Cambridge North and Picquet Hill roading and transport surcharge have been incorporated into this fee.
- The introduction of a fee to recognise the capacity available in existing networks which will be consumed by growth.

¹ Strategic areas refers to Council-owned property, where its development will provide wider community and/or commercial benefits to the District.

Strategic Direction

This plan sets out our vision for the district and how we propose to work towards achieving it. We will outline our priorities, as well as the issues and challenges we will face as we strive to deliver the services sought by our communities while continuing to facilitate growth and meet our statutory obligations.

Guiding principles

The following principles support and inform this Strategic Direction and Financial Strategy, and will guide their implementation. The principles will also support our decision-making processes.

PRINCIPLE	SUPPORTING OBJECTIVES
Investing for future wellbeing	Our funding decisions will be aligned with our strategic direction. Each community outcome will be funded, with expenditure prioritised and timed according to available funding. We will invest to support the staged development of the district.
Build on what we have	We will maintain our core asset base in order to sustain agreed levels of service. We will maximise value from infrastructure investment. We will review existing strategies to ensure alignment with strategic direction.
Collaboration not isolation	We will work with community partners and stakeholders to achieve desired outcomes while minimising rate impacts. We will work with other councils to maximise shared services opportunities.
Financial prudence	We will maximise non-rate revenue to support our operations. We will investigate and develop new business models for the efficient and effective delivery of services. We will build financial reserves to manage rating peaks.
Leadership	We will be a good corporate citizen. We will engage with stakeholders and foster debate within the community on key issues.

Our Vision, Purpose and Strategic Direction

Our vision

Waipa: Home of Champions - Building the Future Together.

Our purpose

To partner the community in promoting the wellbeing of the Waipa District and its people.

Strategic direction - Our goals and outcomes for our community

In 2011 we reviewed the goals and community outcomes developed in 2005 for the two previous 10-Year Plans. These revised goals and outcomes are more directive and better define our priorities, while continuing to provide a focus on improving community wellbeing.



Economically progressive

We are focused on growing our prosperity and financial sustainability, now and into the future, providing an attractive and affordable district to live and do business in.

To be economically progressive, we will continue to develop Waipa as a sustainable thriving economy built upon the district's unique characteristics by:

- Efficiently using resources to deliver services without unreasonably burdening future ratepayers;
- Developing Waipa as a great place in which to do business; and
- Building a diversified and productive economic base that supports the natural and cultural environment.

Our community outcomes

We are financially sustainable.

To support the achievement of this outcome, we have developed and will implement a financial strategy and financial management policies (contained within this plan). This strategy and the policies will guide our decision making and inform our work programmes.

Our services are acknowledged as excellent value for money.

We will continue to monitor, review, and improve the services we provide to ensure they are value for money.

Waipa's growth is built on its strengths.

We will work with stakeholders to prepare and implement an economic development strategy for Waipa. This strategy will inform our decision making in matters such as infrastructure investment.



Environmental & cultural champions

We preserve, enhance and showcase the unique environmental and cultural heritage, diversity and history of our district.

We will continue to build a community that is proud of Waipa's physical and cultural environment and the value it provides by:

- Ensuring we have a low carbon footprint;
- Ensuring staff have a high level of cultural awareness;
- Promoting environmental responsibility and cultural awareness within the community; and
- Ensuring people have access to protected environmental and cultural sites.

Our community outcomes

We are recognised as an environmental and cultural leader.

Within our organisation we will identify, minimise, and monitor the environmental effects of our operations.

Staff will be provided with opportunities to raise their cultural awareness and skill levels regarding cultural protocols.

Through our policies, plans and work programmes we will encourage a focus on environmental considerations, such as increased walking, cycling and the use of public transport.

Waipa's environmental and cultural heritage is a showcase for excellence.

We will develop and implement programmes that protect, enhance and interpret the district's environmental and heritage assets and features for our community and visitors to enjoy.



Connected with our Community

We empower and engage our communities to determine and contribute to desired outcomes, whilst providing them with opportunity, equality and efficient service.

We will ensure the Waipa community is actively involved in the decisions and actions that affect the wellbeing of the district by:

- Building a community that advocates on behalf of its council and district;
- Encouraging high levels of participation in council decision making processes; and
- Developing collaborative and enduring partnerships with key stakeholders.

Our community outcomes

Our stakeholders are advocates/ambassadors for Waipa and the council.

We will focus on creating stronger, resilient and more enduring relationships by informing, consulting, involving and empowering our residents, ratepayers and key stakeholders.

We engage with all parts of our community.

Our Community Engagement Strategy will guide our actions.

We have collaborative and enduring partnerships.

Formal relationship and partnership agreements with key stakeholders, including Treaty Settlements and Joint Management Agreements, will be developed and actively supported.



Socially responsible

We act with conscience and integrity to lead the district in valuing and protecting the members of our organisation and community, and enhancing their wellbeing.

We will ensure the knowledge and resources within Waipa are used for the benefit of the whole community by:

- Encouraging staff to be actively engaged in the community;
- Creating an organisation that attracts, employs and retains the best people;
- Engaging and empowering people to perform to their full potential; and
- Building vibrant neighbourhoods and liveable communities.

Our community outcomes

We give back to the community.

Staff will be encouraged to develop a great sense of connection with our community that goes beyond their role.

We are a workplace of choice.

We will continue to focus on attracting and retaining people who demonstrate champion performance and attitude.

Waipa offers an excellent quality of life.

We will further develop an understanding of, and an appropriate response to, the factors that influence the district's ratepayers and resident's perception of quality of life.

This strategic direction makes it clear what we consider to be important for Waipa and our focus for the next 3-5 years. This has guided the development of this plan, including the prioritisation of programmes and projects within the financial resources available.

Indicators, measures and targets have been developed to track progress against the strategic goals and outcomes and we will report on these quarterly and annually. In addition, we will continue to publish State of the District Reports based on the broader set of community outcomes developed in 2005, and the frequency of this reporting is likely to be aligned to the Census cycle.

The levels of service tables within each of the groups of activities outline how we will contribute to these community outcomes.

Challenges and issues

We face a number of challenges, issues and opportunities; some are similar to those facing other councils and communities, while others are unique to Waipa.

A recent report on long-term global and national trends² provided a useful context for developing this plan. A summary of these key trends, including their likely impact (positive/negative/neutral) on Waipa District are outlined below. These trends have contributed to our long term projections.

² *Mega Trends: Global and National Trends Affecting Regional Prospects. Infometrics Ltd. May 2011*

THEME	TREND	WHAT IT MEANS FOR WAIPA
STRONG POSITIVES		
<i>Economic</i>	Declining Manufacturing Share: Shift away from manufacturing to service industries, with exception of food production and niche, high-value manufacturing.	Specialised manufacturing and servicing aligned to the dairy and aviation industries provide local opportunities. Education is a major service industry and economic driver in the district. Waipa 2050 and the District Plan review accommodate these sector growth opportunities.
<i>Economic</i>	Higher global food prices: Significant primary food producing regions will benefit, particularly when supported by Research & Development.	Waipa is a major dairy production area, and will continue to be. Waipa's suite of elite soils is amongst the most versatile in the world. Waipa 2050 and the District Plan review identify the retention of high quality soils as a critical resource management issue.
<i>Societal</i>	Liveability: Migration to centres/areas offering high quality of life.	Waipa residents consistently rate local quality of life amongst the highest in the region. This quality of life is expected to support sustained population growth and attract new residents into the district.
SLIGHT POSITIVES		
<i>Economic</i>	Clustering of people and industries within geographical areas because of derived economic benefits.	Waipa's central location means the district is well placed to benefit from these types of activities. Waipa 2050 and the District Plan review accommodate this clustering approach and the resultant development opportunities.
<i>Technological</i>	New technologies: ICT, bio & nano technologies, and development of non-fossil fuels.	Cambridge and Te Awamutu are early recipients for Ultrafast Broadband roll-out. Faster broadband provides opportunities for ICT business development.
<i>Economic</i>	Shift to Services: people moving to take advantage of a broader range/ quality of services.	Waipa's proximity to Hamilton means people can live in the District and enjoy the increased employment opportunities and diversity of services. Waipa 2050 recognises the need for greater employment opportunities in the district and the District Plan review provides for increased commercial and industrial land.
<i>Societal</i>	Urbanisation: Migration to larger urban centres.	Waipa's location in relation to Auckland, Hamilton and Tauranga together with improving transport accessibility means people can live locally but experience greater service amenity/diversity. We have supported high quality service amenity for residents, while recognising there will always be a need for some residents to commute to specialist employment in Hamilton.
<i>Political</i>	Centralised Decision-making: Amalgamation of government agencies, while retaining local representation.	We will continue to focus on shared services opportunities and greater collaboration to secure efficiency gains. Further debate on the long-term structure for Local Government in the central Waikato will occur.

THEME	TREND	WHAT IT MEANS FOR WAIPA
NEUTRAL		
<i>Demographic</i>	Ageing Population: Implications for the planning, provision and funding of services.	Waipa 2050 recognises the increase in older age population and provision is made in our long term planning to reflect this trend.
<i>Political</i>	Generational Political Conflict: Policy shifts, including service delivery and funding, that impact on older persons.	Shift towards a more equitable rating/funding system for local government. Within local government, we have one of the most equitable rating systems. We support any initiative from central Government to improve rating and funding systems for Local Government.
NEGATIVE		
<i>Environmental</i>	Climate change/environmental standards: Requirement for governments to respond to impacts of climate change, with increasing demand for 'green' policies and compliance with environmental standards	We have made infrastructure provision and appropriate land-use planning decisions to take account of projected climate change impacts, and associated cost impacts. We are facing major costs associated with meeting environmental standards for water supply and wastewater treatment resource consents.

With reference to these megatrends and in planning and managing infrastructure and services, we take a number of characteristics and challenges into account, including:

- Our communities are diverse – size, location, demographic profile and service requirements.
- Members of our communities have different needs and wants, with some expecting us to embark on new projects and services, despite the cost, while others strongly advocate for containment or even reduction of costs.
- Our growth rate is consistently higher than many other areas.
- The cost of providing council services generally increases at a faster rate than the general rate of inflation (Consumer Price Index).
- Our residents expect high standards of service and in some cases increased levels of services.
- Having two major urban centres means that many of our services and provision of infrastructure are duplicated.
- The Government continues to impose new responsibilities on Local Government, many of which can only be funded by rates.
- Community groups are expecting greater levels of council support.
- We are a large and complex business, providing many different services, some of which require significant capital investment and ongoing funding.

In response to these matters, we:

- Consider that costs cannot be reduced or even maintained without reducing services or levels of service.
- Have taken a prudent approach to financial management, in particular keeping debt to sustainable levels.
- Acknowledge that more difficult trade-off decisions are likely in the future.

In addition to the above, there are specific factors which are expected to have a significant impact over the next 10 years. These are:

Project sustainability

In response to the global financial crisis, we reviewed our 10-Year Plan 2009-19 to determine whether the proposed major community projects were still affordable and our operational expenditure was sustainable.

The review involved significant remodelling of the financial forecasts for the remaining years of this plan. The remodelling included revising these forecasts for much lower levels of growth and associated growth-related income. The remodelling also took account of deferrals and cost savings that we had already made in response to this changed environment. The conclusion of the independent review was that although we may be able to achieve our plans, this would be difficult and we would be likely to create affordability concerns for our ratepayers if we continued with the planned programme and intended means of funding.

The recommendations made in the Project Sustainability Report were taken into account in the preparation of this plan. In some cases project costs have been scaled back to a more realistic value. New approaches to funding have been applied and the debt profile is at a much reduced level compared to the previous plan. We have been careful to ensure a sustainable approach is the basis of our planning.

Intergenerational equity

We have to consider the wellbeing of our communities, both now and into the future. Accordingly, we seek to ensure that, where possible, today's ratepayers only pay for the services they are likely to use and not for the benefit of future ratepayers. To do this we must balance current and future needs, and the timing and capacity of asset enhancements.

Many of our assets have long lives, providing benefits to residents over a long period of time and are built with future growth in mind. Our philosophy of using depreciation funding as the primary means of funding infrastructure renewals ensures that an intergenerational equity approach is applied to the most costly area of service provision. Individual ratepayers are generally only meeting the cost of the infrastructure for the period that they have the use of it.

Often assets are built with surplus capacity to allow for future growth. It would be unfair for current ratepayers to fund the full cost of assets now, when future ratepayers will also benefit from them.

With this in mind, loans are raised to fund the cost of these assets. The costs associated with these loans are spread across the life of the asset to ensure equity.

We need to allow for the replacement of assets at the end of their useful life. This is the depreciation charge which is funded by a mixture of both targeted and general rates.

The cost of replacing our assets increases each year. To counteract this we revalue our assets every three years which increases the depreciation charges associated with that asset.

The revaluation also gives us an update of the remaining life of the asset to ensure we are spreading the cost and ensuring intergenerational equity.

Financial Strategy

Overview

Our ability to deliver on our strategic direction, including the way in which activities and services are funded, is underpinned by a financial strategy. This financial strategy assists in providing a guide for our spending and funding decisions, and makes the financial limits within which we work transparent.

The 10-Year Plan 2009-2019 signalled an average annual rate increase of 6.2 percent for the first three years, with debt peaking at almost \$90 million. In order to deliver on our activities, services and programmes, the average annual cost of running council was projected to be \$74 million over the 10 years. That plan also proposed a number of major projects which were heavily dependent on external fundraising and asset sales.

In 2010, as a result of the global financial crisis, our ability to achieve the funding requirements was reviewed. In response, we commissioned Deloitte to review the sustainability and affordability of that plan. The review involved revising the 10-Year Plan budgets, taking into account expected changes in the timing of projects and their estimated costs, and reflected the significant declines in some of our revenue streams as a result of the economic downturn.

The review concluded that continuing with the programmes as set out in the 2009-2019 plan would markedly and adversely change our financial position and push us close to breaching established affordability limits. Progressing as planned was no longer a sustainable option.

This review provided a new and sustainable basis for preparing this 10-Year Plan and resulted in a substantially reduced capital works programme - around \$40 million less debt than projected. In addition, around \$4 million was removed from our annual operating budget.

This 10-Year Plan, and the financial strategy that supports it, is based on a number of principles, which are outlined in our strategic direction section. These principles reflect the need to apply the learnings from the sustainability review.

When investing for the future, development will be targeted and prioritised to align with available funding. Key projects will continue to be scoped in line with community expectations and ability to fund, with projects not proceeding where external funding requirements cannot be met. Where projects can be deferred or removed they will be, providing levels of service can be maintained. The costs of growth will be met by developers to minimise the financial risk to ratepayers, and where infrastructure upgrades are aligned to growth they will only proceed if that growth occurs.

To build on what we have, the asset base must be well maintained and the value of existing assets maximised, without compromising service levels. New or replacement assets will not be constructed until they are required.

In exercising financial prudence, rates will be the last source of funding considered. Debt increases will be minimised and debt repaid so that debt levels remain modest. Any service level increases will be based on community need and funded appropriately.

Residents have consistently reinforced their expectations for high levels of service and ongoing targeted service enhancements. This attracts a premium in terms of rating levels, and is reflected in our proposed rating limits. Our approach is to clearly signal level of service costs and enhancements, so that residents can make informed decisions and provide feedback about the extent to which they want to see those services/levels of service continued or enhanced.

In the first three years of this plan, a key focus is improving the life cycle management of our key underground assets. Our asset management plans determine the nature and extent of our maintenance and renewal programmes, and these plans rely on robust data. In order to further enhance our asset management plans we are looking to increase our knowledge of the state of these assets, so that we can make more accurate decisions about their useful life expectancy and reduce our reliance on applying average life expectancies based on industry standards. The information gathered over the next three years will allow us to maximise the life of existing assets and better prioritise renewal works in the future. This information will also help us implement appropriate measures to ensure levels of service are not compromised.

Financially prudent

We have a responsibility to manage our finances in a manner that demonstrates careful deliberation and promotes the current and future interests of the community.

In doing so, we need to consider the following:

- Levels of service required.
- Levels of debt.
- Level of rates and rate increases.
- Financial needs beyond 2022.

We must maintain strong linkages between all of our strategies, plans and work programmes to ensure we remain financially prudent. This promotes integrated decision making that ensures the financial sustainability of our activities. We have given careful consideration to the above factors to ensure that our plan is financially prudent.

Balancing the budget

Ensuring our operating revenue meets operating costs each year is a requirement under the Local Government Act 2002.

We are also required to manage revenue, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of our community. This requires a more holistic view of the costs and services we provide.

Consideration has been given to:

- Maintaining predicted levels of service.
- Maintaining service capacity and the integrity of assets throughout their useful life.
- Raising the funds required for the above.
- The equitable allocation of funding in accordance with our own revenue and financing policy.
- Ensuring depreciation is funded in a way that promotes intergenerational equity.

We have given careful consideration to the above factors to ensure that we have achieved a balanced budget over the period of this plan.

Growth and changes in land use

A population study commissioned by Future Proof³ in 2008 developed population projections for Waipa based on various scenarios with associated assumptions. For Waipa this translated to a projected population growth rate of 18 percent over the years 2009-19 and a 20 percent increase in new households. However, this scenario was developed prior to the Global Financial Crisis which has had a significant negative economic effect on the district's growth.

Growth projections have been revised in this plan. An independent growth assessment was commissioned to develop revised population and household projections, which recommended a lower growth scenario be adopted. At the broad scale these projections suggest population growth over the 10 years to be 12 percent with a corresponding 15 percent increase in new households. Once the results of the 2013 Census are available these projections will be reviewed providing a sound forecasting base for the next 10-Year Plan.

A key objective of our Waipa 2050 Growth Strategy is to ensure infrastructure is provided in line with forecast growth.

New industrial land will be provided for at Bond Road, Te Awamutu and at Hautapu, subject to inclusion in the proposed Waikato Regional Policy Statement. This will be in addition to the current development of business land at Titanium Park (Hamilton Airport). These developments have not been funded through this plan but can start when funding agreements and appropriate District Plan zoning and consents are in place.

Apart from residential, commercial and industrial development outlined in the Growth Strategy and provided for in this plan, no other significant land use changes are anticipated over the next 10 years.

Key growth cells provided where development is expected over the next 10 years are outlined in the table below.

Key Growth Cells 2012-22

GROWTH CELL	LOCATION	TYPE	APPROX. CAPACITY (lots)
Cambridge North (Stage 2)	Cambridge	Residential	1000
Cambridge Park	Cambridge	Residential	280
St Kilda	Cambridge	Large Lot Residential	285
Te Awamutu South(T7)	Te Awamutu	Residential	200
Pirongia Rd (T1)	Te Awamutu	Residential	420
Bond Rd Residential	Te Awamutu	Residential	120
Picquet Hill	Te Awamutu	Residential	170
St Legers Rd (T6)	Te Awamutu	Large Lot Residential	540
Hautapu	Cambridge	Industrial	(Not Applicable)
Titanium Park	Airport	Business	(Not Applicable)
Bond Rd	Te Awamutu	Industrial	(Not Applicable)

³ More information on Future Proof can be found at their website <http://www.futureproof.org.nz>

Operating expenditure

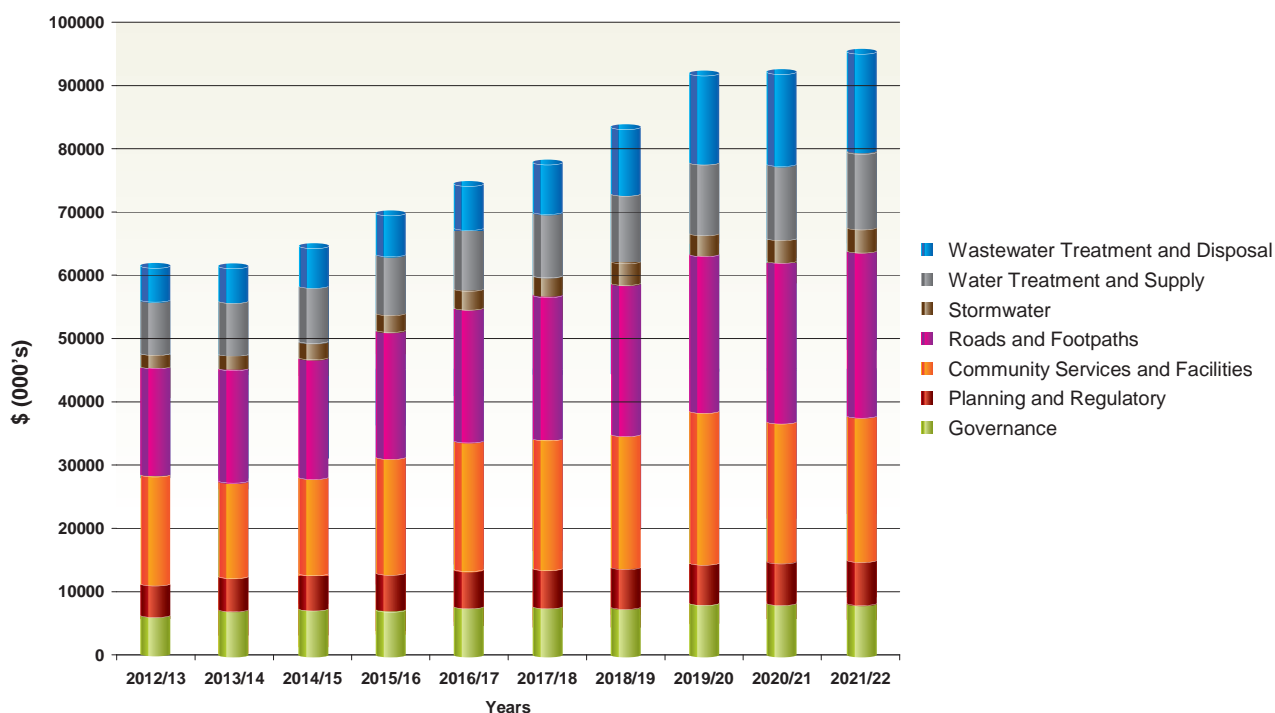
Operating Expenditure is the cost of running our day-to-day operations, such as providing water, street lighting, maintaining parks, and reserves and issuing building consents. A significant proportion (35-40 percent) of revenue to meet our operating costs is drawn from non-rate sources. Our operating expenditure is forecast to increase from \$61.6 million in 2012/13 to \$93.8 million in the 2021/22 year.

This increase is a result of:

- Inflation and higher costs.
- Growing levels of depreciation and interest payments.
- Service level increases.
- Statutory compliance requirements.

The majority (55 percent) of our operating expenditure is spent on roads and footpaths and community services and facilities.

Operating costs by activity



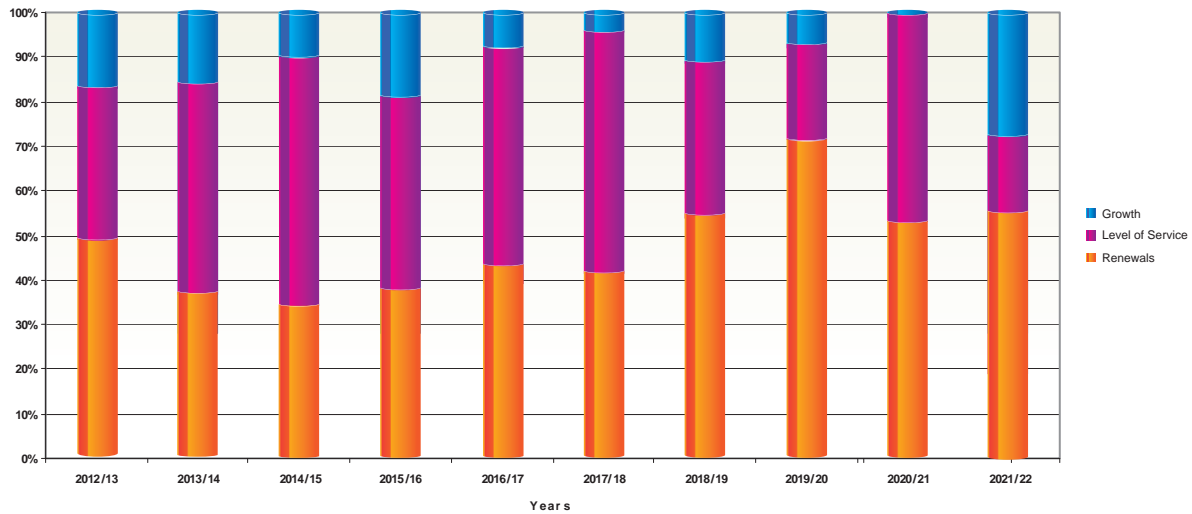
Capital expenditure

Over the next 10 years we are planning \$409 million of capital works. Capital expenditure is made up of buying, building, replacing or developing the district's assets such as roads, treatment plants, pools and libraries.

Capital Expenditure covers three categories

- Renewals – replacing our existing assets.
- Levels of Service – improvements designed to provide a better service than currently provided.
- Growth Assets – new or improved assets designed to support an increasing population.

Mix of capital expenditure

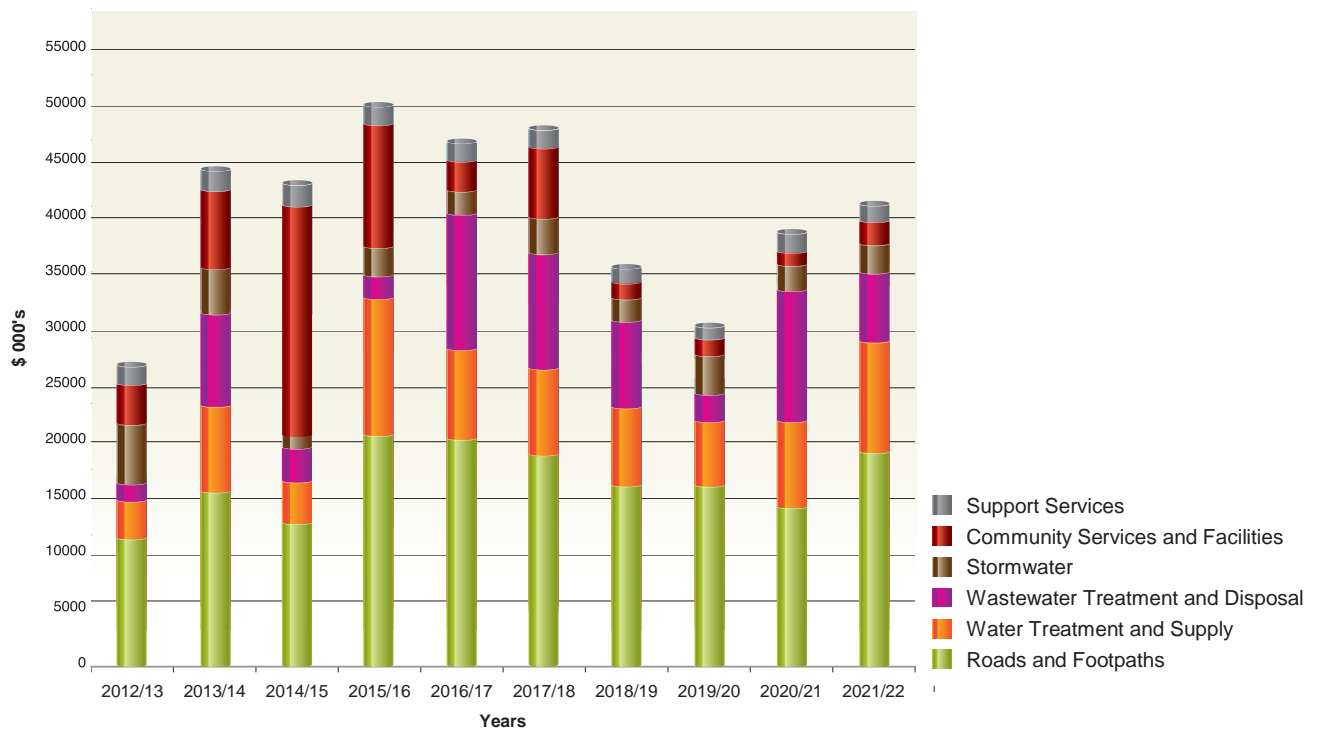


Over the next 10 years our capital expenditure is relatively balanced between renewals and level of service, with growth making up the remaining 15 percent. Planned capital expenditure includes upgrades to the wastewater treatment plants and community facilities.

Capital expenditure peaks in the 2015/16 year at \$50.4 million, which includes Te Awamutu Museum, water upgrades and the Waikato Expressway.

The split of capital expenditure by group of activities is as follows:

Capital Expenditure by Group of Activity



Our capital expenditure programme is the key driver for the level of debt required over the 10 year period.

Rates are set at a level to meet depreciation costs which provides the expenditure required to fund the renewal of assets.

Level of service improvements are generally funded from debt and capital subsidy. Where capital work has a growth component, this component will be funded by development contributions. The capital expenditure required to meet future growth during the 10 years is \$60 million with contributions of \$43.5 million expected to be received from developers.

Debt

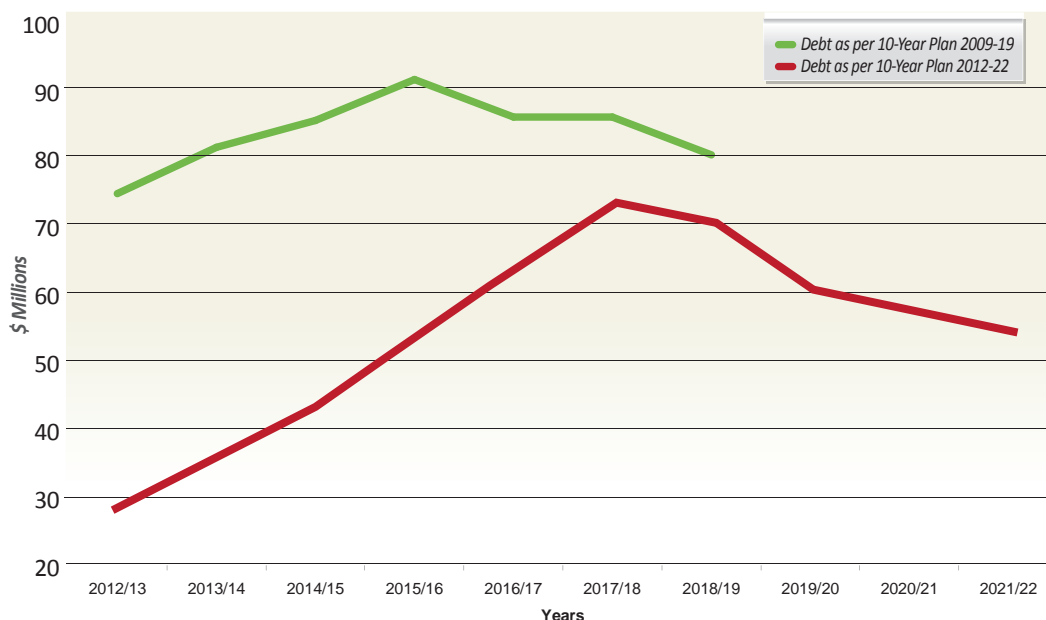
Borrowing is a means of spreading the cost of capital spending over time because future ratepayers will benefit from these projects and we do not have the capacity to fund large capital cost in one year.

The debt profile for this plan is substantially lower than that of the 10-Year Plan 2009-19. Debt is projected to peak at \$72 million compared to \$89.9 million in the 2015-2016 year of the 10-Year Plan 2009-19.

The final year of the 10-Year Plan 2009-19 had debt level of \$78.9 million compared to \$69 million for the same year in this plan.

Our debt is predicted to peak in 2017/18 at \$72 million and drop back to \$53.5 million in 2021/22 as loans are repaid.

External Borrowing



Limits on borrowing

A key aspect of financial prudence is setting a limit on our level of borrowing. We set this at the upper level of what we believe is affordable given our strategic goals, outcomes and priorities.

Our borrowing limits are based on our ability to service the cost of debt as set out in our Treasury Management Policy which states that gross interest expense will not exceed 10 percent of annual rates and fees and charges revenue. This has been reduced from our long standing limit of 15 percent.

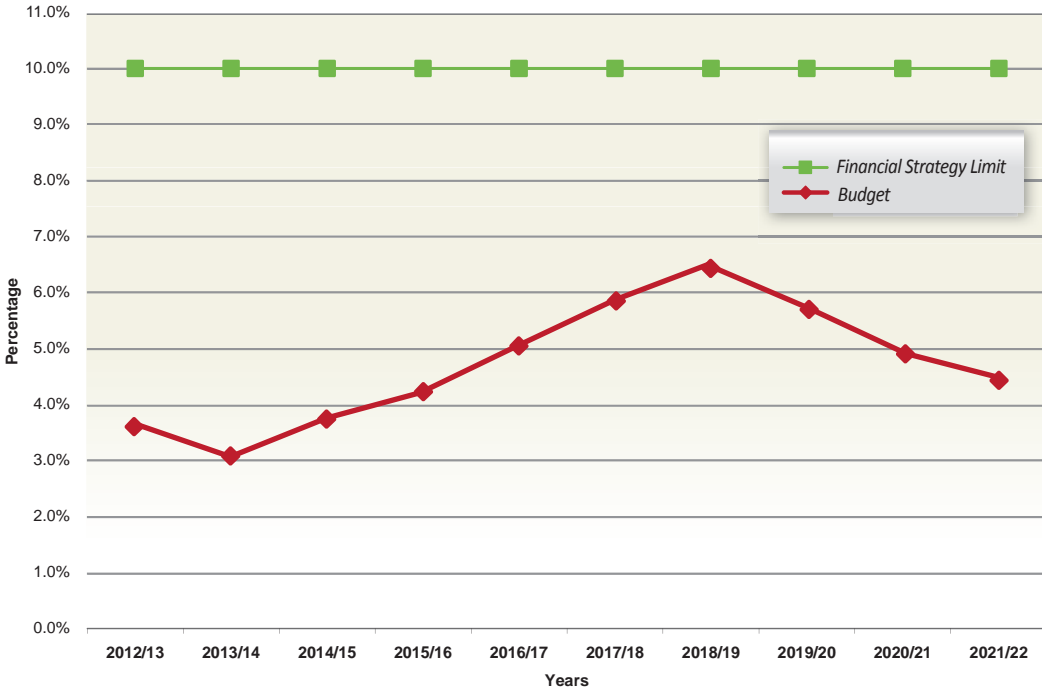
The interest affordability since 2006 has been between 2 percent and 4.6 percent. Interest affordability in this plan peaks at 6.5 percent in the 2018/19 year after the level of debt is projected to reach \$72 million.

This level is substantially lower than our prudent threshold of 10 percent as set out in the Treasury Management Policy.

Debt per rateable property in 2012/13 is \$1,397 based on 20,045 rateable properties.

Debt per rateable property in 2021/22 is \$2,393 based on 22,354 rateable properties.

Interest Expense as percentage of Rates and Fees & Charges



Securities for borrowing

Borrowing is secured by a charge over rates and rates revenue by way of a debenture trust deed. Generally assets are not offered as security for any loan or performance of any obligation under an incidental arrangement.

Investments

Our approach to investments is set out in our Treasury Management Policy. However, we have minimal levels of cash investments as our focus is on minimising debt.

Objectives for investments

In a few cases investments are maintained to meet specific strategic and economic objectives, which include an investment in Waikato Regional Airport Limited, Local Authority Shared Services Limited, the Local Government Insurance Corporation Limited, and the Local Government Funding Agency Limited. Other than to achieve strategic objectives, it is not our intention to undertake new equity investments.

We generally use surplus funds for debt repayment or to avoid the need for new borrowing.

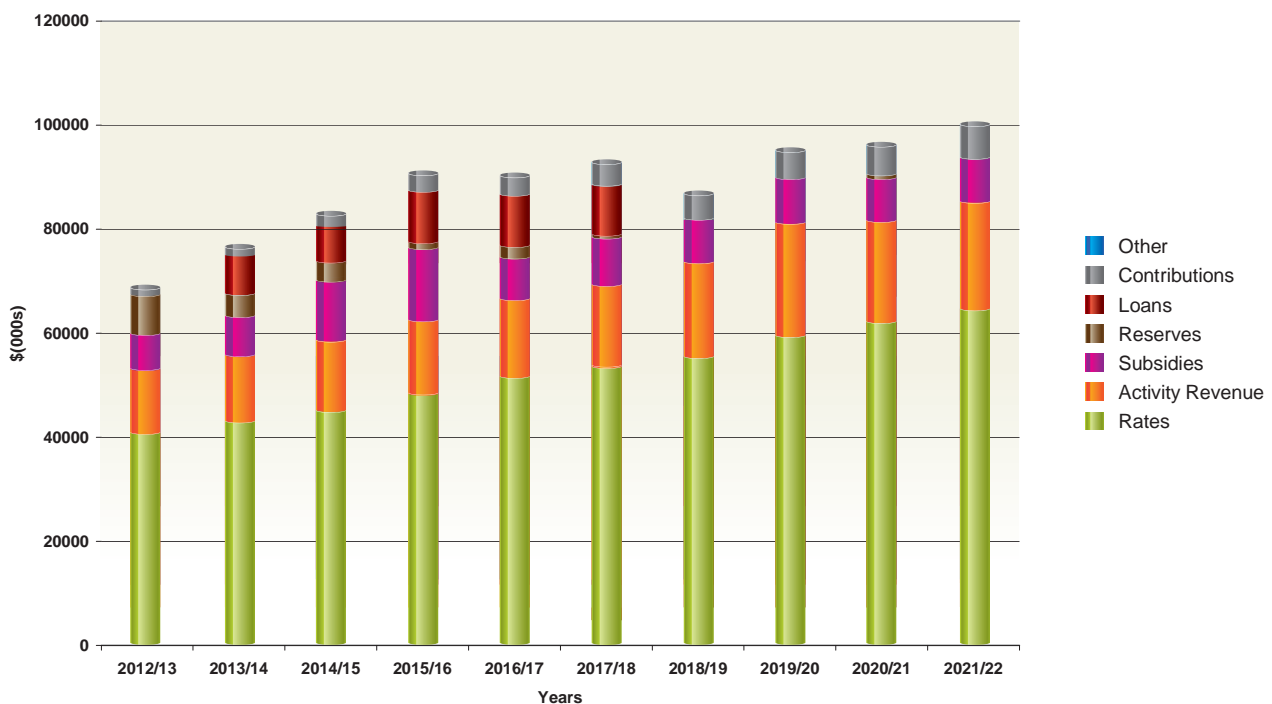
Financial reserves

We intend to build accounting reserves for water and wastewater services during the period of this plan. The intention is to fund significant capital expenditure in these areas and the reserves will reduce the impact on rate increases at the time these projects are completed. The projected water reserve peaks at \$6.1 million declining to \$2.7 million in 2021/22. The projected wastewater reserve peaks at \$6 million with a nil balance in 2021/22.

Revenue sources

Rates are our biggest source of funding contributing 60-65 percent of total revenue, the graph indicates how our activities are funded over the next 10 years.

Funding of activities



Rates and rate increases

This plan proposes an average rates increase (after growth) of 4.3 percent for the 2012/13 year, with an average of 4.1 percent per year over the next 10 years, ranging from 2.3 percent to 5.7 percent. We use indicator properties to provide examples of the likely rating impacts. This information can be found on pages 202 and 203 of this plan.

Rates fund various activities such as roads and footpaths, parks and recreation services, cemeteries, civil defence, rural fire service, building control, planning and animal control. Rates income from our philosophy of funding depreciation allows for the development and maintenance of infrastructure across the whole district.

We fund operating expenditure required during the year through:

- General Rates.
- Targeted Ward Rates.
- Targeted Rates.

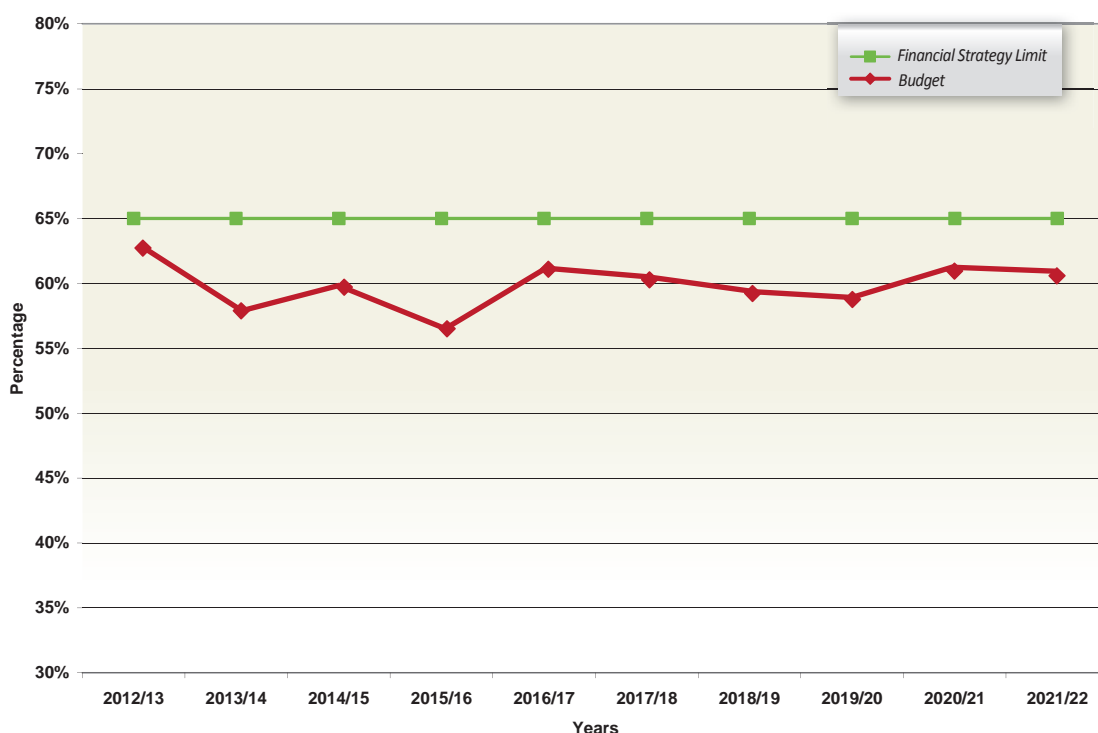
The general rate is levied on the capital value of the property and the targeted ward rate is a fixed amount per rating unit but varies between wards. Targeted rates are set depending on location and provision of service, and can be based either as a fixed amount per rating unit or dwelling, or based on the capital value of the property.

Limits on rates and rate increases

Setting limits on rates and rate increases is a key part of ensuring financial sustainability. We set these limits at levels that provide a focus on maximising revenue from non-rate sources and are affordable given our strategic goals, outcomes and priorities.

We are committed to limiting rates levels to a maximum of 65 percent of our total revenue.

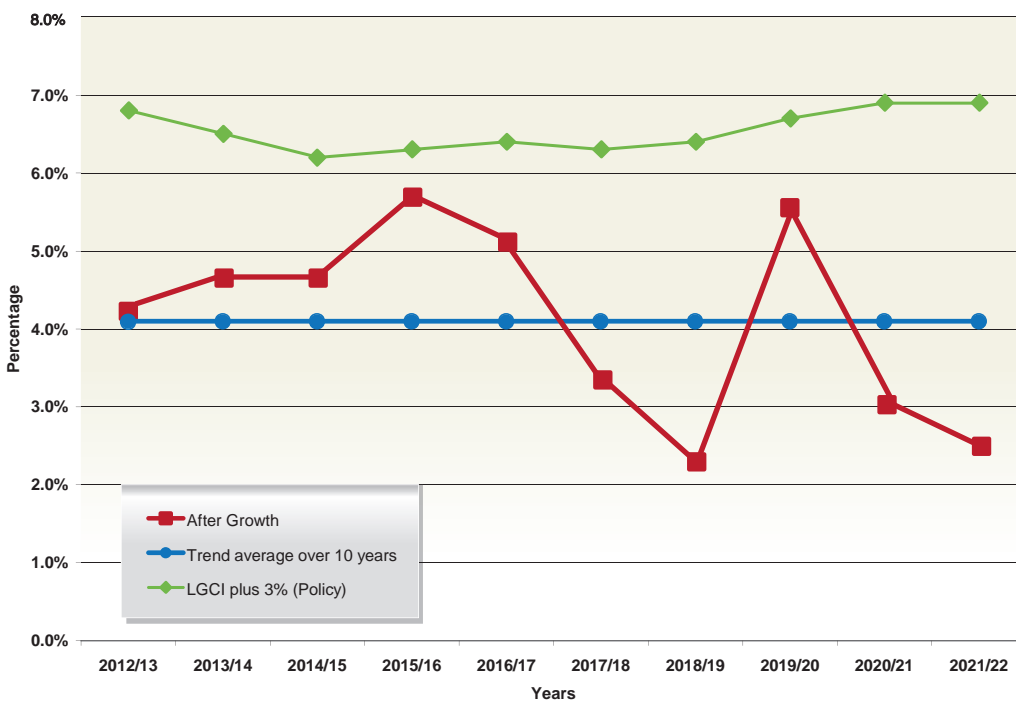
Rates as a percentage of Total Revenue



We will limit annual increases in the average rate requirement (after growth) to no more than the forecast Local Government Cost Index for that year plus 3 percent. The Local Government Cost Index is an inflation measure based on the cost structures of New Zealand’s local authorities. The Local Government Cost Index is different to the Consumer Price Index as it includes goods which consumers would not normally purchase. These goods, such as bitumen or piping, often have different inflation pressures than the goods which are included in the Consumer Price Index basket. The Local Government Cost Index examines the main cost drivers for Local Government activities and measures the degree these change from year to year. The Local Government Cost Index is sourced from Business Economic and Research Limited.

The Local Government Cost Index is a more accurate measure of the costs that we are faced with over the 10 year period. Using this measure will provide ratepayers with a more accurate picture of how these costs impact on rates.

Annual rate increases



Significant Assumptions and Minimising Risk

In planning for the future we must make assumptions. These carry a level of risk, as they may not hold true. The impacts of these can largely be mitigated through review, with any changes included in annual and long term plans.

The assumptions in this plan are outlined below:

Useful lives of assets

We assume

The useful lives of assets are as indicated in our asset management plans.

Our level of uncertainty: **High** for underground water infrastructural assets due to insufficient asset condition information, **Low** for all other assets.

The risk

Actual asset lives are shorter than indicated and maintenance or earlier renewal work is required or a service failure occurs.

So we will

Undertake condition assessments of underground assets and use this information to prepare work programmes and update asset management plans.

Revaluation of non-current assets

We assume

Our land and buildings will be revalued every three years, our infrastructural assets and investment properties will be revalued annually and the valuations will be consistent with the Business and Economic Research Limited inflated values outlined in this plan.

Our level of uncertainty: **High** for underground water infrastructural assets due to insufficient asset condition information, **Low** for other assets.

The risk

If actual valuations are lower than predicted we will need to reflect this as an expense in our Statement of Comprehensive Income, reducing our operating surplus in that year.

So we will

Monitor value projections against actuals. The cost of replacing or constructing assets will vary each year from the estimates according to market forces. Significant differences will be reflected in budget forecasts and annual reviews.

Significant emergency events

We assume

No significant emergency events affecting our district will occur during the period of this plan.

Our level of uncertainty: **High** due to the unpredictable nature of such events.

The risk

A significant emergency event occurs during the 10 year period.

So we will

Ensure that we have adequate insurance to cover the district's assets against such events. We will also continue to give focus and attention to our involvement with regional Civil Defence activities, emergency management and business continuity planning. In the event of an emergency, our response will be immediate, with appropriate resources redirected for that purpose.

Climate change

We assume

That the Waipa District can expect more frequent extreme weather events.

Our level of uncertainty: Medium

The risk

The design of our existing and new infrastructure may not sufficiently take into account the localised effects of climate change such as increased rainfall or drought conditions. As a result our environment, communities and economy could be negatively impacted.

So we will

Initiate a project to investigate the effects of climate change on existing infrastructure in the district and determine what future design parameters will be required. This project has been included in the 2012/13 and 2013/14 years of this plan.

Demographic changes

We assume

The district's demographics will trend in accordance with Statistics NZ age/sex projections as growth occurs. A significant aspect of the projections is an increasing proportion of our population over the age of 65 over the next 40 years.

Our level of certainty: Medium

The risk

Demographics do not trend as predicted resulting in changes such as an increased proportion of our population being over the age of 65 earlier than anticipated. Our planning may not have adequately taken into account the needs of our district in a timely way.

So we will

Monitor population projections against actual changes confirmed through Census data. We will review our services, work programmes and budgets to reflect any significant changes in district demographics.

Economic environment

We assume

Economic conditions will remain 'tight' for the next two to three years in line with forecasts and Government fiscal policy, with gradual improvement thereafter. Modest growth levels are forecast for the district.

Our level of certainty: Medium

The risk

Economic factors vary significantly, from the assumptions in this plan which then affects our ability to deliver on the agreed work programmes either in terms of the scope or timing of the work.

So we will

Review work programmes and budgets annually. If conditions worsen, then appropriate reductions and changes will be made and signalled in future annual plans.

Growth

We assume

There will be a projected population increase of 12 percent and household increase of 15 percent over 10 years.

The expected growth in the rating base will be low in the first three years of this plan but will increase as economic conditions recover.

The forecast percentage increases in rates revenue due to growth can be found in Table 3 in the appendices on page 323.

Our level of uncertainty: Medium

The risk

Growth factors vary significantly from our assumptions affecting our ability to deliver on the agreed work programmes either in terms of the scope or timing of the work.

So we will

Monitor growth projections against actual levels. Where significant changes occur our work programmes and budgets will be reviewed and amended accordingly. Changes will be signalled in future annual plans.

Interest rates

We assume

Interest rates will track in line with the projections prepared by our financial advisors. Interest rates for investments will be set at a margin compared to external debt rates.

The table of interest rates used can be found in Table 2 in the appendices on page 322.

Our level of uncertainty: Medium

The risk

Interest rates will increase significantly from the rates used in preparing this plan. This could have an impact on rates increases and our ability to deliver on the agreed work programmes.

So we will

Manage changes in interest rates as set out in our Treasury Management Policy.

Changes in legislation

We assume

There will be no changes in legislation that will affect the functions we currently undertake or how they are undertaken.

Our level of uncertainty: Medium

The risk

Legislation may require significant change to the way we currently perform by either adding new functions, removing existing ones or changing the nature of and/or how these are undertaken.

So we will

Monitor changes in legislation and, where changes are proposed, provide input regarding the effects and implications, we will also review our work programmes and budgets and amend these accordingly. Changes will be signalled in future annual plans.

Cost factors

We assume

The cost of future projects included in this plan will be consistent with the Business and Economic Research Limited projections for the local government sector (Table 1 in the appendices on page 321).

Our level of uncertainty: Medium

The risk

Price level changes increase significantly from those used in preparing the work programmes and associated budgets. Higher costs could result in higher debt levels and increased operating costs from interest expense leading to increases in rates.

So we will

Monitor cost projections against actuals, with significant differences and associated responses reflected in budget forecasts and annual reviews.

Community fundraising

We assume

Community fundraising will be successful so that the particular projects proceed as planned.

Our level of uncertainty: Medium

The risk

Projects requiring community funding are not able to proceed because fundraising is unsuccessful either in terms of reaching the agreed target or timeframe. The projects that are dependent on successful fundraising initiatives are the Cambridge covered pool and the Te Awamutu Museum.

So we will

Monitor the progress of planned community fundraising and assess how they impact affected projects.

Insurance

We assume

The cost of insurance will increase by 5 percent for the 2012/13 year of the plan. The increase is a result of Christchurch earthquakes and a tightening of the insurance market. Insurance premiums will be inflation adjusted for the remainder of the 10 year period.

Our level of uncertainty: Medium

The risk

Insurance costs increase significantly more than expected. Increases in insurance costs are usually funded by rates and this will impact on rate increases.

So we will

Monitor projected insurance costs against actuals, with significant differences and associated responses reflected in budget forecasts and annual reviews.

Income from the development and sale of surplus Council property

We assume

That income from the development and sale of surplus council property will be received at the levels and timing indicated in the 10-year budget figures.

We are embarking on a development and sale programme for a number of our properties in Cambridge. This programme takes account of the recessionary market. On this basis, we are reasonably confident of being able to achieve the planned cashflows.

Our level of uncertainty: Medium

The risk

That any cashflow delays will require interim bridging in the form of additional borrowing and interest cost. An example of a project exposed to this risk is the Cambridge covered pool.

So we will

Monitor market conditions and the progress of our property sales programme, responding to any changed cash flow circumstances in each annual plan.

Local Government structure

We assume

There will be no significant changes to the structure of Local Government in the central Waikato during the next 10 years. There will be a focus on greater collaboration with local councils, including securing greater efficiencies through shared service arrangements.

Our Level of uncertainty: Low

The risk

The new Government signals changes within Local Government that results in a change to our organisation, in terms of structure and/or the services we offer that we had not anticipated or planned for.

So we will

Actively work with councils in our region to identify opportunities such as shared service arrangements that will enhance the efficiency and effectiveness of our operations. Any major proposed changes will be evaluated and the implications signalled through appropriate consultation processes.

Availability of contractors

We assume

That sufficient external resources will be available to undertake capital works in the years outlined in the plan.

Our level of uncertainty: Medium

The risk

If there is a shortage of resources we may not be able to complete projects in the timeframes indicated.

So we will

Monitor projects and make adjustments to our budgets and work programme accordingly.

Central Government subsidy payments

We assume

The level of subsidies from central government agencies remain as indicated.

Our level of uncertainty: Low

The risk

Subsidy rates are significantly reduced from the expected levels.

So we will

Review our work programmes, such as roading and waste management, should any changes occur to the expected level of subsidy. Any changes will be included in future annual plans.

Sources of funds for future replacement of significant assets

We assume

Depreciation reserves will fund the renewal of assets, and loans will fund any additional replacement cost if depreciation funding has been exhausted.

Our level of uncertainty: Low

The risk

Sufficient funds, both from depreciation reserves and loans, are not available to replace assets at the time required.

So we will

Consider any changes to replacement of significant assets during the annual plan process if required.

Resource consents

We assume

Where projects require a resource consent this will be obtained.

Our level of uncertainty: Low

The risk

That consenting authorities may either decline consents or impose less affordable conditions than we had anticipated.

So we will

Continue to work with consenting authorities and key stakeholders to ensure that our consent applications address their concerns.

Key Projects

This section outlines the key projects and initiatives which will help us to achieve our vision. Many of these are essential to maintain or improve levels of service and will help to ensure we meet our statutory obligations.

All are aligned to our overarching strategic goals of being Economically Progressive, Environmental and Cultural Champions, Connected with our Community and being Socially Responsible.

Water conservation and demand management

Water is a precious resource and we all need to be committed to ensuring it is safe, clean, and used wisely. We have the added responsibility of ensuring there is sufficient water to meet the needs of a growing district. The water-related projects included in this 10-Year Plan support this philosophy.

A Sub-Regional Three Waters Strategy developed by the Future Proof partners – Waikato Regional Council, Hamilton City Council, Waipa and Waikato District Councils, along with Tangata Whenua, covers water supply, wastewater and stormwater activities, and their interaction with natural water systems (rivers, streams, lakes, groundwater and rainfall).

The purpose of the strategy is to set a vision and strategic direction for three waters in the sub-region. It identifies key strategic issues for water management and the actions required to address them, and is a first step in achieving integrated three waters management across the sub-region. The strategy provides a shared platform for acknowledging common issues across council boundaries and will be implemented by the partner councils. We will develop a district Three Waters Management Plan in 2012/13, incorporating the following projects and others identified in this 10-Year Plan.

Infrastructure assets condition investigations

Our asset management planning for water, wastewater, and stormwater has indicated that some pipes could be nearing the end of their useful life. Pipe condition assessments, leakage and infiltration studies will be carried out over the next three years to determine future renewal programmes.

How does it align with the council's goals?



Economically Progressive



Socially Responsible

How much would it cost?

\$1.5 million.

How will it be funded?

From depreciation reserves, which are funded from rates.

What will it mean for me?

The rating impact for the 2015/16 year is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$1.16	\$2.07	\$1.12	NIL	NIL	NIL

Changing the way we charge for metered water

As a council, we are continuing with a user pays philosophy for the services we provide, while ensuring intergenerational equity and recovering costs for managing existing assets.

There are two different ways we charge for water for the properties that are connected to our water supplies. The majority of urban properties pay an annual fixed targeted rate (based on an assumed average annual consumption level), while most rural and commercial/industrial users are on meters and pay a smaller fixed charge and modest rate for the water used. We are introducing a new stepped charge for our metered consumers who use more than 250 cubic metres of water a year. In the 2012/13 year metered customers will pay a reduced network charge of \$111.30 (excluding GST) then 75 cents a cubic metre for the water they use up to 250 cubic metres. Over and above this threshold the charge will rise to \$1.10 per cubic metre. As it costs us \$1.10 per cubic metre to treat and distribute our water, we believe the new stepped charge is both fair and equitable, and strikes a balance between reducing the water rate and providing additional funding capacity for future renewal and upgrade works.

How does it align with the council's goals?



Environmental and cultural champions



Socially Responsible

Cambridge Wastewater Treatment Plant upgrade

The Cambridge wastewater treatment plant cannot adequately continue servicing the growing population. In addition, treated water from the plant does not consistently meet resource consent requirements. To address these issues an upgrade of the treatment plant will be required, and this is provided for in this 10-Year Plan at a total cost of \$24.5 million.

The applications to obtain new consents for the proposed upgrade of the treatment plant were lodged with the Waikato Regional Council in December 2011, and a decision is expected in 2012.

What is the programme to upgrade the existing treatment plant?

- Stage 1: 2016-2018 - construction will begin. This will improve the quality of the treated wastewater.
- Stage 2: 2020-2021 - a further upgrade to cater for growth and further improve the quality of the treated wastewater.

How does it align with the council's goals?



Economically progressive



Environmental and cultural champions

How much will it cost?

\$24.5 million, with \$16.5 million spent in 2016 and 2017, and a further \$8 million in 2020.

How will it be funded?

Capital work is funded by loan, development contributions and reserves. The loan repayments and operational costs will be funded from targeted wastewater rates.

What will it mean for me?

The rating impact for the first year of operation in the 2018/19 year is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$138.66	\$138.98	\$7.78	\$27.94	\$23.89	\$42.16

Te Awamutu Wastewater Treatment Plant consent and upgrade

The resource consents for the Te Awamutu wastewater treatment plant expire in 2015, and the applications to renew the consents will be lodged with the Waikato Regional Council in 2014. The plant requires an upgrade to accommodate future growth, and this is provided for in this 10-Year plan.

What is the programme for the consent and upgrade project?

Preparation of the consent applications is programmed for 2013 and 2014. The upgrade of the treatment plant is programmed for 2019.

How does it align with the council's goals?



Economically progressive



Environmental and cultural champions

How much will it cost?

\$5.5 million, with \$500,000 spent in 2013 and 2014 for the consent project, and \$5 million in 2019 for the plant upgrade.

How will they be funded?

Capital works are funded by loan, development contributions and reserves. The loan repayments and operational costs will be funded from targeted wastewater rate.

What will it mean for me?

The rating impact for the first year of operation in the 2019/20 year is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$66.89	\$67.07	\$4.90	\$16.10	\$13.85	\$24.00

Increase in storage – construction of treated water reservoirs

This plan includes a number of projects to achieve a minimum of 24 hours treated water storage for the Te Awamutu and Pukerimu water supply schemes. They include the construction of a new reservoir for the Te Awamutu and Pukerimu water supply areas. There will also be a new reservoir constructed for the Cambridge water supply area at Karapiro to replace an existing reservoir and accommodate future growth.

Why 24 hours storage?

Water reservoirs are an essential part of the water supply system, providing a buffer to ensure we meet peak demands, providing water for fire-fighting and other emergencies, and for periods when the water treatment plant or trunk mains are out of service.

What is the programme for the installation?

A new reservoir for Te Awamutu is programmed for 2013, with the location expected to be finalised in 2012.

A new reservoir for the Pukerimu supply is programmed in 2019-2020.

A new reservoir for the Cambridge supply is programmed in 2013-2015 and will be located at the existing reservoir site at Karapiro. Design to be undertaken in 2013 with physical works commencing in 2015.

How does it align with the council's goals?



Economically Progressive



Socially Responsible

How much will it cost?

The capital cost will be \$7.8 million over the 10 years of this plan.

How will it be funded?

Capital works are funded by development contributions and reserves. The operational costs will be funded through water revenue and targeted water rate.

What does this mean for me?

TE AWAMUTU RESERVOIR - the rating impact for the first year of operation in the 2013/14 year is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$4.35	\$4.35	\$4.35	NIL	NIL	NIL

CAMBRIDGE RESERVOIR - the rating impact for the first year of operation in the 2016/17 year is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$3.48	\$3.48	\$3.48	NIL	NIL	NIL

PUKERIMU RESERVOIR - the rating impact for the first year of operation in the 2021/22 year is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$4.35	\$4.35	\$4.35	NIL	NIL	NIL

Meeting New Zealand Drinking Water Standards

All water supply treatment plants need to be upgraded to meet the New Zealand Drinking Water Standards, and to ensure compliance with Waikato Regional Council consents. The upgrades are programmed throughout the next 10 years.

How does it align with the council's goals?



Economically Progressive



Socially Responsible

How much will it cost?

The capital cost will be \$3.8 million over the 10 years of this plan.

How will they be funded?

Capital works are funded by development contributions and reserves. The operational costs will be funded through water revenue and targeted water rates.

What does this mean for me?

The rating impact for the first year of operation in the 2013/14 year is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$1.74	\$1.74	\$1.74	NIL	NIL	NIL

Renewing water take consents

This plan includes projects to support the renewal of Waikato Regional Council water take consents for the Kihikihi, Pukerimu, and Cambridge supplies. The existing consents for these schemes expire within the next 10-12 years.

Renewing these consents is a lengthy process, taking about two years of work required to prepare the applications. The consent applications have to adhere to legislative requirements, and are supported by extensive technical investigations, including hydrological and environmental assessments, and consideration of social and economic factors.

The application for the renewal of the consent for the Te Awamutu water supply has been lodged with the Waikato Regional Council, with the decision expected in 2012. The outcome of this process may require additional capital works to be undertaken, in which case these projects will need to be considered as part of the of 2015-25 10-Year Plan.

How does it align with the council's goals?



Economically Progressive



Environmental and cultural champions



Socially Responsible

How much will it cost?

\$1.6 million over the next 10 years.

How will they be funded?

These costs will be funded through water revenue and targeted water rate.

The introduction of universal water meters

Currently water meters are only installed for commercial or industrial purposes, and for properties outside the standard water supply areas. We plan to install water meters on all properties across the district that are connected to our supply with operation planned to begin in the 2017/18 year.

Why install water meters?

One of the best tools to manage water demand is universal water metering. The key drivers are:

- Concerns of high demand, especially during the summer period, and the cost and management impact of providing more capacity in the water system to meet this demand.
- Fairness and equality – consumers should pay for what they use.
- Regulatory requirement to manage water sustainably.
- Provide a mechanism for measuring and managing water demand.

What is the programme for the installation?

2012-2014 - The first stage will be the replacement of older existing meters, and confirming details of all user connections to our water supplies.

2015-2016 - We will begin educating the community about water meters. We will make decisions on how we charge for water and how water metering will be implemented. It is anticipated that this second stage will take 18 months.

2017-2022 - Meters will be installed and billing for water use will start. The billing process will commence once the metering of areas is completed.

How does it align with the council's goals?



Economically Progressive



Environmental and cultural champions



Socially Responsible

How much will it cost?

The capital cost will be \$6.5 million over the 10 years of the plan.

How will they be funded?

The installation of meters will be funded by loan and reserves, with the loan repayments and operational costs funded from water revenue and targeted water rates.

What does this mean for me?

The rating impact for the first year of operation in the 2017/18 year is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$15.65	\$15.65	\$15.65	NIL	NIL	NIL

A new Te Awamutu Library

The Te Awamutu library building is not meeting the community's expectations and is placing significant restrictions on the ability to fully use and promote the library's resources and collections.

In comparison with other public libraries there is a lack of space, user complaints about the size and condition of the building, an inability to adequately cater for school, holiday and community programmes, and no room to cater for future service developments or growth.

Due to a lack of space, a temporary building at the back of the library has been used for storage since 2009, furniture needs to be moved out to allow for children's programmes to be held and by national standards the current library footprint is only 25 percent of expectation.

As user dissatisfaction increases, library use and book issues are decreasing. This is not the case at the Cambridge library, where library use and book issues are increasing.

The 10-Year Plan 2009-2019 proposed that a new museum be built on Selwyn Park and for the library to occupy the current museum space. However, community concerns about the original museum proposal and changed economic conditions has prompted a review of those plans.

We now plan to build a new library building on council owned land on the corner of Mahoe Street and Selwyn Lane in 2014/15.

Building a new library will also allow us to rationalise our existing office space and enable us to vacate a leased building and save at least \$800,000 over 10 years.

How does it align with the council's goals?



Economically progressive



Connected with our community



Socially responsible

How much will it cost?

Approximately \$2.6 million.

How will it be funded?

A key element of the plan is to use endowment funds. As there was no opposition to using endowment funds during the consultation phase of developing this plan, we will seek the approval of the Minister of Local Government to use these funds. It is proposed that \$716,000 of Te Awamutu endowment funds and \$899,000 of District-Wide endowment funds are used for this project. This will mean both of these funds will be fully exhausted. Development contributions will fund a further \$264,000 with the balance being met by borrowing of \$761,000.

What does it mean for me?

The rating impact for the first year of operation in the 2015/16 year is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$9.84	\$4.83	\$4.32	\$17.76	\$15.06	\$27.24

A new Te Awamutu Museum

The 10-Year Plan 2009-2019 proposed that a new museum be built on land adjacent to Selwyn Park and for the library to occupy the current museum space. However, community concerns about the original proposal and changed economic conditions have prompted a review of the scope of a museum.

We now plan to build a new museum in 2015/16 on council owned land adjacent to Selwyn Park (opposite the Trust Waikato Te Awamutu Events Centre), and adjacent to the proposed new library. The proposed new Museum will be significantly cheaper for ratepayers than the one signalled in the 10-Year Plan 2009-2019. The council will provide funding capped at \$1.6 million with the balance sought from funding partners whose goals align to ours, ensuring a strong focus on our district's significant and unique Maori and land war history. The project will not proceed until this external funding has been secured.

A new library and museum located adjacent to Selwyn Park will reinforce the long-term development of a community precinct focused on culture, heritage and recreation, while retaining Selwyn Park as a passive reserve. In particular, the development will promote better understanding and showcasing of the district's unique heritage, and provide space for community activities, which currently are not well catered for. The new facilities will be future-proofed allowing additional community spaces to be included as funding is secured.

How does it align with the council's goals?



Connected with our community



Environmental and cultural champions

What will it mean for me?

The rating impact for the first year of the museum's operation in 2016/17 is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$12.44	\$5.70	\$5.19	\$18.63	\$15.93	\$28.11

Cambridge Pool

Development of a heated covered pool in Cambridge was provided for in our 10-Year Plan 2009-2019, with construction scheduled to start in 2013 if 75 percent of the funds needed were realised from external providers.

However, Cambridge Pool community fundraising committee confirmed it was not able to realise its funding target to see the construction of a 25 metre x eight lane fitness pool, leisure/therapy pool, learn to swim water space and a babies/toddler area proceed.

Following this announcement, the council agreed to fulfil its commitment of undertaking further consultation with the community about the development of a swimming pool in Cambridge. This consultation is expected to be completed by April 2013. A decision was also taken to explore other management opportunities such as establishing a trust to oversee the district's community-based aquatic activities.

While this occurs the current 50 metre pool on the Williamson Street site will continue to operate. Funding for a pool development in Cambridge has been included in the 2014/15 and 2015/16 years of this plan, to allow further consultation to occur to determine the preferred option for swimming facilities. Any changes to the timing or scope of the development will also be subject to an annual plan process.

How does it align with the council's goals?



Economically progressive



Socially responsible

How will it be funded?

Through community fundraising, asset sales and reserves, development contributions and loan.

What will it mean for me?

The seasonal pool will continue to operate. The rating impact for the continued operation in the 2012/13 year is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$12.52	\$32.14	\$11.82	\$43.18	\$36.01	\$65.30

Waste Management Services

In 2011, the Waste Management and Minimisation Plan was adopted for the district. The Waste Management and Minimisation Plan sets out the services and initiatives we propose to undertake to promote effective waste management and minimisation.

The Waste Management and Minimisation Plan signalled our intention to review our role regarding waste management services.

We asked the community what role they would like us to play and submitters overwhelmingly supported the status quo, with council continuing to provide (via a contractor) a rate funded kerbside recycling service across the district. All refuse collection services will continue to be run as a private arrangement between residents and the service provider, with no rate funding involved.

There was also support from the Cambridge community for us to continue the \$28,000 annual subsidy paid to maintain public access to the Cambridge Transfer Station.

There was also strong support for bags to be retained as an approved waste receptacle option.

How does it align with the council's goals?



Environmental and Cultural Champions

Heritage enhancement

Maintaining and enhancing Waipa's unique cultural, historic and environmental heritage is important to us. In line with our goal of being environmental and cultural champions, we have dedicated funding for enhancing the district's heritage. In addition, we are establishing a heritage fund to assist the community to undertake projects to restore or enhance heritage buildings or significant natural areas. The fund will be contestable and is set at \$70,000 a year.

Assessment criteria and application processes will be developed in 2012/13, with grants from the fund being made from 2013/14.

How does it align with the council's goals?



Connected with our community



Environmental and cultural champions

What will it mean for me?

The rating impact for the 2013/14 year is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$3.08	\$3.22	\$2.88	\$11.84	\$10.04	\$19.03

Maungatautari

Maungatautari Ecological Island is a project that we have been supporting since it began. The project includes maintaining the predator proof fence around the mountain to control pests and also to introduce new native species to the ecological area. Over the past few years there have been several issues surrounding access agreements, but we have played a role in working with land owners to resolve these issues.

Why include it in the 10-Year Plan?

We consider this project iconic to the district and the region, and want to protect the investment already made in the project. This is supported by our community who place a high value on the district's natural heritage. As administering authority for the scenic reserve we are required to commit funding for its upkeep, and leaving the Maungatautari Ecological Island Trust to do this work on our behalf is the most cost effective option.

How does it align with the council's goals?



Environmental and Cultural Champions

How will it be funded?

We will maintain support funding of \$300,000 per year for the next 10 years, to be funded through district-wide rating.

What will it mean for me?

The rating impact for the 2012/13 year is estimated to be:

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$11.31	\$12.64	\$11.53	\$40.65	\$34.80	\$60.32

Cambridge transport issues and development of Victoria Boulevard

The Waikato Expressway project is set to change the way transport moves in and around Cambridge.

Construction of the Cambridge section of the expressway is expected in 2013-16, with the new road intersecting State Highway 1B (Victoria Road) on the northern side of Cambridge at Hautapu.

The Cambridge section will:

- link the Tamahere section of the Expressway to the existing State Highway 1 south of Cambridge;
- reduce traffic congestion and intersection delays;
- improve safety through Cambridge by significantly reducing through traffic;
- improve safety for local pedestrians, horse riders, cyclists and traffic; and
- reduce traffic noise within the confines of the township.

As part of this project an interchange will be constructed at Hautapu, and we will contribute towards this work.

We are planning a series of projects within Cambridge following the construction of the expressway to improve traffic flows.

The most significant of these will be the upgrade of Victoria Road between the interchange and Hamilton Road, as this will become the primary gateway into Cambridge, and the Hamilton Road/Victoria Street intersection, where traffic congestion and safety is a major issue.

What is planned for Victoria Road?

We considered three different options for the development of Victoria Road taking into account factors such as cost, achieving the desired look and feel, safety, the impacts the upgrade would have on property access and how future developments could be catered for.



It is a median divided carriageway based on the existing layout of the road. It will provide for on-road cycle facilities, wider footpaths, a 22-metre wide stormwater swale, and less complex intersection layouts than the other options. We believe this is the best option as it received the highest rating for four of the five factors considered. A key factor in planning was the need to make provision for an area of land that is designated for rail as required by KiwiRail.

How does it align with the council's goals?



Environmental and Cultural Champions



Economically progressive



Socially responsible

How much will it cost?

\$11.8 million when construction starts in the 2016/17 year.

How will it be funded?

It will be funded via loan and development contributions.

What will it mean for me?

The rates per year indicated in the table below include the loan repayments and interests costs of the projects for the 2018/19 year following full construction.

INDICATOR PROPERTY	TE AWAMUTU	CAMBRIDGE	PIRONGIA TOWNSHIP	PIRONGIA WARD	MAUNGATAUTARI	KAKEPUKU
Capital Value	335,000	370,000	285,000	2,525,000	2,075,000	4,105,000
Rates Per Year (plus GST)	\$47.32	\$49.18	\$43.80	\$162.52	\$139.54	\$247.13

What other significant Cambridge transport projects are included in this plan?

Another significant project is an investigation into the timing and future location of a further river crossing (bridge) in Cambridge. The investigation is planned for 2016 when further Census and traffic modelling data will be available.

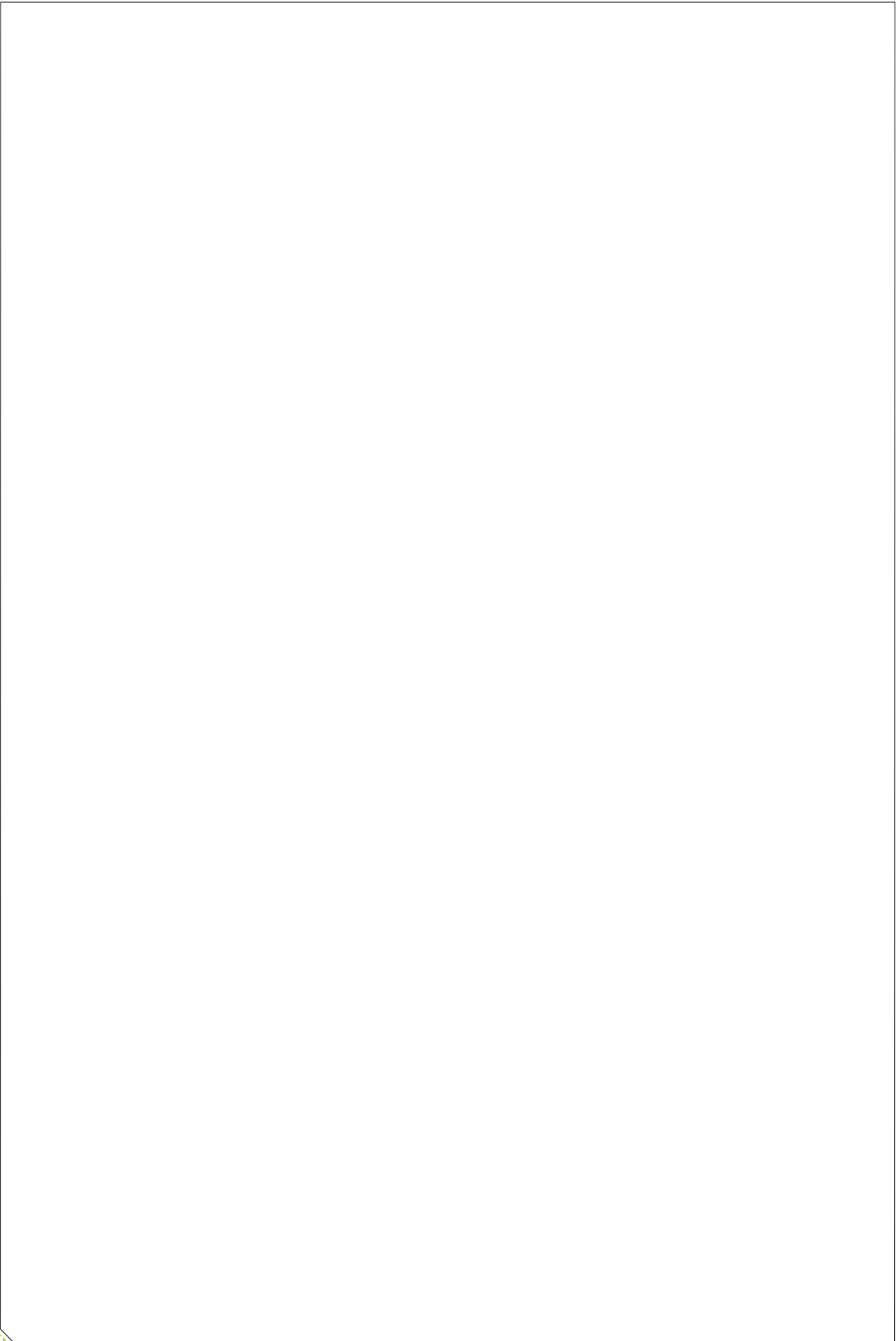
National Cycling Centre of Excellence

Our 2011/12 Annual Plan confirmed an intention to provide a grant of \$1 million to support the establishment of the National Cycling Centre of Excellence in Cambridge. The provision of funding was subject to four conditions, and could not be confirmed until the Waikato Regional Council had confirmed its position on providing funding. In September 2011, following an extensive public consultation process, by Waikato Regional Council they confirmed funding of \$6 million for the centre.

Having considered the process and outcomes of the consultation undertaken by Waikato Regional Council, Waipa District Council confirmed funding of \$1 million for the centre. The release of funding is subject to a funding deed with the Home of Cycling Trust, who are responsible for establishing and operating the National Cycling Centre of Excellence. The funding deed was signed in December 2011 and provides for the \$1 million grant to be paid in three instalments over the 2012/13 year.

What does it mean for me?

The grant will be loan funded with a \$1 million loan being raised and repaid over a period of 20 years. There will be an interest cost of \$35,000 in the 2012/13 year and repayment of principal and interest costs over the remaining term of the loan. The income required to meet the interest costs, and repay the loan, comes from the targeted ward rates which are applied as a fixed amount on all rateable properties in each ward. The cost to existing ratepayers of servicing and repaying the loan is effectively offset by the additional rating income from associated growth.





Key Achievements 2009-2012



Key Achievements 2009-2012

All of our activities, services and projects are intended to improve the social, cultural, economic and environmental wellbeing of the Waipa community. Since the adoption of the 10-Year Plan 2009-19 we have made a number of achievements including:

Heart of Te Awamutu project

The Walk of Fame was completed in 2009 as part of the Heart of Te Awamutu project.

Underground services in Alexandra Street were upgraded and \$645,000 was spent to enhance areas of Alexandra Street through the Central Business District including pedestrian crossings, street lighting and street furniture.

Further works at Arawata Bridge were undertaken to provide an attractive entrance to the town.

Ngaroto Road Bridge replacement

In 2010 work was undertaken to replace a single lane timber bridge on Ngaroto Road. The replacement structure, over the North Island main trunk rail line, is two way and has improved the alignment of the road. The bridge now also provides an alternative heavy vehicle route north of Te Awamutu.

Waste Management and Minimisation Plan

During 2010/11 we commenced a review of our Waste Management and Minimisation Plan and released a draft for public feedback. The nature and quality of the submissions received prompted us to undertake further work on waste management and minimisation activities/service options and opportunities.

Mighty River Domain development

The 10-Year Plan 2009-19 proposed that \$8.7 million be spent completing the development of Mighty River Domain at Lake Karapiro, with a further \$2.9 million to develop a new general reserve facility south of the rowing course. These council-initiated projects have wide community value, rather than supporting any particular user group or activity. The majority of these facilities were completed prior to the World Rowing Championships in 2010.

They included:

- A grandstand seating area in front of the new Don Rowlands Centre and the St Johns facility.
- A lakeside walkway between the launching pontoons and the boat launching ramp, to enhance access along the lake frontage.
- Reconstruction of the boat ramp approach with improved stormwater capacity.

- Landscaping to the front entrance of the Don Rowlands Centre including the re-installation of the Taumatawiwi rocks and waharoa (carved archway) and the installation of a new sculptural work at the entrance.

Rowing NZ completed construction of the finishing tower and we have completed paving works around this building.

The new and upgraded infrastructure was well used and 'tested' during the 2010-11 summer event season, with rowing, waka ama, hydroplane, triathlon, water skiing and multi-sports events and a variety of other functions and celebrations inside the Don Rowlands Centre.

World Rowing Championships

The 2010 World Rowing Championships were held at Mighty River Domain in 2010. This was an extremely successful event with around 66,000 attendees over the championship period. The venue was highly praised by athletes and officials, and it is hoped that Karapiro will host further world championships in the future.

District Plan Review (Waipa 2050)

The District Plan review in mid-2009 included adoption of the District Growth Strategy. This followed an extensive consultation process including the sub-regional growth strategy (Future Proof). These strategies set the long-term growth plans for the district and specify the location and timing of development through to 2050.

Waipa 2050 also includes the development of Town Concept Plans for Cambridge, Te Awamutu/Kihikihi, Pirongia, and Ohaupo. These plans were adopted in June 2010, provide a 'blueprint' for the long-term development of each urban area, and will be incorporated into the updated proposed Waipa District Plan and this 10-Year Plan.

Key directions from the Growth Strategy, Town Plans and Environment Strategy have been incorporated into a draft Proposed District Plan. Technical reports have also been prepared on heritage, landscape and ecology to help inform the draft Proposed District Plan which we consulted on in October 2010. The Proposed District Plan was notified for formal consultation in May 2012.

Sub-regional growth strategy (Future Proof)

The Future Proof Strategy and implementation plan was confirmed by partner councils in June 2009. The Strategy provides a settlement pattern for the Waipa and Waikato Districts to 2060.

A key focus for Future Proof has been the preparation of submissions to a number of planning documents to ensure that the strategy has statutory weight. These include the Regional Policy Statement, the Regional Land Transport Strategy and a number of District Plan changes.

A study of the area surrounding Hamilton from Matangi to Rukuhia, was also undertaken and a number of recommendations made.

A draft Future Proof Three Waters Strategy has been completed and will be consulted on in early 2012. This will ensure a consistent approach to water infrastructure is taken by Future Proof partners. More detailed implementation plans will be developed by the individual councils.

Peat lakes accord

In 2005 we entered into an agreement with Waikato Regional Council for a six-year restorative programme focusing on Lakes Ngaroto, Serpentine, Rotomanuka, Maratoto and Mangakaware.

Negotiations are progressing with landowners adjoining Lake Serpentine and Lake Rotomanuka to purchase/secure buffer margins. A number of buffer margins have been acquired using the Environmental Protection Lot provisions under the District Plan. These included two margins around Lake Ruatuna, Lake Ngaroro-iti and a large area around Lakes Maungahia and Maratoto.

The 2010/11 financial year was year five of the six-year restoration programme, with around \$442,000 of the original \$650,000 budget remaining unspent. We have agreed with the Waikato Regional Council that if significant progress is not made with the purchase of buffer land, then other uses of the fund monies will be contemplated.

A Memorandum of Understanding between the National Wetland Trust and ourselves has been signed. The Memorandum of Understanding promotes a partnership approach when advocating for wetland protection within the district and collaboration on establishing the National Wetland Centre at Lake Serpentine.

Waipa integrated transport strategy

The New Zealand Transport Agency funded the development of a Transport Strategy for the district with the initial focus being on the Cambridge area. The purpose of the Strategy was to integrate land-use, growth management, and infrastructure as it relates to transport planning to ensure that a sustainable transportation network and service delivery framework is achieved.

The final strategy document has, where appropriate, incorporated feedback from key stakeholders. The New Zealand Transport Agency has requested information on the implementation plan which is now being compiled.

Maungatautari Ecological Island project

Waipa District Council, Waikato Regional Council and the Department of Conservation have been working with the Maungatautari Ecological Island Trust to ensure the Trust is able to continue its work. Through our respective 10-Year Plans, we and Waikato Regional Council have confirmed a minimum three-year joint annual funding programme of \$600,000 for ensuring ongoing fence maintenance and the control of pests. A Memorandum of Understanding between the two councils was signed in August 2009 and confirms us as the lead administrative agency. A contract for service with the Memorandum of Understanding makes provision for a joint working group to review the trust's proposed annual budget prior to reconfirming joint funding for each new financial year.

We continue to manage the funding streams from Waikato Regional Council, the Department of Conservation's Biodiversity Condition Fund and the management for service contract with Maungatautari Ecological Island Trust.

Public transport

An improved bus service was implemented in January 2011 after a review of the passenger transport services for the district was conducted and community feedback sought.

The new bus service between Te Awamutu/Kihikihi and Hamilton, and Cambridge and Hamilton, has had very encouraging patronage numbers.

Passengers in Te Awamutu have a choice of up to eight return trips each week day on new buses, with an extension service to Kihikihi that is operating on Tuesdays and Thursdays, two trips per day. Passengers travelling between Cambridge and Hamilton have a choice of up to six return trips each week day. Both services have three return trips on Saturdays, Sundays and public holidays (except Christmas day).

Kihikihi Domain Strategic Plan and Reserve Management Plan

Kihikihi Domain supports a wide range of recreational and sporting activities and is well suited for hosting national and international events, particularly equine-related. Its status as a significant sports reserve, particularly for polo and eventing activities, is growing.

We adopted the Kihikihi Domain Strategic Plan and Reserve Management Plan in July 2009. Discussions with adjoining landowners are continuing with a view to securing long-term access agreements for equestrian-related activities.

Water supply upgrades

An options report on the various alternative water sources for Te Awamutu/Pirongia has been completed. Any works associated with an alternative source for Te Awamutu/Pirongia are programmed in this plan. Improvements to the treatment, storage and raw water collection are planned for the Te Awamutu water supply over the next 10 years to ensure an appropriate drinking water standard is achieved and maintained.

Reticulation renewals

During 2009/10 Waipa tendered three main water supply reticulation upgrade and renewal contracts, these included ridermain renewals (district-wide) and Te Awamutu central business district steel main replacement. An investigation into the condition of the pipe reticulation of the Pukerimu Water Supply Scheme was also undertaken.

Wastewater reticulation and disposal

During 2009/10 we tendered wastewater supply reticulation upgrades and renewals contracts, these included sewer pipe replacement (district wide), manhole renewal and rehabilitation (district wide) and Te Awamutu central business district sewer main upgrade. Works have been completed in the Hazelmere Crescent and Fonterra sites with some final tidy ups to be completed.

Stormwater upgrades

Continuation of the work to alleviate the effects of the undersized pipe-work in Cambridge along Shakespeare Street, Byron, Pope and Fletcher Roads, and at Lake Te Ko Utu was signalled in the 10-Year Plan 2009-19. Work at Shakespeare Street and Lake Te Ko Utu has been completed.

The district-wide stormwater renewal works were completed in 2010/11.

Cambridge Community Sports Hall

In 2009 we entered into a partnership with Cambridge High School for the provision of a community sports facility located within the school grounds and managed by the school.

On the basis that the facility will be available for community use, we agreed to provide funding of up to \$1.8 million.

The Community Sports Hall was officially opened on 16 September 2010.

District promotion

Following a review of promotion and economic development activities, we have established a communications, business development and promotions portfolio (Community Relationships). This will ensure better coordination and integration of these activities and their alignment with our strategic direction.

The Community Relationships Team has supported an increased number of events during the year, ranging from equestrian to rowing, hydroplanes, beach volleyball, activities at Lake Serpentine, family days, awards and other celebrations.

Through the District Promotion Fund, we have allocated up to \$100,000 to support events that have the potential to attract significant numbers of visitors to the District.

As a shareholder of Hamilton Airport, we supported a two year programme to establish a regional tourism programme (Hamilton and Waikato Tourism), with the outcome being the establishment of a Regional Tourism Organisation for the central Waikato area from 1 July 2011. With the impending establishment of the Regional Tourism Organisation, opportunities exist to increase coordination of the promotion and marketing for the district and region, maximising the value from our investment in this area.

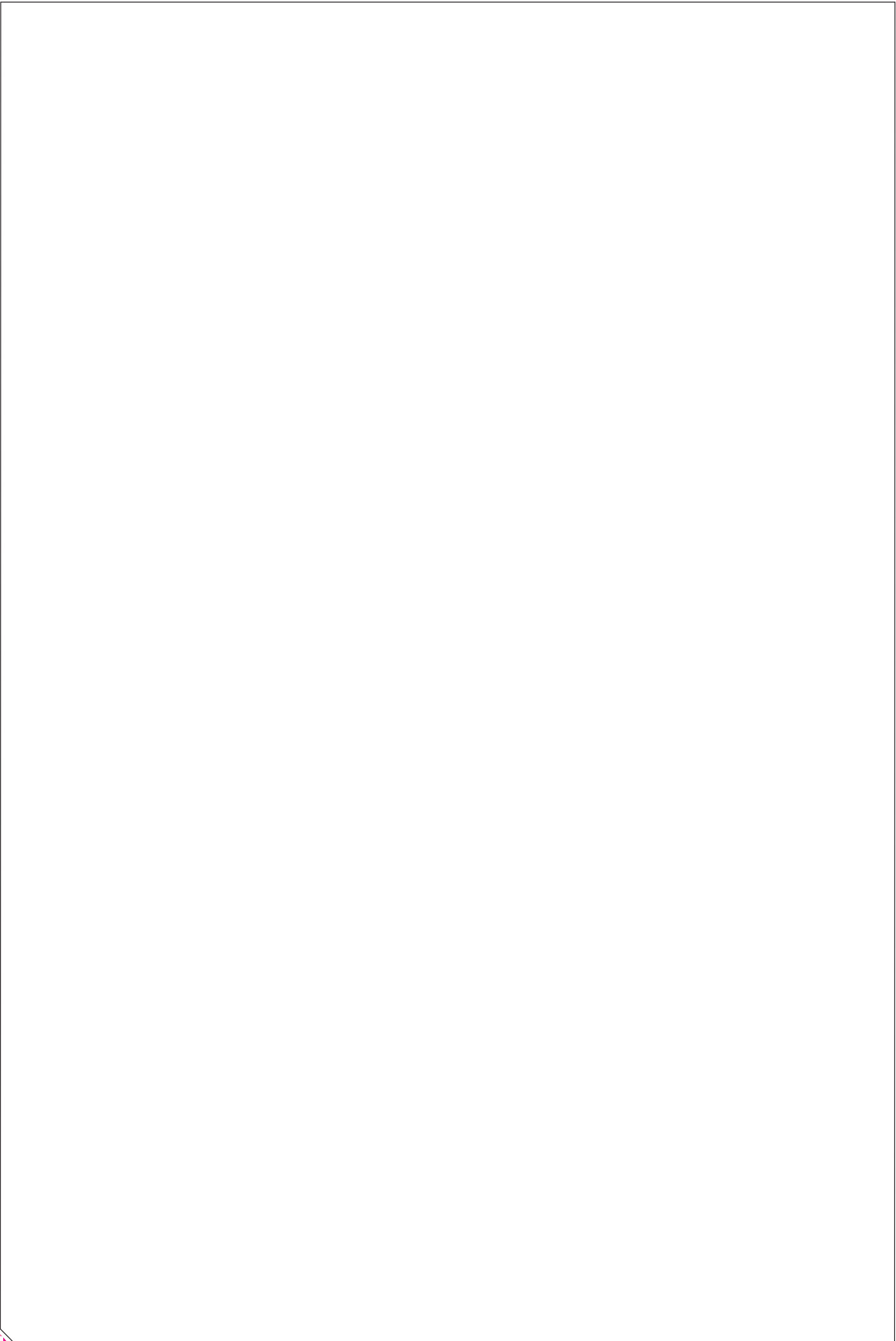
Our business support activities have been both proactive, in terms of following up development opportunities, as well as responding to enquiries from developers. Our 'one stop shop' project, an initiative to establish a seamless and efficient response to development applications (consents), is progressing well.

Leamington CBD upgrade

During 2009, work was undertaken to improve the streetscape of the Leamington Village commercial area. Work involved installing paved footpath areas, landscaping, major road reconstruction, installation of street furniture and improved pedestrian facilities.

Cambridge/Karapiro cycleway

Work to construct a 5.5 kilometre cycleway between Carlyle St (Leamington) and Hydro Road (Karapiro) was completed in time for the World Rowing Championships in October 2010. The facility is three metres wide and is popular with cyclists and pedestrians. The shared path has been nominated for a number of awards as an example of a successful cycling project. The project was co-funded by the Perry Foundation and forms part of the Te Awa River Ride. We will continue to work with the Te Awa Trust on further cycling initiatives.





Group of Activities



Groups of Activities

Guide to Groups of Activities

For the purposes of presentation in this plan, our services are grouped within eight areas, each containing a number of activities.

Seven of the groups of activities within this section are focused on public service delivery. The Support Services group is internally focussed and is not an official group of activities 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.

The groups of activities covered in this section are:

- Governance.
- Planning and Regulatory.
- Community Services and Facilities.
- Roads and Footpaths.
- Stormwater Drainage.
- Wastewater Treatment and Disposal.
- Water Treatment and Supply.
- Support Services.

For each group of activities, this plan sets out:

- The activities included in each group.
- The assets required to support the activities and services, any anticipated changes in demand for the service and the implications of such changes to our service provision levels.
- The extent of our involvement in each activity, including any legislative requirements and how the activity contributes to the community outcomes.
- Any possible negative effects that providing the services may have on the wellbeing of the community.
- The timing of key actions or projects in the period 1 July 2012 to 30 June 2022.
- How the community outcomes relate to each activity.
- The target levels of service and the performance measures by which levels of service can be assessed.
- The estimated expenses of achieving and maintaining the proposed levels of service for each activity.
- How the expenses are to be met and expected revenue levels, including the sources of funds, such as rates and fees and charges.

Although not required by legislation, we have chosen to include the Cost of Service Statements in this plan to show the total cost of each activity. The Cost of Service Statements include non-cash expenses such as depreciation, profit / loss on disposal of assets and internal interest charges.

For each group of activities a range of targets and measures have been developed to show the standard of performance we propose over the next 10 years and the means by which we intend to measure that performance. The measures, when considered collectively, are intended to provide a general view of the overall performance in each area, and encompass the elements of quality, quantity, cost, timeliness and location (if relevant).

All of our activities relate to community outcomes, and these outcomes are shown in each of the groups of activities areas detailed in this section.

Support Services support the delivery of community services within each group of activities. While the costs of Support Services are included within each group, they are also shown separately at the end of this section to show the total indirect costs.

Governance

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

What we do

The elected Mayor and Councillors represent the community, set direction and work programmes through 10-Year Plans and Annual Plans, and monitor and review the organisation's performance. The elected Council has established a number of committees and sub-committees to assist in this work.

Community boards are part of the district's governance structure, but are elected independently. They have specific responsibilities, including representing and advocating on behalf of the communities they serve, and overseeing the services provided by council. Both Cambridge and Te Awamutu have a community board that works in partnership with the Council to promote and enhance community wellbeing.

We have a leadership role in understanding, planning and promoting community wellbeing within the district and its communities. This work is undertaken as part of the strategic planning activity, and includes:

- Preparing the 10-Year Plan, Annual Plans, and other strategies.
- Providing economic research, analysis and policy development advice and services to encourage sustainable development of the district.
- Developing strategic and corporate policy.
- Partnering with Waikato District Council, Hamilton City Council and Waikato Regional Council in the Sub Regional Growth Strategy 'Future Proof' (for further information about Future Proof visit www.futureproof.org.nz).
- Reviewing the District Plan.
- Implementing and reviewing the Waipa District Growth Strategy.

Ensuring the community is well informed and kept up to date with our activities is one of our priorities. We are working towards a higher level of engagement with our communities and have adopted a strategy which gives clear direction on how we expect this to occur. This work is undertaken as part of our community relationships activity, and includes:

- Providing timely, accurate and consistent information.
- Promoting public debate and assisting informed decision making.
- Ensuring meaningful opportunities for community involvement in our decision making processes.
- Promoting productive partnerships with our stakeholders.
- Promoting Waipa District as a great place to live, work and play.

Why we do it

To enable democratic local decision-making and action, including Māori participation.

To promote the social, economic, environmental and cultural wellbeing of our communities, now and into the future.

The environment in which we work

Engaging with residents and ratepayers to enable them to feel confident in participating in the democratic processes, particularly taking into account the diverse range of groups within our communities and changes in technology will be a challenge. We will continue to look to best practice models for community engagement initiatives and advance our own understanding of the various options, including the use of technology such as the internet and social networking.

The development and implementation of good plans and policies is the foundation of good governance. The basis of our planning is the strategic plan, which guides all of our activities and operations. Our planning is influenced by external factors, including regional and national plans and policies, and we must have regard to these.

A key planning initiative currently underway is the review of the Waipa District Plan. The cornerstone of the District Plan review is the Waipa 2050 project, which defines the type of growth we should expect in the district, where it will occur and how the impacts of it will need to be managed. In doing this, Waipa 2050 looked at existing development pressures, future population trends, environmental constraints and infrastructure requirement. This will help ensure that the District Plan is clear, easily understood and relevant to Waipa District both now and into the future. Providing for this growth is part of the purpose of this plan.

Population growth and increasing community awareness will increase pressure to provide effective leadership in planning for future growth and development, to respond to external pressures such as the economic challenges and to effectively address emerging issues in the best interests of the district. In response to that, we have been working on several initiatives including Waipa 2050 and Future Proof. From these initiatives further work will be identified that will enable better planning for the future.

In 2010, the Crown reached agreement with several Iwi over their claims to the Waikato River. A key focus of the settlements, and subsequent legislation, is restoring the health of the Waikato River. Under the Waikato Tainui Raupatu Claims (Waikato River) Settlement Act 2010 and the Ngati Tuwharetoa, Raukawa and Te Arawa River Iwi Waikato River Act 2010, the Waikato River Authority was established to ensure that the vision and strategy for the river is carried out and that Iwi have a co-management role.

The vision for the Waikato River described in the legislation is:

“for a future where a healthy Waikato river sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces, for generations to come.”

The Crown settlements with Waikato and Waipa River Iwi require us to enter into Joint Management Agreements with Waikato Tainui, Raukawa, and Ngati Maniapoto.

We will also work with the Waikato River Authority to ensure that we give effect to the vision and strategy for the river through our District Plan review and other projects.

The closer relationship we will share with Iwi supports our goal to be cultural and environmental champions.

The level of service we will deliver

We will maintain the level of service within this group of activities.

What community outcomes does it contribute to?



Economically progressive

- We are financially sustainable
- Our services are acknowledged as excellent value for money
- Waipa's growth is built on its strengths



Environmental and cultural champions

- We are recognised as environmental and cultural leaders
- Waipa's environmental and cultural heritage is a showcase for excellence



Connected with our community

- Our stakeholders are advocates/ambassadors for Waipa and Council
- We engage with all parts of our community
- We have collaborative and enduring partnerships



Socially responsible

- Waipa offers an excellent quality of life

Key Projects

The following projects are planned for 2012-22:

PROJECT	DESCRIPTION	TIMEFRAME	TOTAL COST OVER 10 YEARS (\$000)
District Plan Review	A reviewed Waipa District Plan will be notified in 2012. This could take two to three years to complete as there is a required process to be followed under Resource Management Act.	2012/13 to 2014/15	\$1,368
Preparation of 10-Year Plans	A 10-Year Plan is required to be adopted by 30 June 2012 to detail our planned operations, performance measures, budgets and proposed rates for the period 2012 to 2022. Further 10-Year plans will be required every three years.	2015/16, 2018/19 and 2021/22	\$840
Local Government triennial elections	Elections are required every three years.	2013/14, 2016/17 and 2019/20	\$551
Preparation of Annual Plans	An Annual Plan is required in every year a 10-Year Plan is not required.	2013/14, 2014/15, 2016/17, 2017/18, 2019/20, 2020/21	\$210
Resident satisfaction survey	Conduct an annual survey of residents to determine levels of satisfaction with council services.	Annually	\$200
Preparation of a State of Waipa District report	This report is used to monitor progress with achieving our community aspirations.	2012/13 and 2018/19	\$34
Economic development strategy	Develop and implement, in conjunction with key stakeholders, a strategy/action plan to improve the economic wellbeing of the District.	2012/13, 2013/14 and 2014/15	\$60

Details of the costs associated with these projects and other financial information relevant to this group of activities are included at the end of this section.

Potential Significant Negative Effects

POTENTIAL NEGATIVE EFFECTS	HOW WE ARE ADDRESSING THIS
Some sectors of the community may be under represented.	We engage with the community in a number of ways to ensure a wide range of views are taken into account. This includes formal structures such as the Iwi Consultative Committee, and other committees with community representatives. An Iwi representative is also co-opted onto a number of standing committees. Ad hoc stakeholder groups are also formed to advise us on various issues. A Community Engagement Strategy has been adopted to increase participation from a wider audience.
The cost of consultation and decision making is too high.	We endeavour to use the most cost effective means of consulting with the public to inform decision making, and greater use of technology will help minimise costs. Our approach will largely be determined by the nature and degree of significance of an issue.
Long term plans stifle development in the district.	Strategies and policies will be reviewed on a regular basis to ensure that they remain relevant and continue to guide the development of the district, and that the community has full opportunity to participate in the review process.

Level of Service: Council and Community Boards

Rationale – Waipa communities and their interests are represented in decision making.

Community Outcomes	How the Activity Contributes	Level Of Service	Performance Measure	Performance for 2010/11	Performance Target			
					2012/13	2013/14	2014/15	2015-22
We engage with all parts of the community.	By providing opportunities for the public to be involved in local decision making.	Elected members represent and act as advocates for the community.	% of respondents to residents survey who are satisfied with the Mayor and Councillors.	79%	85%	90%	90%	90%
			% of respondents to residents survey who are satisfied with Community Boards.	89%	90%	90%	90%	
		Opportunities are provided for involvement in decision making.	% of respondents to residents survey who are satisfied with the way the council involves the public in decision making.	63%	65%	70%	70%	

Connected with our Community

Level of Service: Communications and Marketing

Rationale – Council is communicating effectively with its community.

Community Outcomes		How the Activity Contributes	Level of Service	Performance for 2010/11	Current Performance	PERFORMANCE TARGET			
						2012/13	2013/14	2014/15	2015-22
Connected with our Community	We engage with all parts of the community.	By providing various opportunities for the community to be exposed to Council information.	Information about our activities is communicated to the community	# of unique hits on our website.	40318	44350	48785	53664	59030-83062
	We have collaborative and enduring partnerships.	Staff are culturally sensitive in their interaction with Iwi groups. Provision of accurate information to the community.	Our staff are culturally aware and culturally sensitive to Māori.	% of staff that have undertaken Tikanga Māori training.	New Measure	30%	60%	90%	90%

Grants to community organisations

We provide grants to community organisations on an annual basis. Shown below are the grants provided in 2011/12 and the grants for the first three years of the 2012-22 period. Organisations such as Sport Waikato, Hamilton and Waikato Tourism, and the Cambridge and Te Awamutu Information Centres, who provide services on our behalf, are funded by way of service contracts, and the funding of these has been included in the relevant group of activities.

	2011/12 Annual Plan \$	2012/13 Budget \$	2013/14 Budget \$	2014/15 Budget \$
Pirongia Ward Grants	16,500	16,500	16,500	16,500
Cambridge Community Board Grants	30,000	30,000	30,000	30,000
Te Awamutu Community Board Grants	30,000	30,000	30,000	30,000
Citizens Advice Bureau - Cambridge	13,300	14,300	14,300	14,300
Citizens Advice Bureau - Te Awamutu	26,500	26,500	26,500	26,500
Nga Iwi Toopu Support	20,000	20,000	20,000	20,000
Pirongia Historical Visitors Centre	6,200	6,400	6,400	6,400
Pirongia Ratepayers Association	3,500	5,500	5,500	5,500
District Promotions	100,000	100,000	100,000	100,000
Cambridge Community Arts Council	15,000	15,000	15,000	15,000
Te Awamutu & District Community Arts Council	15,000	15,000	15,000	15,000
Waikato Biodiversity Forum	3,000	3,000	3,000	3,000
Te Awamutu Safer Community Charitable Trust	12,500	12,500	12,500	12,500
Cambridge Armistice	5,000	-	-	-
Cambridge Safer Community Charitable Trust	5,000	10,000	10,000	10,000
TOTAL	301,500	304,700	304,700	304,700

NOTES:

The individual grants to these organisations are specified for the first three years only.

A sum has been included in future years, although allocation is confirmed on an annual basis.

The grants to the Community Arts Council are funded externally by Creative New Zealand.

The Cambridge Citizens' Advice Bureau has office accommodation provided by Waipa District Council in addition to the grant funding shown above. The Te Awamutu Citizens' Advice Bureau funding is all inclusive.

Statement of Cost of Service

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
REVENUE											
Elections	-	-	98	-	-	108	-	-	120	-	-
Community Grants	30	30	30	30	30	30	30	30	30	30	30
Strategic Planning	-	-	52	53	55	57	59	61	62	65	68
TOTAL REVENUE⁴	30	30	180	83	85	195	89	91	212	95	98
OPERATING EXPENDITURE											
Council & Committees	2,857	2,758	2,882	3,001	3,107	3,202	3,316	3,415	3,513	3,626	3,746
Cambridge Community Board	186	186	195	202	208	214	222	229	236	243	251
Te Awamutu Community Board	187	188	195	202	209	215	223	230	237	244	252
Elections	1	32	192	-	38	237	-	47	274	-	57
Community Grants	334	319	325	328	327	327	332	325	322	323	323
Strategic Planning	1,828	1,404	1,833	2,072	1,666	1,921	1,949	1,761	1,956	2,050	1,862
Community Relationships	-	1,097	1,157	1,186	1,191	1,215	1,247	1,270	1,297	1,330	1,363
TOTAL EXPENDITURE	5,393	5,984	6,779	6,991	6,746	7,331	7,289	7,277	7,835	7,816	7,854
OPERATING NET COST OF SERVICE	(5,363)	(5,954)	(6,599)	(6,908)	(6,661)	(7,136)	(7,200)	(7,186)	(7,623)	(7,721)	(7,756)
CAPITAL EXPENDITURE AND DEBT REPAYMENT											
Capital Expenditure (excluding Vested)	-	20	34	-	-	-	-	-	-	-	-
Debt Repayment (Internal)	294	336	373	422	481	481	481	473	354	248	201
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	294	356	407	422	481	481	481	473	354	248	201

⁴ Total revenue does not include rates

Capital Expenditure Table

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Replace Tables in Council Chambers	-	-	16	-	-	-	-	-	-	-	-
Marketing and Promotion Equipment	-	20	18	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	-	20	34	-	-	-	-	-	-	-	-

Funding Impact Statement

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,680	2,783	3,057	3,146	3,326	3,576	3,603	3,592	3,813	3,851	3,859
Targeted rates (other than a targeted rate for waters supply)	2,554	3,176	3,458	3,592	3,807	4,032	4,070	4,063	4,163	4,118	4,100
Subsidies and grants for operating purposes	30	30	30	30	30	30	30	30	30	30	30
Fees, charges, and targeted rates for water supply	-	-	150	53	55	165	59	61	182	65	68
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total sources of operating funding (A)	5,264	5,989	6,695	6,821	7,218	7,803	7,762	7,746	8,188	8,064	8,057
Applications of operating funding											
Payments to staff and suppliers	2,079	2,687	3,357	3,428	2,760	3,248	3,107	3,043	3,511	3,416	3,353
Finance costs	117	121	99	116	126	119	108	86	61	39	25
Internal charges and overheads applied	2,895	2,595	2,739	2,855	3,266	3,369	3,475	3,554	3,672	3,770	3,885
Other operating funding applications	302	579	579	580	581	582	587	588	589	590	591
Total applications of operating funding (B)	5,393	5,982	6,774	6,979	6,733	7,318	7,277	7,271	7,833	7,815	7,854
Surplus (deficit) of operating funding (A - B)	(129)	7	(79)	(158)	485	485	485	475	355	249	203
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	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	20	34	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(129)	(13)	(113)	(158)	485	485	485	475	355	249	203
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(129)	7	(79)	(158)	485	485	485	475	355	249	203
Surplus (deficit) of capital funding (C - D)	129	(7)	79	158	(485)	(485)	(485)	(475)	(355)	(249)	(203)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Planning and Regulatory

The Planning and Regulatory group of activities covers Resource Management, Building Control, Environmental Health, Animal Control and Development Engineering. We provide these services to manage the natural and physical resources of the district, and promote and protect the health and safety of our communities and the general public.

What we do

Resource Management covers the planning functions under the Resource Management Act, including the issuing and monitoring of resource consents, and the processing of private plan changes and designation applications. In addition this activity includes administering the Development Contributions Policy, providing Land Information Memorandums, monitoring compliance with the District Plan and enforcing bylaws.

Building Control covers the processing and monitoring of building consents, and the issuing of Code of Compliance Certificates pursuant to the Building Act. This activity also covers the monitoring and enforcement of swimming pool fencing requirements.

Environmental Health covers the licensing and inspection of hairdressers and food and liquor outlets; responding to noise and public health complaints; implementing the district gambling policy and monitoring gaming venues.

Animal Control covers the registration and impounding of dogs, owner education and implementing and enforcing our Dog Control Policy and Bylaw. The activity also covers wandering stock. We own and operate dog and stock pounds in Cambridge and Te Awamutu, and these facilities are managed in accordance with our Asset Management Plans. A new facility is planned for Te Awamutu in this 10-Year Plan.

Development Engineering covers the preparation and management of development agreements, and the monitoring of subdivision and related developments. It also covers the naming and numbering of roads, and controlling access to our roads and water-related infrastructure.

Why we do it

To guide, enhance and maintain the quality of our natural and physical environment and to ensure that our district is developed in a sustainable way.

To ensure buildings are safe and the necessary regulations and standards are met.

To ensure animals are kept in a way that minimises danger, distress and nuisance to the public and animal owners are educated about their responsibilities.

To promote and improve human health, safety, comfort and wellbeing and protect the environment.

To ensure development meets required standards, and connection to and use of our infrastructure is well managed.

The environment in which we work

Our district is growing and developing, and demand for planning and regulatory services will continue to grow as development occurs and population increases. The growth projections supporting this plan have been used to support anticipated changes in levels of service in this activity area.

The unique environmental character of our district is under constant pressure because of growth and economic development. This character includes outstanding landscapes, internationally significant peat lakes, stands of indigenous trees, the Maungatautari Ecological Island and historically significant sites. We need to ensure that growth pressures are effectively managed and our unique environmental features are sustained.

Our planning and regulatory activities are governed and directed by national legislation, and regional and local policy and bylaws. These policies and bylaws are subject to regular review, with a new District Plan and Development Manual to be notified in early 2012 and all bylaws to be reviewed during the duration of this plan. Government legislation is also subject to regular review, with the Resource Management Act, Building Act, Dog Control Act, Food Act, Sale of Liquor Act and Health Act currently under review. Where changes to legislation have occurred, these have been taken into account in the preparation of this plan. We will continue to monitor the various legislative review processes, with significant changes considered and responded to as part of future annual and long term plans.

The level of service we will deliver

We will increase the levels of service in relation to our contribution towards the crime prevention camera systems for Cambridge and Te Awamutu. For all other activities within this group we will maintain the current level of service.

What community outcomes does it contribute to?



Economically progressive

- We are financially sustainable
- Our services are acknowledged as excellent value for money
- Waipa's growth is built on its strengths



Environmental and cultural champions

- We are recognised as environmental and cultural leaders
- Waipa's environmental and cultural heritage is a showcase for excellence



Connected with our community

- Our stakeholders are advocates/ambassadors for Waipa and Council
- We engage with all parts of our community
- We have collaborative and enduring partnerships



Socially responsible

- Waipa offers an excellent quality of life

Key Projects

The following projects are planned for 2012-22:

PROJECT	DESCRIPTION	TIMEFRAME	TOTAL COST OVER 10 YEARS) (\$000)
Building Act Accreditation	We have been an accredited building consent authority since 2008 and will continue to do so.	2012-22	\$173

Details of the costs associated with this project and other financial information relevant to this group of activities are included at the end of this section.

NOTES:

The costs associated with the animal control pound in Te Awamutu and the crime prevention cameras are sitting within the support services group of activities on page 161.

Potential Significant Negative Effects

POTENTIAL NEGATIVE EFFECTS	HOW WE ARE ADDRESSING THIS
The conditions of resource consents approved may not be adhered to leading to adverse environmental effects.	We have a programme for the regular monitoring of resource consents.
The time taken to process resource and building consent applications may be considered excessive by applicants.	We strive to meet the timelines required by legislation. Through our customer service function, we regularly review our processes and continually strive to improve.
The costs of complying with regulatory requirements may be seen as excessive.	We endeavour to minimise costs by having effective and efficient systems and processes in place.

Level of Service: Animal Control

Rationale – To manage animal control in the district in a way that promotes animal welfare and community safety.

Outcomes	How the activity contributes	Level of Service	Performance Measures	Performance for 2010/11	PERFORMANCE TARGET			
					2012/13	2013/14	2014/15	2015-22
Socially Responsible Waipa offers an excellent quality of life.	Animal care and control are promoted to enhance community safety.	Effective animal control services and facilities are available to promote community safety.	# of hours per month that dog micro chipping services are available in Te Awamutu.	4	4	4	4	
		A 24 hour service is available to respond to animal control complaints in a timely manner.	# of hours per month that dog micro chipping services are available in Cambridge.	4	4	4	4	
			% of complaints involving allegation of bite or attack responded to within 1 hour.	New Measure	95%	95%	95%	
			% of complaints not involving allegation of bite or attack responded to within 7 working days.	New Measure	95%	95%	95%	

Level of Service: Environmental Health

Rationale – To protect and promote the health of communities within the Waipa District.

Community Outcomes	How the activity contributes	Level of Service	Performance Measure	Performance for 2010/11	PERFORMANCE TARGET				
					2012/13	2013/14	2014/15	2015-22	
<p style="text-align: center;">Socially Responsible</p> <p>Waipa offers an excellent quality of life.</p>	<p>By reducing risks to public health and managing nuisance in the community.</p>	<p>Food premises maintain a high level of food safety.</p>	% of premises that hold registration or certificates of inspection as required ⁵ .	New Measure	100%	100%	100%	100%	
			% of required monthly inspections or audits completed.	New Measure	95%	95%	95%	95%	
			% of eligible food premises who have moved to food control plans ⁶ .	New Measure	10%	12%	14%	16% -28%	
	<p>Protecting people and property from the risk of fire and smoke nuisance</p>	<p>Urban and rural fires are managed to reduce risk to people and property</p>	A 24 hour service is available to respond to noise complaints in a timely manner.	% of excessive noise complaints investigated within 1 hour.	New Measure	95%	95%	95%	95%
			Liquor licensing is managed to minimise alcohol abuse in the community.	# of monitoring operations carried out with other agencies (including the police) per annum.	New Measure	2	2	2	2
			% of smoke complaints investigated within one hour.	New Measure	95%	95%	95%	95%	

⁵ Certification includes registration of certificate of compliance

⁶ Food control plans and audits will replace the current registration and inspection regime. At present the food service premises (such as takeaways, restaurants and cafes) can voluntarily move to the new system, and the New Zealand Food Safety Authority is encouraging all local authorities to facilitate this as much as possible

Level of Service: Resource Consents and Monitoring

Rationale – Achievement of community aspirations through the development and implementation of the District Plan.

Community Outcomes	How the activity contributes	Level of Service	Performance Measure	Performance for 2010/11	PERFORMANCE TARGET			
					2012/13	2013/14	2014/15	2015-22
Economically Progressive Our services are acknowledged as excellent value for money.	By providing an efficient and quality service to applicants.	We are responsive to the needs of the community.	Public issues are responded to within 4 working days	New Measure	100%	100%	100%	100%
		We process applications in a timely manner.	% of compliance with statutory timeframes (Ministry for the Environment survey).	100%	100%	100%	100%	
			% of Land Information Memorandums processed within statutory timeframes.	100%	100%	100%	100%	

Level of Service: Development Engineering

Rationale – Ensuring developers build services/infrastructure which meet current and future community needs.

Community Outcomes	How the activity	Level of Service	Performance Measure	Performance for 2010/11	Performance Target			
					2012/13	2013/14	2014/15	2015-22
Our services are acknowledged as excellent value for money.	By providing an efficient and quality service to applicants.	We are responsive to enquiries and requests for information.	Enquiries are responded to within 4 working days.	New Measure	100%	100%	100%	100%
Economically Progressive								

Level of Service: Building Control

Rationale – Ensuring that buildings are safe and fit for purpose.

Community Outcomes	How the Activity Contributes	Level of Service	Performance Measure	Performance for 2010/11	Performance Target			
					2012/13	2013/14	2014/15	2015-22
Our services are acknowledged as excellent value for money.	By providing an efficient and quality service to applicants.	All applications are processed within agreed timeframes.	% of buildings consents processed within 20 working days.	100%	100%	100%	100%	100%
Waipa offers an excellent quality of life	By ensuring that buildings meet health and safety standards/ requirements.	Complaints are investigated and responded to within agreed timeframes.	% of Project Information Memorandums processed within 20 working days.	100%	100%	100%	100%	100%
			% of complaints about potentially unsafe buildings and structures investigated and responded to within 5 working days.	100%	100%	100%	100%	100%

Statement of Cost of Service

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
REVENUE											
Fees and Charges:											
Resource Management	976	1,074	1,130	1,166	1,205	1,248	1,291	1,334	1,378	1,427	1,477
Building Control	1,329	1,163	1,200	1,239	1,281	1,326	1,371	1,417	1,463	1,515	1,554
Environmental Health	277	272	281	290	300	313	324	334	347	359	372
Animal Control	373	406	420	435	450	467	484	500	516	535	554
Development Engineering	264	271	280	289	299	309	320	330	341	354	366
TOTAL REVENUE⁴	3,219	3,186	3,311	3,419	3,535	3,663	3,790	3,915	4,045	4,190	4,323
OPERATING EXPENDITURE											
Resource Management	1,564	1,552	1,675	1,732	1,790	1,837	1,903	1,955	2,007	2,069	2,140
Building Control	1,424	1,322	1,417	1,432	1,516	1,521	1,607	1,611	1,696	1,707	1,795
Environmental Health	713	697	727	799	825	849	877	900	925	955	985
Animal Control	519	559	586	614	634	651	675	692	712	735	758
Development Engineering	835	783	864	893	923	949	982	1,008	1,036	1,068	1,103
TOTAL EXPENDITURE	5,055	4,913	5,269	5,470	5,688	5,807	6,044	6,166	6,376	6,534	6,781
OPERATING NET COST OF SERVICE	(1,836)	(1,727)	(1,958)	(2,051)	(2,153)	(2,144)	(2,254)	(2,251)	(2,331)	(2,344)	(2,458)
CAPITAL EXPENDITURE											
Capital Expenditure (excluding Vested)	-	5	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	-	5	-	-	-	-	-	-	-	-	-

⁴ Total revenue does not include rates

Capital Expenditure Table

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Clegg Hammer Purchase	-	5	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	-	5	-	-	-	-	-	-	-	-	-

Funding Impact Statement

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	988	929	1,054	1,104	1,158	1,153	1,213	1,211	1,254	1,262	1,323
Targeted rates (other than a targeted rate for water supply)	848	798	905	948	995	990	1,041	1,040	1,077	1,083	1,136
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	3,219	3,186	3,311	3,419	3,535	3,663	3,790	3,915	4,045	4,190	4,323
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total sources of operating funding (A)	5,055	4,913	5,270	5,471	5,688	5,806	6,044	6,166	6,376	6,535	6,782
Applications of operating funding											
Payments to staff and suppliers	3,746	3,692	3,949	4,085	4,243	4,341	4,513	4,615	4,795	4,907	5,100
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,309	1,221	1,321	1,386	1,445	1,465	1,531	1,551	1,581	1,628	1,682
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	5,055	4,913	5,270	5,471	5,688	5,806	6,044	6,166	6,376	6,535	6,782
Surplus (deficit) of operating funding (A - B)	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	5	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	(5)	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding (C - D)	-	-	-	-	-	-	-	-	-	-	-
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Community Services and Facilities

The Community Services and Facilities group of activities provide recreational benefit, and promote the health, safety and social and environmental wellbeing of our communities. The activities are:

- Parks & Reserves
- Lake Karapiro/Mighty River Domain
- Libraries
- Museums and Heritage
- Swimming Pools
- Public Toilets
- Community Halls
- Pensioner Housing
- Cemeteries
- Civil Defence Emergency Management and Rural Fire
- Waste Management and Minimisation

What we do

Parks & reserves

We manage 132 individual park and reserve sites covering in excess of 3540 hectares. Of this over 2702 hectares is made up of 14 conservation reserves. There are 20 sports parks, 32 neighbourhood parks, 40 general amenity parks, and 4 premier reserves. A further 14 sites are of mixed usage and eight are currently grazed.

In planning parks and reserves for the district, we focus on achieving a balance between:

- **Conservation reserves** which provide for the protection and enhancement of the natural environment and allow for low impact recreational use. These include Kakepuku, and Lakes Serpentine (Rotopiko) and Ngaroto.
- **Sports reserves** which provide for a wide range of physical activities and sports, such as Albert Park and Castleton Park sports grounds in Te Awamutu, and the Leamington Domain and Town Belt in Cambridge.
- **Neighbourhood and amenity reserves** which we provide in urban communities to enhance the environment and provide recreational opportunities, walkways and cycle linkages.
- **Premier reserves** which provide high quality experiences in key locations such as Mighty River Domain at Lake Karapiro.

Future reserves are identified through planning work that is aligned with our Environmental and Heritage policies and objectives in the Proposed District Plan. The development of individual reserves is identified through reserve management plans and strategic plans for our major reserves. Council-administered building and facilities on these reserves are maintained and managed in accordance with the asset management plans.

Mighty River Domain at Lake Karapiro

Mighty River Domain is a regional, national and international focal point for a wide range of water-based sports undertaken on Lake Karapiro, including rowing, yachting, power boating, water skiing and waka ama. In addition to being a significant recreational facility for residents of the Waipa District and beyond, the domain is a local recreation area for neighbouring residents. The domain and surrounding area is also of historic and cultural significance to tangata whenua.

The 2011 Reserve Management Plan lists a range of possible future developments for the domain. These include walkways/cycleways; accommodation, playground and picnic area, and lakeside retaining walls. These projects are included in this draft plan. While we are responsible for the overall management and development of the Domain, partnerships will be developed with key user groups and other agencies so that funding is sourced from beyond our ratepayers. The maintenance and management are undertaken in accordance with the asset management plan for the site.

Kihikihi Domain

Kihikihi Domain provides for a range of local, regional, national and international recreational and sporting activities, with a particular reputation for hosting major equestrian events. The 2009 Strategic Plan & Reserve Management Plan provides for the future development, ongoing operation and management of the Domain and its linkages with adjoining properties. We acknowledge the community partnerships that support the management and operation of the Domain. Several projects, including major upgrades to toilet facilities, are provided for in this plan.

Waipuke (Geck) Reserve property

Options for the development of the Waipuke (Geck) Reserve property for recreation purposes are currently being considered. The initial stage is to construct an access road from Maungatautari Road to the lake edge, and provide an ablution block and car parking. Further work is required to identify the type and extent of development required to meet the expected demand for additional leisure facilities.

Maungatautari Ecological Island

We are responsible, by way of agreement with the Department of Conservation, for the management of Maungatautari Scenic Reserve. The Maungatautari ecological restoration project has seen the scenic reserve and forested private land, an area of approximately 3400 hectares, enclosed with a mammalian pest-proof perimeter fence, constructed by the Maungatautari Ecological Island Trust. The day-to-day management of the reserve is the responsibility of the Trust, with oversight provided by Maungatautari Reserve Committee.

We recognise the significant value of this project and will maintain our commitment by continuing the annual grant of \$300,000 towards the maintenance of the fence and creating a pest-free environment. This investment will also help ensure we fulfil our responsibilities as the administering authority for the scenic reserve.

Peat lake reserves

The 2011/12 financial year was the final year of a six-year peat lake programme, which focused on restoration of Lakes Ngaroto, Serpentine, Rotomanuka, Maratoto and Mangakaware. While significant progress has been made, there remain challenges in securing buffer margins around the lakes and influencing land use practices in order to reduce impacts on the lake environs. Discussions with several landowners to acquire land adjacent to Lakes Ngaroto, Serpentine and Rotomanuka are continuing.

Libraries

We own and operate libraries in Cambridge and Te Awamutu. The two libraries hold approximately 152,000 books and more than 3,600 other items, such as CDs and DVDs. A high percentage of Waipa residents are members of the libraries.

We survey users to ensure the services provided meet expectations. We know that the Te Awamutu Library is space-constrained, which has affected the nature and quality of services we are able to provide. This is being reflected in feedback from our customers. Changes in the services provided will be influenced by population changes, the needs of a growing proportion of older residents and technological advancement (see the key projects section for more information).

Our libraries are managed and maintained in accordance with the asset management plan.

Museums

We operate museums in Cambridge and Te Awamutu, which collect and store a range of material which relates to the history, society, culture and the development of Waipa District. The Te Awamutu Museum was the first museum within the Waikato and is a nationally-registered archival repository.

A range of services are provided, including research, education for primary and secondary schools through the Learning Experiences Outside The Classroom programmes, an increasing variety of public programmes and workshops, as well as changing displays and exhibitions.

Our museums are managed and maintained in accordance with the asset management plan.

Heritage

In early 2014 the 150th anniversary of the battle of Orakau, fought between Colonial forces and Iwi, will be appropriately acknowledged. This battle was the precursor to the formation of the garrison towns (Cambridge, Kihikihi and Alexandra, now known as Pirongia) and the formation of Waipa. In preparation for this event, works will be undertaken to improve public access and carparking at the site and develop interpretative signage on the land wars. Other battles of note will be commemorated in conjunction with Iwi, such as Rangaowhia and Waiare.

Other projects supporting the preservation of Waipa's rich culture and heritage will be orientated towards securing access to known heritage sites and features, interpreting the attributes of the site and the events and stories associated with the site. Key sites include the Hingakaka battle site in the southern catchment of Lake Ngaroto, where in the late 1700's many thousands of warriors from Tainui defended their rohe from tribes throughout the central and lower North Island, Matakaitaki Pa at Pirongia, Waiare Pa at Mangapiko and Gudex Reserve at Mangakawa Cambridge.

Attention will also be paid to the earliest known settlements within the Waipa District. These were Pa constructed on the shores of wetlands. Notable sites are Lake Mangakaware and Lake Ngaroto. Providing access to and interpreting these "swamp Pa" will be a conservation priority.

Historic buildings we manage will also feature more prominently. These are the Water Tower in Cambridge, Temple Cottage and the Police House in Kihikihi and buildings we occupy like the Cambridge Town Hall. Privately owned dwellings considered important to Waipa will also be recorded in a schedule of significant buildings. A contestable Heritage Fund will provide an opportunity for owners to seek assistance in the management of those buildings. The fund will be set at \$70,000 per year and will also be available for the protection and restoration of significant natural areas. Assessment criteria and application processes will be developed in 2012/13 with grants from the fund being made from 2013/14.

Swimming pools

The Trust Waikato Te Awamutu Events Centre opened in November 2001, housing an events hall, indoor pools and fitness centre. The management contract for this facility is held by H2O Management Waikato Ltd, and expires in October 2012. Contract responsibilities include managing the bookings, water quality and the day-to-day operations of the pool. The Cambridge community has a 50 metre outdoor pool, which opens from October to March each year, and is also managed by H2O Management Waikato Limited. We are currently reviewing options for the future management of the Events Centre and the Cambridge Pool.

A heated covered swimming pool for Cambridge was a key inclusion in the previous two 10-Year Plans, reflecting our commitment to meeting the expectations of the Cambridge community. However, the Cambridge Pool Fundraising Committee have since confirmed they were unable to reach the 75 percent funding target to see the project go ahead. More consultation will now be undertaken with the community. See the Key Projects section for more information.

Our swimming pools are managed and maintained in accordance with our asset management plan.

Public toilets, halls and cemeteries

We operate 35 public toilets across the district, which are located in reserves, business areas and places where public events are held. These facilities are provided for the convenience of residents and the travelling public.

While the number and distribution of public toilet facilities is currently adequate to meet both current and future demands, there are other drivers for demand and there may still be a need to provide additional facilities to meet demands at a particular location. A programme of upgrades to improve public toilets is in place.

We own or are responsible for 32 district halls and the Cambridge, Kihikihi and Pirongia town halls. A special rating area has been defined for 16 of the halls to assist funding maintenance and operating costs. The halls provide a venue for a variety of social, cultural and recreational uses and reflect a strong sense of community for residents.

With the exception of two older halls, the majority have been assessed as being in average condition and will be maintained as such. We do not anticipate any further demand for the provision of hall services for the life of this 10-Year Plan.

We operate 10 cemeteries within the district, with the majority being located near small rural settlements. Larger cemeteries at Hautapu and Leamington service the Cambridge area and the Picquet Hill Cemetery services Te Awamutu. Waipa cemeteries provide for around 200 burials each year, with 90 percent of these being at the three larger cemeteries.

Pensioner housing

We own 126 pensioner houses (in eight complexes) in the urban centres of Cambridge, Te Awamutu and Kihikihi, and there are five own-your-own tenancies where the tenant owns the building and we own the land. We intend to buy these buildings as and when they become available. The purpose of pensioner housing is to provide affordable and safe accommodation for elderly people with limited income and people with additional physical or mental health needs on limited incomes, which meet our rental criteria. In addition we also provide a limited Social Service to our tenants.

We do not intend to provide additional pensioner housing, but will continue to manage and maintain our existing houses in accordance with our asset management plan and our commitment to the wellbeing of our community.

Civil defence emergency management and rural fire

We promote community preparedness for emergencies and the implementation of emergency management plans. Staff work cooperatively with other agencies to ensure we are prepared for, can respond effectively to and recover quickly from civil defence emergencies. This work also involves minimising hazards and other risks that might otherwise exacerbate an emergency situation. Along with other councils in the region we are a member of the Waikato Civil Defence Emergency Management Group. The purpose of this group is the preparation and implementation of a region-wide plan aimed at building community resilience and managing hazards, and preparing for emergency events and recovery from them. In addition, we are part of a shared service arrangement with Hamilton City and, Waikato, Waitomo and Otorohanga District Councils for Civil Defence activities, with a focus on public education and community preparedness.

We, like other district councils, are a Rural Fire Authority pursuant to the Forest and Rural Fires Act 1977, and we are responsible for managing the risk of and responding to vegetation and peat fires in rural areas outside our main towns. We have a Fire Plan, which sets out policies and procedures in relation to rural fire responsibilities. A key part of the Fire Plan are the measures we undertake in relation to managing the fire hazard, being prepared to respond to fires, responding to fires and recovering from them. We are required to monitor and assess fire hazard conditions, and take appropriate control measures to minimise the fire risk. These measures include liaising with landowners and other stakeholders to manage fire risks; providing public information on fire hazard conditions; and declaring restricted or prohibited fire seasons where the lighting of fires in the open is controlled by permit or banned. We have a close working relationship with the New Zealand Fire Service in relation to our rural fire responsibilities.

Enlarged rural fire district

The National Rural Fire Authority, which is part of the New Zealand Fire Service Commission, is responsible for co-ordinating the rural fire management activities across New Zealand. One of the key objectives for the National Rural Fire Authority is promoting and supporting the voluntary amalgamation of rural fire authorities within regions, with the aim of improving the effectiveness of the rural fire sector. The key benefits of enlarged rural fire districts are increased capacity, through pooling of resources, and improved management.

The National Rural Fire Authority has identified the Waikato region as a potential enlarged rural fire district, and has been working with district councils, Department of Conservation, forest owners and other stakeholders to explore the opportunity for amalgamating rural fire functions. We support the principle of establishing an enlarged rural fire district covering the region, and will remain engaged in the review process until a decision is reached. It is envisaged that the costs for such amalgamations will be limited, with greater benefits over the longer term. Our approval of the proposal will be subject to reviewing a formal proposal, which is expected in 2012/13.

Waste management and minimisation

We currently provide a recycling service to the community. Those offered the service include all urban ratepayers (who are provided with a single recycling crate and a weekly collection service) and most rural ratepayers (who are provided with two recycling crates and a fortnightly collection service).

The service is provided by a service provider under a contract with us. The contractor is required to collect the crates on specified days, and then ensure the collected materials are recycled. When the service was commenced in 2007, either one or two recycling bins were delivered to every dwelling rated property.

Refuse collection services are currently provided by private providers without any rates funding. We have received feedback from the community in the past on this, including concerns regarding the number of providers in the market place, and therefore the number of trucks that are travelling on our roads. There is confusion for new residents on how such services should be arranged as a number of other Councils do provide these services.

We have a Refuse Collection and Disposal Bylaw that controls how waste collection should be managed within the district.

We also service an extensive number of public litterbins through a contract to maintain the central business areas and ensure litter bins are emptied on appropriate frequencies. In addition, we provide education on waste minimisation and funding support to the EnviroSchools programme, which has the highest participation rate of any area in the country. We do not own or operate waste management facilities, but we do monitor several closed landfills and provide a subsidy (currently \$28,000 annually) to EnviroWaste to enable continued public access to the Cambridge Transfer Station. Annually, we receive \$130,000 from the national waste levy system which we use to promote waste minimisation in the district.

In October 2011, we adopted the Waste Management and Minimisation Plan 2011-17, which advocates for “Progress towards zero waste and a sustainable Waipa”.

A full summary of the Waste Management and Minimisation Plan 2011-17 is provided on page 283.

Te Awa River Ride project

The Cambridge to Mighty River Domain at Lake Karapiro section of the Te Awa River Ride was completed in 2010 and is used extensively by cyclists and walkers. While no further financial support is provided in this plan for the cycle way, we will work closely with the Te Awa Trust to ensure that the remaining sections of the ride in the Waipa district are completed. Any requests for Council funding to support the completion of Te Awa are likely to be considered as part of future annual plans.

Why we do it

The availability and accessibility of good quality recreational facilities and community services is important to the district's economic, social, cultural and environmental wellbeing.

The environment in which we work

Changing demographics, such as the ageing population, will have a significant impact on the provision of amenity and recreational assets. New subdivisions have greater pedestrian links and open space is being developed with a view to who the likely users will be. Future reviews of Waipa 2050 will also consider the district's need for recreational land and facilities, identifying the communities' requirements into the future to guide planning and development.

For every additional 1000 residents we will need to invest in the purchase of additional land and/or invest in the ongoing development of existing reserve areas. We will look to maximise the development potential of existing reserves before purchasing additional land for new reserves. However, the significance of our peat lakes means that we will look to purchase additional land to provide for greater separation from adjacent farming activities.

Our rich environmental and cultural heritage is nationally significant, and sets Waipa apart from other districts. Heritage is a cornerstone of our strategic direction, and appropriate targeted investment in this area is one of our priorities. There are opportunities to better promote and provide access to our heritage assets without the need for a high level of ratepayer funding.

The Cambridge community has signalled a need for improved swimming facilities, and the Te Awamutu community has signalled a need for improved library and museum facilities. These communities believe that the existing facilities do not meet current needs, and also need to accommodate the demands future growth will bring. The demand for high cost assets, such as swimming pools and cultural centres, places funding pressure on us and the community, particularly given current economic conditions. The pressure comes not only from the initial capital cost, but the ongoing operating costs. In addition to ratepayer funding, both the Cambridge Pool project and the Te Awamutu Museum project require substantial community (non-ratepayer) funding if they are to proceed. However, if that funding is not available, then these projects will not proceed in their proposed form.

Insufficient space in the Te Awamutu library imposes major restrictions on our ability to provide quality services to the standard expected by our residents. The provision of an enhanced library facility is expected to see user numbers substantially increase, as well as providing scope for future growth. See the Key Projects section for more information.

With community involvement in establishing heritage education and exhibition programmes, and the planned enhancement of interactive online (internet) facilities, we expect growth in visitor numbers at our Museums. We plan to develop a museum alongside the new library development. Initial funding will be provided in year three of this plan, however a community stakeholder contribution will be required.

We will work with the community to understand their expectations with regard to recreation and heritage services and facilities. Those expectations will need to be balanced against providing sustainable and affordable services and facilities, while ensuring work to maintain essential infrastructure is not compromised.

Community Facilities, and Recreation and Heritage assets are managed according to the relevant asset management plans, which identify trends and the likely changes in demand.

The Waste Minimisation Act 2008 directs us to develop a waste management and minimisation plan for the purpose of promoting effective waste management and minimisation in the district. The process of developing this plan means we have to consider current issues and future demand, and develop and implement actions to address these. The current Plan was adopted in October 2011 and is scheduled for review in 2016.

The level of service we will deliver

We are proposing a large increase in levels of service in relation to the Te Awamutu library in the 2015/16 year and the Te Awamutu museum in 2016/17 year. Development of a pool in Cambridge has been deferred to the 2014/15 and 2015/16 year to allow further consultation to take place with the community. The increased level of service for these activities are a result of analysing feedback from the community through a number of methods such as customer satisfaction surveys.

What community outcomes does it contribute to?



Economically progressive

- We are financially sustainable
- Our services are acknowledged as excellent value for money
- Waipa's growth is built on its strengths



Environmental and cultural champions

- We are recognised as environmental and cultural leaders
- Waipa's environmental and cultural heritage is a showcase for excellence



Connected with our community

- Our stakeholders are advocates/ambassadors for Waipa and Council
- We engage with all parts of our community
- We have collaborative and enduring partnerships



Socially responsible

- Waipa offers an excellent quality of life

Key Projects

The following projects are planned for 2012-22:

PROJECTS	DESCRIPTION	TIMEFRAME	TOTAL COST OVER 10 YEARS (\$000)
Cambridge Town Pool Development	Proposed construction of a multi-pool complex	2014/15-2015/16	\$12,954
Museum– Te Awamutu	Proposed construction of a new Museum facility.	2014/15-2015/16	\$5,439
Property Development	We are intending to develop parcels of land on the corner of Taylor/Vogel, Arnold Street and Grace Avenue (in Cambridge) in order to prepare them for sale.	2012/13	\$3,660
Renewal of pensioner housing – Palmer Street, Te Awamutu	The units in Palmer Street are reaching their useful life expectancy and Council is looking to stage a development to replace all units over a number of years.	2012/13-2015/16	\$2,643
Library - Te Awamutu	Proposed construction of a new Library facility.	2013/14- 2014/15	\$2,640
Peat Lakes Programme	We are committed to progressing the acquisition of buffer margins.	2012-22	\$1,647
Cambridge deferred residential land acquisition	Land being purchased to provide stormwater and recreational facilities within Cambridge North residential environs.	2014/15	\$1,067
Albert Park Grandstand – Refurbishment	Refurbishment to include indoor sports court and toilet complex.	2012/13	\$700
Waipuke (Gecks) Reserve Development	Establishment of sealed vehicular access to the lakeside area, development of a boat ramp, parking area and toilet/changing facilities.	2012/13-2016/17	\$272
Cambridge Water Tower – Upgrade	Ensuring the building remains structurally secure and managing long term conservation.	2012/13-2015/16	\$173
Orakau battle site	We intend to improve public access, carpark and interpretation of land wars	2013/14	\$150
Kihikihi Domain Development	Upgrades to public entrance ways and public toilets.	2012/13-2013/14, 2016/17 & 2020/21	\$124
Heritage Sites -Interpretation	Interpretation of site features will improve visitor experience.	2012/13-2017/18	\$90

Details of the costs associated with these projects and other financial information relevant to this group of activities is included on the following pages.

Potential Significant Negative Effects

POTENTIAL NEGATIVE EFFECTS	HOW WE ARE ADDRESSING THIS
There may be some undesirable effects associated with the provision of parks and reserves such as vandalism, noise and litter.	We control these effects through the use of Crime Prevention Through Environmental Design principles in planning parks and reserves are also regularly maintained to clear litter.
There is a possible risk of drowning at the council swimming pools.	Pool staff are well trained, health and safety protocols are in place.
There are risks associated with the storage of swimming pool chemicals.	Staff are trained in chemical handling procedures, health and safety protocols are in place.
Possible temporary disruption to neighbours while facilities are under construction.	These are mitigated by requirements placed on contractors to minimise adverse effects.
There may be some objections to public toilets in the vicinity of homes or businesses as there is the possibility of vandalism, graffiti and inappropriate behaviour associated with the toilets.	Compliance with New Zealand standards in regards to public toilets will minimise negative effects. We also follows Crime Prevention Through Environmental Design principles in the construction of amenities.
As no additions to the pensioner housing stock are anticipated, the number of people on the waiting list and waiting time could increase in line with the projected increase in population over the age of 65.	We maintain contact with other housing providers, such as Housing New Zealand, to ensure maximum use of rental accommodation.
Equipment required in emergencies may create negative noise and visual effects; even though this could be disruptive it is necessary in an emergency.	In emergency situations preservation of lives and property is paramount and this will always be given highest priority. Our aim, however, would be to restore the community to normal as soon as possible.

Level of Service: Public Library

Rationale – To provide opportunities and places for affordable learning and leisure which the community sees as a valuable public service.

COMMUNITY OUTCOMES	How the Activity Contributes	Level Of Service	Performance Measure	Performance for 2010/11		Performance Target			
				2012/13	2013/14	2014/15	2015-22		
Economically Our services are acknowledged as excellent value for money.	By efficiently using resources to deliver services without unreasonably burdening future ratepayers.	The community is satisfied with the service provided.	% of residents who are satisfied with the library service (Community Survey) (3 year average).	CB 95%	95%	95%	95%	95%	95%
Connected with Our Community We engage with all parts of our community.	By providing a service which is used by the community and with which they are satisfied.	Our library services and facilities meet the needs of the community.	% of users surveyed who agreed the library offered the resource they were looking for.	TA 90%	90%	90%	90%	90%	95%
Socially Responsible Waipa offers an excellent quality of life.	Through the provision of an appropriate recreational and learning facility and providing services and materials that meet the needs of residents.	Library opening hours support learning and recreation The library service provides an adequate quantity of recreational and educational material.	% of population who are active library members (library card used in past 2 years).	88%	75%	85%	85%	85%	85%
			Library opening hours meet the national standards of being open every weekday, Saturdays and 1 or more evenings per week.	58%	52%	55%	60%	60%	
			Library collection meets the LIANZA ⁸ standard of 3 items per resident.	Yes	Yes	Yes	Yes	Yes	Yes
			Standard exceeded at 3.6 items per resident, 155,008 items	Standard Met	Standard Met	Standard Met	Standard Met	Standard Met	Standard Met

⁷ Combined results for both libraries as not previously split out in survey

⁸ Library and Information Association of New Zealand Aotearoa.

Level of Service: Parks and Reserves

Rationale – To enhance the Waipa environment by providing multi-purpose open spaces for opportunities for health and recreation.

Community Outcomes	How the Activity Contributes	Level of Service	Performance Measure	Performance for 2010/11	Performance Target			
					2012/13	2013/14	2014/15	2015-22
Economically Progressive Our services are acknowledged as excellent value for money.	By efficiently using resources to deliver services without unreasonably burdening future ratepayers.	The community is satisfied with the service provided.	% of residents who are satisfied with parks and reserves (Community Survey) (3 year average).	94%	95%	95%	95%	95%
Environmental & Cultural Champions We are recognised as an environmental and cultural leader. Waipa's environmental and cultural heritage is a showcase for excellence.	By preventing the degradation of our towns' environmental and cultural character through tree loss.	The unique tree heritage of the district is preserved and enhanced.	% of pro-active annual preventative tree maintenance programme ⁹ completed. Number of street trees planted per annum.	93%	>90%	>90%	>90%	>90%
Connected with our Community We engage with all parts of our community.	Through the provision of appropriate recreational facilities for the community.	A range of parks and reserves are available for use and conveniently located	% of urban residents located within 650m of publically available open space reserves.	100%	100%	100%	100%	100%
Socially Responsible Waipa offers an excellent quality of life.		Parks and reserves offer a pleasant environment.	Number of hectares of actively maintained ¹⁰ recreation land available for public use Number of complaints received regarding the cleanliness of parks and reserves.	302ha Not previously recorded	304ha <5	306ha <5	308ha <5	310ha to 324ha <5

⁹ Maintenance Programme defined as: Pruning, thinning, removal of damaged limbs, planting

¹⁰ Actively maintained recreation land includes: Amenity, Neighbourhood, Premier and Sport category land

Level of Service: Cemeteries

Rationale – To ensure the availability of affordable and appropriately located places for burials and remembrance.

Community Outcomes	How the Activity Contributes	Level Of Service	Performance Measure (PM)	Performance for 2010/11	Performance Target			
					2012/13	2013/14	2014/15	2015-22
Environmental and Cultural Champions	Through the provision of appropriate land and services that enable the community to meet its cultural need for burials.	We provide tranquil and aesthetically pleasing environments for remembrance.	% of residents who are satisfied with the cemeteries (Community Survey).	Not previously recorded	85%	85%	85%	85%

Level of Service: Public Toilets

Rationale – To ensure an affordable network of public toilets is accessible to both the community and visitors to the district.

Community Outcomes	How the activity contributes	Level of Service	Performance Measure	Performance for 2010/11	Performance Target			
					2012/13	2013/14	2014/15	2015-22
Economically Progressive Our services are acknowledged as excellent value for money.	By efficiently using resources to deliver services without unreasonably burdening future ratepayers.	The community is satisfied with the service provided.	% of residents who are satisfied with public toilets (Community Survey)(3 year average).	90%	90%	90%	95%	
	By ensuring public toilets are accessible and fit for purpose.	Public toilets are well maintained. Public toilets are accessible and conveniently located.	Number of service request calls regarding toilet maintenance. % of toilets that have disabled access. % of places of high public use where public toilets are provided ¹¹ .	55	<60	<60	<60	
Socially Responsible Waipa offers an excellent quality of life.				65%	70%	70%	70%	
				96%	96%	96%	96%	

¹¹ High Public Use defined as: Locations used by significant numbers of the public for congregation for long periods of time.

Level of Service: Swimming Pools

Rationale – To provide affordable public swimming pools that provide opportunities for the community to increase its water safety skills, health and recreational wellbeing.

Community Outcomes	How the activity Contributes	Level of Service	Performance Measure	Performance for 2010/11	Performance Target			
					2012/13	2013/14	2014/15	2015-22
Economically Progressive	By efficiently using resources to deliver services without unreasonably burdening future ratepayers.	The community is satisfied with the service provided.	% of residents who are satisfied with the swimming pools (Community Survey) (3 year average).	82%	85%	85%	85%	90%
				TA 50 weeks CB 20 weeks	TA 50 weeks CB 20 weeks	TA 50 weeks CB 20 weeks	TA 50 weeks CB 50 weeks	
Socially Responsible	Through the provision of appropriate recreational facilities for the community.	Public swimming pools are accessible.	Number of weeks per year that council pools are open	4	4	4	4	4
				Number of occurrences pools are closed for more than 3 hours following an unscheduled closure	TA 50 weeks CB 20 weeks	TA 50 weeks CB 20 weeks	TA 50 weeks CB 20 weeks	TA 50 weeks CB 50 weeks
		Pools are safe and clean.	% of council pools with Poolsafe accreditation ¹² .	50%	50%	50%	50%	100%

¹² Poolsafe Accreditation is a measure of minimum standards: swimming pool supervision, water quality, lifeguard qualifications & training, and Health & Safety.

Level of Service: Community Land and Buildings

Rationale – Provision of venues within communities to support social and recreational interaction.

Community Outcomes	How the activity contributes	Level of Service	Performance Measure	Performance Target			
				2012/13	2013/14	2014/15	2015-22
We engage with all parts of our community.	By ensuring land and buildings are available and suitable for as many parts of the community as practicable.	Land and buildings are fit for use.	Number of complaints received regarding cleanliness of halls.	0	<5	<5	<5
		Land and building maintenance issues are resolved in a timely manner.	% of responses to emergency ¹³ issues regarding land and buildings within 2 hours.	100%	100%	100%	100%

¹³ Emergency issues defined as Health & Safety/Public Safety issue.

Level of Service: Pensioner Housing

Rationale – To provide secure and safe affordable housing in a communal environment for aged persons with limited means.

Community Outcomes	How the activity contributes	Level of Service	Performance Measure	Performance for 2010/11	Performance Target			
					2012/13	2013/14	2014/15	2015-22
Economically Progressive We are financially sustainable. Our services are acknowledged as excellent value for money.	By balancing their financial return against availability. Pensioner housing is operated to optimise value to the community.	Pensioner housing is provided at a reduced rate while ensuring no rate payer subsidy.	% of pensioner housing units whose rental fees are at 75% of market rates as per the Pensioner Housing Policy.	5%	30%	67%	80%	90%
					90%	90%	90%	90%
Socially Responsible Waipa offers an excellent quality of life.	By providing the pensioner housing required by the community and by ensuring that housing provides the required facilities.	Pensioner housing is fit for purpose. Housing is provided to an appropriate standard.	% of tenants who are satisfied with the standard of pensioner housing. Response to emergency ¹⁴ issues regarding pensioner housing within 2 hours.	87%	90%	90%	100%	100%
					95%	100%	100%	100%

¹⁴ Emergency Issues defined as Health & Safety/Pensioner Safety issue.

Level of Service: Waste Management and Minimisation

Rationale: Provision of a convenient collection service that diverts recyclable waste from landfill.

Community Outcomes	How the Activity Contributes	Level of Service	Performance Measure	Performance for 2010/11	Performance Target			
					2012/13	2013/14	2014/15	2015-22
<p>Environmental & Cultural Champions</p> <p>We are recognised as an environmental and cultural leader.</p>	<p>By providing residents with opportunities to recycle waste and reduce the volume of waste going to landfill.</p>	<p>Recycling services are convenient and appropriate.</p>	<p>% of residents who are satisfied with the kerbside/ roadside recycling services (Community Survey) (3 year average).</p>	87%	85%	85%	85%	85%

Level of Service: Museums

Rationale – To provide opportunities and places for affordable cultural learning and leisure which the community sees as a valuable public service.

Community Outcomes	How the Activity contributes	Level of Service	Performance Measure	Performance for 2010/11	Performance Target		
					2012/13	2013/14	2014/15
We engage with all parts of our community.	By providing a service which is used by the community and with which they are satisfied.	The community is satisfied with the research services provided by the museums.	% of research applicants who were satisfied with service provided.	Not previously recorded	90%	95%	95%
		Museums exhibitions and events meet visitor expectations.	% visitors surveyed found exhibitions interesting and informative.	Not previously recorded	70%	75%	85%
Waipa's environmental and cultural heritage is a showcase for excellence.	Through the provision of appropriate cultural learning opportunities that meet the needs of the community.	Museum (TA) delivers quality Learning Experiences Outside The Classroom education programmes to schools.	% of Learning Experiences Outside The Classroom schools/participants satisfied with delivered programmes.	Not previously recorded	70%	75%	85%
Environmental & Cultural Champions							
Connected with our Community							

Statement of Cost of Service

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
REVENUE											
Fees and Charges:											
Mighty River Domain	463	522	532	586	599	746	854	1,013	1,025	1,077	1,093
District Museums	106	107	112	116	119	123	126	130	134	138	143
District Libraries	207	218	242	246	289	331	372	406	438	474	514
District Pool Te Awamutu	290	298	306	315	325	335	344	354	364	376	389
District Pool Cambridge	-	-	-	-	368	506	521	535	551	569	588
Cemeteries	138	153	157	162	171	176	181	186	192	198	205
Public Toilets	30	31	32	33	34	35	36	37	38	39	40
Properties	1,488	814	838	862	887	916	941	967	997	1,031	1,065
Pensioner Housing & Own your Own Housing	-	740	748	797	841	909	933	965	1,001	1,032	1,073
Forestry	1,765	-	-	-	-	-	-	-	2,791	-	-
Waste Management	141	144	149	153	158	162	167	172	177	183	189
TOTAL REVENUE⁴	4,628	3,027	3,116	3,270	3,791	4,239	4,475	4,765	7,708	5,117	5,299
OPERATING EXPENDITURE											
Parks and Reserves	3,479	3,986	4,097	4,793	4,934	5,188	5,018	5,359	5,418	5,631	6,152
Mighty River Domain	1,203	1,197	1,187	1,229	1,247	1,470	1,379	1,427	1,426	1,447	1,449
District Museums	821	830	885	897	953	1,029	1,041	1,070	1,114	1,130	1,168
District Libraries	1,455	1,505	1,572	1,636	1,685	1,732	1,795	1,848	1,907	1,976	2,046
District Pool Te Awamutu	1,807	1,814	1,821	1,854	1,892	1,933	1,976	2,011	2,051	2,102	2,152
District Pool Cambridge	316	418	295	19	1,646	2,146	2,188	2,217	2,249	2,282	2,320
Heritage	226	251	259	268	275	282	291	299	307	316	326
Cemeteries	260	264	268	278	286	294	303	310	317	326	334
Public Toilets	458	552	553	549	513	548	562	580	594	610	628
Properties	2,369	2,163	1,355	778	1,975	2,443	2,482	2,524	2,559	2,578	2,609
Pensioner Housing & Own your Own Housing	-	785	766	829	892	976	1,015	1,034	1,050	1,055	1,072
Forestry	1,330	294	58	60	61	63	195	67	2,691	260	73
Rural Fire/Civil Defence	316	342	354	366	382	391	410	434	446	459	474
Waste Management	1,447	1,711	1,596	1,643	1,685	1,728	1,768	1,806	1,852	1,907	1,962
National Cycling Centre of Excellence	-	1,035	70	67	63	60	56	53	49	46	42
TOTAL EXPENDITURE	15,487	17,147	15,136	15,266	18,489	20,283	20,479	21,039	24,030	22,125	22,807
OPERATING NET COST OF SERVICE	(10,859)	(14,120)	(12,020)	(11,996)	(14,698)	(16,044)	(16,004)	(16,274)	(16,322)	(17,008)	(17,508)
CAPITAL EXPENDITURE AND DEBT REPAYMENT											
Capital Expenditure (excluding Vested)	2,135	3,676	5,559	18,208	10,900	2,641	6,171	1,375	1,350	1,101	1,840
Vested Assets	-	-	1,441	-	-	-	-	-	-	-	-
Debt Repayment (Internal)	828	908	1,026	1,377	1,327	1,386	1,405	1,001	1,444	1,175	1,256
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	2,963	4,584	8,026	19,585	12,227	4,027	7,576	2,376	2,794	2,276	3,096

⁴ Total Revenue does not include rates

Capital Expenditure

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
Cambridge Town Pool Development	-	-	-	10,860	2,094	-	-	-	-	-	-
Te Awamutu Events Centre Car Park Renewal	-	-	-	-	-	-	-	186	-	-	-
Te Awamutu Walk of Fame Extension	-	130	-	-	-	-	-	-	-	-	-
Parks Renewals	133	44	46	47	48	50	51	53	54	56	58
Buffer Reserve Land Purchase	166	-	-	900	-	1,373	797	-	500	-	950
Peat Lake Programme	100	33	651	446	29	45	75	-	25	19	-
Heritage Sites	-	-	4	-	27	-	-	-	-	-	-
Storage Facilities for Climax Engine	-	90	-	-	-	-	-	-	-	-	-
Pa Sites	-	188	49	53	11	17	35	-	-	-	-
Maungatautari Project	-	-	185	21	-	-	-	-	-	-	-
Land Purchase - Lake Serpentine - Land Purchase & Development	305	-	-	-	393	-	-	-	-	-	-
Land Purchases - Pa Sites	-	-	-	-	-	180	93	-	-	-	-
Land Purchase - Kihikihi Domain	-	-	-	-	-	2,314	-	-	-	-	-
Land Purchase - Lake Ngaroto	-	-	823	-	-	-	-	-	-	-	-
Cambridge Town Belt	-	20	21	85	22	23	23	24	25	25	26
Kihikihi Domain Development	-	80	21	-	-	11	-	-	-	13	-
Karapiro /Arapuni Lakes Programme	-	60	41	74	33	34	-	-	-	-	-
Playground Equipment & Safety Surfaces Renewal	-	71	37	45	47	48	50	51	52	54	56
Parks Structure Renewals	-	8	7	3	1	-	-	-	-	2	14
Public Conveniences - New Toilet Blocks	-	-	-	-	87	-	93	-	-	38	-
Cambridge Town Hall Stairs & Ramp	21	-	-	-	-	-	-	-	-	-	-
Cambridge Motor Park - Upgrade Work	-	60	41	37	55	56	-	-	-	-	-
Taylor/Vogel Street Development - Property	-	1,065	-	-	-	-	-	-	-	-	-
Arnold Street Development - Property	-	-	1,595	-	-	-	-	-	-	-	-
Grace Avenue Development - Property	-	-	-	1,000	-	-	-	-	-	-	-
Addison Street Development - Property	540	-	-	-	-	-	-	-	-	-	-
Karapiro Minor Assets (Don Rowlands Centre)	20	20	10	11	11	-	-	-	-	-	-
Maintain Retaining Walls - Mighty River Domain	-	30	52	-	-	-	-	-	-	-	-
Replacement of Existing Power Boxes	-	6	6	12	-	-	-	-	-	-	-
Playground & Rope Courses - Renewal	-	-	8	-	8	-	12	9	-	10	13
Plant Replacement Mighty River Domain	-	38	5	37	20	23	12	14	43	33	16
Purchase of Own Your Own Units	-	-	134	-	142	-	150	155	-	165	-
Renew Pensioner Housing - Palmer St	-	100	823	847	873	-	-	-	-	-	-
Pensioner Housing Car Park Renewal	-	-	-	6	5	-	54	-	-	38	26
Plant Replacement Rural Fire	-	-	-	32	-	-	98	-	37	-	-

Capital Expenditure (Continued)

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
Purchase of land for Te Awamutu Western Arterial	-	400	412	318	218	225	231	238	245	253	261
Cambridge Water Tower - Upgrade	-	100	36	21	16	-	-	-	-	-	-
Albert Park Grandstand	-	700	-	-	-	-	-	-	-	-	-
Te Awamutu Library & Museum Complex	-	-	257	2,912	4,910	-	-	-	-	-	-
Library Books Cambridge	118	128	133	144	156	168	188	196	212	230	250
Library Books Te Awamutu	97	115	121	138	133	140	148	152	157	165	170
Upgrade Site Managers House - Karapiro Domain	-	-	-	85	-	-	-	-	-	-	-
Upgrade Site Office Facility - Karapiro Domain	-	-	-	-	-	-	139	-	-	-	-
Campground Cabins - Karapiro Domain	-	-	-	-	11	214	-	-	-	-	-
Childrens Playground - Karapiro Domain	-	100	-	-	-	-	-	-	-	-	-
Two Stage Extension to Chalet Accommodation & Amenities	-	-	-	-	1,517	-	1,608	-	-	-	-
Rob Waddell Lodge Dining Extension	-	-	-	-	-	-	-	297	-	-	-
Waipuke Reserve (Gecks) Development	635	90	41	74	33	34	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	2,135	3,676	5,559	18,208	10,900	2,641	6,171	1,375	1,350	1,101	1,840

Capital expenditure has been presented in this Funding Impact Statement in accordance Section 3 of Schedule 10 of the Local Government Act which requires us to show that we have budgeted to meet additional demand, improve levels of service and replace existing assets. As some projects fit more than one of those criteria they have been grouped as to the primary purpose of the expenditure as per the legislation.

The portion of capital expenditure that specifically relates to growth is shown below.

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
Growth expenditure to meet additional demand	316	60	153	2,330	745	1,421	1,072	45	548	52	1,005

Funding Impact Statement

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	5,303	5,304	5,371	5,652	5,846	6,243	6,246	6,548	6,552	6,699	7,022
Targeted rates (other than a targeted rate for water supply)	6,399	7,377	7,519	7,738	8,710	9,246	9,311	9,638	9,712	9,910	10,216
Subsidies and grants for operating purposes	11	11	12	12	12	13	13	14	14	14	15
Fees, charges, and targeted rates for water supply	4,617	3,015	3,104	3,258	3,779	4,226	4,462	4,752	7,694	5,103	5,284
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total sources of operating funding (A)	16,330	15,707	16,006	16,660	18,347	19,728	20,032	20,952	23,972	21,726	22,537
Applications of operating funding											
Payments to staff and suppliers	11,673	11,822	11,656	12,194	13,526	14,595	14,595	14,962	17,323	16,156	16,871
Finance costs	733	713	662	742	1,014	1,120	1,181	1,309	1,207	1,062	952
Internal charges and overheads applied	2,243	2,065	2,132	2,217	2,327	2,397	2,462	2,470	2,551	2,559	2,612
Other operating funding applications	306	1,302	309	316	323	331	338	345	354	363	372
Total applications of operating funding (B)	14,955	15,902	14,759	15,469	17,190	18,443	18,576	19,086	21,435	20,140	20,807
Surplus (deficit) of operating funding (A - B)	1,375	(195)	1,247	1,191	1,157	1,285	1,456	1,866	2,537	1,586	1,730
Sources of capital funding											
Subsidies and grants for capital expenditure	150	395	701	4,787	5,362	214	1,608	297	-	-	-
Development and financial contributions	302	378	460	629	804	919	1,139	1,217	1,254	1,288	1,484
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	452	773	1,161	5,416	6,166	1,133	2,747	1,514	1,254	1,288	1,484
Applications of capital funding											
Capital expenditure	316	-	-	900	-	1,374	798	-	501	-	950
- to meet additional demand	1,480	3,212	5,169	16,782	10,455	805	4,773	723	294	523	301
- to improve the level of service	339	464	390	526	445	462	600	652	555	578	589
- to replace existing assets	(308)	(3,098)	(3,151)	(11,601)	(3,577)	(223)	(1,968)	2,005	2,441	1,773	1,374
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,827	578	2,408	6,607	7,323	2,418	4,203	3,380	3,791	2,874	3,214
Surplus (deficit) of capital funding (C - D)	(1,375)	195	(1,247)	(1,191)	(1,157)	(1,285)	(1,456)	(1,866)	(2,537)	(1,586)	(1,730)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Roads and Footpaths

The Roads and Footpaths group of activities covers most of our work in the road corridor, including road and footpath construction and maintenance, road safety, cycling and walking, car parks, street lights and passenger transport.

What we do

We manage Waipa's roads and footpaths to ensure that they are well maintained, are safe, and provide for the efficient movement of people and goods within the district.

The district's key roading assets include 1,058 kilometres of roads (93 percent sealed as at 1 July 2011), 189 bridges, 2,546 culverts, 169 kilometres of footpaths, 2,265 street lights, 76 stock underpasses and other related structures, all sitting on 2,167 hectares of land.

We have prepared an asset management plan covering the key road and footpath assets which is subject to ongoing review, particularly in relation to changes in demand.

Why do we do it

To provide a safe and convenient transport network that connects communities and supports district development.

The environment in which we work

A number of key national and regional policy statements influence our roading and footpaths programme.

They are:

- The Government Policy Statement on Land Transport Funding.
- The National Land Transport Programme.
- The Waikato Regional Land Transport Strategy.
- The Waikato Regional Public Transport Plan.
- The Waikato Regional Land Transport Programme.
- The Waikato Regional Policy Statement.

In response to these plans and strategies we have developed the Waipa Integrated Transport Strategy. It provides the local strategic framework for effective and sustainable transportation planning and network management.

We need to consider changes to the nature of the transport needs of our communities and the infrastructure that is required in the future.

An example of this is the planned development of the Victoria Boulevard following the construction of the Cambridge section of the Waikato Expressway. This will see the upgrade of Victoria Road between the interchange and Hamilton Road, as this will become the primary gateway into Cambridge, and the Hamilton Road/Victoria Street intersection, where traffic congestion and safety is a major issue. See the Key Projects section for more information.

Current levels of maintenance and capital renewal closely match the required level of renewal as identified in the asset management plan.

Population projections, urban growth development plans and traffic data are used to determine future requirements. As population and road usage increases in particular areas, upgrades and new roads are provided for, generally by the developers creating the areas of new growth. Where we are providing or funding infrastructure to support growth, the timing of this will be subject to the growth or development demand.

The projects identified in this plan enable and support growth that is associated with development, by providing additional capacity. Estimates of the levels of development have been used. These will be reviewed regularly to ensure close alignment between infrastructure and growth.

The level of service we will deliver

There will be a minor increase to the levels of service for street lighting, footpaths, streetscape, cycle facilities, car parks and public transport infrastructure activities. The increased level of service for these activities are a result of analysing feedback from the community through a number of methods such as customer satisfaction surveys. For all other activities within this group we are proposing to maintain the current level of service. There will be an increased level of service for seal extensions. Following consultation with the community, it was decided to allocate an additional \$250,000 a year for the first three years of this plan for seal extension work.

What community outcomes does it contribute to?



Economically progressive

- We are financially sustainable
- Our services are acknowledged as excellent value for money
- Waipa's growth is built on its strengths



Environmental and cultural champions

- We are recognised as environmental and cultural leaders
- Waipa's environmental and cultural heritage is a showcase for excellence



Connected with our community

- Our stakeholders are advocates/ambassadors for Waipa and Council
- We have collaborative and enduring partnerships



Socially responsible

- Waipa offers an excellent quality of life

The activities within this group are:

Roading

Providing for traffic growth, both from within and out of our district, is a major factor in our planning. Increases in the network length generally come from the development of new roads in subdivisions. The length of sealed roads is also increasing as seal extension work is completed. This means there is an increasing demand for resealing these roads in the future (which is generally undertaken every ten years).

Over the next 10 years we will reconstruct and resurface roads to maintain adequate levels of service.

We are the primary service provider for the construction and maintenance of the local transport network within the district. The New Zealand Transport Agency is responsible for the State Highway network.

Footpaths

We manage the footpath network to provide for safe, effective pedestrian movement. The work included in the footpath maintenance programme is prioritised based on public feedback and inspection by staff. The main cause of damage to footpaths continues to be tree roots.

We have allocated \$100,000 a year for 3 years for new footpaths (and kerb and channel) within the Te Awamutu and Kihikihi Community Board area. In addition a further \$35,000 a year has been allocated for new footpath construction in the district. This equates annually to approximately 0.5 kilometre of additional footpath for Te Awamutu and Kihikihi, and 0.2 kilometre of additional footpath for the remainder of the district.

The current level of service provided by the footpaths on Victoria (high level) bridge in Cambridge is low as they are narrow. The footpaths require replacement in 2013/14 so work will be undertaken to upgrade the footpaths to a width of 1.5 metres at that time.

Road safety

Road safety is a key driver in shaping our programme of works, including implementation of traffic calming measures, intersection improvements and addressing deficiencies on the network where crashes are occurring. We provide road safety education within Waipa and also contribute financially towards regional community road safety education projects. We routinely undertake safety audits and crash reduction studies.

Cycling and walking

We have adopted a Cycling and Walking Strategy as a means of promoting greater use of cycling and walking as active modes of transport. The strategy sets out a range of initiatives which are to be programmed over the life of this plan.

Cycling projects have been included in this plan to ensure cycling facilities are considered as part of other projects (when we reconstruct a road it is more cost effective to widen the road to accommodate for cycling at the same time). A cycle way between Te Awamutu and Kihikihi is planned in the 2016/17 year of this plan.

Car parks

We manage a large number of car parks that are available for people to use when visiting central business district areas, sporting facilities, reserves and community areas. The car parks will be maintained, reconstructed and resurfaced as necessary during the period of the plan. Improvements to car parks (funded by the roading activity) are planned where there is a need to provide improved parking facilities for specific locations, for example Park Road in Te Awamutu and, Taylor Street in Cambridge.

Street lights

Street lights are provided in all urban areas of the district and there are flag lights at the intersections of major rural roads for easy identification and safety reasons. Lighting is also provided at amenity areas like car parks, reserves and under veranda lighting in the central business districts.

There are a wide variety of light types in use, with the majority of street lights now containing efficient 70 watt high-pressure sodium lamps.

We will upgrade street lighting in urban areas where existing lighting levels are low. In year 2012/13 a programme of upgrading will be developed for implementation in future years.

Passenger transport

In January 2011, in conjunction with Waikato Regional Council, we launched an improved bus service between Te Awamutu/Kihikihi and Hamilton, and Cambridge and Hamilton. These services were generally integrated with Hamilton City service timetables.

We fund 25 percent of the costs remaining after fares are deducted. These services are being monitored and adjusted to maximise efficiencies and manage changes in demand.

Key Projects

The following projects are planned for 2012-22:

PROJECTS	DESCRIPTION	TIMEFRAME	TOTAL COST OVER 10 YEARS (\$000)
Cambridge Deferred residential collector road (including Norfolk Drive extension) ¹⁵ .	Provides an alternative connection from Cambridge North to Victoria Road (and within Cambridge North).	2014/15, 2016/17 and 2021/22	\$8,375
Seal Extensions.	Programme ¹⁶ to seal currently unsealed roads. Anticipated programme of work over the next years is: 2012/13 – part Maungakawa Rd, part Waikoha Rd and Macky Access Rd 2013/14 – part Fillery Rd, Arthur Rd and part Waikoha Rd 2014/15 - part Grove Rd, McClandish Rd, Middle Rd and Lowe Rd	2012-22	\$3,653
Street light improvements.	Programme to improve street lighting standards in urban areas.	2012-22	\$2,596

¹⁵ Cambridge North Capital projects line of the capex budget.

¹⁶ Programme subject to review to confirm lengths that can be achieved for available funds

Key Projects *continued*

The following projects are proposed for 2012-22:

PROJECT	DESCRIPTION	TIMEFRAME	TOTAL COST OVER 10 YEARS) (\$000)
Victoria/Norfolk intersection construction ¹⁷ .	Provides an alternative connection from Cambridge North to Victoria Road.	2015/16	\$2,310
Town Concept Plan implementation – Te Awamutu ¹⁸ .	Programme of work to upgrade the Te Awamutu CBD area.	2013/14-2019/20	\$2,245
St Leger Road. State Highway 3 intersection network upgrades.	State Highway intersection upgrade to accommodate Residential subdivision.	2018/19	\$1,839
Victoria Road – Boulevard Construction ¹⁹ .	Upgrading of Victoria Road to form a new 'gateway' to Cambridge.	2016/17 - 2017/18	\$9,573
Victoria Road, Cambridge-Interchange Contribution.	Contribution to New Zealand Transport Agency for construction of a full expressway interchange at Hautapu (Waikato Expressway).	2012-14	\$1,655
Victoria Bridge painting substructure ²⁰ .	Painting of the bridge to protect its long term integrity.	2013/14 and 2019/20	\$1,358
Town Concept Plan implementation – Kihikihi ²¹ .	Programme of work to upgrade the Kihikihi CBD area.	2012/13 and 2018/19	\$1,098
Bridge Footpath widening – Victoria.	Improve level of service for pedestrians on Victoria Bridge.	2013/14	\$1,031
Shakespeare Street – Tirau Road intersection upgrade.	Improvement to intersection to allow better traffic flow once State Highway 1 traffic is removed.	2015/16	\$770
Swayne Road urban upgrade and Traffic calming ²² .	Work to support transport network upgrade in Cambridge North.	2014/15 and 2015/16	\$698
Town Concept Plan Implementation – Cambridge/Leamington.	Programme of work to upgrade the Cambridge/Leamington CBD areas.	2014/15 2016/17	\$603
Bridge Footpath widening – Fergusson.	Improve level of service for pedestrians on Fergusson Bridge.	2015/16	\$330
Town Concept Plan implementation – Pirongia and Ohaupo ²³ .	Programme of work to upgrade the Ohaupo and Pirongia CBD areas.	2017/18	\$234
Cambridge Bridge Investigations ²⁴ .	Investigation into the need and possible route for an additional bridge for Cambridge.	2015/16	\$220
St Leger Road network upgrades – Roading concepts.	Roading structure plan for future development of the St Leger Rd area.	2012/13	\$100

Details of the costs associated with these projects and other financial information relevant to this group of activity is included in the following pages.

¹⁷ Cambridge North Capital projects line of the capex budget.

¹⁸ Budget for this project is included within the town concept plan implementation line of the capex.

¹⁹ Cambridge North Capital projects line of the capex budget.

²⁰ Budget for this project is included within the activity expense line of the operating expenditure on page 126.

²¹ Budget for this project is included within the town concept plan implementation line of the capex

²² Cambridge North Capital projects line of the capex budget.

²³ Budget for this project is included within the town concept plan implementation line of the capex

²⁴ Budget for this project is included within the activity expense line of the operating expenditure on page 126.

Potential Significant Negative Effects

POTENTIAL NEGATIVE EFFECTS	HOW WE ARE ADDRESSING THIS
Poor planning of land use and transport networks can result in busy, congested roads that affect our lifestyle in a number of ways including noise and visual disturbance.	We have prepared a transport strategy to ensure transport infrastructure and land use planning are tightly integrated.
Congestion is a significant factor in the concentration of pollutants in the air. An increase in the number of vehicles using our transport network could result in increased air pollution for the residents of our district.	Through the implementation of the Integrated Transport Strategy, we will seek to minimise congestion in the district. We will use of the Waikato Regional Transportation Model to assist in optimising the efficiency of the network.
Increasing use of the network may result in more traffic crashes.	We have a road safety programme which includes improvements to the roading network.
Road construction can have a negative impact on the environment, particularly during earthworks. The impact can include such things as erosion, damage to flora and fauna, construction noise, air pollution, and possible impacts on places of cultural, historical and archaeological importance.	Potential risks are managed through adhering to industry best practice and by ensuring contractors who undertake the work are suitably qualified.
Run off from road surfaces may contain pollutants such as oil which have harmful environmental effects.	This is managed in sensitive urban environments through the design and operation of our stormwater system.

Level of Service: Roads and Footpaths

Rationale - Provision of a safe and convenient transport network that connects communities and supports district development.

Community Outcomes	How the activity contributes	Level of Service	Performance Measure	Performance for 2010/11	Performance Target			
					2012/13	2013/14	2014/15	2015-22
Our services are acknowledged as excellent value for money.	By maintaining the network to an appropriate level in an efficient and cost effective manner.	The existing network is well maintained.	% of residents who are satisfied with the levels of road maintenance (Community Survey) (3 year average).	76%	80%	80%	80%	80%
			% of residents who are satisfied with the maintenance of footpaths (Community Survey) (3 year average).	82%	80%	78%	78%	
We are recognised as an environmental and cultural leader.	By providing people with opportunities to move away from the use of private vehicles.	We are responsive to roading issues raised by the community.	% of road & footpath issues responded to within 10 working days.	66%	75%	80%	85%	90%
			Public transport passenger numbers are increasing each year.	Currently being assessed	2% growth in patronage per year	2% growth in patronage per year	2% growth in patronage per year	2% growth in patronage per year
Environmental & Cultural Champions		A range of alternative transport options are available and promoted.	% (by length) of urban roads ²⁵ which have a footpath on at least one side.	77.8%	78.3%	78.8%	79.3%	79.8%

²⁵ Urban roads defined as those with a speed limit of 70 kilometres or less.

Roads and Footpaths cont...

Community Outcomes	How the activity contributes	Level of service	Performance Measure	Performance for 2010/11	Performance Target			
					2012/13	2013/14	2014/15	2015-22
<p>Waipa offers an excellent quality of life</p> <p>Socially Responsible</p>	<p>By providing roads that are “fit for purpose” and which our community feel safe driving on</p>	Rural roads are suitable for volume and type of traffic	% of rural roads ²⁶ (by length) that meet road width standards	48.4%	48.9%	49.4%	49.9%	50.4%
		Parking is provided in appropriate locations	% of residents who are satisfied with the provision of parking in the CBD areas (Community Survey) (3 year average)	76% ²⁷	75%	75%	75%	75%
		Roads are designed and managed to reduce the risk of harm to users	% of residents who are satisfied with the safety of the roads (Community Survey) (3 year average)	80%	80%	80%	80%	80%
			Number of fatal and serious crash numbers on Waipa Local roads ²⁸ per annum (five year average)	16	16	16	15	14

²⁶ Rural roads defined as those with a speed limit of 80 kilometres or more

²⁷ 3 Year average for 2008 to 2010 data not available for 2011, question not asked in 2011 survey

²⁸ Includes all urban and rural roads and excludes State Highways

Statement of Cost of Service

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
REVENUE											
Fees, charges and NZTA subsidy	6,589	6,264	7,189	6,765	8,805	8,095	7,765	8,002	8,914	8,584	8,881
TOTAL REVENUE⁴	6,589	6,264	7,189	6,765	8,805	8,095	7,765	8,002	8,914	8,584	8,881
OPERATING EXPENDITURE											
Depreciation and Amortisation	7,375	7,806	8,166	8,613	9,038	9,561	10,207	10,700	11,261	11,784	12,345
Activity Expenses	6,352	7,352	7,643	7,960	8,613	8,714	9,012	9,348	9,651	10,017	10,305
Overhead Allocation	2,510	1,093	1,077	1,165	1,195	1,216	1,338	1,365	1,379	1,451	1,454
Finance Costs	962	965	833	1,116	1,199	1,606	2,082	2,363	2,378	2,154	1,922
TOTAL EXPENDITURE	17,199	17,216	17,719	18,854	20,045	21,097	22,639	23,776	24,669	25,406	26,026
OPERATING NET COST OF SERVICE	(10,610)	(10,952)	(10,530)	(12,089)	(11,240)	(13,002)	(14,874)	(15,774)	(15,755)	(16,822)	(17,145)
CAPITAL EXPENDITURE AND DEBT REPAYMENT											
Capital Expenditure (excluding Vested)	9,264	9,989	14,103	11,374	17,936	17,833	16,290	13,393	13,397	11,390	16,049
Vested Assets	290	1,570	1,619	1,675	2,921	2,668	2,753	2,850	2,956	3,057	3,163
Debt Repayment (Internal)	1,060	1,284	1,238	1,435	1,550	2,810	3,529	2,695	4,754	4,981	2,927
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	10,614	12,843	16,960	14,484	22,407	23,311	22,572	18,938	21,107	19,428	22,139

⁴ Total revenue does not include rates

Capital Expenditure Table

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
Non Subsidised Roading Projects											
Footpath Renewals	80	300	309	320	330	340	351	363	377	389	403
Amenity Lighting Renewals	2	2	41	2	2	2	2	48	3	3	3
Car Park Renewals	50	70	52	75	77	79	82	61	88	91	94
Seal Extensions	250	500	508	517	275	283	292	303	314	325	336
New Footpaths	-	135	139	144	39	40	41	42	44	45	47
Kaipaki / Lamb Intersection Upgrade	-	-	-	-	-	-	-	-	-	-	672
Car Park Improvements	-	75	77	80	83	85	88	91	94	97	101
Picquet Hill Plan Change Roading	-	-	-	-	-	-	-	-	-	-	591
Town Concept Plans Implementation	25	735	309	320	330	283	468	605	1,130	-	-
Cambridge North Capital Projects	591	65	2,304	1,067	5,110	5,778	5,494	-	-	-	3,002
St Leger Road	-	100	-	-	-	-	-	1,839	-	-	-
Victoria Road, Cambridge - Interchange Contribution	-	300	928	427	-	-	-	-	-	-	-
Passenger Transport Infrastructure	-	15	16	16	17	17	18	18	19	20	20
Street Light Improvements	-	100	155	213	275	283	292	303	314	325	336
Urban Upgrades - Development Related	-	50	52	53	55	57	59	61	63	65	67
Cycling Projects District Wide	-	50	52	53	55	850	59	61	63	65	67
Ohaupo State Highway Intersection Upgrade	-	-	-	-	-	-	-	309	-	-	-
Subsidised Roading Projects											
Drainage Renewals	217	219	226	234	241	248	256	265	275	284	294
Pavement Rehabilitation	3,705	3,120	3,215	3,329	3,430	3,535	3,645	3,773	3,912	4,050	4,188
Structures Component Renewal	92	102	105	109	442	116	119	123	128	132	137
Traffic Services Renewals	22	23	24	25	25	26	27	28	29	30	31
Associated Improvements	530	275	284	293	303	312	322	333	345	357	369
Minor Improvements	1,139	544	658	620	787	809	912	944	979	1,012	1,048
Unsealed Road Metalling	106	108	111	115	119	122	126	131	136	140	145
Sealed Road Resurfacing	2,455	3,000	3,093	3,201	3,300	3,399	3,507	3,630	3,765	3,894	4,029
Bridge Renewals	-	-	103	-	-	91	70	-	1,255	-	-
Cambridge Bypass Roading Improvements	-	-	-	107	1,485	850	-	-	-	-	-
Guardrail Renewals	-	51	53	54	56	58	60	62	64	66	69
Cambridge Gateways Project	-	-	-	-	-	170	-	-	-	-	-
Shakespeare St - Tirau Rd Intersection Upgrade	-	-	-	-	770	-	-	-	-	-	-
Te Awamutu Traffic Review Implementation	-	50	258	-	-	-	-	-	-	-	-
Bridge Footpath Widening	-	-	1,031	-	330	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	9,264	9,989	14,103	11,374	17,936	17,833	16,290	13,393	13,397	11,390	16,049

Capital Expenditure Table

Capital expenditure has been presented in this Funding Impact Statement in accordance Section 3 of Schedule 10 of the Local Government Act which requires us to show that we have budgeted to meet additional demand, improve levels of service and replace existing assets. As some projects fit more than one of those criteria they have been grouped as to the primary purpose of the expenditure as per the legislation.

The portion of capital expenditure that specifically relates to growth is shown below.

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Growth Expenditure to meet additional demand	951	546	2,347	1,552	3,817	740	851	2,184	323	334	3,709

Funding Impact Statement

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	4,940	5,422	5,586	6,060	6,492	6,924	7,608	8,075	8,396	8,631	8,798
Targeted rates (other than a targeted rate for water supply)	4,400	4,805	4,944	5,361	5,740	6,112	6,700	7,099	7,370	7,565	7,703
Subsidies and grants for operating purposes	2,260	2,365	2,434	2,550	2,783	2,950	3,044	3,151	3,268	3,380	3,497
Fees, charges, and targeted rates for water supply	165	169	174	181	186	192	198	205	212	220	227
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total sources of operating funding (A)	11,765	12,761	13,138	14,152	15,201	16,178	17,550	18,530	19,246	19,796	20,225
Applications of operating funding											
Payments to staff and suppliers	5,525	6,504	6,766	7,054	7,679	7,751	8,019	8,321	8,585	8,914	9,164
Finance costs	962	965	833	1,116	1,199	1,606	2,082	2,363	2,378	2,154	1,922
Internal charges and overheads applied	2,510	1,093	1,077	1,165	1,195	1,216	1,338	1,365	1,379	1,451	1,454
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	8,997	8,562	8,676	9,335	10,073	10,573	11,439	12,049	12,342	12,519	12,540
Surplus (deficit) of operating funding (A - B)	2,768	4,199	4,462	4,817	5,128	5,605	6,111	6,481	6,904	7,277	7,685
Sources of capital funding											
Subsidies and grants for capital expenditure	4,164	3,731	4,581	4,035	5,836	4,953	4,524	4,647	5,434	4,985	5,157
Development and financial contributions	532	723	881	1,203	1,542	1,764	2,182	2,339	2,405	2,472	2,847
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	4,696	4,454	5,462	5,238	7,378	6,717	6,706	6,986	7,839	7,457	8,004
Applications of capital funding											
Capital expenditure											
- to meet additional demand	591	215	2,356	1,120	5,000	57	59	2,208	63	65	4,331
- to improve the level of service	1,944	2,779	4,413	2,791	4,912	9,760	7,984	2,699	3,301	2,246	2,323
- to replace existing assets	6,729	6,995	7,334	7,463	8,024	8,016	8,247	8,486	10,029	9,079	9,395
Increase (decrease) in reserves	(1,800)	(1,336)	(4,179)	(1,319)	(5,430)	(5,511)	(3,473)	74	1,350	3,344	(360)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	7,464	8,653	9,924	10,055	12,506	12,322	12,817	13,467	14,743	14,734	15,689
Surplus (deficit) of capital funding (C - D)	(2,768)	(4,199)	(4,462)	(4,817)	(5,128)	(5,605)	(6,111)	(6,481)	(6,904)	(7,277)	(7,685)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Stormwater

Typically stormwater is described as being rainfall that runs off roofs, roads and other surfaces and then into gutters and stormwater collection systems such as pipes, culverts, open drains/swales and detention structures.

What do we do

Stormwater reticulation systems are necessary for the effective and safe removal of rainfall to appropriate open drains, streams, rivers and lakes. Cambridge, Te Awamutu, Ohaupo, Karapiro, Pirongia and Kihikihi typically have kerb and channel systems which discharge into stormwater pipes and open channels.

The stormwater systems in the district consist of 133.8 kilometres of pipes, 2418 manholes and other related structures such as open drains, streams, swales, soak systems and retention structures.

We are the primary service provider for managing stormwater in urban areas. While we also manage drainage systems in some rural areas, other areas are jointly monitored by the council and/or the Waikato Regional Council.

Why do we do it

To limit the impacts of flooding on the community, and ensure that stormwater discharging to waterways, such as rivers and streams, are free from contaminants.

The environment in which we work

A three water's strategy has been prepared by the Future Proof partnership to provide an overarching framework for the development and maintenance of the water supply, stormwater and wastewater systems of the Waipa and Waikato District's and Hamilton City. Once it is finalised we will develop an implementation plan for each of these services specific for the Waipa district.

Our stormwater assets vary from new to 80 years of age, with the majority of the reticulation schemes in Cambridge and Te Awamutu being constructed of reinforced concrete in the 1970s-1980s. Based on pipe age, material and some field inspections, most of the pipes in our network are in "fair condition". A renewal programme to maintain the condition of the stormwater assets is included in this plan along with a programme to carry out pipe condition and assessments.

Waikato Regional Council requires us to demonstrate that stormwater entering the waterways does not contain any contaminants and that it is not affecting the quality of the receiving environment.

Growth is tending to occur at the extremities of the reticulation networks and there is a need to provide alternative methods for stormwater disposal. It is also necessary for developments not to increase stormwater discharge therefore any increase in stormwater generated from the development needs to be retained on that site by using best practice engineering solutions.

Over recent years regulatory compliance and best practice for stormwater design has resulted in the installation of a large number of high maintenance stormwater systems. These include infiltration devices, swales, and detention ponds. The maintenance cost of these types of structures is expected to add significantly to the ongoing cost of providing this service.

Controlling the cost of services will continue to be a challenge, in particular the construction price increases, new treatment technologies and increases in costs associated with environmental compliance.

The level of service we will deliver

We are planning a large increase in the level of service to maintain recently installed on-site stormwater devices, such as ponds, and swales which also provide an amenity service. For all other activities within this group we will maintain the current level of service.

What community outcomes does it contribute to?



Economically progressive

- We are financially sustainable
- Our services are acknowledged as excellent value for money
- Waipa's growth is built on its strengths



Environmental and cultural champions

- We are recognised as environmental and cultural leaders
- Waipa's environmental and cultural heritage is a showcase for excellence



Connected with our community

- Our stakeholders are advocates/ambassadors for Waipa and Council



Socially responsible

- Waipa offers an excellent quality of life

Key Projects

The following projects are proposed for 2012-22:

PROJECTS	DESCRIPTION	TIMEFRAME	TOTAL COST OVER 10 YEARS (\$000)
Cambridge deferred residential stormwater works.	Works to develop the stormwater network within the Cambridge North residential area.	2012/13 – 2017/18	\$10,972
District wide stormwater pipe condition assessment & closed circuit TV ²⁹ .	Pipe conditions surveys to determine condition of existing pipe and remaining useful life to ensure we manage our assets effectively.	2012-15 and 2019-22	\$845
Stormwater modelling.	Developing a stormwater model to simulate flows within the stormwater network during various rainfall events and determine any additional capacity required.	2012/13-2016/17 and 2021/22	\$599
Cambridge Deferred residential stormwater culverts.	Construction of culverts to drain stormwater through the proposed Cambridge section of the Waikato Expressway from the Cambridge North residential area to the Mangaone Stream.	2012/13	\$500
Alpha Street gully stabilisation.	Stabilisation of existing gully at Alpha Street.	2012-14	\$259
Climate Change Investigation ³⁰ .	Investigation to determine what effect climate change will have on existing infrastructure and future design parameters.	2012/13	\$50

Details of the costs associated with these projects and other financial information relevant to this group of activity are included in the following pages.

²⁹ Included within the renewals project on capital expenditure table.

³⁰ Included within activity expense line of the operating expenditure.

Potential Significant Negative Effects

POTENTIAL NEGATIVE EFFECTS	HOW WE ARE ADDRESSING THIS
The collection and disposal of stormwater can adversely affect the quality of receiving waters.	Compliance with resource consent conditions should mitigate any negative effects. We also plan to develop new guidelines and rules to ensure new subdivision stormwater systems meet the required environmental outcomes.
There is potential for contaminants to enter streams, rivers and lakes after accidental spillages which could result in degradation of the natural environment and possible illness.	We will work with other agencies, such as Waikato Regional Council, to ensure the impacts are minimised.
Failure to adopt effective management of the stormwater infrastructure could result in surface flooding.	We carry out planned maintenance to the network with effective renewal programmes and upgrades which reflect the asset management plan.

Level of Service: Stormwater

Rationale – To manage stormwater to limit unwanted impacts of flooding on the community and its effects in the environment.

Community Outcome	How the activity contributes	Level of service	Performance Measure	Performance for 2010/11	Performance Target				
					2012/13	2013/14	2014/15	2015-22	
<p>Our services are acknowledged as excellent value for money.</p> <p>Economically Progressive</p>	<p>By efficiently using resources to deliver services without unreasonably burdening future ratepayers.</p>	<p>The community is satisfied with the service provided.</p>	<p>% of residents who are satisfied with the stormwater service (Community Survey) (3 year average).</p>	84%	85%	85%	85%	85%	
				<p>Emergencies within³¹ 24 hours</p>	100%	100%	100%	100%	
<p>Waipa offers an excellent quality of life.</p> <p>Socially Responsible</p>	<p>By minimising the adverse effect of stormwater upon the community and functionality of the District.</p>	<p>We are responsive during heavy rainfall events.</p>	<p>% of service requests responded to within agreed timeframe</p>	Not previously measured	44%	70%	75%	80%	90%
				<p>Minor works³² within 2 working days</p>	68%	85%	88%	90%	95%
		<p>Stormwater is managed to minimise flooding of properties and roads.</p>	<p>Number of reported incidences of localised flooding on urban roads³⁴.</p>	6	<5	<5	<5	<5	
				<p>% of public open drains inspected annually³⁵.</p>	10%	10%	10%	10%	

Level of Service: Stormwater

³¹ *Emergencies defined as: A stormwater event that constitutes a significant*

³² *Minor works defined as: Contract works, Discharge, Manhole, Blocked Drain, Flooding private property*

³³ *General Enquiries defined as: Connections, Swale Drains*

³⁴ *Localised flooding defined as: Surface water covers entire width of carriageway to a depth equal to or greater than 100 millimetres.*

³⁵ *Inspection Programme defined as: inspection of open drains to determine compliance with relevant legislation.*

Statement of Cost of Service

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
REVENUE											
Fees and Charges	3	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE ⁴	3	-	-	-	-	-	-	-	-	-	-
OPERATING EXPENDITURE											
Depreciation and Amortisation	749	791	977	1,070	1,159	1,240	1,318	1,407	1,494	1,600	1,696
Activity Expenses	710	891	817	853	821	957	903	1,222	959	1,018	1,030
Overhead Allocation	288	303	310	324	329	335	350	380	389	403	420
Finance Costs	34	66	184	293	365	435	474	536	510	518	473
TOTAL EXPENDITURE	1,781	2,051	2,288	2,540	2,674	2,967	3,045	3,545	3,352	3,539	3,619
OPERATING NET COST OF SERVICE	(1,778)	(2,051)	(2,288)	(2,540)	(2,674)	(2,967)	(3,045)	(3,545)	(3,352)	(3,539)	(3,619)
CAPITAL EXPENDITURE AND DEBT REPAYMENT											
Capital Expenditure (excluding Vested)	1,391	4,636	3,452	2,702	1,741	1,135	2,179	929	2,403	1,083	1,485
Vested Assets	168	580	603	624	970	1,007	1,041	1,078	1,119	1,165	1,213
Debt Repayment (Internal)	-	-	-	66	-	203	-	547	-	577	449
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	1,559	5,216	4,055	3,392	2,711	2,345	3,220	2,554	3,522	2,825	3,147

⁴ Total revenue does not include rates

Capital Expenditure Table

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Renewals	388	561	780	571	836	868	898	929	965	1,005	1,045
Reticulation	264	-	-	-	-	-	-	-	-	-	-
Storm Water Modelling	223	20	169	174	35	59	-	-	-	-	142
Picquet Hill Plan Change Stormwater	-	-	-	-	-	-	-	-	-	-	216
Cambridge Deferred Residential SW Culverts	-	500	-	-	-	-	-	-	-	-	-
T6 St Ledger Road Stormwater Network Upgrades Concept Plan	-	-	156	-	-	-	-	-	-	-	-
Cambridge Deferred Residential Swale Land Acquisition	159	-	-	-	-	-	-	-	-	-	-
Cambridge Deferred Residential Stormwater Works	357	3,300	2,047	1,903	870	208	1,281	-	1,363	-	-
Pipe Condition and Assessment	-	255	300	54	-	-	-	-	75	78	82
TOTAL CAPITAL EXPENDITURE	1,391	4,636	3,452	2,702	1,741	1,135	2,179	929	2,403	1,083	1,485

Capital expenditure has been presented in this Funding Impact Statement in accordance Section 3 of Schedule 10 of the Local Government Act which requires us to show that we have budgeted to meet additional demand, improve levels of service and replace existing assets. As some projects fit more than one of those criteria they have been grouped as to the primary purpose of the expenditure as per the legislation.

The portion of capital expenditure that specifically relates to growth is shown below.

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Growth Expenditure to meet additional demand	611	3,800	2,203	1,903	870	208	1,281	-	1,363	-	216

Funding Impact Statement

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	6	81	90	100	105	117	120	140	132	140	143
Targeted rates (other than a targeted rate for water supply)	1,720	1,915	2,140	2,381	2,508	2,787	2,859	3,337	3,149	3,326	3,400
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	3	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total sources of operating funding (A)	1,729	1,996	2,230	2,481	2,613	2,904	2,979	3,477	3,281	3,466	3,543
Applications of operating funding											
Payments to staff and suppliers	658	836	760	792	759	893	837	1,154	889	945	954
Finance costs	34	66	184	293	365	435	474	536	510	518	473
Internal charges and overheads applied	288	303	310	324	329	335	350	380	389	403	420
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	980	1,205	1,254	1,409	1,453	1,663	1,661	2,070	1,788	1,866	1,847
Surplus (deficit) of operating funding (A - B)	749	791	976	1,072	1,160	1,241	1,318	1,407	1,493	1,600	1,696
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	90	172	213	289	368	426	531	565	581	597	687
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	90	172	213	289	368	426	531	565	581	597	687
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	516	3,800	2,203	1,903	870	208	1,281	-	1,363	-	216
- to improve the level of service	250	50	397	174	35	59	-	-	-	-	142
- to replace existing assets	625	786	852	625	836	868	898	929	1,040	1,083	1,127
Increase (decrease) in reserves	(552)	(3,673)	(2,263)	(1,341)	(213)	532	(330)	1,043	(329)	1,114	898
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	839	963	1,189	1,361	1,528	1,667	1,849	1,972	2,074	2,197	2,383
Surplus (deficit) of capital funding (C - D)	(749)	(791)	(976)	(1,072)	(1,160)	(1,241)	(1,318)	(1,407)	(1,493)	(1,600)	(1,696)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Wastewater Treatment and Disposal

The Wastewater Treatment and Disposal activity includes the reticulation network for the collection of sewage and trade waste and its treatment and disposal.

What we do

Wastewater from toilets, laundries, kitchens, bathrooms and trade waste is collected in Cambridge, Karapiro village, Te Awamutu and Kihikihi, then piped to the treatment plants.

We are responsible for ensuring wastes are treated and disposed of in a way that minimises potential harm to the environment, consistent with the requirements of Waikato Regional Council resource consents, legislation and our sustainable development approach.

We operate two wastewater plants, one at Te Awamutu and one at Cambridge. We are responsible for maintaining the wastewater network which comprises wastewater pipes and pump stations.

Why we do it

A safe, effective and reliable system for managing wastewater in urban areas is a basic requirement for maintaining public health and protecting land and waterways from contamination.

The environment in which we work

The existing Waikato Regional Council resource consents for the Cambridge wastewater treatment plant expire in 2016. This plant has not been able to consistently comply with conditions of the resource consents and needs to be upgraded to meet compliance and cater for growth. A project has been included in this plan to upgrade this plant. The applications for new resource consents has been lodged with the Waikato Regional Council.

A three water's strategy has been prepared by the Future Proof partnership to provide an overarching framework for the development and maintenance of the water supply, stormwater and wastewater systems of the Waipa and Waikato Districts and Hamilton City. Once it is finalised we will develop an implementation plan for each of the services specific to the Waipa district.

The asset management plan has signalled that a number of wastewater pipes in Te Awamutu and Cambridge are nearing the end of their useful life, and are part of a \$11.4 million renewal programme. Condition assessment and infiltration studies are included in the first three years of this Plan. Recommendations from those investigations will then need to be included in future renewal programmes.

The existing Waikato Regional Council resource consents for the Te Awamutu wastewater treatment plant expire in 2015 and will need to be renewed. A project has been included in this plan to replace the consents and increase the capacity of the plant due to growth.

Growth is tending to occur at the extremities of the reticulation networks requiring increasing reliance on high energy use to pump wastewater from new developments. Growth needs to be carefully managed to ensure that the most is made of existing infrastructure and that new infrastructure operates efficiently.

Consideration needs to be given for disposal of bio-solids from wastewater treatment plants. Currently bio-solids and sludge from both Te Awamutu and Cambridge treatment plants are stored on site. Disposal of bio-solids to landfill is extremely expensive and not sustainable in the longer term. We will continue to work with other authorities to investigate options for sustainable management of sludge and bio solids.

The level of service we will deliver

We are planning a large increase in the level of service to ensure we meet environmental compliance by upgrading treatment plants in the 2017/18 year and ensuring regional consent conditions are met. For all other activities within this group we will maintain the current level of service.

What community outcomes does it contribute to?



Economically progressive

- We are financially sustainable
- Our services are acknowledged as excellent value for money
- Waipa's growth is built on its strengths



Connected with our community

- Our stakeholders are advocates/ambassadors for Waipa and Council



Socially responsible

- Waipa offers an excellent quality of life

Key Projects

The following projects are planned for 2012-22:

PROJECTS	DESCRIPTION	TIMEFRAME	TOTAL COST OVER 10 YEARS (\$000)
District wide sewer pipe replacement & upgrades ³⁶	Renewal of existing wastewater pipes.	2012 - 22	\$11,406
Cambridge new wastewater treatment plant – Stage 1.	Upgrade of existing plant to meet environmental compliance and accommodate for future growth.	2016/17	\$8,099
Cambridge new wastewater treatment plant – stage 2.	Upgrade of existing plant to meet environmental compliance and accommodate for future growth.	2017/18	\$8,379
Cambridge new wastewater treatment plant – stage 3.	Upgrade of existing plant to meet environmental compliance and accommodate for future growth.	2020/21	\$8,034
Te Awamutu wastewater treatment plant consent and upgrade.	Upgrade of existing plant to meet environmental compliance and accommodate for future growth.	2013/14 - 2014/15 and 2018/19	\$5,491
Cambridge upgrade pipe bridge.	Upgrading and strengthen bridge to accommodate increased volumes of wastewater .	2013/14, 2016/17 and 2020/21	\$2,174
Te Awamutu South Construction Plan (T7)– wastewater additional capacity upgrades – Te Awamutu.	Upgrade of existing pipe to accommodate additional wastewater flows.	2012/13 - 2013/14	\$1,299
Sewage Cambridge North deferred residential.	The wastewater works within the Cambridge North residential area.	2013/14, 2015/16 and 2018/19	\$1,217
Te Awamutu sewer trunk main – Daphne St to wastewater treatment plant ³⁷ .	Upgrade of existing pipe to accommodate additional wastewater flows.	2013/14 - 2014/15	\$1,214
District wide wastewater pipe condition assessment.	Pipe condition surveys to determine condition of existing pipe and remaining useful life.	2012/13 -2014/15 and 2018/19	\$507

Details of the costs associated with these projects and other financial information relevant to this group of activity are included in the following pages.

³⁶ Included within renewals project on capital expenditure table.

³⁷ Included within the reticulation projects on capital expenditure table.

Potential Significant Negative Effects

POTENTIAL NEGATIVE EFFECTS	HOW WE ARE ADDRESSING THIS
The collection, treatment and disposal of sewage may result in odours and spillages.	We respond promptly to sewage complaints of odour and sewage spills.
Inadequate monitoring and infrastructure planning could potentially result in significant adverse environmental effects such as damage to waterways. Public health risk, pollution and disease could also occur.	We aim to minimise this risk by ensuring compliance with discharge consent conditions, and by ensuring compliance with appropriate New Zealand standards.
Increasing environmental standards will result in significant capital investment and ongoing operational costs in treatment facilities in the future years.	While these costs will be passed on to users of the service, they will increase over time as the council continues to comply with standards. The ability of users to sustain and fund projected levels of expenditure will be carefully considered to minimise the impacts on community economic wellbeing.

Level of Service: Wastewater

Rationale – A reliable wastewater system that supports community health and minimises impacts on the environment.

Community Outcomes		How the activity contributes	Level of Service	Performance Measure	Performance for 2010/11	2012/13	2013/14	2014/15	2015-22
Economically Progressive	Our services are acknowledged as excellent value for money.	By efficiently using resources to deliver services without unreasonably burdening future ratepayers.	The community is satisfied with the service provided.	% of residents who are connected and are satisfied with the wastewater system (Community Survey) (3 year average).	95% ³⁸	95%	95%	95%	95%
	We are recognised as an environmental and cultural leader.	By ensuring wastewater does not negatively impact upon the water quality in rivers and lakes.	The impact of wastewater treatment & disposal upon the environment is minimised.	Number of times resource consent conditions are breached by Council.	CB-0 TA -0	CB-0 TA-0	CB-0 TA-0	CB-0 TA-0	CB-0 TA-0
Environmentally and Cultural Champions	We are recognised as an environmental and cultural leader.	By ensuring wastewater does not negatively impact upon the water quality in rivers and lakes.	The impact of wastewater treatment & disposal upon the environment is minimised.	Number of odour events triggering customer complaints ³⁹ .	13 ⁴⁰	24 or less	24 or less	24 or less	24 or less
				Number of reported disruptions to wastewater service ⁴¹ .	8 ⁴²	<15	<15	<15	<15
				Emergencies within ⁴³ 24 hours	Not previously measured	100%	100%	100%	100%
Socially Responsible	Waipa offers an excellent quality of life.	By minimising the adverse effect of wastewater upon the community and functionality of the district.	We provide the community with a reliable piped wastewater system (within agreed areas).	% of service requests responded to within agreed timeframe	62%	80%	85%	90%	95%
				General Enquiries ⁴⁵ within 10 working days	47%	80%	85%	90%	95%

Level of Service: Wastewater

³⁸ 3 Year average for 2008 to 2010 data not available for 2011 as 2011 National Research Bureau survey did not split response into connected and non-connected.

³⁹ Excludes complaints where the subsequent investigation showed the odour was not caused by our wastewater network.

⁴⁰ Total for year to date as at November 2011/12.

⁴¹ Excludes disruptions where the subsequent investigation showed the event was not caused by our wastewater network. Multiple calls for the same event are classed as one reported disruption.

⁴² Total for year to date as at November 2011/12.

⁴³ Emergencies defined as: A wastewater event that constitutes a significant risk to public health

⁴⁴ Minor works defined as: Blocked sewer, Broken sewer, Leaks, contract works, Overflow, Rat problem, manhole

⁴⁵ General Enquiries defined as: Connections, Service Lines, Tradewaste

Statement of Cost of Service

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
REVENUE											
Fees and Charges	475	468	486	503	522	542	560	580	602	627	652
TOTAL REVENUE ⁴	475	468	486	503	522	542	560	580	602	627	652
OPERATING EXPENDITURE											
Depreciation and Amortisation	2,768	2,730	3,120	3,333	3,479	3,703	4,140	4,558	4,898	5,190	5,643
Activity Expenses	2,374	1,877	1,944	2,279	2,360	2,569	2,656	4,728	7,613	7,839	8,238
Overhead Allocation	976	951	921	981	1,026	1,059	1,130	1,226	1,405	1,528	1,586
Finance Costs	291	232	127	154	157	166	328	600	706	456	694
TOTAL EXPENDITURE	6,409	5,790	6,112	6,747	7,022	7,497	8,254	11,112	14,622	15,013	16,161
OPERATING NET COST OF SERVICE	(5,934)	(5,322)	(5,626)	(6,244)	(6,500)	(6,955)	(7,694)	(10,532)	(14,020)	(14,386)	(15,509)
CAPITAL EXPENDITURE AND DEBT REPAYMENT											
Capital Expenditure (excluding Vested)	1,613	1,316	3,140	2,653	1,355	11,364	9,641	7,229	1,821	10,977	5,415
Vested Assets	128	320	4,915	344	535	555	575	595	617	643	669
Debt Repayment (Internal)	1,329	1,702	685	5	237	-	39	223	3,942	220	2,994
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	3,070	3,338	8,740	3,002	2,127	11,919	10,255	8,047	6,380	11,840	9,078

⁴ Total revenue does not include rates

Capital Expenditure Table

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Renewals	1,092	756	775	841	1,031	1,058	1,096	1,368	1,428	1,559	1,826
Reticulation	260	20	31	1,204	-	23	-	25	-	27	2,523
Plant and Pumps	-	165	145	315	190	367	166	157	393	1,156	1,066
Te Awamutu South Construction Plan (T7)	-	252	1,047	-	-	-	-	-	-	-	-
Cambridge Wastewater Treatment Plant Upgrade	-	-	-	-	-	8,099	8,379	-	-	8,034	-
Te Awamutu Wastewater Treatment Plant Upgrade	-	-	364	161	-	-	-	4,966	-	-	-
Cambridge North Deferred Residential	261	-	494	-	134	-	-	589	-	-	-
Pipe Condition Assessments & Infiltration Study	-	123	128	132	-	-	-	124	-	-	-
Cambridge Upgrade Pipe Bridge	-	-	156	-	-	1,817	-	-	-	201	-
TOTAL CAPITAL EXPENDITURE	1,613	1,316	3,140	2,653	1,355	11,364	9,641	7,229	1,821	10,977	5,415

Capital expenditure has been presented in this Funding Impact Statement in accordance Section 3 of Schedule 10 of the Local Government Act which requires us to show that we have budgeted to meet additional demand, improve levels of service and replace existing assets. As some projects fit more than one of those criteria they have been grouped as to the primary purpose of the expenditure as per the legislation.

The portion of capital expenditure that specifically relates to growth is shown below.

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Growth Expenditure to meet additional demand	242	193	1,301	365	234	2,895	1,867	2,215	164	2,007	2,771

Funding Impact Statement

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	139	301	319	351	366	390	433	454	583	595	645
Targeted rates (other than a targeted rate for water supply)	5,761	5,416	5,658	5,916	6,289	6,677	7,259	8,972	11,829	13,488	14,746
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	475	468	486	503	522	542	560	580	602	627	652
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total sources of operating funding (A)	6,375	6,185	6,463	6,770	7,177	7,609	8,252	10,006	13,014	14,710	16,043
Applications of operating funding											
Payments to staff and suppliers	2,291	1,792	1,855	2,187	2,265	2,471	2,554	4,622	7,504	7,725	8,120
Finance costs	291	232	127	154	157	166	328	600	706	456	694
Internal charges and overheads applied	976	951	921	981	1,026	1,059	1,130	1,226	1,405	1,528	1,586
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,558	2,975	2,903	3,322	3,448	3,696	4,012	6,448	9,615	9,709	10,400
Surplus (deficit) of operating funding (A - B)	2,817	3,210	3,560	3,448	3,729	3,913	4,240	3,558	3,399	5,001	5,643
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	47	258	317	434	554	637	790	844	868	894	1,082
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	47	258	317	434	554	637	790	844	868	894	1,082
Applications of capital funding											
Capital expenditure											
- to meet additional demand	134	-	649	-	134	1,817	-	589	-	201	2,523
- to improve the level of service	56	295	1,421	172	-	8,099	8,379	4,966	-	8,279	-
- to replace existing assets	1,423	1,021	1,070	2,481	1,221	1,448	1,262	1,674	1,821	2,497	2,892
Increase (decrease) in reserves	1,251	2,152	737	1,229	2,928	(6,814)	(4,611)	(2,827)	2,446	(5,082)	1,310
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	2,864	3,468	3,877	3,882	4,283	4,550	5,030	4,402	4,267	5,895	6,725
Surplus (deficit) of capital funding (C - D)	(2,817)	(3,210)	(3,560)	(3,448)	(3,729)	(3,913)	(4,240)	(3,558)	(3,399)	(5,001)	(5,643)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Water Treatment and Supply

The water treatment and supply group of activities includes all the services involved in abstracting, treating, storing and distributing water to users through the reticulation network.

What we do

We provide reticulated water supplies to Cambridge, Te Awamutu, Kihikihi, Pirongia, Ohaupo, Pukerimu and Karapiro.

We operate seven water treatments plants. We are responsible for maintaining the water network which comprises water pipes, pump stations and reservoirs.

Cambridge/Karapiro

The Cambridge/Karapiro water supply has three sources of water - Lake Karapiro, springs on Maungatautari (Hicks Road) and the Waikato River.

Water is treated at Karapiro, Hicks Road and Alpha Street treatment plants.

Treated water is fed to the Karapiro reservoirs to the reticulation network from the Karapiro and Hicks Road treatment plants. There is also a reservoir in Cambridge North to supply the new subdivisions in the area and this reservoir is filled from the existing reticulation network.

The Cambridge/Karapiro water supply scheme is not connected to any other schemes.

Pukerimu/Ohaupo

Water is abstracted from the Waikato River at Pukerimu Lane, Cambridge, treated and stored at the Parallel Road, Cox Road and Ohaupo reservoirs.

The scheme was originally constructed as a rural stock supply and may not have been constructed to fully comply with council standards.

Te Awamutu/Pirongia

Water is abstracted from the Maungauika Stream and treated at the Te Tahi water treatment plant. It is then gravity fed to Pirongia and gravity/pumped to Te Awamutu, and stored in reservoirs at Taylor's Hill.

Kihikihi

Kihikihi's water supply is sourced from two groundwater bores and is treated at the Rolleston Water Treatment Plant and stored in the Rolleston Street reservoir.

Te Rore

The Te Rore Stock Water Supply Scheme is for stock supply only and is fully operated and maintained by the Te Rore Water Supply Group (Inc). This scheme is not for drinking water purposes. We are seeking to transfer the ownership of the scheme in its entirety to the Te Rore Water Supply Group (Inc).

Why we do it

To provide high quality water to the reticulated areas of Waipa.

The environment in which we work

A three water's strategy has been prepared by the Future Proof partnership to provide an overarching framework for the development and maintenance of the water supply, stormwater and wastewater systems of the Waipa and Waikato District's and Hamilton City. Once it is finalised we will develop an implementation plan for each of these services specific for the Waipa district.

The demand for water has increased and environmental constraints are more onerous, placing increased pressure on the water sources and the ability to treat and store water. Seasonally we are forced to restrict usage and in years of drought our supply is severely limited in some schemes.

For the Te Awamutu supply we will be investigating options to supplement the existing supply. This study is programmed for 2012. Recommendations from this study will need to be considered for the 2015-25 Long Term Plan.

Demand is expected to increase within the boundaries of the water supply area. In particular, the Hamilton International Airport and Titanium Park industrial development will require additional supply, although there is potential for this supply to be drawn from other local authorities.

The asset management plan has signalled that a number of water pipes on all schemes are nearing the end of their useful life, and are part of a \$22.8 million renewal programme. Condition assessment and leakage studies are also included in the first three years of this plan. Recommendations from those investigations will then need to be included in future renewal programmes.

We are also required to meet the Drinking Water standards for New Zealand 2005 (2008 amendment), and prepare Public Health Management Plans for all schemes. A project to upgrade the plants to adhere to these standards is included in this plan.

To build resilience into the water supply network, we will be considering options for interconnectivity of water supply schemes, namely connecting the Pukerimu scheme to Te Awamutu and Cambridge.

Universal water metering is planned to be implemented district wide during this plan. Water meters are beneficial because they reduce water usage, enable good asset management, are socially responsible and may defer capital works. It provides for equitable charging, as users will be charged based on consumption. It also promotes a sustainable use of water resources. We have introduced a new way in which we charge our metered customers for their water as part of this plan. In the 2012/13 year metered customers will pay a reduced network charge of \$111.30 (excluding GST) then 75 cents a cubic metre for the water they use up to 250 cubic metres. Over and above this threshold the charge will rise to \$1.10 per cubic metre. See the Key Projects section for more information.

The level of service we will deliver

We are planning a large increase in the level of service as we complete projects to meet the New Zealand drinking water standards by providing for increased storage, upgrading treatment plants in year 2017/18, and adhering to increased levels of environmental compliance. For all other activities within this group we will maintain the current level of service.

What community outcomes does it contribute to?



Economically progressive

- We are financially sustainable
- Our services are acknowledged as excellent value for money
- Waipa's growth is built on its strengths



Connected with our community

- Our stakeholders are advocates/ambassadors for Waipa and Council



Socially responsible

- Waipa offers an excellent quality of life

Key Projects

The following projects are planned for 2012-22:

PROJECTS	DESCRIPTION	TIMEFRAME	TOTAL COST OVER 10 YEARS (\$'000)
District wide main replacement and upgrade.	Renewal of existing water pipes	2012-22	\$7,672
Replacement of Pukerimu piping.	Renewal of existing water pipes.	2012-22	\$7,462
Te Tahi – Papesch Rd Trunk main renewal ⁴⁶ .	Renewal of existing water pipes.	2014/15-2017/18	\$7,012
Water meters – new and replacement.	Installation of water meters for water conservation.	2012-22	\$6,541
District wide steel main replacement.	Renewal of existing water pipes.	2012-22	\$6,514
Drinking water compliance.	Upgrades of existing treatment plants to adhere to the New Zealand Drinking Water Standards.	2012/13-2015/16 and 2017/18-2021/22	\$3,863
Te Awamutu reservoir/ water storage.	Construction of new reservoir to provide additional water storage for peak demand.	2012/13-2013/14	\$3,209
Pukerimu water supply increase storage.	Construction of new reservoir to provide additional water storage for peak demand.	2019/20-2020/21	\$1,909
Picquet Hill Plan Change.	Water infrastructure for Picquet Hill growth cell.	2021/22	\$1,840
Te Awamutu new main from Taylors Hill reservoir to Factory Road.	Installation of additional main to the reservoirs for security and system optimisation.	2015/16	\$1,806
District wide Ridermain installation.	Renewal of existing water pipes.	2012-22	\$1,798
Cambridge – Hicks Road water treatment plant upgrade.	Construction of new treatment plant to adhere to the New Zealand Drinking Water Standards.	2012/13-2013/14	\$1,414
Cambridge deferred residential water.	Water works within the Cambridge North residential area.	2013/14 and 2018/19	\$789
District Wide pipe investigation & condition assessment – leak detection.	Pipe conditions surveys to determine condition of existing pipe and remaining useful life.	2012/13 – 2015/16	\$665

Details of the costs associated with these projects and other financial information relevant to this group of activity is included on the following pages.

⁴⁶ Refer to renewals projects on capital expenditure table.

Potential Significant Negative Effects

POTENTIAL NEGATIVE EFFECTS	HOW WE ARE ADDRESSING THIS
<p>Abstracting water has the potential to generate adverse environmental impacts, such as depletion of the supply sources. We are subject to resource consents regarding water abstraction, and the Waikato Regional Council monitors our activities and the water source to ensure long term environmental effects are minimised. The challenge for communities with reticulated supplies is to ensure the most efficient use of water resources.</p>	<p>To effectively manage the available water resources, we generally require water meters to be installed on properties outside the main urban areas or where the nature of the land-use will or is likely to result in significantly higher levels of water consumption.</p> <p>The Future Proof partners have prepared a Sub-regional Three Waters Strategy and we will commence an Action Plan for the delivery of the three waters for the Waipa Community. This will ensure the most effective and efficient use of the treated water resource.</p>
<p>Increased public health standards have resulted in the need for significant capital investment and the subsequent ongoing operational costs in treatment facilities in future years.</p>	<p>While the costs will be met by users of the service over time, they will increase over time as we continue to meet standards. The ability of users to sustain and fund projected levels of expenditure in order to meet increasing environmental standards will be carefully considered to minimise the impact on community economic wellbeing.</p>

Level of Service: Water Treatment and Supply

Rationale - Provide a reliable supply of water sufficient to meet residential and industry needs which supports district development.

Community Outcomes	How the activity contributes	Level Of Service	Performance Measure	Performance Target				
				2010/11	2012/13	2013/14	2014/15	2015-22
<p>Our services are acknowledged as excellent value for money.</p> <p>Economically Progressive</p>	<p>By efficiently using resources to deliver services without unreasonably burdening future ratepayers.</p>	<p>The community is satisfied with the service provided.</p>	<p>% of residents who are satisfied with the water supply (Community Survey) (3 year average).</p>	86%	90%	90%	90%	90%
				<p>Emergencies within⁴⁷ 24 hours</p>	Not previously measured	100%	100%	100%
<p>Waipa offers an excellent quality of life.</p> <p>Socially Responsible</p>	<p>By supporting current and future life quality of the district through a consistent and healthy water supply.</p>	<p>We provide the community (within agreed areas) with a reliable supply of drinking water.</p>	<p>-% of service requests responded to within timeframes</p>	73%	80%	85%	90%	95%
				<p>Minor works⁴⁸ within 2 working days</p>				
				<p>General Enquiries⁴⁹ within 10 working days</p>	74%	80%	85%	90%
		<p>Water provided at agreed pressures within each water supply area.</p>	<p>Number of reported issues with water pressure.</p>	89 ⁵⁰	<200	<150	<100	<50
				<p>Each water supply has 24hrs worth of storage for emergencies as per NZDWS⁵¹ recommendation.</p>	0	0	1	2
		<p>Water is safe to drink</p>	<p>% of water quality sample results that comply with Drinking Water Standards New Zealand</p>	98%	80%	80%	80%	
		<p>Water looks and tastes good</p>	<p>Number of complaints regarding the quality of the water.</p>	27 ⁵³	<50	<50	<40	<40

Level of Service: Water Treatment and Supply

⁴⁷ Emergencies defined as: Firefighting availability and total loss of supply

⁴⁸ Minor works defined as: Broken water main, contract works, leak quality, supply

⁴⁹ General Enquiries defined as: Connections, Locations, Meters, Requests to buy water, sprinkler ban

⁵⁰ Total for year to date as at November 2011/12.

⁵¹ NZDWS – New Zealand Drinking Water Standards.

⁵² Water supplies defined as: Cambridge & Karapiro, Te Awamutu & Pirongia, Kihikihi, Pukerimu.

⁵³ Total for year to date as at November 2011/12.

Statement of Cost of Service

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
REVENUE											
Fees, charges, and targeted rates for water supply	3,335	5,277	5,378	5,673	5,884	6,106	6,317	8,356	8,673	9,030	9,401
TOTAL REVENUE ⁴	3,335	5,277	5,378	5,673	5,884	6,106	6,317	8,356	8,673	9,030	9,401
OPERATING EXPENDITURE											
Depreciation and Amortisation	3,324	3,245	3,651	3,858	4,050	4,293	4,487	4,695	4,938	5,197	5,492
Activity Expenses	3,681	4,304	3,742	3,975	4,163	4,169	4,577	4,742	4,978	5,404	5,432
Overhead Allocation	1,246	786	876	915	916	922	958	987	1,019	1,005	1,063
Finance Costs	9	28	28	40	45	105	160	216	133	126	128
TOTAL EXPENDITURE	8,260	8,363	8,297	8,788	9,174	9,489	10,182	10,640	11,068	11,732	12,115
OPERATING NET COST OF SERVICE	(4,925)	(3,086)	(2,919)	(3,115)	(3,290)	(3,383)	(3,865)	(2,284)	(2,395)	(2,702)	(2,714)
CAPITAL EXPENDITURE AND DEBT REPAYMENT											
Capital Expenditure (excluding Vested)	4,197	2,861	7,274	3,017	11,342	7,204	6,852	5,065	4,799	6,687	8,970
Vested Assets	87	490	509	602	820	850	880	1,883	945	984	1,025
Debt Repayment (Internal)	-	-	-	-	-	-	37	1,605	-	-	-
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	4,284	3,351	7,783	3,619	12,162	8,054	7,769	8,553	5,744	7,671	9,995

⁴ Total revenue does not include rates

Capital Expenditure Table

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Renewals	1,851	370	562	304	3,016	2,643	3,055	262	271	283	293
CB Hicks Rd WTP Upgrade	60	100	1,314	-	-	-	-	-	-	-	-
TA New Reservoir/Water Storage	-	310	2,899	-	-	-	-	-	-	-	-
Cambridge Reservoir Renewals & Upgrades	-	50	390	81	2,230	-	-	-	-	-	-
Karapiro Rising Main	-	55	-	70	558	-	-	-	-	-	-
TA Water Supply Develop New Water Source	-	23	-	-	-	-	-	-	-	-	-
Te Rore Water Supply Transfer	250	110	-	-	-	-	-	-	-	-	-
Cambridge Deferred Residential Water	-	-	213	-	-	-	-	576	-	-	-
District Wide - Water Modelling	-	6	14	-	-	-	24	-	-	-	-
Pukerimu Water Supply Increased Storage	-	-	-	-	-	-	-	-	267	1,642	-
District Wide Zone Identification	29	-	-	338	167	139	-	-	-	-	-
Picquet Hill Plan Change Water	-	-	-	-	-	-	-	-	-	-	1,840
Water Main Upgrade from Karapiro to Leamington	-	-	-	-	-	1,215	-	-	-	-	-
District Wide Main Replacement & Upgrade	565	355	369	382	669	694	718	991	1,029	1,071	1,394
District Wide Rider Main Installation	349	210	218	226	146	152	157	162	169	175	183
District Wide Steel Main Replacement & Upgrades	881	264	274	284	559	580	600	867	901	936	1,256
Replacement of Pukerimu Piping	212	350	468	591	725	810	838	867	900	937	976
TA Water New Main from Taylors Hill to Fonterra	-	-	-	-	1,806	-	-	-	-	-	-
Pukerimu to Cambridge Link	-	-	-	-	-	-	-	-	-	-	17
TA Duplicate Raw Water Gravity Mains	-	-	-	-	-	-	-	-	-	-	1,503
Te Awamutu to Pukerimu Link	-	-	-	-	-	-	-	-	-	-	29
TA Water Factory Road Dump Valve	-	10	73	-	-	-	-	-	-	-	-
Drinking Water Compliance	-	295	312	323	335	-	455	496	386	731	530
DW Leak & Condition Investigation	-	68	70	-	169	176	182	-	-	-	-
DW Reservoirs Investigation & Condition Assessment	-	200	10	16	195	-	-	-	-	-	-
Water Meters - New and Replacement	-	85	88	402	767	795	823	844	876	912	949
TOTAL CAPITAL EXPENDITURE	4,197	2,861	7,274	3,017	11,342	7,204	6,852	5,065	4,799	6,687	8,970

Capital Expenditure (Continued)

Capital expenditure has been presented in this Funding Impact Statement in accordance Section 3 of Schedule 10 of the Local Government Act which requires us to show that we have budgeted to meet additional demand, improve levels of service and replace existing assets. As some projects fit more than one of those criteria they have been grouped as to the primary purpose of the expenditure as per the legislation.

The portion of capital expenditure that specifically relates to growth is shown below.

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Growth Expenditure to meet additional demand	179	221	536	233	1,353	299	274	927	338	418	2,321

Funding Impact Statement

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	123	351	385	408	426	445	476	499	518	544	565
Targeted rates (other than a targeted rate for water supply)	4,506	3,693	3,848	3,991	4,098	4,308	4,503	2,842	2,938	3,045	3,158
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	3,335	5,277	5,378	5,673	5,884	6,106	6,317	8,356	8,673	9,030	9,401
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total sources of operating funding (A)	7,964	9,321	9,611	10,072	10,408	10,859	11,296	11,697	12,129	12,619	13,124
Applications of operating funding											
Payments to staff and suppliers	3,418	3,486	3,626	3,857	4,040	4,041	4,446	4,605	4,836	5,257	5,278
Finance costs	9	28	28	40	45	105	160	216	133	126	128
Internal charges and overheads applied	1,246	786	876	915	916	922	958	987	1,019	1,005	1,063
Other operating funding applications	7	7	7	7	7	7	7	7	7	7	7
Total applications of operating funding (B)	4,680	4,307	4,537	4,819	5,008	5,075	5,571	5,815	5,995	6,395	6,476
Surplus (deficit) of operating funding (A - B)	3,284	5,014	5,074	5,253	5,400	5,784	5,725	5,882	6,134	6,224	6,648
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	53	172	209	286	367	423	524	559	576	591	776
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	53	172	209	286	367	423	524	559	576	591	776
Applications of capital funding											
Capital expenditure	-	129	603	152	2,788	-	-	576	-	-	1,857
- to meet additional demand	-	916	4,819	1,062	3,075	936	1,303	1,339	1,530	3,283	3,012
- to improve the level of service	279	1,816	1,852	1,803	5,479	6,268	5,549	3,150	3,269	3,404	4,101
- to replace existing assets	(860)	2,325	(1,991)	2,522	(5,575)	(997)	(603)	1,376	1,911	128	(1,546)
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	3,337	5,186	5,283	5,539	5,767	6,207	6,249	6,441	6,710	6,815	7,424
Surplus (deficit) of capital funding (C - D)	(3,284)	(5,014)	(5,074)	(5,253)	(5,400)	(5,784)	(5,725)	(5,882)	(6,134)	(6,224)	(6,648)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Support Services

Support Services provide a range of specialist skills and services to support the delivery of our services, including customer support, financial management, human resources, information services, legal and corporate support, organisational development, and property management.

What we do

Provide specialist skills and services to support the delivery of council services.

Why we do it

To support the organisation in effectively and efficiently delivering services.

The environment in which we work

In preparing work programmes and delivering services, all Support Service activities have regard to the four strategic goals – economically progressive, environmental and cultural champions, connected with our community, and socially responsible. For example, Human Resources contributes to the workplace of choice outcome. Organisational Development contributes towards the achievement of all community outcomes by ensuring the right tools are developed and people are available to deliver our services.

Support Services work closely with the groups of activities areas to understand current and future needs. The work programmes of the Support Services teams are influenced by these requirements along with factors such as changes in legislation, customer expectations, and technology changes. The impact of any significant unplanned work will be addressed through the Annual Plan and other reprioritisation processes as the need arises.

Support Services activities do not generally generate revenue so a key challenge is managing costs while continuing to achieve statutory compliance and delivering the agreed levels of service. In this, Support Services play a key role in achieving the outcome of our services being acknowledged as excellent value for money.

Support Services assets include buildings, vehicles and computer equipment.

Maintenance and renewal works for buildings are identified through condition assessments incorporated within the asset management plans and the appropriate plans are put in place to manage the required work. There is a renewal programme to replace vehicles and computer equipment and software is replaced and updated on a cyclical basis.

The activities included in this group are:

Customer support

Providing information to customers, logging customer requests, and processing payments are some of the key tasks undertaken by Customer Support. This team is the primary interface between our customers and the council, often providing information customers require at the first point of contact.

Financial management

This includes revenue collection, payment processing, budgeting, financial and treasury management, tax compliance and financial reporting and analysis.

Human resources

Human Resources staff assist managers, team leaders and supervisors to effectively manage our diverse workforce through activities such as recruitment, induction, performance management, and development. The HR team work closely with the Chief Executive and the Group Manager Organisational Development to ensure our people-related policies, plans and processes empower staff, enhance their wellbeing, and that we continue to develop as a “workplace of choice”.

Information services including information technology, information management, GIS and project management

Information Technology provide desktop and server technology, software solutions, phone systems as well as day-to-day Information Technology-related support for all staff. Records management, including the processing of inwards and outwards correspondence, and maintaining records and archives is the responsibility of the Information Management team. GIS manage and provide spatial information and externally oriented services such as Maps online. Championing and supporting project management practices across our organisation is the responsibility of the Project Management office.

Legal and corporate support

The Legal and Corporate Support team service the elected Council, its committees, sub-committees and community boards in carrying out their governance processes. The way in which the council conducts its activities and operations is in many cases controlled by legislation. The Local Government Act 2002, Local Government Official Information and Meetings Act 1987, Local Government Rating Act 2002, the Public Records Act 2005, Public Works Act 1981, Resource Management Act 1991 for example, set out the administrative procedures and requirements to which we must adhere. The Legal and Corporate Support team play a key role in assisting with legislative compliance and in ensuring that the council is well served with legal advice.

Organisational development

Organisational Development is responsible for ensuring optimal performance is achieved through having the right tools (systems and processes) and people to deliver on our strategic goals and community outcomes. This group has a future focus, ensuring the organisation develops the tools and skills required to deliver future work programmes.

Property management

The Property team manages the large portfolio of property owned or administered by the council. Buildings are maintained, and land and buildings purchased, leased and sold by this team.

Key Projects

The following projects are planned for 2012-22:

PROJECTS	DESCRIPTION	TIMEFRAME	TOTAL COST OVER 10 YEARS (\$000)
Computer hardware renewals and upgrades.	An ongoing programme that ensures that our computer hardware is up-to-date and reliable.	2012-22	\$6,547
Vehicle and other plant renewals.	An ongoing programme that ensures that our plant and vehicles are up-to-date and reliable.	2012-22	\$5,454
Computer software upgrades.	An ongoing programme that ensures that our computer software is up-to-date and reliable.	2012-22	\$3,035
Digitisation.	This project involves scanning Council's 25,000 property files into an electronic format to enhance access and security.	2012-14	\$1,622
Animal Control Pound - Te Awamutu.	Design and construct a new pound in Te Awamutu.	2012-15	\$425
Crime Prevention Cameras.	Develop a design and costings for a crime prevention camera system for Cambridge and Te Awamutu.	2012-22	\$364

NOTES:

The animal control pound in Te Awamutu is undertaken within the Planning and Regulatory group of activities on page 83.

Statement of Cost of Service

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
REVENUE											
Fees and Charges	6	27	28	29	30	31	32	33	34	35	36
TOTAL REVENUE ⁴	6	27	28	29	30	31	32	33	34	35	36
OPERATING EXPENDITURE											
Employee Related Expenses	5,320	5,068	5,306	5,501	5,668	5,868	6,045	6,228	6,549	6,749	6,954
Depreciation and Amortisation	1,079	1,220	1,348	1,425	1,558	1,667	1,773	1,856	1,907	1,983	2,120
Activity Expenses	6,804	4,758	4,423	3,894	3,894	3,794	3,990	4,045	4,210	4,385	4,500
Finance Costs	108	38	(16)	(31)	107	212	194	191	150	78	13
TOTAL EXPENDITURE	13,311	11,084	11,061	10,789	11,227	11,541	12,002	12,320	12,816	13,195	13,587
OPERATING NET COST OF SERVICE	(13,305)	(11,057)	(11,033)	(10,760)	(11,197)	(11,510)	(11,970)	(12,287)	(12,782)	(13,160)	(13,551)
CAPITAL EXPENDITURE AND DEBT REPAYMENT											
Capital Expenditure (excluding Vested)	1,576	1,772	1,996	2,294	1,896	1,939	1,939	1,664	1,310	1,971	1,797
Debt Repayment (Internal)	192	306	468	601	781	835	964	1,028	1,084	1,244	1,098
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	1,768	2,078	2,464	2,895	2,677	2,774	2,903	2,692	2,394	3,215	2,895

⁴ Total revenue does not include rates

Capital Expenditure Table

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Computer Hardware Renewals & Upgrades	583	660	929	390	474	649	731	654	428	769	863
Computer Software Upgrades	503	360	165	405	231	217	389	341	201	443	283
Plant	475	432	457	485	611	675	616	581	510	534	553
Buildings	15	50	227	854	520	322	26	27	28	29	30
Carparks Renewals	-	-	84	-	5	19	-	-	80	-	-
Crime Prevention Camera System	-	200	-	-	-	-	-	-	-	-	-
Web Strategy	-	70	134	160	55	57	177	61	63	196	68
TOTAL CAPITAL EXPENDITURE	1,576	1,772	1,996	2,294	1,896	1,939	1,939	1,664	1,310	1,971	1,797

Capital expenditure has been presented in this Funding Impact Statement in accordance Section 3 of Schedule 10 of the Local Government Act which requires us to show that we have budgeted to meet additional demand, improve levels of service and replace existing assets. As some projects fit more than one of those criteria they have been grouped as to the primary purpose of the expenditure as per the legislation.

The portion of capital expenditure that specifically relates to growth is shown below.

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Growth Expenditure to meet additional demand	-	-	2	40	-	-	-	-	-	-	-

Funding Impact Statement

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	138	224	314	386	386	386	386	386	386	378	351
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	6	27	28	29	30	31	32	33	34	35	36
Internal charges and overheads recovered	11,393	10,149	10,554	11,072	11,443	11,730	12,240	12,565	13,066	13,451	13,849
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total sources of operating funding (A)	11,537	10,400	10,896	11,487	11,859	12,147	12,658	12,984	13,486	13,864	14,236
Applications of operating funding											
Payments to staff and suppliers	12,124	9,815	9,724	9,388	9,554	9,656	10,033	10,271	10,757	11,133	11,453
Finance costs	108	38	(16)	(31)	107	212	194	191	150	78	13
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	12,232	9,853	9,708	9,357	9,661	9,868	10,227	10,462	10,907	11,211	11,466
Surplus (deficit) of operating funding (A - B)	(695)	547	1,188	2,130	2,198	2,279	2,431	2,522	2,579	2,653	2,770
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	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	503	870	258	1,374	771	787	543	329	189	938	270
- to replace existing assets	1,073	902	1,738	920	1,425	1,152	1,396	1,335	1,121	1,033	1,527
Increase (decrease) in reserves	(2,271)	(1,225)	(808)	(164)	302	340	492	858	1,269	682	973
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(695)	547	1,188	2,130	2,198	2,279	2,431	2,522	2,579	2,653	2,770
Surplus (deficit) of capital funding (C - D)	695	(547)	(1,188)	(2,130)	(2,198)	(2,279)	(2,431)	(2,522)	(2,579)	(2,653)	(2,770)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-



Financial Planning



Financial Planning

Statement of prospective financial information

The financial information contained within this draft plan is prospective financial information which complies with the Financial Reporting Standard 42 (FRS). FRS42 sets the principle and specifies minimum disclosures for the preparation and presentation of general purpose prospective financial information. The purpose of this financial information is to enable the public to participate in the decision making process as to the services that we will provide over the financial years 2012-22, and to provide a broad accountability mechanism for Council to the community. The financial information may not be appropriate for purposes other than those described.

In relation to the FRS42, the financial year 2012/13 is considered to be a 'forecast year' and based on future events, which are expected to occur. The actual results achieved for the period are likely to vary from the information presented and may vary depending upon the circumstances that arise during the period.

The forecast financial information has been prepared in accordance with Council's current policies (refer to pages 207-287) which comply with the New Zealand International Financial Reporting Standards.

We are responsible for the Prospective Financial Statements, including the appropriateness of the underlying assumptions and all other required disclosures.

Funding of operating expenditure

Section 100 of the Local Government Act 2002 requires us to fund operating expenditure from operating revenue.

The reasons for not fully funding selected operating expenses are detailed below:

Infrastructural assets

The value of assets written off as a result of the renewal of infrastructural assets is not funded in the current or future years. The following group of activities are affected:

	2012/13 (\$000)
Roads and Footpaths	\$850
Stormwater	\$55
Water Treatment and Supply	\$818
Wastewater Treatment and Disposal	\$85

These estimates were based on trends relating to asset write-offs over the preceding three years, with the exception of Water Treatment and Supply which includes the asset write-offs for Te Rore Water Supply of \$703,000 in the 2012/13 year.

Community services and facilities and support services

We do not fund depreciation on buildings and improvements where future renewals would be from community sources or through raising new debt. This type of facility is primarily community occupied, has a life in excess of 50 years and renewal would only occur if future generations so decided. The amount of depreciation not funded in 2012/13 is \$580,900 with a further amount of \$161,700 not funded relating to Council occupied buildings.

Forestry

We have an investment in Forestry and generate income from logging sales and expenditure to maintain and manage the forest. The income and expenditure do not necessarily match each year, with some years having high sales and other years no sales. To ensure that there is no flow on impact to ratepayers this activity will be managed through a reserve account which over a number of years should show a surplus.

Pensioner housing

We have an investment in residential housing and generate income from rent and expenditure to maintain and manage the properties. The income and expenditure do not necessarily match each year and to ensure that there is no flow on impact to ratepayers this activity is managed through a reserve account to ensure that any rents collected are used for the benefit of the property.

Operating surplus

Council's operating surplus reflected on page 169 is the result of income funding asset development, and various non-cash items such as revaluation gains, being included in the Statement of Comprehensive Income in line with accounting requirements. Council only sets rates and fees and charges income to levels needed to meet its operating costs.

Prospective Statement of Comprehensive Income

	2011/12 Annual Plan ⁵⁴ \$'000	2012/13 Budget ⁵⁴ \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
OPERATING INCOME											
Rates	39,067	41,200	43,378	45,814	48,885	51,966	54,352	56,360	60,274	62,975	65,436
Reserve contributions	302	378	460	629	804	919	1,139	1,217	1,254	1,288	1,484
Development contributions	721	1,325	1,620	2,212	2,831	3,250	4,027	4,307	4,430	4,554	5,392
Gain on revaluation of investment properties & forestry	879	490	429	406	419	400	383	397	406	456	469
Vested assets	672	2,960	9,086	3,245	5,245	5,081	5,249	6,406	5,637	5,849	6,069
Finance income	250	303	161	169	178	188	197	208	218	230	242
Subsidies and grants	6,615	6,532	7,758	11,414	14,023	8,160	9,219	8,139	8,746	8,409	8,699
Other revenue	12,894	12,466	12,348	13,177	14,374	15,306	15,800	18,225	21,767	19,594	20,317
Total Operating Income	61,400	65,654	75,240	77,066	86,759	85,270	90,366	95,259	102,732	103,355	108,108
OPERATING EXPENDITURE											
Employee benefit expenses	14,443	15,050	16,029	16,541	17,059	17,616	18,141	18,689	19,429	20,008	20,611
Depreciation & amortisation	16,606	17,137	18,664	19,733	21,016	22,345	23,856	25,210	26,509	27,782	29,341
Other expenses	27,376	27,222	24,629	24,758	27,577	29,554	30,113	33,002	39,456	38,465	39,660
Finance costs	2,298	2,162	1,915	2,428	3,011	3,761	4,526	5,299	5,142	4,430	4,205
Total Operating Expenditure	60,723	61,571	61,237	63,460	68,663	73,276	76,636	82,200	90,536	90,685	93,817
OPERATING SURPLUS	677	4,083	14,003	13,606	18,096	11,994	13,730	13,059	12,196	12,670	14,291
Other Comprehensive Income recognised directly in Equity											
Property Plant and Equipment											
Revaluation gains/(losses) taken to equity	78,015	65,313	92,177	46,003	46,877	66,568	53,962	59,404	84,818	45,129	49,163
Cash flow hedges	321	734	378	223	106	74	49	39	41	33	31
Total Other Comprehensive Income for the year	78,336	66,047	92,555	46,226	46,983	66,642	54,011	59,443	84,859	45,162	49,194
Total Comprehensive Income for the year	79,013	70,130	106,558	59,832	65,079	78,636	67,741	72,502	97,055	57,832	63,485

⁵⁴ Please refer to 2012 Budget/Forecast table on page 178

Prospective Statement of Changes in Equity

	2011/12 Annual Plan ⁵⁴ \$000	2012/13 Budget ⁵⁴ \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Balance at 1 July 2011	1,085,604	1,154,606	1,224,736	1,331,294	1,391,126	1,456,205	1,534,841	1,602,582	1,675,084	1,772,139	1,829,971
Total comprehensive income previously reported	79,013	70,130	106,558	59,832	65,079	78,636	67,741	72,502	97,055	57,832	63,485
	1,164,617	1,224,736	1,331,294	1,391,126	1,456,205	1,534,841	1,602,582	1,675,084	1,772,139	1,829,971	1,893,456

Any operating surpluses generally come from non cash items, we budget for a general funds cash breakeven position. The Statement of Comprehensive Income also includes significant infrastructural revaluations which are also non cash items.

⁵⁴ Please refer to 2012 Budget/Forecast table on page 178

Prospective Statement of Financial Position

	2011/12 Annual Plan ⁵⁴ \$'000	2012/13 Budget ⁵⁴ \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
ASSETS											
Current Assets											
Cash and cash equivalents	4,443	3,155	2,317	2,317	2,660	2,342	2,211	2,538	2,699	2,242	2,470
Trade and other receivables	3,993	2,884	2,976	3,072	3,176	3,287	3,399	3,511	3,627	3,757	3,889
Total Current Assets	8,436	6,039	5,293	5,389	5,836	5,629	5,610	6,049	6,326	5,999	6,359
Non Current Assets											
Property plant and equipment	1,178,100	1,236,489	1,352,320	1,419,676	1,494,560	1,584,710	1,661,582	1,730,522	1,818,207	1,872,867	1,932,970
Intangible Assets	1,190	1,190	1,271	1,604	1,531	1,543	1,800	1,776	1,726	2,033	1,886
Forestry Assets	1,813	1,652	1,717	1,787	1,862	1,943	2,014	2,105	1,666	1,776	1,850
Other financial assets	2,664	2,764	2,764	2,764	2,764	2,764	2,764	2,764	2,764	2,764	2,764
Investment Properties	15,873	14,501	12,894	11,905	11,822	10,642	10,940	11,246	11,584	11,966	12,361
Total Non Current Assets	1,199,640	1,256,596	1,370,966	1,437,736	1,512,539	1,601,602	1,679,100	1,748,413	1,835,947	1,891,406	1,951,831
Total Assets	1,208,076	1,262,635	1,376,259	1,443,125	1,518,375	1,607,231	1,684,710	1,754,462	1,842,273	1,897,405	1,958,190
LIABILITIES											
Current Liabilities											
Trade and other payables	6,590	7,042	6,969	7,204	7,458	7,731	8,006	8,282	8,570	8,892	9,216
Provisions	70	80	82	91	100	107	109	112	114	117	120
Employee benefit liabilities	956	1,093	1,128	1,164	1,204	1,246	1,288	1,331	1,375	1,424	1,474
Borrowings	17,500	16,000	6,000	-	3,000	6,000	13,500	13,000	13,000	13,000	15,500
Total Current Liabilities	25,116	24,215	14,179	8,459	11,762	15,084	22,903	22,725	23,059	23,433	26,310
Non Current Liabilities											
Derivative financial instruments	535	1,020	642	419	313	239	189	150	108	75	44
Provisions	508	664	644	621	595	567	536	503	467	426	380
Borrowings	17,300	12,000	29,500	42,500	49,500	56,500	58,500	56,000	46,500	43,500	38,000
Total Non Current Liabilities	18,343	13,684	30,786	43,540	50,408	57,306	59,225	56,653	47,075	44,001	38,424
Total Liabilities	43,459	37,899	44,965	51,999	62,170	72,390	82,128	79,378	70,134	67,434	64,734
EQUITY											
Retained Earnings	318,662	324,627	337,294	350,350	370,713	385,720	398,639	412,198	422,481	434,149	447,048
Other reserves	845,955	900,109	994,000	1,040,776	1,085,492	1,149,121	1,203,943	1,262,886	1,349,658	1,395,822	1,446,408
Total Equity	1,164,617	1,224,736	1,331,294	1,391,126	1,456,205	1,534,841	1,602,582	1,675,084	1,772,139	1,829,971	1,893,456

⁵⁴ Please refer to 2012 Budget/Forecast table on page 178

Prospective Statement of Cash Flow

	2011/12 Annual Plan ⁵⁴ \$'000	2012/13 Budget ⁵⁴ \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
Cash Flows from Operating Activities											
Receipts from rates revenue	39,067	41,200	43,378	45,814	48,885	51,966	54,352	56,360	60,274	62,975	65,436
Interest received	250	303	161	169	178	188	197	208	218	230	242
Receipts from other revenue	20,633	20,543	21,794	27,337	31,927	27,524	30,073	31,776	36,081	33,714	35,760
Payments to suppliers and employees	(41,345)	(40,199)	(40,294)	(41,489)	(43,561)	(45,649)	(46,673)	(50,097)	(56,107)	(56,777)	(58,493)
Interest Paid	(2,298)	(2,162)	(1,915)	(2,428)	(3,011)	(3,761)	(4,526)	(5,299)	(5,142)	(4,430)	(4,205)
Net Cash Flow from Operating Activities	16,307	19,685	23,124	29,403	34,418	30,268	33,423	32,948	35,324	35,712	38,740
Cash Flows from Investing Activities											
Proceeds from sale of property, plant and equipment	-	469	409	1,050	378	-	-	-	-	-	-
Proceeds from sale of investment property	585	2,385	3,665	2,770	690	1,500	-	-	-	-	-
Purchase of intangible assets	(503)	(310)	(299)	(565)	(176)	(274)	(542)	(280)	(264)	(639)	(216)
Purchase of property, plant and equipment	(20,574)	(23,018)	(33,642)	(38,658)	(44,967)	(41,812)	(42,512)	(29,341)	(25,399)	(32,530)	(35,296)
Purchase & Development of investment property	-	(1,065)	(1,595)	(1,000)	-	-	-	-	-	-	-
Net Cash Flow from Investing Activities	(20,492)	(21,539)	(31,462)	(36,403)	(44,075)	(40,586)	(43,054)	(29,621)	(25,663)	(33,169)	(35,512)
Cash Flows from Financing Activities											
Proceeds from borrowings	12,800	12,000	23,500	13,000	10,000	13,000	15,500	10,500	3,500	10,000	10,000
Repayment of borrowings	(9,000)	(15,000)	(16,000)	(6,000)	-	(3,000)	(6,000)	(13,500)	(13,000)	(13,000)	(13,000)
Net Cash Flow from Financing Activities	3,800	(3,000)	7,500	7,000	10,000	10,000	9,500	(3,000)	(9,500)	(3,000)	(3,000)
Net (decrease)/increase in cash and cash equivalents	(385)	(4,854)	(838)	-	343	(318)	(131)	327	161	(457)	228
Cash and cash equivalents at the beginning of the year	4,828	8,009	3,155	2,317	2,317	2,660	2,342	2,211	2,538	2,699	2,242
Cash & cash equivalents at the end of the year	4,443	3,155	2,317	2,317	2,660	2,342	2,211	2,538	2,699	2,242	2,470

⁵⁴ Please refer to 2012 Budget/Forecast table on page 178

Statement of Borrowing

	2011/12 Annual Plan ⁵⁴ \$000	2012/13 Budget ⁵⁴ \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	
Movements in Borrowings												
Opening Balance	31,000	31,000	28,000	35,500	42,500	52,500	62,500	72,000	69,000	59,500	56,500	
Net Loans Raised/(Repaid)	3,800	(3,000)	7,500	7,000	10,000	10,000	9,500	(3,000)	(9,500)	(3,000)	(3,000)	
Closing Balance	34,800	28,000	35,500	42,500	52,500	62,500	72,000	69,000	59,500	56,500	53,500	
Current Portion of External Debt	17,500	16,000	6,000	-	3,000	6,000	13,500	13,000	13,000	13,000	15,500	
Term Portion of External Debt	17,300	12,000	29,500	42,500	49,500	56,500	58,500	56,000	46,500	43,500	38,000	
Closing Balance	34,800	28,000	35,500	42,500	52,500	62,500	72,000	69,000	59,500	56,500	53,500	
The above represents the level of external borrowing but this could fluctuate depending on future use of reserves												
Policy Compliance												
Net operating cashflow to interest expense	> 4	7.1	8.9	12.0	10.2	9.6	8.0	7.0	6.2	6.9	8.1	9.2
Interest expense as % of rates and fees and charges revenue	10%	4.0%	3.6%	3.0%	3.7%	4.2%	5.0%	5.8%	6.5%	5.7%	4.9%	4.5%
Dollar rates and fees and charges revenue	000's	57,351	59,478	63,065	65,556	71,537	74,836	77,380	82,102	90,462	90,653	94,126
Interest expense	000's	2,298	2,162	1,915	2,428	3,011	3,761	4,526	5,142	4,430	4,205	4,205
Net cashflow from operating activities excluding external funding	000's	16,175	19,290	23,030	24,878	28,999	29,997	31,758	35,324	35,712	38,740	38,740

⁵⁴ Please refer to 2012 Budget/Forecast table on page 178

Capital Expenditure Programme

Projects	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
Governance	20	34	-	-	-	-	-	-	-	-
Planning and Regulatory	5	-	-	-	-	-	-	-	-	-
Community Services and Facilities	3,676	7,000	18,208	10,900	2,641	6,171	1,375	1,350	1,101	1,840
Roads and Footpaths	11,559	15,722	13,049	20,857	20,501	19,043	16,243	16,353	14,447	19,212
Stormwater	5,216	4,055	3,326	2,711	2,142	3,220	2,007	3,522	2,248	2,698
Water Treatment and Supply	3,351	7,783	3,619	12,162	8,054	7,732	6,948	5,744	7,671	9,995
Wastewater Treatment and Disposal	1,636	8,055	2,997	1,890	11,919	10,216	7,824	2,438	11,620	6,084
Support Services	1,772	1,996	2,294	1,896	1,939	1,939	1,664	1,310	1,971	1,797
NET EXPENDITURE	27,235	44,645	43,493	50,416	47,196	48,321	36,061	30,717	39,058	41,626

Note: Refer to the group of activity section in this plan which outlines the individual projects in detail

Council Reserve Funds, Movements and Balances

	2011/12	2011/12	2012-22 Transfer to	2012-22 Transfer From	2021-22 Closing
<i>Council created reserves consist of:</i>					
Property Reserves					
Asset Sales Cambridge	1,408	964	8,493	(7,524)	1,933
Asset Sales General	358	165	1,501	(1,566)	100
Endowment Land Cambridge	2,122	2,767	5,679	(804)	7,642
Endowment Land Pirongia	18	1	-	-	1
Endowment Land Te Awamutu	716	716	76	(716)	76
Endowment Land Waipa District	999	899	106	(899)	106
Forestry Reserve	537	678	2,792	(3,148)	322
Residential Housing Reserve	24	96	9,168	(9,032)	232
Reserve Contributions & Development Contributions					
Cambridge North	1,349	627	10,564	(8,939)	2,252
District Wide Stormwater	213	150	372	(231)	291
District Wide Waste Water	1,034	201	4,055	(4,255)	1
District Wide Water Treatment and Supply	188	156	3,149	(2,745)	560
District Wide Rooding	729	-	21,391	(21,391)	-
District Wide Reserve Developments	877	369	4,197	(4,566)	-
District Wide Land Purchase	565	628	4,151	(4,779)	-
Cambridge Pool	-	-	322	(322)	-
Te Awamutu Library/Museum	-	-	141	(141)	-
Karapiro Reserve Development	-	-	279	(279)	-
Special Funds					
Cemetery Paterangi	4	4	-	-	4
Project Funding Reserve	-	240	-	-	240
Separate Balances					
Rooding Reserve	200	-	255,994	(255,994)	-
Stormwater Reserve	277	290	50,213	(47,360)	3,143
Water Supply Reserve	826	2,943	128,619	(128,825)	2,737
Waste Water Reserve	924	1,159	129,161	(130,320)	-
Depreciation Reserve - Long Term Assets	-	111	14,960	(14,225)	846
Depreciation Reserve - Medium Term Assets	-	50	4,715	(4,437)	328
Asset Revaluation Reserves					
Operational assets					
Land	100,872	86,691	35,799	-	122,490
Buildings	16,522	15,445	14,184	-	29,629
Infrastructural Assets					
Sewerage System	26,304	26,307	93,104	-	119,411
Water System	50,894	50,294	110,466	-	160,760
Drainage network	27,495	27,286	16,619	-	43,905
Rooding network	610,500	610,159	339,240	-	949,399
Total	845,955	829,396	1,269,510	(652,498)	1,446,408

Council Reserves

The table below sets out the purpose of the reserves held by Council and the related activities for these reserves.

Reserve	Purpose	Activity
Property Reserves		
Asset Sales Cambridge	Proceeds from Cambridge asset sales held in reserve to fund future asset purchases	Properties
Asset Sales General	Proceeds from district wide asset sales held in reserve to fund future asset purchases	Properties
Endowment Land Cambridge	Proceeds from sale of Cambridge endowment land held in reserve for endowment purposes	Properties
Endowment Land Pirongia	Proceeds from sale of Pirongia endowment land held in reserve for endowment purposes	Properties
Endowment Land Te Awamutu	Proceeds from sale of Te Awamutu endowment land held in reserve for endowment purposes	Properties
Endowment Land Waipa District	Proceeds from sale of District Wide endowment land held in reserve for endowment purposes	Properties
Forestry Reserve	Proceeds from forestry harvesting to fund future forestry activities	Forestry
Residential Housing Reserve	Proceeds from residential housing rental revenue to fund the operating and capital expenditure	Pensioner Housing & Own Your Own Housing
Reserve Contributions & Development Contributions		
Cambridge North	Proceeds from development contributions to fund growth related expenditure	Roads & Footpaths / Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
District Wide Stormwater	Proceeds from development contributions to fund growth related expenditure	Stormwater
District Wide Wastewater	Proceeds from development contributions to fund growth related expenditure	Wastewater Treatment & Disposal
District Wide Water Treatment & Supply	Proceeds from development contributions to fund growth related expenditure	Water Treatment & Supply
District Wide Rooding	Proceeds from development contributions to fund growth related expenditure	Roads & Footpaths
District Wide Reserve Developments	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves
District Wide Land Purchase	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves
Cambridge Pool	Proceeds from development contributions to fund growth related expenditure for Cambridge Pool	District Pool Cambridge
Te Awamutu Library/Museum	Proceeds from development contributions to fund growth related expenditure for Te Awamutu Library / Museum	District Libraries / Museum
Karapiro Reserve Development	Proceeds from development contributions to fund growth related expenditure for Mighty River Domain	Mighty River Domain

Reserve	Purpose	Activity
Special Funds		
Cemetery Paterangi	Proceeds held in reserve to fund future capital works	Cemeteries
Separate Balances		
Roading Reserve	Funds held in reserve for capital works expenditure	Roads & Footpaths
Stormwater Reserve	Funds held in reserve for capital works expenditure	Stormwater
Water Supply Reserve	Funds held in reserve for capital works expenditure	Water Treatment & Supply
Wastewater Reserve	Funds held in reserve for operating and capital works expenditure	Wastewater Treatment & Disposal
Depreciation Reserve Long Term Assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
Depreciation Reserve Medium Term Assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
Asset Revaluation Reserves		
Operational		
Land	Non cash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities
Buildings	Non cash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities
Infrastructural Assets		
Sewerage System	Non cash reserve to record appreciation values arising from asset revaluations	Wastewater Treatment & Disposal
Water System	Non cash reserve to record appreciation values arising from asset revaluations	Water Treatment & Supply
Drainage network	Non cash reserve to record appreciation values arising from asset revaluations	Stormwater
Roading Network	Non cash reserve to record appreciation values arising from asset revaluations	Roads & Footpaths

2012 Budget and 2012 Forecast

The table below shows the 2011/12 Annual Plan Budget compared to the 2011/12 Forecast as at 31 December 2011. The 2011/12 forecast column represents the best starting point for year one of the Plan and reflects updated budget information as at 31 December 2011.

	2011/12 Budget \$000's	2011/12 Forecast \$000's
Statement of Comprehensive Income		
Operating Income	61,400	66,535
Operating Expenditure	60,723	62,156
Operating Surplus	677	4,379
Statement of Movements in Equity		
Public Equity at the start of the year	1,085,604	1,072,533
Net surplus/(deficit) for the year	677	4,379
Property, Plant and Equipment Revaluation gains (losses) taken to equity	78,015	78,015
Cashflow hedges	321	(321)
Total Recognised Income and Expenses	79,013	82,073
Total Equity at End of The Year	1,164,617	1,154,606
Statement of Financial Position as at year end		
Current Assets	8,436	10,825
Non Current Assets	1,199,640	1,185,176
Total Assets	1,208,076	1,196,001
Current Liabilities	25,116	25,595
Non Current Liabilities	18,343	15,800
Total Liabilities	43,459	41,395
Equity and Net Assets	1,164,617	1,154,606
Statement of Cashflows		
Net from Operating Activities	16,307	17,075
Net from Investing Activities	(20,492)	(20,907)
Net from Financing Activities	3,800	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(385)	(3,832)
Cash and Cash Equivalents at the beginning of the year	4,828	11,841
Cash and Cash Equivalents at the end of the year	4,443	8,009

Projects considered but not funded

Project	Estimated 10yr Cost
Benn Road Stormwater	\$2.1 million
Leamington Central Business District Upgrade	\$2.1 million
Mahoe St (Te Awamutu & Kihikihi Town Concept Plan)	\$2.82 million
Pirongia Sport and Recreation Centre - extension of building	No estimated costs at present

Statement of Accounting Policies

Reporting entity

Waipa District Council is a territorial local authority governed by the Local Government Act 2002. Council has no subsidiaries and the financial statements are for the single entity of Waipa District Council, domiciled in New Zealand.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards.

Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Section 111, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice. They comply with Financial Reporting Standard 42, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

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

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

In September 2011, the External Reporting Board issued a position paper and consultation papers proposing a new external reporting framework for public benefit entities. The papers proposed that accounting standards for public benefit entities would be based on International Public Sector Accounting Standards, modified as necessary. The proposals in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore, the accounting policies on which the forecast information for 2012-22 has been prepared are based on the current New Zealand equivalents to International Financial Reporting Standards.

Revenue

Revenue is measured at the fair value of consideration received.

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year in which the rates have been set. Rates revenue is recognised when payable.

Other revenue

Water billing revenue is recognised on an actual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Council receives government grants from the New Zealand Transport Agency 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.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in Council are recognised as revenue when control over the asset is obtained.

Interest income is recognised using the effective interest method.

Dividends are recognised when Council's right to receive the payment is established.

Development contributions

The revenue recognition point for development and financial contributions is at the point that settlement is received, either by payment or negotiated developer agreement.

Borrowing costs

The Council has elected to defer the adoption of New Zealand International Accounting Standard 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities.

Consequently, all 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, and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and grants are recognised as expenditure on payment.

Operating leases

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

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return of a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Statement of Comprehensive Income as a grant.

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Financial assets

Council classifies its investments in the following categories:

- Financial assets at fair value through profit and loss
- Loans and receivables
- Held-to-maturity investments
- Financial assets at fair value through other comprehensive income

The classification depends on the reason behind acquiring the investment. Council decides how to classify its investments when they are acquired.

Purchases and sales of investments are recorded on the value date. Financial assets are no longer recognised when the right to receive cash flows from the financial assets has expired or has been transferred. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, Council establishes fair value through valuation techniques. At each year end Council assesses whether there is evidence that a financial asset or group of financial assets is impaired. Any impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss. A financial asset falls in this category if acquired principally to sell in the short-term or if designated this way by Council. After initial recognition, they are measured at fair value. These financial assets are classified as current assets if they are held for trading or expected to be realised within twelve months of the year end date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They arise when Council provides money, goods or services directly to a debtor with no intention of selling the receivable asset. After initial recognition, they are measured at amortised cost using the effective interest method. They are included in current assets, except for those with maturities greater than twelve months after the year end date, which are classified as non-current assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the intention and ability to hold to maturity. After initial recognition, they are measured at amortised cost using the effective interest method.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. The Council includes in this category:

- 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 income, except for impairment losses, which are recognised in the surplus or deficit. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Assets held for sale

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. These assets are not depreciated or amortised.

Property, plant and equipment

Property, plant and equipment consists of:

- Operational assets which include land, buildings, library books, plant and equipment, and motor vehicles.
- Infrastructural assets which are the fixed utility systems. Each asset class includes all items that are required for the network to function, for example sewer reticulation includes reticulation piping and sewer pump stations.

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. Additions are generally recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential with the item will flow to Council and the cost of the item can be measured reliably.

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:

	Components	Years
Water Treatment	Structures	50 – 100
	Plant	10 – 25
	Pipes	60
Water Reticulation	Pipes	30 – 80
	Fittings	25
Sewage Treatment	Structures	50 – 100
	Plant	10 – 25
	Pipes	60
Sewerage Reticulation	Pipes	50 – 80
	Manholes	50
Stormwater	Structures	50
	Pipes	50 – 80
	Manholes	50
Formation/carrageway and shoulder		Infinite
Pavement structure		30 – 50
Pavement surface (seal)		10 – 15
Catch-pits and culverts		30 – 70
Bridges		20 – 80
Kerb and channel		50
Lighting		10
Footpaths		20 – 50
Buildings – not componentised		40

	Components	Years
Building – structure		50 – 80
Building – fit-out		25 – 80
Building – services		40 – 80
Plant/motor vehicles		3 – 10
Furniture, fittings and equipment		3 – 10
Computer equipment		3 – 10
Intangibles		3 – 10
Library Books		7

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Revaluation

Those asset classes that are revalued are valued on a yearly cycle on the basis described below, with the exception of Property, Plant and Equipment, which is valued every three years. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Operational land and buildings

At fair value as determined from market-based evidence where there is a market, or depreciated replacement cost for specialised assets, by an independent valuer.

Infrastructural assets

At fair value determined on a depreciated replacement cost basis by an independent valuer.

Land and roads and Road reserves

Land under roads is no longer revalued.

Accounting for Revaluations

Revaluations of property, plant and equipment are on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Income. Any subsequent increase in revaluation that offsets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income. The useful lives and associated amortisation rates of computer software have been estimated at 3-10 years (33 percent – 10 percent).

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of and are tested annually for impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

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

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Forestry

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs, and from a change in fair value less estimated point of sale costs, are recognised in the Statement of Comprehensive Income. The costs to maintain the forestry assets are included in the Statement of Comprehensive Income.

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.

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are measured at fair value as determined annually by an independent valuer. Gains and losses on revaluation, acquisition and disposal are recognised in the Statement of Comprehensive Income.

Employee benefits

Employee benefits expected to be settled within twelve months of balance date 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, 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 is anticipated it will be used by staff to cover those future absences.

Trade and other payables

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

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures 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.

Derivative financial instruments

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

Derivatives financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Statement of Comprehensive Income. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see Hedging policy).

The fair value of interest rate swaps is the estimated amount that the Council would receive or pay to terminate the swap at the Statement of Financial Position date, taking into account current interest rates and the current credit worthiness of the swap counterparts.

Hedging

Derivatives are first recognised at fair value on the date a contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Council designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction Council documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Council documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Comprehensive Income, together with any changes in the fair value of the assets or liability that are attributable to the hedged risk.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Income.

Amounts accumulated in equity are recycled in the Statement of Comprehensive Income in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of the non-financial assets (for example inventory) or a non financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost of carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Comprehensive Income.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Statement of Comprehensive Income.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the Statement of Comprehensive Income.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Equity

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

- Retained earnings
- Council created reserves
- Revaluation Reserves
- Cash flow hedge reserve

Council created reserves

Council created reserves are a component of equity representing a particular use to which various parts of equity have been assigned. The council may alter them without reference to any third party or the Courts. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Goods and services taxation (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the Statement of Financial Position. The net GST paid to, or received from the Inland Revenue Department is classified as an operating cash flow in the Statement of Cash Flow.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures have been prepared in accordance with New Zealand Generally Accepted Accounting Practices, using accounting policies that are consistent with those adopted by Council for the preparation of these financial statements.

Cost allocation

Council has derived the cost of service for each group of activities using the cost allocation system outlined below.

Direct costs are those costs directly attributable and charged to a group of activities. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific group of activities. Indirect costs are charged to significant activities using appropriate cost drivers such as computer equipment used, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill and aftercare provision

Council has the responsibility under the resource consents to provide ongoing maintenance and monitoring of the landfills after the sites are closed. The landfill provision is estimated taking into account existing technology and is discounted using a weighted average cost of capital.

Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the assets, then Waipa District Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income. To minimise this risk Waipa District Council's infrastructural assets useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Waipa District Council's asset management planning activities, which gives Waipa District Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Income tax

The Council is tax exempt for income tax purposes.

Funding Impact Statement

The funding impact statement, has been prepared in accordance with schedule 10 of the Local Government Act 2002, as well as sections 13 to 19 of the Local Government (Rating) Act 2002 and sets out:

- The revenue and financing mechanisms used;
- An indicative level or amount of funding for each mechanism;
- A summary of the total rates requirement; and
- The application of funding methods to Council activities.

This statement should be read in conjunction with our Revenue & Financing Policy (refer to page 207) that sets out our policies in respect of each source of funding for operating and capital expenses. We reviewed the Revenue and Financing Policy in 2011 and took into consideration:

- The community outcomes to which each activity primarily contributes;
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
- The period in or over which those benefits are expected to occur;
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity;
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural wellbeing of the community.

The review process highlighted some refinements to the existing policy, such as identifying who benefits from the use of the Library and Museum and, changing a portion of funding for individual activities from separate rate to district-wide funding. These refinements have increased the general and targeted ward rate and reduced the separate rate for water, wastewater and stormwater.

The estimated amounts to be produced by each funding source are outlined on page 194.

The Consolidated Funding Impact Statement includes petrol tax, rates penalties and rates remissions which are not directly attributable to a specific activity.

Statement of Cost of Service

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
REVENUE											
Governance	30	30	180	83	85	195	89	91	212	95	98
Planning and Regulatory	3,219	3,186	3,311	3,419	3,535	3,663	3,790	3,915	4,045	4,190	4,323
Community Services and Facilities	4,628	3,027	3,116	3,270	3,791	4,239	4,475	4,765	7,708	5,117	5,299
Roads and Footpaths	6,589	6,264	7,189	6,765	8,805	8,095	7,765	8,002	8,914	8,584	8,881
Stormwater	3	-	-	-	-	-	-	-	-	-	-
Water Treatment and Supply	3,335	5,277	5,378	5,673	5,884	6,106	6,317	8,356	8,673	9,030	9,401
Wastewater Treatment and Disposal	475	468	486	503	522	542	560	580	602	627	652
Support Services*	11,399	10,176	10,582	11,101	11,473	11,760	12,273	12,598	13,100	13,486	13,884
GROSS REVENUE	29,678	28,428	30,242	30,814	34,095	34,600	35,269	38,307	43,254	41,129	42,538
Less Internal Charges	11,393	10,149	10,554	11,072	11,443	11,729	12,241	12,565	13,066	13,451	13,848
NET REVENUE⁴	18,285	18,279	19,688	19,742	22,652	22,871	23,028	25,742	30,188	27,678	28,690
OPERATING EXPENDITURE											
Governance	5,393	5,984	6,779	6,991	6,746	7,331	7,289	7,277	7,835	7,816	7,854
Planning and Regulatory	5,055	4,913	5,269	5,470	5,688	5,807	6,044	6,166	6,376	6,534	6,781
Community Services and Facilities	15,487	17,147	15,136	15,266	18,489	20,283	20,479	21,039	24,030	22,125	22,807
Roads and Footpaths	17,199	17,216	17,719	18,854	20,045	21,097	22,639	23,776	24,669	25,406	26,026
Stormwater	1,781	2,051	2,288	2,540	2,674	2,967	3,045	3,545	3,352	3,539	3,619
Water Treatment and Supply	8,260	8,363	8,297	8,788	9,174	9,489	10,182	10,640	11,068	11,732	12,115
Wastewater Treatment and Disposal	6,409	5,790	6,112	6,747	7,022	7,497	8,254	11,112	14,622	15,013	16,161
Support Services	13,311	11,084	11,061	10,789	11,227	11,541	12,002	12,320	12,816	13,195	13,587
GROSS EXPENDITURE	72,895	72,548	72,661	75,445	81,065	86,012	89,934	95,875	104,768	105,360	108,950
Less Internal Charges	11,393	10,149	10,554	11,072	11,443	11,729	12,241	12,565	13,066	13,451	13,848
Less rates charged to Council properties	779	828	870	913	959	1,007	1,057	1,110	1,166	1,224	1,285
NET EXPENDITURE	60,723	61,571	61,237	63,460	68,663	73,276	76,636	82,200	90,536	90,685	93,817
NET COST OF SERVICE - OPERATING	(31,045)	(33,143)	(30,995)	(32,646)	(34,568)	(38,676)	(41,367)	(43,893)	(47,282)	(49,556)	(51,279)
CAPITAL EXPENDITURE AND DEBT REPAYMENT											
Capital Expenditure (excluding Vested)	20,174	24,273	35,558	40,246	45,166	42,113	43,069	29,654	25,078	33,208	35,555
Vested Assets	672	2,960	9,086	3,245	5,245	5,081	5,249	6,406	5,637	5,849	6,069
Debt Repayment	-	3,000	-	-	-	-	-	3,000	9,500	3,000	3,000
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	20,846	30,233	44,644	43,491	50,411	47,194	48,318	39,060	40,215	42,057	44,624

⁴ Total revenue does not include rates

* This includes internal charges

Capital Expenditure

Capital expenditure has been presented in this Funding Impact Statement in accordance Section 3 of Schedule 10 of the Local Government Act which requires us to show that we have budgeted to meet additional demand, improve levels of service and replace existing assets. As some projects fit more than one of those criteria they have been grouped as to the primary purpose of the expenditure as per the legislation.

The portion of capital expenditure that specifically relates to growth is shown below.

	2011/12 Annual Plan \$000	2012/13 Budget \$000	2013/14 Budget \$000	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000
Growth Expenditure to meet additional demand	2,299	4,820	6,542	6,423	7,019	5,563	5,345	5,371	2,736	2,811	10,022

Funding Impact Statement

	2011/12 Annual Plan \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	12,895	14,288	15,081	16,056	16,934	18,013	18,810	19,568	20,182	20,542	21,072
Targeted rates (other than a targeted rate for water supply)	26,172	26,912	28,297	29,757	31,951	33,953	35,543	36,792	40,091	42,434	44,364
Subsidies and grants for operating purposes	2,301	2,406	2,476	2,592	2,825	2,993	3,087	3,195	3,312	3,424	3,542
Fees, charges, and targeted rates for water supply	12,569	12,142	12,630	13,115	13,991	14,924	15,418	17,901	21,442	19,269	19,992
Interest and dividends from investments	250	303	161	169	178	188	197	208	218	230	242
Local authorities fuel tax, fines, infringement fees, and other receipts	325	325	325	325	325	325	325	325	325	325	325
Total sources of operating funding (A)	54,512	56,376	58,970	62,014	66,204	70,396	73,380	77,989	85,570	86,224	89,537
Applications of operating funding											
Payments to staff and suppliers	40,914	38,670	39,647	40,844	42,931	45,026	46,049	49,450	55,967	56,123	57,862
Finance costs	2,298	2,162	1,915	2,428	3,011	3,761	4,526	5,299	5,142	4,430	4,205
Other operating funding applications	615	1,888	895	902	910	919	932	940	949	959	969
Total applications of operating funding (B)	43,827	42,720	42,457	44,174	46,852	49,706	51,507	55,689	62,058	61,512	63,036
Surplus (deficit) of operating funding (A - B)	10,685	13,656	16,513	17,840	19,352	20,690	21,873	22,300	23,512	24,712	26,501
Sources of capital funding											
Subsidies and grants for capital expenditure	4,314	4,126	5,282	8,822	11,198	5,167	6,132	4,944	5,434	4,985	5,157
Development and financial contributions	1,024	1,703	2,080	2,841	3,635	4,169	5,166	5,524	5,684	5,842	6,876
Increase (decrease) in debt	3,800	(3,000)	7,500	7,000	10,000	10,000	9,500	(3,000)	(9,500)	(3,000)	(3,000)
Gross proceeds from sale of assets	585	2,854	4,074	3,820	1,068	1,500	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	9,723	5,683	18,936	22,483	25,901	20,836	20,798	7,468	1,618	7,827	9,033
Applications of capital funding											
Capital expenditure	1,557	4,143	5,811	4,074	8,792	3,455	2,137	3,373	1,926	266	9,878
- to meet additional demand	4,512	8,146	16,512	22,354	19,248	20,444	22,981	10,055	5,313	15,269	6,047
- to improve the level of service	14,105	11,984	13,235	13,818	17,126	18,214	17,951	16,226	17,839	17,673	19,630
- to replace existing assets	234	(4,934)	(109)	77	87	(587)	(398)	114	52	(669)	(21)
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	20,408	19,339	35,449	40,323	45,253	41,526	42,671	29,768	25,130	32,539	35,534
Surplus (deficit) of capital funding (C - D)	(10,685)	(13,656)	(16,513)	(17,840)	(19,352)	(20,690)	(21,873)	(22,300)	(23,512)	(24,712)	(26,501)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Rates Information

Rates requirement figures quoted in the section below are plus GST at the prevailing rate.

District-wide funding

The funding of district-wide activities will be from a combination of general rates and targeted ward rates. This combination of general rates and targeted ward rates is referred to as 'district wide funding'. Activities funded from District-wide funding include governance, animal control, building, environmental health, resource management, development engineering, parks and reserves, Mighty River Domain, libraries, Cambridge pool, Te Awamutu Events Centre, museums, cemeteries, public toilets, property, community buildings, civil defence, litter bins, district halls, roading, stormwater, water supply and sewerage.

General Rate

We are proposing to set a general rate based on the capital value of each rating unit in the district with no differential being set. The rate for 2012/13 is 0.1247 cents in the dollar on the capital value of each rating unit.

The General rate will fund a portion of the district-wide funding.

Amount to be raised: \$15,033,607 plus GST

Uniform Annual General Charge

We do not propose to set a uniform annual general charge.

Targeted Rates

Targeted rates will be set under Sections 16 and 19 of the Local Government Rating Act 2002 for the activities listed below. Utilities are not recorded in the District Valuation Roll as being located in any particular ward and will therefore not be assessed for targeted rates.

The targeted rate for water, recycling and the community centre halls are set for every separately used or inhabited part of a rating unit. This includes any portion of a rating unit inhabited or used by a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy lease, licence or other agreement.

District-wide activities

We are proposing to set a targeted rate on each rating unit in the district. The targeted rate will be a fixed amount per rating unit. This rate will be set on a differential basis based on location, being the wards of Te Awamutu, Kakepuku, Cambridge, Maungatautari and Pirongia. The rates for the 2012/13 year are shown below:

Ward	Rate (GST excl)	Raising
Te Awamutu	\$876.52	\$5,290,685
Kakepuku	\$737.39	\$875,283
Cambridge	\$811.30	\$5,857,773
Maungatautari	\$737.39	\$960,821
Pirongia	\$714.78	\$1,997,103

The targeted ward rate will fund a portion of the district-wide funding and fund the public community/group benefit element of activities.

The activities funded from the targeted ward rate include community boards, community grants, libraries, passenger transport, car parks, National Cycling Centre of Excellence, Cambridge Town Hall (Cambridge ward only) and Kihikihi Memorial and Town Halls (Te Awamutu ward only).

Amount to be raised: \$14,981,665 plus GST

Te Awamutu Events Centre

We are proposing to set a targeted rate to fund the loan charges for the development of the Te Awamutu Events Centre. The targeted rate is a fixed amount per rating unit. A rate of \$8.70 plus GST is set for each rating unit in the Te Awamutu and Kakepuku wards as well as the rating units referred to in rating rolls 04582, 04601, 04603 and 04605.

Amount to be raised: \$71,133 plus GST

Cambridge Community Sports Hall

We are proposing to set a targeted rate to fund the loan charges for the grant made for the development of the sports hall.

The targeted rate is a fixed amount per rating unit. A rate of \$24.35 plus GST is set for each rating unit in the Cambridge and Maungatautari wards.

Amount to be raised: \$208,385 plus GST

Cambridge Pool

We are proposing to set a targeted rate to fund the loan charges for the development of the Cambridge Pool. The targeted rate is a fixed amount per rating unit. A rate will be set for each rating unit in the Cambridge and Maungatautari wards effective for the 2015/16 year.

Capital Works

We are proposing to set a targeted rate to fund capital costs in connection with improvements and extensions to footpaths, kerbing and channelling of roads and street lighting for each ward as follows.

The capital works rate is based on the capital value of each rating unit in the district. The capital works rate is set on a differential basis based on location, with the categories being the wards of Te Awamutu, Kakepuku, Cambridge, Maungatautari and Pirongia. The rates per dollar of capital value are shown in the following table:

Ward	Rate (GST excl)	Raising
Te Awamutu	0.0020	\$43,865
Kakepuku	0.0001	\$ 2,531
Cambridge	0.0026	\$ 89,128
Maungatautari	0.0001	\$ 2,264
Pirongia	0.0004	\$ 9,937

Amount to be raised: \$147,725 plus GST

Stormwater

We are proposing to set a targeted rate to fund the operating costs and loan charges for stormwater in urban and rural areas of the district. The stormwater rate is based on the capital value of each rating unit in the district. The stormwater rate is set on a differential basis based on location, the categories being urban and rural. Urban is identified as being the urban drainage areas of Cambridge, Te Awamutu, Kihikihi, Ohaupo, Pirongia and Karapiro. Rural is identified as the remaining area of the district not identified in the urban category. The rates for 2012/13 in cents per dollar of capital value are shown in the following table:

	Rate (GST excl)	Raising
Urban	0.0348	\$1,537,555
Rural	0.0042	\$308,564

Amount to be raised: \$1,846,119 plus GST

Rural Fire Management

We are proposing to set a targeted rate to fund the costs of rural fire management in rural areas of the district. The rural fire management rate is based on the capital value of each rating unit in the rural category defined in the paragraph entitled "Stormwater" above. The rate for 2012/13 in cents per dollar of capital value is 0.0010 plus GST.

Amount to be raised: \$76,200 plus GST

Sewerage Charges

We are proposing to set a targeted rate for sewerage disposal costs and loan charges for each rating unit in the areas of the Cambridge sewerage scheme and the Te Awamutu sewerage scheme.

The targeted rate is set on a differential basis based on the provision of service, the categories of service being connected and serviceable. Connected means any rating unit that is connected to the Cambridge or Te Awamutu sewerage scheme. Serviceable means any rating unit situated within 30 metres of a public sewerage drain in one of the above Council sewerage scheme areas to which it is capable of being effectively connected but which is not so connected. The rates for the 2012/13 year are:

	Rate (GST excl)	Raising
Connected (3 or less pans)	\$389.57 per pan	\$4,415,263
Connected (4 to 10 pans)	\$331.13 per pan	\$322,852
Connected (11-15 pans)	\$272.70 per pan	\$88,899
Connected (16-20 pans)	\$237.63 per pan	\$62,973
Connected (21-35 pans)	\$214.26 per pan	\$64,493
Connected (36-45 pans)	\$186.99 per pan	\$45,439
Connected (46 or more pans)	\$175.30 per pan	\$75,731
Serviceable	\$194.78	\$82,588

A rating unit used primarily as a residence for one household will be treated as having one pan. Rating units that are neither connected to the scheme nor serviceable are not liable for this rate.

Amount to be raised: \$5,158,238 plus GST

Water Charges

a) We are proposing to set a targeted rate to fund water supply costs and loan charges to non-metered consumers in the areas of the Cambridge water supply and the Te Awamutu water supply.

The targeted rate is set on a differential basis based on the provision of service, the categories of service being connected and serviceable. Connected means every separately used or inhabited part of a rating unit that is connected to the Council water works in the Cambridge and Te Awamutu water supply areas. Serviceable means any rating unit that is within 100 metres of a supply pipe in either of the above water supply areas and is capable of being effectively connected but which is not so connected. The rates for the 2012/13 year are:

	Rate (GST excl)	Raising
Connected	\$300.00	\$3,273,232
Serviceable	\$150.00	\$111,450

Rating units that are metered and those that are neither connected to the scheme, nor serviceable are not liable for this rate.

Amount to be raised: \$3,384,682 plus GST

- b) We are proposing to set a targeted rate for the supply of water to metered water consumers.

The targeted rate includes a flat charge and a charge based on the cubic metres of water consumed and is set on a differential basis based on the provision of service, for all metered consumers other than rating units subject to a separate water supply contract or consumers in the privately operated Te Rore water scheme. The differential categories of service being potable and raw water. The rates for the 2012/13 year are:

	Rate (GST excl)	Rate (GST excl) 0 ^{m3} to 250 ^{m3}	Rate (GST excl) over 250 ^{m3}
Potable Water	\$111.30	0.7548 per m ³	1.10 per m ³
Raw Water	\$111.30	0.1887 per m ³	0.1887 per m ³

Amount to be raised: \$5,177,000 plus GST

- c) We are proposing to set a targeted rate to fund the Arohena rural water supply loan costs for Waipa ratepayers within the Arohena rural water supply area.

These costs are collected on behalf of Otorohanga District Council, who administers the Arohena rural water supply. The Arohena water rate is based on the capital value of each rating unit located within the Arohena rural water supply area. The rate for 2012/13 in cents per dollar of capital value is 0.0117 plus GST.

Amount to be raised: \$6,500 plus GST

Recycling Charges

We are proposing to set a targeted rate to fund the provision of a kerbside recycling service to each household in the district.

The targeted rate is a fixed amount per separately used or inhabited part of a rating unit. A rate of \$52.17 plus GST is set for every separately used or inhabited part of a rating unit.

Amount to be raised: \$945,450 plus GST

Community Centre Charges

We are proposing to set a targeted rate on each rating unit in the Community Centre areas. The charge is set on a differential basis based on location and will be charged to rating units within the Community Centre areas as follows:

The targeted rate is a fixed amount per separately used or inhabited part of a rating unit.

	Rate (GST excl)	Raising
Kaipaki Hall	\$36.96	\$9,276
Koromatua Hall	\$17.74	\$4,328
Ohaupo Hall	\$11.57	\$4,314
Ngahinapouri Hall	\$17.74	\$5,446
Fencourt Hall	\$12.43	\$4,141

	Rate (GST excl)	Raising
Hautapu Hall	\$17.74	\$6,936
Paterangi Hall	\$24.83	\$4,543
Pukeatua Hall	\$18.52	\$3,241
Parawera Hall	\$16.17	\$1,779
Rukuhia Hall	\$22.70	\$6,423
Te Miro Hall	\$24.26	\$4,027
Maungatautari Hall	\$32.39	\$4,373
Rangioawhia Hall	\$12.39	\$1,561
Monovale Hall	\$20.17	\$3,490
Karapiro Hall	\$23.26	\$7,188
Horahora Hall	\$23.43	\$3,117
Pirongia Sports and Recreation Centre	\$ 8.87	\$10,280
Whitehall Settlers Hall	\$21.74	\$1,696

The rate is to fund part of the costs of the community centre halls.

Amount to be raised: \$86,159 plus GST

Early payment of rates

Sections 55 and 56 of the Local Government Rating Act 2002 empower us to accept early payment of rates. We are proposing to accept payment in full of all rates assessed in each year on or before the due date for the first instalment of the year. No discount will be given to any payment of rates received on this basis.

Council has removed the early payment discount provision on the basis that it is fairer and more equitable as 75 percent of ratepayers who did not pay the full years rates by the first instalment subsidised the rest.

Rates payable by instalments

Rates are payable by four equal instalments due on the 21st day of August, November, February and May each year. Where the due date falls on a weekend or public holiday, the due date is extended until the next working day.

Penalties on rates not paid by the due date

A penalty of 10 percent will be added to all instalments or part thereof remaining unpaid six days after the expiration of the date on which that instalment is required to be paid.

Additional penalties of 10 percent will be added to any unpaid rates relating to a previous year or years that are still unpaid on 6 July and 6 January during the current rating year.

Revaluation of properties

During 2011/12 all properties across Waipa were revalued, with an overall reduction in the value of properties across the district. These revised values will be taken into account when the rates are assessed for the 2012/13 year onwards. The actual rates increase for a property will depend on its capital value relative to the average capital value of its district. If a property's value has decreased by more than the average decrease for its district then the rates for that property will increase by less than the proposed average rates increase.

If, however, the value has decreased by less than the average then the increase in rates will be more than the proposed average rates increase.

Rates Breakdown Indicator Properties

These are the indicated rates, exclusive of GST.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Cents/\$ of CV	Cents/\$ of CV	Cents/\$ of CV	Cents/\$ of CV	Cents/\$ of CV	Cents/\$ of CV	Cents/\$ of CV	Cents/\$ of CV	Cents/\$ of CV	Cents/\$ of CV	Cents/\$ of CV
General	0.1003	0.1247	0.1307	0.1377	0.1439	0.1513	0.1561	0.1605	0.1637	0.1647	0.1671
Stormwater (Urban)	0.0310	0.0348	0.0394	0.0452	0.0471	0.0521	0.0523	0.0604	0.0554	0.0574	0.0574
Stormwater (Rural)	0.0032	0.0042	0.0042	0.0034	0.0035	0.0035	0.0036	0.0038	0.0038	0.0040	0.0041
Fixed Targeted Rates	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sewerage	429.57	389.57	403.48	416.52	439.13	460.87	494.78	607.83	789.57	891.30	960.87
Water	394.78	300.00	309.57	316.52	320.87	333.04	342.61	345.22	346.09	347.83	350.43
Targeted Wards	649 - 715	715 - 877	753 - 918	792 - 960	825 - 998	865 - 1,043	890 - 1,070	910 - 1,094	924 - 1,110	927 - 1,116	937 - 1,129
CB Covered Pool	-	-	-	-	43.48	40.87	39.13	37.39	35.65	33.91	32.17
Recycling	53.04	52.17	53.04	53.91	54.78	55.65	56.52	56.52	57.39	58.26	59.13

The rates per property have been influenced by the following drivers:
Year 2012-13 – District valuation and the impact on individual property values.

The indicator properties are shown exclusive of GST.

Rates Breakdown Indicator Properties – continued

Cambridge Ward RATING VALUATION & PERCENTAGE CHANGE	2011/12 \$225,000 \$	2012/13 -6.3% \$	2011/12 \$370,000 \$	2012/13 -7.5% \$	2011/12 \$820,000 \$	2012/13 -6.8% \$
Fixed Targeted Rates	1,622	1,577	1,622	1,577	1,622	1,577
Capital Value Rates	321	365	536	600	1,178	1,329
Total Rates	1,943	1,942	2,158	2,177	2,800	2,906
\$ incr per week	1.62	-0.02	1.77	0.38	2.20	2.05
Percentage Increase	4.5%	0.0%	4.5%	0.9%	4.3%	3.8%
Te Awamutu Ward RATING VALUATION & PERCENTAGE CHANGE	2011/12 \$235,000 \$	2012/13 -4.1% \$	2011/12 \$335,000 \$	2012/13 -9.5% \$	2011/12 \$595,000 \$	2012/13 -7.0% \$
Fixed Targeted Rates	1,601	1,627	1,601	1,627	1,601	1,627
Capital Value Rates	327	380	494	541	854	961
Total Rates	1,928	2,007	2,095	2,168	2,455	2,588
\$ incr per week	1.61	1.52	1.73	1.41	1.98	2.56
Percentage Increase	4.6%	4.1%	4.5%	3.5%	4.4%	5.4%
Pirongia Ward - Urban RATING VALUATION & PERCENTAGE CHANGE	2011/12 \$200,000 \$	2012/13 5.3% \$	2011/12 \$440,000 \$	2012/13 -11.1% \$	2011/12 \$815,000 \$	2012/13 -4.1% \$
Fixed Targeted Rates	713	779	719	785	719	785
Capital Value Rates	250	320	652	703	1,119	1,303
Equivalent Metered Water at 250cm	395	300	395	300	395	300
Total Rates	1,358	1,399	1,766	1,788	2,233	2,388
\$ incr per week	1.30	0.77	1.57	0.43	1.90	2.97
Percentage Increase	5.2%	2.9%	4.8%	1.3%	4.6%	6.9%
Pirongia Ward - Rural RATING VALUATION & PERCENTAGE CHANGE	2011/12 \$400,000 \$	2012/13 -4.8% \$	2011/12 \$2,525,000 \$	2012/13 -18.8% \$	2011/12 \$5,200,000 \$	2012/13 -14.0% \$
Fixed Targeted Rates	724	790	773	837	755	819
Capital Value Rates	439	521	3,248	3,289	6,318	6,773
Total Rates	1,163	1,311	4,021	4,126	7,073	7,592
\$ incr per week	1.32	2.84	3.99	2.02	6.52	9.98
Percentage Increase	6.3%	12.7%	5.4%	2.6%	5.0%	7.3%
Kakepuku Ward RATING VALUATION & PERCENTAGE CHANGE	2011/12 \$1,130,000 \$	2012/13 -28.5% \$	2011/12 \$4,105,000 \$	2012/13 -21.1% \$	2011/12 \$6,275,000 \$	2012/13 -23.8% \$
Fixed Targeted Rates	730	798	837	903	863	929
Capital Value Rates	1,646	1,469	5,417	5,337	8,574	8,159
Total Rates	2,376	2,267	6,254	6,240	9,437	9,088
\$ incr per week	2.43	-2.09	5.84	-0.26	9.53	-6.70
Percentage Increase	5.6%	-4.6%	5.1%	-0.2%	5.5%	-3.7%
Maungatautari Ward RATING VALUATION & PERCENTAGE CHANGE	2011/12 \$480,000 \$	2012/13 -4.0% \$	2011/12 \$2,075,000 \$	2012/13 -37.1% \$	2011/12 \$5,160,000 \$	2012/13 -21.8% \$
Fixed Targeted Rates	775	838	775	839	869	931
Capital Value Rates	521	624	3,439	2,697	6,875	6,708
Total Rates	1,296	1,462	4,214	3,536	7,744	7,639
\$ incr per week	1.49	3.19	4.02	-13.03	7.73	-2.04
Percentage Increase	6.4%	12.8%	5.2%	-16.1%	5.5%	-1.4%





Policies and Plans

Policies and Plans

Revenue and Financing Policy

Funding of Operating Expenditure

Council's Policies in relation to the funding of operating expenses are set out to ensure prudent financial management and compliance with legislative requirements and generally accepted accounting practice.

Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediate, preceding or subsequent years. An operating deficit will only be budgeted when it would be beneficial to avoid significant fluctuations in rates, fees or charges.

Council may choose to fund more than is necessary to meet the operating expenditure in any particular year. It will only budget for such an operating surplus if necessary to fund an operating deficit in the immediate, preceding or subsequent years, or to repay debt having regard to forecast future debt levels or to avoid significant fluctuations in rates, fees or charges in future years.

Council has determined that operating expenditure will be funded from the following sources:

- General rates based on the capital value rating system
 - Targeted Rates
 - District Wide Activities
 - Te Awamutu Events Centre
 - Cambridge Pool
 - Cambridge Community Sports Hall
 - Recycling
 - Capital Works
 - Stormwater
 - Rural Fire Management
 - Sewerage
 - Water Supply
 - Community Centre Charges
- Fees and Charges
- Interest income
- Operating subsidies
- Other sources

The Local Government Act requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered by the 10-Year Plan. The Funding Impact Statement shows how Council intends to implement the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

From time to time loans may be used to cover the costs of operating projects. These are likely to be projects which span more than one year, and /or the outcome of which is expected to last for some time (e.g. The District Plan). Any projects to be funded from loans will be identified in the annual Funding Impact Statement.

Funding of Capital Expenditure

As with operating expenditures, Council has set out to ensure that it takes a prudent approach to the funding of capital expenditure with an emphasis on legislative and accounting compliance.

Council funds capital expenditure from a mix of the following sources:

- Grants and subsidies
- Borrowing
- Development contributions
- Proceeds from assets sales
- Rates
- Operating Surplus

The Development Contributions Policy is a separate policy and provides full details around the rationale for, and level of, contributions.

Funding Needs

Section 101(3) of the Local Government Act requires Council to determine appropriate funding sources for each activity. This is a two step process involving consideration of a number of factors in respect of each activity, followed by consideration of the overall impact of all activities.

STEP ONE

The factors to be considered in respect of each activity are:

- The community outcomes to which the activity primarily contributes;
- The distribution of benefits between the community as a whole any identifiable part of the community, and individuals;
- The period in or over which those benefits are expected to occur;
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- The cost and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

STEP TWO

Once the individual activity considerations are complete, Council is required to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural wellbeing of the community.

In selecting funding mechanisms for each activity, Council seeks to fund private benefit from fees and charges, public community benefit from targeted rates, and public benefit (after any grants or subsidies have been applied) from a mixture of general rates and targeted rates for district wide activities.

This mixture of general rates and targeted rates for district wide activities is referred to in this policy as “district wide funding”. District wide funding is also used to meet the shortfall where fees and charges able to be collected are less than the assessed private benefit of an activity, and where the funding

of any activity is likely to result in a significant adverse impact on social, economic, environmental or cultural wellbeing of any community.

Community Outcomes

Council is required to identify the community outcome to which each activity primarily contributes. Each activity is assigned to one or more community outcomes with a rationale for why the activity is undertaken.

Distribution of Benefits

Council is required to assess the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals. Council has identified three types of benefits:

PUBLIC BENEFIT-DISTRICT WIDE

A service or product:

- That is available to all;
- From which it is not practicable to exclude and/or identify particular user(s);
- Where use by the one does not consume the service or product and it remains available for the benefit of others;
- That typically does not incur significant additional costs for additional users;
- That may benefit the community generally through option value (availability), existence value (quality of life), bequest value (a legacy for later generations) or prestige value (civic pride).

PUBLIC BENEFIT-COMMUNITY/GROUP

- A service or product (as above) but which has proximity value or physical constraint restricting the area of benefit.

PRIVATE BENEFIT

A service or product:

- That is used only by a particular individual or groups;
- That once purchased or used is not available for use by another;
- That has a quantifiable incremental cost according to the number of users.

For a number of activities Council has established a range of values for the percentage split of public and private benefits, as these vary from year to year depending on demand for services.

Period of Benefits

Council is required to assess the period in or over which those benefits are expected to occur which will in turn indicate the period in which the operating and capital expenditure should be funded. For all activities operating costs are directly related to providing benefits in the year of expenditure and are funded on an annual basis from annual revenue.

Assets purchased via capital expenditure provide benefits for the duration of their useful lives ranging from a few years to many decades for infrastructural assets. The concept of intergenerational equity reflects the view that benefits occurring over time should be funded over time.

Exacerbator Pays

Council is required to consider the extent to which the action or inaction of particular individuals or a group contribute to the need to undertake the activity, for example dog control or rural fire management.

Costs and Benefits

Council is required to consider the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Overall Impact of Revenue Needs on Wellbeing

When Council has completed its activity-by-activity analysis and allocation of funding mechanisms, it examines the overall effect of the allocation to ensure that it does not adversely impact on the current or future wellbeing of the District. In order to achieve this, Council's revenue policies have regard to the following principles:

- Fairness/equity
- Uniformity
- Efficiency
- Stability
- Simplicity
- Justifiability

Council monitors the effect of proposed funding mixes on a range of properties, including low and high value residential properties in urban areas and townships, rural properties and high value commercial/ industrial properties. Council adjusts the proportions of general rate and targeted ward rate which make up district wide funding to moderate the year to year effects of relative changes in the level of rates for the various types of properties.

Funding Mechanisms

In deciding how activities will be funded Council first looks to sources other than rates. These sources include fees and charges, grants and subsidies. Rates are Council's major source of income although grants, fees and charges, subsidies, levies and loans also provide substantial funding.

Council applies the following funding mechanisms:

- A General Rate based on Capital value to meet a portion of district wide funding.
- Targeted Ward Rate to meet :
 - The public community/group benefit element of activities; and
 - A proportion of district wide funding.
- Fees and charges to recover the costs of individual benefits.
- Fines to control negative actions.
- District wide funding to meet subsidy requirements where fees and charges may not recover all the costs of individual benefits.

The proportion of district wide funding provided by general rates and targeted ward rates are determined and detailed each year in the Funding Impact Statement.

Group of Activities

Council has determined that the following activities are deemed to be a group of activities:

- Governance,
- Planning and Regulatory,
- Community Services and Facilities,
- Roads and Footpaths,
- Stormwater,
- Wastewater Treatment and Disposal, and
- Water Treatment and Supply.

Costs for each of these group of activities include a full allocation of Council's support service overheads.

Funding Rationale

GOVERNANCE

Activities

- Elected Council and its committees.
- Community Boards.
- Strategic Planning.
- Community Relationships.

Community Outcomes

This activity group contributes to the following community outcomes:

- We engage with all parts of the community.
- We have collaborative and enduring partnerships.

Distribution of Benefits

Benefits are generated to the whole community and in the case of the Community Board, benefits are also generated to the particular communities each Board serves. Community Services Support generates benefits to the particular communities that the grants relate to.

Period of Benefits

Benefits are considered to accrue equally over current and future time periods.

Contribution of Others

There are no particular groups or individuals who impact on the need to undertake this activity.

Costs and Benefits of Separating this Activity

Council has the appropriate systems in place to separately identify the costs of the activities.

Funding Conclusion

Council, elections, strategic planning and communications provide a public benefit to the people of the district which should be funded by all ratepayers through district wide funding. The Community Boards provide a public benefit both to the individual communities that they serve and to the wider District and are funded partially by the Targeted Ward Rate and partially by district wide funding. Community

Services Support provides a public benefit to the individual communities that the individual grants relate to, and for some grants this is a district wide benefit.

Activity	Beneficiaries	Funding
Council and Elections	100% Public	100% District Wide Funding
Community Boards	90% Public Community 10% Public	90% Targeted Ward Rate 10% District Wide Funding
Community Services Support	41% Public 50% Public Community 9% Private	41% District Wide Funding 50% Targeted Ward Rate 9% Fees and Charges
Strategic Planning	100% Public	100% District Wide Funding
Communications	100% Public	100% District Wide Funding

PLANNING AND REGULATORY

Activities:

- Resource Management.
- Building Control.
- Environmental Health.
- Animal Control.
- Development Engineering.

Community Outcomes

This activity group contributes to the following community outcomes:

- Waipa offers an excellent quality of life.
- Our services are acknowledged as excellent value for money.

Distribution of Benefits

Benefits are generated for the whole community identified in:

- Health inspections;
- Maintaining animal control facilities;
- Planning controls (appeals to Environmental Court, protecting heritage, landscape features, for example);
- Maintenance of safe building standards; and
- Responding to non-chargeable information requests.

These activities provide public and private benefits. There are opportunities to identify particular individuals or groups to charge user recoveries, particularly for dog registration where the exacerbator principle can be applied and the persons are readily identifiable.

Period of Benefits

Benefits are considered to accrue equally over current and future time periods.

Contributions of Others

This activity group is largely a regulatory and policy activity and as such, those individuals and groups required to comply with policies will have a significant impact on the activities.

Costs and Benefits of Separating this Activity

Council has the appropriate systems in place to separately identify the costs of the activities.

Funding Conclusion

User charges are levied for building services and other activities to recover the private benefit portion of services provided. The quantity of services delivered will vary according to market conditions, and accordingly Council may set a range for the allocation of benefits and funding for these activities. The balance is funded from district wide funding.

Council is prevented by statutory limits from obtaining full recovery costs relating to liquor licenses and hazardous substances, leaving the balance to be funded from district wide funding.

Activity	Beneficiaries	Funding
Environmental Health	60%-70% Public 30%-40% Private	55%-65% District Wide Funding 35%-45% Fees and Charges
Animal Control	25%-35% Public 65%-75% Private	25%-35% District Wide Funding 65%-75% Fees and Charges
Building Control	10%-30% Public 70%-90% Private	5%-25% District Wide Funding 75%-95% Fees and Charges
Resource Management	50%-60% Public 40%-50% Private	45%-65% District Wide Funding 35%-55% Fees and Charges

COMMUNITY SERVICES AND FACILITIES

Activities:

- Parks and Reserves .
- Lake Karapiro / Mighty River Domain.
- Libraries.
- Museums and Heritage.
- Swimming Pools.
- Public Toilets.
- Community Halls.
- Pensioner Housing.
- Cemeteries.
- Civil Defence Emergency Management and Rural Fire.
- Waste Management and Minimisation.

Community Outcomes

This activity group contributes to the following community outcomes:

- Our services are acknowledged as excellent value for money.
- We engage with all parts of our community.
- Waipa offers an excellent quality of life.

- We are recognised as an environmental and cultural leader.
- Waipa’s environmental and cultural heritage is a showcase for excellence.
- We are financially sustainable.

Distribution of Benefits

Some activities are identified as generating benefits for the whole community generally; this can be in some instances be the District as a whole (e.g. Civil Defence), in other instances for an identifiable community within the District (e.g. Rural Fire Management, Te Awamutu Events Centre).

Environmental management of landfill sites is considered to generate benefits for the community generally, but costs of communal rubbish collection systems are considered to be a benefit to each particular community.

Period of Benefits

Benefits are considered to accrue equally over current and future time periods.

Contributions of Others

The individual people and groups who use these amenity services will impact on the level of service to be provided.

Costs and Benefits of Separating this Activity

Council has the appropriate systems in place to separately identify the costs of the activities.

Funding Conclusion

There is an expectation of recovery from individuals or groups who are identified as benefiting from the service or facility.

Council subsidises some activities via district wide funding to promote Council policies and achieve strategic outcomes through:

- Defraying the costs to individuals of borrowing library books, to encourage recreational and educational development of District residents and;
- Defraying the costs to individuals of entry to community facilities to encourage the development of a healthy community.

Activity	Beneficiaries	Funding
Parks and Reserves	100% Public	100% District Wide Funding
Mighty River Domain	60%-70% Public 30%-40% Private	60%-70% District Wide Funding 30%-40% Fees and Charges
Libraries	21% Public Community 57% Public 22% Private	21% Targeted Ward Rate 54%-64% District Wide Funding 15%-25% Fees and Charges
Museums	23% Public Community 64% Public 13% Private	23% Targeted Ward Rate 62%-67% District Wide Funding 10%-15% Fees and Charges

Activity	Beneficiaries	Funding
Te Awamutu Events Centre	35% Public Community 34% Public 31% Private	5% Targeted Rate 30% Targeted Ward Rate 35%-45% District Wide Funding 20%-30% Fees and Charges
Cambridge Uncovered Seasonal Pool	23% Public Community 53% Public 24% Private	23% Targeted Ward Rate 77% District Wide Funding
Cambridge Covered Pool (2015/16 onwards)	40% Public Community 35% Public 25% Private	16% Targeted Rate 24% Targeted Ward Rate 30%-40% District Wide Funding 20%-30% Fees and Charges
Heritage	100% Public	100% District Wide Funding
Cemeteries	37% Public 63% Private	35%-55% District Wide Funding 45%-65% Fees and Charges
Public Toilets	57% Public 43% Private	90%-95% District Wide Funding 5%-10% Fees and Charges
Community Properties	23% Public Community 54% Public 23% Private	23% Targeted Rate 52%-62% District Wide Funding 15%-25% Fees and Charges
District Halls	26% Public Community 46% Public 27% Private	26% Targeted Ward Rate 45% District Wide Funding 9% Fees and Charges 19% Targeted Rate
Closed Landfills	100% Public	100% District Wide Funding
Pensioner Housing	99% Private 1% Public	100% Fees and Charges
Commercial / Strategic Property	50% Public 50% Private	35%-55% District Wide Funding 45%-65% Fees and Charges
Forestry	100% Public	100% Fees and Charges
Rural Fire Management	100% Public	100% Targeted Rate
Civil Defence	100% Public	100% District Wide Funding
Litter Bins	100% Public	100% District Wide Funding
Waste Management (including recycling)	3% Public Community 97% Private	3% Targeted Ward Rate 10%-15% Fees and Charges 82%-87% Targeted Rate
Cambridge Community Sports Hall	100% Public Community	100% Targeted Rate
National Cycling Centre of Excellence	100% Public	100% Targeted Rate

Capital Expenditure

- Development contributions are used to fund increased capacity required as a result of growth.
- Depreciation reserves are used to fund projects relating to renewals.
- Separate reserves are used for endowment and property transactions.
- Borrowing is used to fund significant projects where there is no further funding source.
- General rates may be used to fund low value capital projects.
- Community fundraising is used to partially fund some community assets.

ROADS AND FOOTPATHS

Activities:

- Passenger transport
- Road safety
- Roding
- Footpaths
- Street lights
- Cycling and walking
- Carparks

Community Outcomes

This activity group contributes to the following community outcomes:

- Our services are acknowledged as excellent value for money.
- We are recognised as an environmental and cultural leader.

Distribution of Benefits

Roding is considered to generate benefits for the community generally, although in some circumstances (e.g. seal extension) there is a higher proportion of benefit identified for a particular community. In some instances the provision of a facility is considered to benefit a particular community (e.g. footpaths) but maintenance of it generates a benefit to the District as a whole.

Period of Benefits

Roding is very much a long term asset. Council has identified the long term benefits of developing and maintaining roads and consequently funds this through loans, depreciation reserves, financial and development contributions and New Zealand Transport Agency (NZTA) subsidies. Some district wide funding may be used if required.

Contributions of Others

High volume users and specific industries impact on the quality of the roading network and Council endeavours to take this into account when developing the roading programme.

Costs and Benefits of Separating this Activity

Roding is a significant cost to Council and it is therefore considered appropriate to treat this as a separate activity. The cost maintenance and renewal for car parks has been incorporated in the Roding activity. Council has the appropriate systems in place to separately identify the costs of the activity.

Funding Conclusion

Access to the roading system is regarded as a public good due to non-excludability. The funding method is through district wide funding. External subsidies and contributions are available and Council seeks to maximise the level of subsidy available from external agencies and minimise district wide funding. The funding percentages are expressed as ranges, because the actual funding mix from year to year will vary in accordance with the percentage of work undertaken which is eligible for subsidy.

Some of the programmes that are run within the activity provide a private benefit that is funded directly by a grant from an external agency.

Activity	Beneficiaries	Funding
Roading	2% Public Community 76% Public 22% Private	1% Targeted Ward Rate 1% Targeted Rate 43%-63% District Wide Funding 35%-55% Fees and Charges

Capital Expenditure

- Developers transfer infrastructural assets into Council's ownership, known as vested assets.
- Subsidies from NZTA are used to fund capital work at a set funding ratio for an agreed annual programme. This can include renewals and upgrade work.
- Depreciation reserves are used to fund projects relating to renewals to the extent not subsidised by NZTA.
- Targeted rates for capital work are used to fund specific upgrades required by each Ward, for example footpaths improvement and minor community works.
- Borrowing is used to fund projects where there is no other funding source.
- District wide funding may be used to fund low value capital projects.

STORMWATER

Community Outcomes

This activity group contributes to the following community outcomes:

- Our services are acknowledged as excellent value for money.
- We are recognised as an environmental and cultural leader.
- Waipa offers an excellent quality of life.

Distribution of Benefits

Reticulated stormwater is considered to generate benefits for urban communities generally; rural drainage is considered to benefit rural communities generally.

Period of Benefits

Council has identified the long term benefits of developing and upgrading stormwater systems and consequently funds this through loans, depreciation reserves, financial and development contributions. Some targeted rate funding may be used if required.

Contributions of Others

Users can impact on the progress of stormwater and Council seeks to identify any such circumstances.

Costs and Benefits of Separating this Activity

Stormwater is an activity that is closely monitored by Council and it is therefore considered appropriate to treat this as a separate activity. Council has the appropriate systems in place to separately identify the costs of the activity.

Funding Conclusion

Council considers that this service is a public benefit that should be recovered through a targeted rate differentiated for rural and urban service.

Activity	Beneficiaries	Funding
Stormwater	93% Public Community	93% Targeted Rate
	7% Public	7% District Wide Funding

Capital Expenditure

- Developers transfer infrastructural assets into Council's ownership, known as vested assets.
- Development contributions are used to fund increased capacity required as a result of growth.
- Depreciation reserves are used to fund projects relating to renewals.
- Separate reserves are used to fund upgrades/growth to achieve stated levels of service. Once reserves are fully used, any remaining balance is funded by borrowing.
- Targeted rates may be used to fund low value capital projects.

WASTEWATER TREATMENT AND DISPOSAL

Community Outcomes

This activity group contributes to the following community outcomes:

- Our services are acknowledged as excellent value for money.
- We are recognised as an environmental and cultural leader.
- Waipa offers an excellent quality of life.

Distribution of Benefits

The provision of wastewater service is primarily a private benefit to the communities that can access the reticulation. The service also provides a public benefit via improved public health and environmental quality.

Period of Benefits

Council has identified the long term benefits of developing and upgrading wastewater systems and consequently funds this through loans, depreciation reserves, financial and development contributions. Some targeted rate funding may be used if required.

Contributions of Others

Users can impact on the progress of stormwater and Council seeks to identify any such circumstances.

Costs and Benefits of Separating this Activity

Provision of wastewater service is an activity that is closely monitored by Council and it is therefore considered appropriate to treat this as a separate activity. Council has the appropriate systems in place to separately identify the costs of the activities.

Funding Conclusion

Council considers that this service is a public benefit that should be recovered through a targeted rate and through fees and charges for trade waste and recoveries. The rate will be differentiated for the service received, connected or connectable. The public benefit component will be funded through District wide funding.

Activity	Beneficiaries	Funding
Waste Water Treatment and Disposal	10% Public	10% District Wide Funding
	7% Public Community	80%-85% Targeted rate
	83% Private	5%-10% Fees and Charges

Capital Expenditure

- Developers transfer infrastructural assets into Council's ownership, known as vested assets.
- Development contributions are used to fund increased capacity required as a result of growth.
- Depreciation reserves are used to fund projects relating to renewals.
- Separate reserves are used to fund upgrades/growth to achieve stated levels of service. Once reserves are fully used, any remaining balance is funded by borrowing.
- Targeted rates may be used to fund low value capital projects.

WATER TREATMENT AND SUPPLY

Community Outcomes

This activity group contributes to the following community outcomes:

- Our services are acknowledged as excellent value for money.
- Waipa offers an excellent quality of life.

Distribution of Benefits

Direct users of the water supply clearly receive a benefit. The service also provides a public benefit in relation to the promotion of public health.

Period of Benefits

Council has identified the long term benefits of developing and upgrading water systems and consequently funds this through loans, depreciation reserves, financial and development contributions. Some targeted rate funding may be used if required.

Contributions of Others

Users can impact on the progress of stormwater and Council seeks to identify any such circumstances.

Costs and Benefits of Separating this Activity

Provision of water service is an activity that is closely monitored by Council and it is therefore considered appropriate to treat this as a separate activity. Council has the appropriate systems in place to separately identify the costs of the activities.

Funding Conclusion

Council considers that this service is a public benefit that should be recovered through a targeted rate and through fees and charges for metered properties. The rate will be differentiated for the service received, connected or connectable. The public benefit component will be funded through District wide funding.

Activity	Beneficiaries	Funding
Water supply	9% Public	9% District Wide Funding
	4% Public Community	41%-51% Targeted Rate
	87% Private	40%-50% Fees and Charges

Capital Expenditure

- Developers transfer infrastructural assets into Council's ownership, known as vested assets.
- Development contributions are used to fund increased capacity required as a result of growth.
- Depreciation reserves are used to fund projects relating to renewals.
- Separate reserves are used to fund upgrades/growth to achieve stated levels of service. Once reserves are fully used, any remaining balance is funded by borrowing.
- Targeted rates may be used to fund low value capital projects.

SUPPORT SERVICES

Costs for each of the group of activities above include a full allocation of Council's support services or overhead costs. Where operating projects carried out within Support services will span more than one year, initial funding may be by the way of loans. The interest and repayment of capital on these loans is allocated in accordance with other Support Services costs.

Capital expenditure for support services may be financed from depreciation reserves or loans. Where loans are used, the interest and repayment of capital on these loans is allocated in accordance with other Support Services costs.

Overall Consideration of Impact Revenue Needs

The activity by activity analysis outlined above allocates some funding directly to sources such as fees and charges, subsidies, grants and targeted rates. The balance of funding comes from district wide funding, a mix of general rates and targeted ward rates.

The exact proportions of general rates and targeted ward rates which make up district wide funding in any year will be set out in the Funding Impact Statement for that year. In arriving at the decision on the proportions, Council will bear in mind the following considerations:

- The effect of fixed charges (such as targeted ward rates) on the total rates burden of lower value residential properties, and households with low or fixed incomes;
- The effect of capital value based general rates on the total rates burden of high capital value rural properties, and very high capital value properties such as dams and dairy factories;

- The relative increases in rates proposed for the year for rural and urban ratepayers;
- Any barriers to accessibility for community services which might be created by fully funding private benefit from fees and charges.
- Any advantages or disadvantages of particular community or cultural groups.

The balance between general rate and targeted rate components of district wide funding is struck by an iterative process, adjusting the proportions until Council is satisfied that the result best meets its funding and social objectives.

Development Contribution Policy

1 Introduction

Background

- 1.1 The Waipa District has traditionally experienced high levels of growth; however, over recent years this has been tempered by the global financial crisis. Although levels of growth in the District are currently well below that forecast in the 10-Year Plan 2009-19; population growth in the District over the 10-Year Plan 2012-22 is forecast to be 12%, with a 15% growth in new households. This growth will continue to present funding challenges in terms of ensuring that there is sufficient network and community infrastructure to service the growing community. The infrastructure required to support growth includes, but is not limited to:
- Network infrastructure (roading and transport, stormwater, water supply and wastewater);
 - Community infrastructure (facilities on parks and reserves, libraries, public toilets, leisure and community centers); and
 - Parks and reserves.
- 1.2 The principle underlying development contributions is that developers should meet the costs attributable to growth. In the interests of achieving financial equity between existing ratepayers and new developers, Council has decided that developers should pay the growth related capital expenditure costs of providing community facilities (i.e. network infrastructure, community infrastructure and parks and reserves).
- 1.3 The background information supporting the Development Contribution Policy (“the Policy”) is included in the methodology section. Further methodology detail is available in the development contribution calculation spreadsheet which is available on request.

Adoption of the Policy

- 1.4 This Policy was adopted on 26 June 2012 in conjunction with the 10-Year Plan 2012-22. It takes effect on 1 July 2012, and affects all applications for resource consents, building consents, and authorisations for service connections that are granted on, or after, that date.
- 1.5 This Policy supersedes Council’s 2009 Development Contribution Policy (“the 2009 Policy”), which came into effect on 1 July 2009 in conjunction with the 10-Year Plan 2009-2019. All development contribution fees levied under the 2009 or earlier policies, prior to the commencement of this policy in July 2012, remain valid and payable.

Transitional provisions

- 1.6 The holder of a resource consent, building consent or services connection approval granted before 1 July 2012 may elect to pay the development contribution on or before 30 June 2012 in accordance with the 2009 Policy, but otherwise this policy will apply to all resource consents, building consents or service connections approved on, or after 1 July 2012.

Revising the Policy in the future

- 1.7 The Policy will be reviewed as required, but at least once every three years, when the 10-Year Plan is reviewed.

2 Legislative requirements and powers

- 2.1 Development contributions under the Local Government Act 2002 (LGA) are separate from financial contributions under the Resource Management Act 1991 (RMA). While Council generally considers development contributions under this Policy as its main funding tool for growth related infrastructure, it may also impose financial contributions under the RMA. When financial contributions are imposed development contributions will not be used for the same purpose, and vice versa.

Local Government Act 2002

- 2.2 Section 102(2) (d) of the LGA requires Council to have a development contribution policy. Section 198 of the LGA gives Council the power to require a contribution for developments. Development contributions provide Council with the means to fund infrastructure required due to growth.
- 2.3 The Policy has been prepared in accordance with the LGA and summarises and explains the capital expenditure identified in the 10-Year Plan that Council expects to incur to meet the increased demand for infrastructure resulting from growth in the District.
- 2.4 The Policy also sets out the development contributions payable by developers, how and when they are to be calculated and paid, and a summary of the methodology and the rationale used in calculating the level of contribution required.
- 2.5 Section 201(1) of the LGA requires the Policy to include, in summary form, an explanation of, and justification for, the way each development contribution in the schedule to the policy is calculated.
- 2.6 In summary, each contribution has been calculated in accordance with the methodology set out in schedule 13 of the LGA, by using the following seven-step process.

Table 1: Summary of LGA process steps

Step	Explanation	LGA Reference
1	<p>Define catchments.</p> <ul style="list-style-type: none"> ▪ Wherever practicable “equal access” principles are applied to the setting of catchments. This means that the road network has a District wide catchment and the water based networks have more localised catchments. ▪ For network based services, a catchment is the area served by the network. ▪ Funded growth cells located within a catchment are deemed sub-catchments of the respective catchment. ▪ For community infrastructure and reserves the catchment is the Waipa District. 	LGA Schedule 13(1)(a)
2	<p>Identify 10 year capital expenditure resulting from growth:-</p> <ul style="list-style-type: none"> ▪ Capital expenditure already incurred in anticipation of growth, net of any previous third party contributions. ▪ The proportion of total planned costs of capital expenditure for network and community infrastructure and parks and reserves from the 10-Year Plan resulting from growth. ▪ Growth costs (capacity increase to cater for new entrants) can be funded in full or in part by using development contributions. This is one of three components of the total 10 year capital costs budgeted in the 10 Year Plan, the other two components being level of service improvements and renewals. These other two costs must be met from funding sources other than development contributions. <p>Justification for the level of growth capital expenditure should be supported by financial management funding considerations and show significant assumptions and impacts of uncertainty.</p>	LGA Schedule 13(1)(b)
3	<p>Identify the percentage of growth related 10 year capital expenditure to be funded by development contributions.</p> <p>100% of the growth related capital expenditure will be funded by development contributions because:</p> <ul style="list-style-type: none"> ▪ It directly relates to the planned capital expenditure set out in the 10-Year Plan and detailed in the Council’s asset management plans; and ▪ The capital expenditure identified for growth can be reasonably identified. 	LGA 106(2)(b)
4	<p>Identify the appropriate units of demand.</p> <p>The selected unit of demand is the Housing Equivalent Unit (HEU) calculated as follows:</p> <ul style="list-style-type: none"> ▪ For residential development, fees per HEU will be applied uniformly for each lot regardless of size for reasons of administrative simplicity; and for any additional dwelling on any lot. ▪ For non-residential development, HEU conversion factors are applied. These conversion factors are based on expected demand placed on network infrastructure by different non-residential land uses within the Waipa District. The conversion factors are based on GFA for roading and transport, water and wastewater, and impervious surface areas (ISA) for stormwater. However, in cases where the demand demonstrably varies from demand derived from the use of HEU conversion factors, a case-by-case assessment is likely to be required. 	LGA Schedule 13(1)(b)

Step	Explanation	LGA Reference
5	<p>Identify the designed capacity (in units of demand) provided for growth.</p> <ul style="list-style-type: none"> The designed capacity may vary between different types of infrastructure. In some cases it may be considered economically prudent to provide unallocated growth capacity considerably beyond current 10 year expectations of growth. Costs are applied to usable growth capacity to be provided. Projected growth in HEUs over the 10 year period of the 10-Year Plan will be relevant to the Council's budgeting of revenue but not to the calculation of the development contribution per HEU. 	LGA Schedule 13(1)(b) and (2)
6	<p>Allocate the costs to each unit of demand for growth.</p> <ul style="list-style-type: none"> The development contribution charge per HEU is calculated by dividing the total capital expenditure resulting from growth (step two) by the usable units of demand for growth (step five). 	LGA Schedule 13(1)(b)
7	<p>Prepare schedule of fees.</p> <ul style="list-style-type: none"> A detailed schedule must be prepared as part of the policy that enables the development contributions to be calculated by infrastructure type and catchment. <p>The policy will be supported by the significant assumptions made to determine the development contributions payable and their impacts, contribution and conditions and criteria for remission, postponement or refund, the valuation basis for assessment of maximum reserves and catchment maps.</p>	<p>LGA 201(2)</p> <p>LGA 201(1)(a)</p> <p>LGA 201(1)(b), (c) and (d)</p>

Resource Management Act 1991

- 2.7 Council may require a financial contribution, as a condition of consent, in accordance with any relevant rule in the District Plan under the RMA. Financial contributions must not be applied as a condition on a consent where a development contribution has been required for the same purpose on the same development.
- 2.8 The Council still has the power to require services or works for subdivisions or developments to avoid, remedy and mitigate the environmental effects through resource consent conditions. As also noted in section 4.2, Council reserves the right to additionally levy financial contributions in circumstances where the expenditure to support the specific incidence of growth was not provided for in the 10-Year Plan.

3 Use of Development Contributions

When a development contribution is required

- 3.1 A development contribution is required in relation to a development when:
- The effect of that development is to require new or additional assets, or assets of increased capacity in terms of network infrastructure, parks and reserves and community infrastructure; and
 - The Council incurs capital expenditure to provide appropriately for those assets, i.e. network infrastructure, parks and reserves and community infrastructure.

3.2 The Policy also enables Council to require a development contribution that is used to pay, in full or in part, for capital expenditure already incurred by the Council in anticipation of development.

4 Use of Financial Contributions

Relationship with Waipa District Plan

4.1 This Policy is distinct from, and in addition to, the provisions in the Waipa District Plan that provide the Council with discretion to require financial contributions under the RMA.

4.2 Where a development results in the Council incurring capital expenditure that is not covered by this policy, the Council may impose a financial contribution as a condition of resource consent.

4.3 The Council will also continue to impose financial contributions (under the District Plan and RMA) on any development to which this Policy does not apply.

Financial Contributions

4.4 Nothing in this Policy will affect the Council's ability:

- To require a developer/applicant to provide infrastructure and services which are internal to the development in accordance with the requirements of the District Plan, and the Council's powers under the RMA; and to impose conditions of consent, as appropriate.

5 How to use this policy

Step by step process for each activity

Step 1 Go to the maps (Appendix 3 of this Policy) and check which development contribution catchment the development is in.

Step 2 Calculate how many units of demand (as measured in housing equivalent units (HEUs)) the development will create (refer to sections 7 and 8). For the avoidance of doubt, for non-residential development, the units of demand are assessed using the conversion factors in section 8.4 .

Step 3 Calculate how many HEU credits (if any) apply for the development (refer to sections 9.9 - 9.14) and deduct from the number of HEUs in step 2.

Step 4 Go to the schedule of development contributions in Appendix 1 and identify the fees payable per HEU for the development contribution catchment.

Step 5 Multiple the number of HEUs (less credits in step 3) in the development by the development contribution fee per HEU identified in step 4. This is the total development contribution payable for the development.

6 Significant assumptions

Relationship to the 10-Year Plan

6.1 All planned growth projects in this Policy are in the 10-Year Plan 2012-22.

Growth

6.2 Section 201(b) of the LGA requires development contribution policies to state the significant assumptions underlying calculations. Key assumptions include expectations of both residential growth and non-residential growth.

Residential growth assumptions

6.3 A report on population and dwelling projections was produced by Covec in August 2011 as background to this policy. It projected population by census area unit at 5-yearly intervals using assumed rates of births, deaths, and migration from Statistics New Zealand. It also included information on District growth capacity, which indicated the ability for growth to be accommodated in different parts of the District.

6.4 The projections provided by Covec were modified slightly to account for the current economic climate. This does not alter the total growth expected, just its timing over the next 10 years. Council considers this a prudent and realistic basis for decision-making related to growth. Table 2 shows the population and residential HEU growth predictions underpinning this policy.

Table 2: Population and residential Household Equivalent Unit (HEU) growth predictions

	Population			HEUs		
	Total	Increase	%	Total	Increase	%
2011	47011			17363		
2021	52466	5455	11.6%	20006	2643	15.2%
2031	57386	10375	22.1%	22321	4958	28.6%
2041	61273	14262	30.3%	24256	6893	39.7%

Source: Adapted from Covec report (August 2011)

6.5 A catchment approach is noted in the Policy where relevant to assets. The increase in demand and growth HEUs have been based on the population and demand growth assumptions used by Council's asset managers in developing the asset management plans (AMPs). These assumptions have regard to either the design capacity of the relevant projects, the population growth for the term of the 10-Year Plan, or the capacity of individual growth cells.

The forecast population growth in the AMPs is consistent with the data in the Covec growth report. For HEU assessment purposes, a conversion factor of 2.71 persons per average household has been applied in 2011, and then reducing to 2.60 persons per average household by the year 2026 to reflect a projected reduction in the average occupancy rate per dwelling.

20 year population and HEU projections are used to calculate community infrastructure and reserves development contributions. While some of these assets provide growth capacity, beyond that forecast over 20 years, the shorter time horizon and smaller number of HEUs has been selected in order for Council to manage its investment risks (see also discussion in section 6.16).

- 6.6 HEUs for cost recovery for 10-Year Plan funded growth cells (i.e. Cambridge North, Picquet Hill) have been based on the estimated projected lot yields within those catchments.

Non-residential growth assumptions

- 6.7 Non-residential growth assumptions in the 2009 Policy were originally based on the Waipa District Economic and Property Profile Statement (May 2008) prepared by Property Economics and informed by Council.
- 6.8 In 2009 Council tempered the projections prepared by Property Economics of non-residential growth in light of then forecast economic conditions. In 2009, non-residential growth was assumed at 70% of the levels forecast by Property Economics. In the 2009 DCP, forecast non-residential growth in floor area (m²) was then converted into household equivalent units using a range of conversion factors that equate 100m² of commercial/industrial or retail floor area into household equivalent units. This analysis was used for purposes of forecasting total growth demand for both asset management design decisions and setting of development contribution fees.
- 6.9 Council's view in 2011 is that a significant stock of consented greenfield non-residential land area has been built up in recent years. Current expectations are that further non-residential growth is therefore likely to be at a low level. In light of this uncertainty, an increase in non-residential HEUs has been assumed in asset management planning and development contribution fee setting on the basis of an additional 5% of residential HEU growth.

Growth HEUs by asset class

- 6.10 Growth HEUs by asset class have been calculated on a District wide basis and for specific catchments, and are based on Covec's 2011 review of the 2008 projections prepared by the University of Waikato Population Studies Centre (PSC). In 2009, population projections for asset management planning and the Policy were based on the PSC medium scenario with economic development initiatives included. This forecast a District population of around 55,000 by 2021. The revised projections for this Policy in 2012 are a more conservative estimate of District population at 52,465 by 2021.

Covec converted the population projections to households or dwellings in the same manner as previously projected by the Population Studies Centre. This assumes a 7% to 8% reduction in average household size by 2041. Growth HEUs by catchment and asset class are summarised in Table 3.

Table 3: Growth HEUs by catchment and asset class

	Existing Residential 2011	Growth Residential 2011-21	Non-res growth as % of residential growth	Growth Non-res 2011-21	Total HEUs	Residential growth
District wide						
Roading & transport	17,363	2,643	5%	132	2,775	15%
Water	11,884	1,441	5%	72	1,513	12%
Wastewater	11,197	1,275	5%	64	1,339	11%
Stormwater	11,197	1,275	5%	64	1,339	11%
Reserves & community assets	17,363	2,643	5%		2,643	15%
Te Awamutu						
Stormwater	4,894	415	5%	21	436	8%
Water	4,172	340	5%	17	357	8%
Wastewater	4,894	415	5%	21	436	8%
Cambridge						
Stormwater	6,303	860	5%	43	903	14%
Water	6,303	860	5%	43	903	14%
Wastewater	6,303	860	5%	43	903	14%

6.11 Water, wastewater and stormwater catchment data have been based on Council asset manager demand estimates, using the revised population projections and predictions of development that will be able to connect to water, wastewater and stormwater networks.

Growth HEUs in several catchments are based on planning estimates of specific growth potential in these catchments that may not follow general population growth projections. These specific estimates are used to inform asset specification. Instances where this method has been used (i.e. Cambridge North and Picquet Hill) are noted in the area of the Policy explaining the fee calculations for these specific catchments.

Financial and costing

6.12 All growth projects in this Policy are provided for in the 10-Year Plan, and will either be constructed within the term of the 10-Year Plan, or have already been completed in anticipation of growth.

6.13 Collection of development contributions for the identified growth projects starts in year one, as projects either serve imminent growth or imminent level-of-service shortfalls brought about by growth. Development that takes place before construction of new assets is assumed to either take up growth capacity already provided or lead to a decline in level of service until the new capacity is available. In either case a development contribution fee remains payable.

- 6.14 Adjusted average cost pricing is used for determining the cost of supplying growth capacity in a new asset. This means growth pays a share of the total cost of an asset (less any third party contributions) proportional to the growth capacity provided and adjusted for any other costs directly related to growth.
- 6.15 Growth assumptions have been explicitly considered by Council asset managers when specifying and costing all new assets.
- 6.16 In some cases, it is financially prudent, and a fair balance between developers and the wider community interests, for council to recover growth related costs over the number of growth units predicted in the 10 year planning period. This approach helps manage the significant financial risks faced by Council in creating infrastructure in anticipation of growth. It also enables the Council to prudently provide a 'bank' of growth capacity in its infrastructure at all times to complement planned growth capacity.

Historic capital expenditure

- 6.17 There are two forms of historical capital expenditure that the Council includes in its development contribution fees as follows:
- a) Significant completed standalone projects identified as planned projects in earlier Development Contribution Policies; and
 - b) Historic projects that have incorporated and continue to maintain existing network capacity for growth.
- 6.18 The criteria applied for determining whether a completed project is significant are:
- a) The project primarily functions as a standalone asset with clearly identifiable provision for growth; and
 - b) The completed capital cost of the project is material and the allocation to growth is high; and
 - c) The useful growth capacity provided by the project in HEU terms.

Significant completed standalone projects

- 6.19 The approach signalled in sections 6.17 and 6.18 means that assets, such as treatment and processing plants, most community infrastructural assets, and network arterial assets, are likely to represent significant historical capital expenditure.
- 6.20 Actual rather than planned costs are used to calculate the fees for significant completed projects. Other than this adjustment, the same methodology is used to allocate capital expenditure to growth for planned projects (i.e. growth's share of the total actual capital expenditure less actual third party subsidies, where appropriate, divided by the designed or useable HEU capacity, or expected HEU growth variously over a 10-35 year period).
- 6.21 Table 4 details the basis on which HEUs are assumed for historic capital expenditure and identifies the areas where fees are charged for access to existing network capacity.

Table 4: Summary of historic projects, calculation approach and HEU assumptions

Asset and catchment	Calculation approach	Growth capex	HEUs	HEU assumption
Roading and Transport				
District wide roading and transport	Fee for existing capacity	\$2,470,143	2,775	10yr HEU forecast 2011-21
Cambridge CBD	Significant project	\$864,032	2,994	15yr HEU growth forecast 2006 -2021
Cambridge North	Significant project	\$2,948,710	2,994	15yr HEU growth forecast 2006 -2021
Lake Ngaroto Bridge	Significant project	\$102,692	4,185	10yr HEU growth forecast 2009-19
Water				
Cambridge/Karapiro Water	Fee for existing capacity	\$121,697	903	10yr HEU forecast 2011-21
Te Awamutu water	Fee for existing capacity	\$125,425	357	10yr HEU forecast 2011-21
Kihikihi water	Fee for existing capacity	\$2,885	75	10yr HEU forecast 2011-21
Cambridge North	Significant project	\$224,391	1,351	Designed capacity
09 Kihikihi water	Significant project	\$207,000	300	Designed capacity @ 1.9m3/ household
09 Cambridge/Karapiro water	Significant project	\$593,090	1,545	Designed capacity @ 1.9m3/ household
Karapiro Water Treatment Plant 1260	Significant project	\$30,774	1,545	Designed capacity @ 1.9m3/ household
Karapiro Water Treatment Plant 1615	Significant project	\$21,379	1,545	Designed capacity @ 1.9m3/ household
09 Te Awamutu water	Significant project	\$739,025	1,112	Designed capacity @ 1.9m3/ household
Wastewater				
Cambridge/Karapiro Wastewater	Fee for existing capacity	\$98,525	903	10yr HEU forecast 2011-21
Cambridge/Karapiro reticulation	Significant project	\$852,035	2,780	35yr HEU forecast 2011 - 2046
Te Awamutu wastewater	Fee for existing capacity	\$129,651	436	10yr HEU forecast 2011-21
Cambridge North	Significant project	\$3,016,128	1,351	Designed capacity

Asset and catchment	Calculation approach	Growth capex	HEUs	HEU assumption
09 Te Awamutu Wastewater 1447	Significant project	\$302,352	894	Designed capacity
09 Cambridge/Karapiro Wastewater 1436	Significant project	\$114,013	2,780	35yr HEU forecast 2011 - 2046
Stormwater				
Cambridge/Karapiro Stormwater	Fee for existing capacity	\$71,639	903	10yr HEU forecast 2011-21
Te Awamutu Stormwater	Fee for existing capacity	\$60,356	436	10yr HEU forecast 2011-21
Cambridge North	Significant project	\$2,126,404	1,351	Designed capacity
09 District wide Stormwater	Significant project	\$170,980	1,804	10yr HEU forecast 2009-19
Community Infrastructure & Reserves				
Cambridge Town Pool	Significant project	\$182,600	6,891	30yr HEU forecast 2011 - 41
Karapiro Domain	Significant project	\$936,000	7,578	22yr HEU forecast 2009 - 31

- 6.22 Significant completed projects are administered as separate historic capital expenditure projects until their useful capacity is consumed, to a maximum of 20 years. At this point, the asset would be included in the general network valuation.
- 6.23 At the commencement of the next 10-Year Plan period, currently forecast projects in years 1-3 are planned to have been completed. Completed projects that do not satisfy the significance criteria are treated as additions to general network growth capacity. These projects recharge the growth capacity that the Council maintains in its network for prudent network management purposes and provide an ongoing growth buffer servicing future development.
- 6.24 The Council does not currently include the cost of capital in its methodology for completed projects.
- 6.25 Other completed capital expenditure projects are integrated into their respective networks at the time of the triennial review of the Policy. The unused growth capacity is used to recharge the 'bank' of growth capacity in the network. Together with the capacity from significant historic capital expenditure, this existing network growth capacity complements the planned growth capacity provided by planned 10-Year Plan projects and ensures the efficient use of network capacity and associated capital.

Existing network capacity for growth

- 6.26 The second element of development contribution fees for historic capital expenditure is a fee for access to existing network capacity available for growth. This fee is calculated on the basis of the value of the portion of the existing network available for growth, divided across the expected ten-year growth in HEUs.

- 6.27 Council provides a 'bank' of growth capacity in each network. This buffer capacity is continuously depleted by growth and topped up by new investment. When undertaking upgrades, Council typically provides an additional 10-30% growth capacity.
- 6.28 Council asset managers aim to maintain network capacity for growth at similar levels as HEU growth expectations. District wide HEUs in the period 2011-21 are forecast to grow 15% over the 10-Year period or a flat rate of around 1.5% each year. Therefore, in any one year approximately 1.5% of the existing network growth capacity is expected to be consumed.
- 6.29 The value of the existing network growth capacity is determined by applying the following steps:
- The overall value of installed network capacity is determined on an actual cost basis when these costs are known. In the absence of actual costs the Council applies a depreciated replacement cost based methodology for valuing its network assets;
 - The total value of network assets vested to the Council is deducted;
 - The value of third party contributions to the network capacity is deducted, including any public and private subsidies, development contribution receipts and the capital component of any receipts from financial contributions;
 - The net value of the existing network is the result of deducting the value of vested assets and all third party contributions from the total cost of the network;
 - The net value of the installed network capacity allocated to growth for each network is then determined by applying an existing network growth capacity factor.
- 6.30 Expected average growth in demand on networks is in excess of 10% over the period of the 10-Year Plan. Setting fees on an average cost of the network would suggest 10% of network value be allocated to growth. The marginal cost of the provision of network capacity for growth is, however, significantly less than the average cost. Council therefore applies an existing network growth capacity factor of 0.5% for all networks (i.e. roads and waters). Council Asset Managers consider this growth capacity factor is conservative.
- 6.31 The value of existing network growth capacity is allocated across the HEU growth expected in the period of the 10-Year Plan. In summary, 0.5% of the network value is estimated to be available to provide for growth, except for Kihikihi water due to excess capacity that can not be reasonably recovered. This capacity is allocated to the HEU growth (15% overall) expected over 10 years.
- 6.32 Table 5 summarises assumptions and fees for access to existing network growth provision.

Table 5: Summary of fees for access to existing network capacity

	Depreciated replacement cost (excluding any subsidies)	Network growth capacity factor	Value of growth capacity	HEUs	Fee/HEU
District Wide Road	\$494,028,594	0.5%	\$2,470,143	2775	\$890
Stormwater					
Te Awamutu	\$12,071,275	0.5%	\$60,356	436	\$138
Cambridge	\$14,327,872	0.5%	\$71,639	903	\$79

Water					
Te Awamutu	\$25,084,975	0.5%	\$125,425	357	\$352
Cambridge	\$24,339,344	0.5%	\$121,697	903	\$135
Kihikihi	\$2,885,000	0.1%	\$2,885	75	\$38
Wastewater					
Te Awamutu	\$25,903,161	0.5%	\$129,651	436	\$298
Cambridge	\$19,705,009	0.5%	\$98,525	903	\$110

Inflation and GST

- 6.33 All costs from projects in the 10-Year Plan used in the Policy are based on current estimates of infrastructure construction prices in 2011 dollar terms, with inflation of all capital costs over the period using cost inflation factors supplied by Business and Economic Research Limited. Fees set in 2012 do not change over the period of the 10-Year Plan to reflect inflation. It is assumed that interest received on fees collected in anticipation of construction later in the period will make a partial contribution to offsetting construction cost inflation. No cost of capital, including interest and compensation of Council for taking the risk of building infrastructure in advance of demand, is included in growth cost calculations.
- 6.34 All capital expenditure and development contributions are exclusive of GST (except where specifically shown to be inclusive).

Other assumptions

- 6.35 Income generated from rates will be sufficient to meet the operating costs of growth related capital expenditure into the future.
- 6.36 All New Zealand Transport Agency subsidies will continue at present levels, and the eligibility criteria will remain unchanged.
- 6.37 The methods of service delivery will remain substantially unchanged.

7 Requirement for Development Contributions

7.1 Development contributions shall be required for the following activities:

- Roading and transport
- Water supply
- Wastewater
- Stormwater
- Community infrastructure
- Parks and reserves

7.2 Development contributions shall be required in money unless, at the sole discretion of an authorised officer, a piece of land is offered by the developer that would adequately suit the purposes for which the contribution is sought.

7.3 The Council, at its sole discretion, may accept a developer's offer to provide network infrastructure or community infrastructure. In this event, the transaction would entail the contemporaneous purchase of assets and payment of development contributions, as provided by a development agreement in accordance with section 9.28 of this Policy.

8 Assessment for Development Contributions

General

8.1 Development contributions will be required and will be subject to an assessment on all applications for building consent, landuse (resource) consent, subdivision (resource) consent and service connection.

8.2 The assessment will be made against the first consent application lodged for the development, and will be made on every subsequent consent application. The reassessment will take account of the number of units of demand previously assessed, and determine whether the development still generates the same number of units of demand. This will ensure that the development, in its final form, is appropriately charged.

8.3 A reassessment may be made on each and every event described in sections 9.5 and 9.7 of this Policy.

8.4 The unit of demand used for each activity is the Household Equivalent Unit (HEU). An HEU represents one household unit, as demonstrated for each activity by Table 6:

Table 6: Units of demand per activity per HEU

Activity	Units	Demand/HEU	Comments
Roading & transport	Vehicle movements / day	10 <i>(1 vehicle visiting =2 vehicle movements)</i>	Assumes all light vehicles
Water supply	Litres/dwelling/day	650 litres	240 litres/person/day @2.71 persons/dwelling
Wastewater	Litres/dwelling/day	455 litres	70% of 240 litres per day supplied multiplied by 2.71 persons/dwelling
Stormwater	ISA (m ²)	390	60% impervious area (assumes 390m ² of impervious area from an average 650m ² residential allotment)
Parks and reserves	-	-	-
Community infrastructure	-	-	-

8.5 Development contributions will not be payable for normal residential extensions or alterations to existing dwellings, unless these create an additional household unit, or alter a feature that was used to claim an earlier reduction in development contribution fees payable.

8.6 The development contribution fee summary per HEU by catchment is contained in Appendix 1 of this Policy.

8.7 The definitions are contained in Appendix 2 of this Policy.

Residential development

8.8 Residential developments will be assessed on the number of additional HEUs created by development, on the basis of anticipated demand.

8.9 A minor household unit shall be assessed at 0.5 of an HEU per additional household created by the development.

8.10 Where the level of demand is unknown, of a relatively large scale, or where a proposed development clearly has a significantly greater (or lower) impact than is envisaged in the averaging implicit in this Policy, or where a case-by-case assessment is required, Council reserves its discretion to undertake a 'special assessment' of the units of demand in accordance with Sections 9.26 – 9.27 of this Policy.

Developers may elect, at their own cost, to submit a special assessment for consideration by Council. In such cases Council may require the developer to provide additional information in relation to the development to inform the special assessment process.

8.11 For development in a funded growth cell, Council reserves the right to undertake a special assessment of the units of demand in accordance with Sections 9.26 - 9.27 of this Policy. The special assessment is to ensure that development in funded growth cells proceed in line with the demand assumptions on which the design capacity of the infrastructure is based, or if not, Council is reimbursed for capital expenditure incurred on the basis of those demand assumptions. The demand assumptions are based on a yield of 10 lots per hectare of gross land area. Developers may also elect, at their own cost, to submit a special assessment for consideration by Council.

Non-residential development

8.12 Non-residential developments will be assessed on the basis of additional HEUs created, and will not pay a development contribution for community infrastructure or parks and reserves.

8.13 Where the level of demand is known for a non-residential development, the number of HEUs generated by the development will be determined by reference to table 7 (which sets out the average level of demand per HEU).

Table 7: Non residential conversion factors

Units of demand	Conversion factors			
	Roading & transport	Water supply	Wastewater	Stormwater
	<i>(HEU's per 100m² GFA)</i>			<i>(HEU's per 100m² impervious surface area)</i>
Retail	1.4	0.43	0.43	0.35
Warehousing	0.7	0.42	0.42	0.35
Commercial	0.9	0.4	0.4	0.35
Industrial	0.7	0.4	0.4	0.35
Education and community services	0.9	0.4	0.4	0.35
Visitors accommodation	0.7	0.42	0.42	0.35
Restaurants and hospitality	1.4	0.43	0.43	0.35
Health services	0.9	0.4	0.4	0.35

8.14 Where Council considers the level of demand for a development is:

- Unknown; and/or
- Of relatively large scale; and/or
- Clearly has a significantly greater or lower impact than is envisaged in the averaging implicit in this Policy; and/or
- Is a development that is not specifically listed in the non residential conversion factor table;

Council reserves its discretion to undertake a 'special assessment' of the units of demand in accordance with Section 9.26 – 9.27 of this Policy. Developers may also elect, at their own cost, to submit a special assessment for consideration by Council.

Council may require the developer to provide additional information in relation to the development to inform the special assessment process.

8.15 Any water connection from the main into the development greater than 20mm will trigger a special assessment of water and wastewater demand.

8.16 Any development serviced by heavy vehicles with a total axle weight exceeding 2.5 tonnes, may trigger a special assessment of roading and transport demand.

9 Administration of policy

Exempt and partially exempt development – Council developments

- 9.1 The Council is exempt from paying any development contributions on any development that itself is a capital expenditure for which development contributions are required (e.g. if Council is developing a library, it will not pay a community infrastructure contribution, but it will be required to pay water, wastewater, and other contributions). This avoids the possibility of collecting contributions for one activity to pay for contributions for another activity.

Exempt development - Crown developments

- 9.2 The Crown is exempt from the provisions of this Policy by virtue of section 8 of the LGA.
- 9.3 If an applicant considers that it is the Crown for the purposes of avoiding liability to pay a development contribution, the Council may require the applicant to provide written evidence outlining the basis on which the applicant considers that it is the Crown.

Cross boundary issues

- 9.4 In some cases, developments may fall within more than one catchment or cross District Council boundaries. The total units of demand will be assessed separately for each catchment. The development contribution will then be calculated using the appropriate development contribution per unit of demand for each development contribution area. The total development contribution is the sum of the development contribution for each area.

Where the development crosses District Council boundaries, the Council will only assess the development for that part of the development which is within the Waipa District.

Timing of assessments, payment and enforcement

- 9.5 The Council has the power to require a development contribution to be made under Section 198 of the LGA when:
- A resource consent is granted under the Resource Management Act 1991;
 - A building consent is uplifted under the Building Act 2004;
 - An authorisation for a service connection is granted.

Payment and enforcement powers

- 9.6 Subject to section 9.7 of this Policy, an applicant may pay the development contribution within 12 months of the date of each assessment and, if not paid within 12 months of the date of the assessment, Council may at its discretion, review the assessment.
- 9.7 The development contribution must be paid as follows:
- Subdivision consent: Prior to the issue of Section 224(c) certificate;
 - Landuse consent: Prior to the commencement of the consent;
 - Building consent: Prior to the uplifting of the Building Consent;
 - Service connection: Prior to connection.

9.8 If payment of development contribution is not received, Council will exercise its powers outlined in Section 208 of the LGA. Those provisions state that until a development contribution required in relation to a development has been paid or made under section 198 of the LGA, Council may:

- a) In the case of a subdivision consent, withhold the section 224(c) certificate;
- b) In the case of any other resource consent, prevent the commencement of the resource consent;
- c) In the case of a building consent, withhold the Code of Compliance Certificate;
- d) In the case of a service connection, withhold the service connection; and
- e) In each case, register the outstanding development contribution as a charge on the subject land under the Statutory Charges Registration Act 1928.

Credits

9.9 Credits towards the development contribution assessment include both 'historical credits' and 'actual credits' for each relevant activity. Credits are expressed in units of demand and may be used to reduce the number of units of demand created by a development.

9.10 Credits can only be used for developments on the same site and for the same activity; except by a development agreement under section 9.28 of this Policy, and cannot be used to reduce the number of units of demand to less than zero.

9.11 Existing vacant allotments (except vacant allotments in the Industrial Zone) are deemed to have an historical credit of one HEU. For the avoidance of doubt, historical credits can only be claimed in relation to a parcel of land contained in one certificate of title, expressly excluding any allotments identified on a certificate of title.

Historical credits

9.12 Historical credits are used where the current development of the site does not result in an increase in the units of demand having regard to the prior use of the site.

Historical credits will generally only apply in the following circumstances:

Residential:

- Where a household unit was removed less than five years before the new consent application was lodged.

Non residential:

- Non-residential historical credits shall be granted on the basis of the gross floor area of the existing development and/or specific use (e.g. m³ of water use); and
- For existing non-residential buildings that are extended or demolished and re-built to the same or higher intensity, the assessment of credits will be based only on the existing development prior to rebuilding; and
- In the event a non-residential land use is proposed on a vacant brownfield site the Council may, for assessment purposes, consider the land uses that have taken place on the site during the five years immediately prior to the proposed development; and

- Credits will not be granted for any infrastructure and/or services provided in excess of that required as a condition of any consents issued by Council.

For the avoidance of doubt, all assessments will be done on a 'before and after' development basis for each relevant activity at the time of consent application, and will be undertaken on an incremental effects basis.

- 9.13 The prior use of the site must have been lawfully established. It is the responsibility of the applicant to provide sufficient proof to Council to establish this, such as a certificate of existing use pursuant to the RMA.

Actual credits

- 9.14 Actual credits are used where development contributions or financial contributions for a particular property have previously been paid at any time in relation to the same site, and for the same activity.

Remissions

- 9.15 At the request of an applicant, the development contributions required on a development may be considered for remission at Council's discretion on a case by case basis.

- 9.16 Any such request must be made in writing by the applicant no more than 15 working days after Council has advised the applicant in writing of the amount of development contribution payable on the development. The application must be made before any development contribution is paid, as the Council will not consider a retrospective application for remission.

- 9.17 The Council shall, as soon as reasonably practicable, consider a remission request. The Council may determine whether to hold a hearing for the purposes of the review, and if so, give the applicant at least five working days notice of the date, time and place of that hearing.

- 9.18 Council may, at its discretion, uphold, reduce or cancel the original amount of development contribution required on the development. The Council may delegate this decision to an authorised officer.

- 9.19 When considering a remission request the following matters shall be taken into account:

- a) This Policy; and
- b) Council's financial modelling; and
- c) Council's Funding and Financial Policy; and
- d) The extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by Council in its capital works programme; and
- e) The level of existing development on the site; and
- f) Whether Council determines that the development contributions are manifestly excessive in relation to:-
 - the scale of the development;
 - the value of the development;
 - the viability of the development;
 - the impact of the development on infrastructure;
 - whether the development supports Council's wider objectives; and
 - any other matter Council considers to be relevant.

- 9.20 An application for remission must be justified by the applicant.
- 9.21 For the avoidance of doubt, Council will not generally grant remissions in the following circumstances:
- Additional dwellings that are located near the boundaries of other Councils.
 - Dwellings which are able to be relocated more readily than others;
 - Developments only on the basis that the applicant is a not-for-profit, or community group/organisation. The appropriate mechanism in this case is to apply for a Council grant (if applicable), or make submissions to Council as part of the Annual Plan process;
 - Remitting on the basis of a subdivision for an Environmental Protection Lot (EPL) or other environmental benefit lot pursuant to the District Plan.
- 9.22 As a matter of Council policy, all decisions delegated to staff by Council are able to be objected to and considered by Council's Regulatory Committee.

Refunds

- 9.23 Sections 209 and 210 of the LGA apply to refunds of development contributions paid to Council, where:
- Resource consents lapse or are surrendered; or
 - Building consents lapse; or
 - The development or building does not proceed; or
 - The Council does not spend the money on the purpose for which the development contribution was required; or
 - Previous overpayment has been made (for whatever reason).
- 9.24 The development contribution will be refunded to the registered proprietors of the subject allotment as at the date of the refund assessment (less a fair and reasonable administration fee).

Postponements

- 9.25 Council will not consider any request to postpone a development contribution.

Special assessments

- 9.26 Where a proposed development clearly has a significantly greater (or lower) impact than is envisaged in the averaging implicit in Council's development contribution model, Council reserves its discretion to undertake or require a developer to provide a 'special assessment'. The applicant may be requested to provide supporting information and detailed calculations of the development's units of demand on various activities.
- 9.27 Where proposed development in a funded growth cell is proceeding in a manner such that the demand assumptions on which the design capacity of the infrastructure is based are not valid (in particular in relation to the average number of lots developed per hectare of gross land area), Council reserves its discretion to undertake a 'special assessment'. For the avoidance of doubt such a special assessment could result in a change in the way in which the units of demand are calculated from the actual number of HEU's to a theoretical number of HEU's based on the gross land area of the development. This is to ensure that the development undertaken in

a funded growth cell funds the cost of the growth infrastructure, regardless of the density of development.

Development agreements

9.28 Where it is in the best interests of all parties, Council may enter into a development agreement with the developer, at the developer's expense. The quantum of development contributions assessed pursuant to a Development Agreement will be in accordance with the level of demand.

Goods and services tax

9.29 All assessments are inclusive of GST and do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985.

9.30 The time of supply shall be the earlier of:

- a) Council issuing an invoice to the developer; or
- b) The payment of the development contribution in accordance with this Policy.

9.31 GST will be added to an invoice at the time of supply as required by the Goods and Services Tax Act 1985.

10 Schedule to the Development Contribution Policy

Section 202 – contents of schedule to Development Contribution Policy	Section reference in development contribution policy
<p>1]</p> <p>a) The development contributions payable in each District, calculated, in each case in accordance with the methodology, in respect of-</p> <ul style="list-style-type: none"> i) parks and reserves; and ii) network infrastructure; and iii) community infrastructure <p>b) The event that will give rise to a requirement for a development contribution under section 198, whether upon granting:</p> <ul style="list-style-type: none"> i) a resource consent under the Resource Management Act 1991; or ii) a building consent under the Building Act 1991; or iii) an authorisation for a service connection. 	<p>Refer to individual tables in sections 11-16, Appendix 1, section 8, catchment maps (Appendix 3).</p> <p>Refer to section 9.</p>
<p>2) If different development contributions are payable in different parts of the District, subsection 1 applies in relation to the parts of the District.</p>	<p>Refer to individual tables in sections 11-16, Appendix 1, section 8, catchment maps (Appendix 3).</p>
<p>3) The specifications required under subsection (1) or subsection (2) must be given separately in relation to each activity or group of activities for which separate development contributions are required.</p>	

11 Methodology - Roothing and Transport

11.1 The development contributions calculation methodology is discussed in the section below. Methodology detail is contained in the development contribution calculation spreadsheet, which is available from Council by request.

Roothing and transport catchment definition and asset management assumptions

11.2 Council views the District's roads as a contiguous and equal access network asset. Roothing growth capital expenditure will therefore be recovered from growth across the District. This approach aims to optimise transportation throughout the District and respond to growth.

11.3 Growth components are based on Council's asset managers conservative estimates of the proportion of growth capacity, or HEU growth as a driver of the specification and funding decisions for each project.

FUTURE rooting and transport capital expenditure in the 10-Year Plan resulting from growth.

11.4 Council asset manager's review of asset management plans indicates that of the \$119,346,050 total future capital expenditure (net of New Zealand Transport Agency subsidies), \$16,403,789 is estimated to provide additional design capacity for future growth as noted in Table 8.

11.5 The growth related expenditure is allocated across the 2,755 total residential and non-residential District-wide HEU growth expected in the 10 years to 2022.

Table 8

Development contribution fee area	10-Year Plan total capex	Growth capex component	Design capacity (HEU's) provided in growth capex	Fee per HEU (ex GST)
District wide LTP	\$119,346,050	\$16,403,789	2,775	\$5,911

11.6 These 10-Year Plan projects and their provision for growth (%) include:

- Associated improvements (10%);
- Te Awamutu Traffic Review Implementation (10%);
- T6: St Ledger / SH3 Intersection Network Upgrades (85%);
- T6: St Ledger Road Network Upgrades Roothing Concept Plan (100%);
- Ohaupo State Highway Intersection Upgrade (100%); and
- Kaipaki / Lamb Intersection Upgrade (100%).

These works take place where traffic growth drives the need for a more appropriate and serviceable road. Traffic growth is strongly linked to development.

Minor safety improvements

- 11.7 The unallocated minor safety project (10% growth provision) provides safety improvements directly linked to increased traffic volumes. Council Asset managers expect that at least 10% of the minor safety improvements works will be a result of traffic volume increases, resulting from expected residential and non-residential development.

Pavement and footpath works

- 11.8 Projects (and growth provision %) in this category are:

- Pavement Rehabilitation (10%); and
- Urban Upgrades - Development Related (100%).

New developments drive the location and specification of the works as increasing population density in infill and greenfields residential and non-residential development areas, resulting in increased pavement and footpath demand. Pavement and footpath works providing additional width to facilitate walking and cycling are also driven by local and national alternative transport strategies, and community desire to increase use of these modes of transport. An ageing population also requires wider footpaths for safer and easier footpath use. Asset managers assess that a growth component of 10% for vulnerable users, and 10% for pavement rehabilitation is a conservative assumed allocation to growth.

Victoria boulevard

- 11.9 This project upgrades Victoria Road between Taylor Street and the Victoria Interchange with the Waikato Expressway. The project will provide the capacity for additional traffic growth anticipated from the Cambridge North growth cell, and from wider growth in Cambridge. The capacity provided for additional future traffic has been conservatively estimated at 10%.

10-Year Plan Victoria interchange and Waikato Expressway (Cambridge Section) related projects

- 11.10 These projects (and growth provision %) comprise:

- Cambridge Deferred Residential Collector Road (70%);
- Cambridge Deferred Residential Land Acquisition (100%);
- Swayne Rd Urban Upgrade & Traffic Calming (70%); and
- Victoria/Norfolk Intersection Construction (70%).

The Victoria interchange construction and a package of related projects required as a result of the interchange will deliver a new level of service benefit to existing residents of the District as a whole. The project will also provide more generally for growth in the District as a whole. The growth component of 70-100% has been assessed as appropriate given the future capacity that is to be provided. Elsewhere, the revoked sections of State Highway will be reformed to suit the future traffic and land use patterns that are required to be serviced.

HISTORIC roading and transport capital expenditure already incurred in anticipation of growth

(i) Significant standalone historic projects

11.11 Table 9 shows two Cambridge projects with District wide benefits. These projects provided design capacity for approximately 15-years of growth over the period 2006-21, equivalent to 2,994 additional HEUs. The Lake Ngaroto Bridge project was completed in the 2009-12, period with a design capacity for growth estimated at 4,185.

(ii) Existing network capacity for growth

11.12 Table 9 also shows a fee for access to the existing network capacity available to service growth. Refer to sections 6.26 – 6.32 for detailed discussion of this calculation.

Table 9

Development contribution fee area	Total historical capex	Growth capex component	Design capacity (HEU's) provided in growth capex	Fee per HEU (ex GST)
a) Significant completed standalone projects				
District wide (Cambridge CBD upgrade)	\$4,800,177	\$864,032	2,994	\$288
Cambridge North	\$2,948,710	\$2,948,710	2994	\$985
Lake Ngaroto Bridge	\$513,458	\$102,692	4,185	\$25
b) Existing network capacity for growth				
District wide (other network)	\$494,028,594	\$2,470,143	2,775	\$890
Total	\$ 502,290,939	\$6,385,577		\$2,188

Identification of Roothing and Transport units of demand

11.13 An HEU is assumed to represent 10 traffic movements per day. All residential lots of any size are assumed to be equivalent to 1 HEU, except where a special assessment is required as per sections 8.10, 8.11, 8.14, 8.16, 9.26 - 9.27.

11.14 Refer to section 8.13 for non-residential conversion factors based on New Zealand Trips and Parking Database trip generation guidelines (This database information has been verified by comparison with trip generation data from recent non-residential development in the District). Where a special assessment of demand is provided or required; total trip generation for the development will be calculated using the assumption that every 10 vehicle movements per day is equivalent to one HEU.

Allocation of Roothing and Transport costs to each unit of demand and schedule of fees

11.15 For the District wide catchment, allocation of the historic and total 10 year growth capital expenditure in the 10-Year Plan creates the total fees set out in Table 10. Each separately habitable or tenatable residential unit of any size is liable to pay the sum of the relevant roading and transport development contributions fees.

Table 10

Development contribution fee area	Historic capex fee per HEU	10-Year Plan capex fee per HEU	Fee per HEU (ex GST)
District wide	\$2,188	\$5,911	\$8,099

12 Methodology – Water

12.1 The development contributions calculation methodology is discussed in the section below. Methodology detail is contained in the development contribution calculation spreadsheet, which is available from Council by request.

Water catchment definition and asset management assumptions

12.2 For the purpose of calculating development contributions, there are three reticulated water catchments (Kihikihi, Te Awamutu and Cambridge), and two 10-Year Plan funded growth-cells with reticulated water catchments (Piquet Hill and Cambridge North). Three water treatment plants service, and have costs allocated to, the five reticulated water catchments as described in table 11.

Table 11

Development contribution fee area	Water treatment plant catchment	Reticulated water catchment
Te Awamutu/Pirongia	Te Awamutu treatment plant	Te Awamutu reticulation
Picquet Hill (growth cell)		Picquet Hill reticulation
Kihikihi	Kihikihi treatment plant	Kihikihi reticulation
Cambridge/ Karapiro	Cambridge/ Karapiro treatment plant	Cambridge/Karapiro Reticulation
Cambridge North (growth cell)		Cambridge North reticulation

FUTURE water supply capital expenditure in the 10-Year Plan resulting from growth

12.3 Council's 10 year water capital expenditure in the 2012-22 10-Year Plan totals \$73,051,100 as shown in Table 12. Asset managers assess that of the total costs \$6,919,905 is to service future growth.

Table 12

Development contribution fee area	10-Year Plan total capex	Growth capex component	Design capacity (HEU's) provided in growth capex	Fee per HEU (ex GST)
District wide	\$19,843,000	\$2,753,980	1,513	\$1,820
Te Awamutu	\$22,962,000	\$25,495	357	\$71
Cambridge / Karapiro	\$27,616,900	\$1,511,230	903	\$1,674
Cambridge North	\$789,100	\$789,100	1,351	\$584
Kihikihi	-	-	-	-
Picquet Hill	\$1,840,100	\$1,840,100	407	\$4,521
Total	\$73,051,100	\$6,919,905		

Cambridge reservoir renewals and upgrades

- 12.4 Council is proposing capital expenditure of \$2,750,200 for upgrading the Cambridge Reservoir as part of an ongoing future proofing programme for the Cambridge reticulation system. Of the total costs, Asset managers have attributed 40% to growth, and allocated this to the 903 residential and non residential growth HEUs expected in the 10 year period to 2021.

District wide main upgrades

- 12.5 Council is proposing capital expenditure totalling \$15,982,200 for water main upgrade projects comprising:
- Main replacements & upgrades (15% growth provision);
 - Rider main replacements and upgrades (10%); and
 - Steel mains replacements & upgrades (10%).

As part of an ongoing future proofing programme for the water reticulation system across the District.

Of the total costs, Asset managers have attributed \$1,981,820 to growth. A further \$3,860,800 has been provided for capital improvements for water standards, of which 20% is allocated to growth. These project growth costs are all allocated to the 1,513 10 year growth HEUs in those parts of the District with water connection availability.

Cambridge Karapiro works

- 12.6 These projects totalling \$1,914,000 comprise:
- Karapiro rising main (40% provision for growth);
 - Pukerimu to Cambridge Link (100%); and
 - Karapiro – Leamington water main upgrade (10%).

These projects are allocated to the projected 903 growth HEUs in those catchments.

Te Awamutu

12.7 Te Awamutu water projects totalling \$52,400 comprise:

- Te Awamutu Water new source (85% provision for growth); and
- Te Awamutu to Pukerimu link (20%).

Allocated to the 357 growth HEUs in the Te Awamutu catchment, excluding Kihikihi.

Picquet Hill plan change area

12.8 Ten year capital expenditure provides 100% for growth. These costs are allocated across the 407 growth HEUs in the Picquet Hill catchment.

HISTORIC water supply capital expenditure already incurred in anticipation of growth

12.9 Table 13 shows historic capital expenditure resulting in assets designed with additional capacity in anticipation of future growth totalling \$54,948,391. Of this total, \$2,065,666 is estimated to provide for future capacity.

(i) Significant standalone historic projects

12.10 Table 13 summarises five projects including Kihikihi Reservoir, Karapiro – Leamington, Te Awamutu Water Source, and three Karapiro Water treatment plant upgraded.

(ii) Existing network capacity for growth

12.11 Table 13 also shows fees for access to the existing network capacity available across the three water supply catchments.

Table 13

Development contribution fee area	Total historical capex	Growth capex component	Design capacity (HEU's) provided in growth capex	Fee per HEU (ex GST)
(i) Significant standalone historic projects				
Kihikihi	\$345,000	\$207,000	300	\$690
Cambridge Karapiro (Karapiro – Leamington & WTP upgrades)	\$1,330,656	\$645,243	1,545	\$417
Te Awamutu	\$739,025	\$739,025	1,112	\$664
Cambridge North	\$224,391	\$224,391	1,351	\$166
(ii) Existing network capacity for growth				
Te Awamutu	\$25,084,975	\$125,425	357	\$352
Cambridge	\$24,339,344	\$121,697	903	\$135
Kihikihi	\$2,885,000	\$2,885	75	\$38
Total	\$54,948,391	\$2,065,666		

Identification of water supply units of demand

- 12.12 Each HEU is assumed to consume the observed Waipa average household water consumption of 240 litres/per person/per day. Residential HEUs of any size will pay a fee set on the basis of this average except where a special assessment is required as per sections 8.10, 8.11, 8.14, 8.16, 9.26 - 9.27.
- 12.13 Development contributions for water are only charged where the development is able to connect to a Council operated water supply network.

Non-residential development

- 12.14 Non-residential developments will pay according to the factors based on land-use per 100m² GFA set out in section 8.13.

Water supply input to schedule of fees

- 12.15 Table 14 shows the total water supply fee per HEU for each catchment, consisting of fees for both treatment plants and reticulation.

Table 14

Development contribution fee area	Historic capex fee per HEU	10-Year Plan capex fee per HEU	Fee per HEU (ex GST)
Te Awamutu	\$1,016	\$1,891	\$2,907
Cambridge/Karapiro	\$552	\$3,494	\$4,046
Cambridge North	\$301	\$4,078	\$4,379
Kihikihi	\$728	\$1,820	\$2,548
Picquet Hill	-	\$6,341	\$6,341
Pirongia	\$1,016	\$1,891	\$2,907

13 Methodology – Wastewater

- 13.1 The development contributions calculation methodology is discussed in the section below. Methodology detail is contained in the development contribution calculation spreadsheet, which is available from Council by request.

Wastewater catchment definition and asset management assumptions

- 13.2 There are five wastewater scheme areas (including a District wide fee) for the purposes of calculating wastewater development contributions. Reticulation costs for each area are calculated for each separate catchment. Two wastewater treatment plant systems service the five reticulation catchments as described in Table 15.

Table 15

Development contribution fee area	Wastewater treatment plant catchment	Wastewater reticulation catchment
Te Awamutu/Kihikihi	Te Awamutu/Kihikihi treatment plant	Te Awamutu/Kihikihi reticulation
Picquet Hill (growth cell)		Picquet Hill reticulation
Cambridge/ Karapiro	Cambridge/ Karapiro treatment plant	Cambridge/Karapiro Reticulation
Cambridge North (growth cell)		Cambridge North reticulation

FUTURE wastewater capital expenditure in the 10-Year Plan resulting from growth

- 13.3 Table 16 shows Council's 10 year wastewater capital expenditure in the 2012-22 10-Year Plan totalling \$64,678,900. Council's asset managers assess that of the total costs, \$14,010,690 is to service future growth.

Table 16

Development contribution fee area	10-Year Plan total capex	Growth capex component	Design capacity (HEU's) provided in growth capex	Fee per HEU (ex GST)
Treatment Plants				
Te Awamutu	\$5,490,700	\$1,647,210	1,037	\$ 1,588
Cambridge	\$24,512,000	\$5,147,520	2,780	\$1,852
Reticulation				
District wide	\$11,405,900	\$1,140,590	1,339	\$852
Cambridge/Karapiro	\$12,419,650	\$1,444,080	903	\$1,599
Cambridge North	\$1,215,800	\$1,215,800	1,351	\$900
Picquet Hill	\$2,523,100	\$2,523,100	407	\$6,199
Te Awamutu	\$7,111,750	\$892,390	436	\$2,047
Total	\$64,678,900	\$14,010,690		

Wastewater treatment plants

- 13.4 The Council is proposing capital expenditure of \$5,490,700 to upgrade the wastewater treatment plant at Te Awamutu to address resource consent and growth issues. Of the total costs, Council's asset managers have attributed \$1,647,210 to growth allocated to the 1,037 growth HEUs expected in the catchment over the 35 years to 2046.

- 13.5 The Council is proposing capital expenditure of \$24,512,00 across three phases to construct a new wastewater treatment plant at Cambridge, to address resource consent and growth issues. Of the total costs, Council's asset managers have attributed \$5,147,520 to growth, allocated to the 2,780 growth HEUs expected in the catchment over the 35 years to 2046.

Trunk main upgrades

- 13.6 The Council is proposing capital expenditure of \$2,173,300 to upgrade the Cambridge pipe bridge across the Waikato River. Of the total costs, Council's asset managers have attributed \$1,303,980 to growth, allocated to the 903 growth HEUs expected in Cambridge, Leamington and Hautapu over 10 years. 10% of at risk pipeline project costs are also allocated to this growth.
- 13.7 The Council is proposing capital expenditure of \$11,405,900 for District wide wastewater pipeline upgrades. Of the total costs, Council's asset managers have attributed \$1,140,590 to growth allocated to the 1,339 growth HEUs over 10 years in areas with sewerage reticulation.
- 13.8 The Council is proposing capital expenditure of \$3,738,900 for wastewater infrastructure for the Picquet Hill and Cambridge North growth cells. Of the total costs, Council's asset managers have attributed 100% of these costs to growth, allocated to the 1,351 and 407 design capacity HEUs for Cambridge and Picquet Hill respectively.
- 13.9 In Te Awamutu, Council proposes to spend \$1,213,700 on a Te Awamutu trunk main in Daphne Street, and \$1,299,300 on capacity upgrades to Te Awamutu South with 20% and 50% respectively allocated to 436 growth HEUs.

HISTORIC wastewater capital expenditure already incurred in anticipation of growth

(i) Significant standalone historic projects

- 13.10 Table 17 shows the Factory Road pipe upgrade project in Te Awamutu, treatment plant, the Deferred Residential Zone rising main projects in Cambridge/Karapiro, and historic Cambridge North costs.

(ii) Existing network capacity for growth

- 13.11 Historic capital expenditure resulting in assets designed with additional capacity in anticipation of future growth totals \$51,906,128 across both wastewater treatment plants and reticulation works. \$4,512,704 of this total is estimated to provide for future capacity.

Table 17

Development contribution fee area	Total historical capex	Growth capex component	Design capacity (HEU's) provided in growth capex	Fee per HEU (ex GST)
(i) Significant standalone historic projects				
Te Awamutu	\$1,007,839	\$302,352	894	\$338
Cambridge/Karapiro	\$2,246,991	\$966,048	2,780	\$347
Cambridge North	\$3,016,128	\$3,016,128	1,351	\$2,232
(ii) Existing network capacity for growth				
Te Awamutu	\$25,930,161	\$129,651	436	\$298
Cambridge/Karapiro	\$19,705,009	\$98,525	903	\$110
Total District wide	\$51,906,128	\$4,512,704		

Identification of wastewater units of demand

- 13.12 Each HEU is assumed to discharge 479 litres per day (based on 75% of water consumption per HEU). Residential HEUs of any size will pay a fee set on the basis of this average except where a special assessment is required as per sections 8.10, 8.11, 8.14, 8.16, 9.26 - 9.27.
- 13.13 Development contributions for wastewater are only charged where the development is able to connect to a Council operated wastewater network.

Non-residential development

- 13.14 Non-residential developments will pay according to the conversion factors based on land-use per 100m² GFA as set out in section 8.13.

Wastewater supply input to schedule of fees

- 13.15 Table 18 shows the total wastewater supply fee per HEU for each catchment.

Table 18

Development contribution fee area	Historic capex fee per HEU	10-Year Plan capex fee per HEU	Fee per HEU (ex GST)
Te Awamutu	\$636	\$4,487	\$5,123
Cambridge/Karapiro	\$457	\$4,303	\$4,760
Cambridge North	\$2,689	\$5,203	\$7,892
Kihikihi	\$636	\$4,487	\$5,123
Picquet Hill	-	\$7,051	\$7,051

14 Methodology – Stormwater

14.1 The development contributions calculation methodology is discussed in the section below. Methodology detail is contained in the development contributions calculation spreadsheet, which is available from Council by request.

Stormwater catchment definition and asset management assumptions

14.2 Development contribution fee catchment areas for stormwater are calculated for five separate catchments (District wide, Cambridge / Karapiro, Cambridge North, Te Awamutu/Kihikihi, Piquet Hill).

FUTURE storm water capital expenditure in the 10-Year Plan resulting from growth

14.3 Council's stormwater capital expenditure in the 2012-22 10-Year Plan totals \$31,143,300. Council's asset managers have attributed \$11,843,600 of this to growth.

14.4 Stormwater effects are widespread and incremental. Asset managers expect that the 10-Year Plan stormwater capital expenditure will support the expected residential and non-residential growth HEUs in the identified stormwater catchments and across the District more generally in the period 2012-22.

Table 19

Development contribution fee area	10-Year Plan total capex	Growth capex component	Design capacity (HEU's) provided in growth capex	Fee per HEU (ex GST)
District wide	\$19,041,100	-		-
Cambridge / Karapiro	\$258,600	-		-
Cambridge North	\$11,471,600	\$11,471,600	1,351	\$8,491
Piquet Hill	\$216,100	\$216,100	407	\$531
Te Awamutu	\$155,900	\$155,900	436	\$358
Total	\$31,143,300	\$11,843,600		

Cambridge North

14.5 Cambridge North projects comprise: deferred residential stormwater works and residential stormwater culverts, the costs of which are allocated 100% to 1,351 design capacity growth HEUs.

Piquet Hill and Te Awamutu

14.6 100% of plan change costs at Piquet Hill are allocated to the 407 design capacity growth HEU of the works and 100% of St Ledger road works are allocated to the 10 year HEU growth expected at Te Awamutu.

HISTORIC storm water capital expenditure already incurred in anticipation of growth

(i) Significant standalone historic projects

14.7 The two significant standalone stormwater projects shown in table 20 are ‘additional capacity projects 9150 and 1731’, and ‘Historic works at Cambridge North’.

(ii) Existing network capacity for growth

14.8 A fee for access to existing network capacity for growth is charged on a District wide basis and for access to historic works at Cambridge North.

Table 20

Development contribution fee area	Total historical capex	Growth capex component	Design capacity (HEU’s) provided in growth capex	Fee per HEU (ex GST)
(i) Significant standalone historic projects				
District wide	\$427,449	\$170,980	1804	\$95
Cambridge North	\$2,126,404	\$2,126,404	1,351	\$1,574
(ii) Existing network capacity for growth				
Cambridge/Karapiro	\$14,327,872	\$71,639	903	\$79
Te Awamutu	\$12,071,275	\$60,356	436	\$138
Total District wide	\$28,953,000	\$2,429,379		

Identification of stormwater units of demand

14.9 Each HEU is assumed to create an impervious area of 420m² (60% of a 700m² average lot size), except where a special assessment is required as per sections 8.10, 8.11, 8.14, 8.16, 9.26 - 9.27.

14.10 Development contributions for stormwater are only charged where there is a stormwater network in place. Within that catchment, all development that creates additional impervious space, regardless of whether stormwater discharges to ground within a property or to the road reserve; will be required to pay development contributions. This is due to the direct linkages between surface stormwater management and groundwater management, and the finite amount of stormwater that can be discharged to land from all sources within a catchment.

Non-residential development

14.11 Non-residential development will pay 0.24 HEU / 100m² impervious surface area, as set out in section 8.13.

Stormwater supply input to schedule of fees

14.12 Table 21 shows the total stormwater supply fee per HEU for each catchment.

Table 21

Development contribution fee area	Historic capex fee per HEU	10-Year Plan capex fee per HEU	Fee per HEU (ex GST)
Te Awamutu	\$233	\$358	\$591
Cambridge/Karapiro	\$174	-	\$174
Cambridge North	\$1,669	\$8,491	\$10,160
Kihikihi	\$233	\$358	\$591
Picquet Hill	\$95	\$531	\$626
Pirongia	\$233	\$358	\$591

15 Methodology – Community Infrastructure

- 15.1 The development contributions calculation methodology is discussed in the section below. Methodology detail is contained in the development contribution calculation spreadsheet, which is available from Council by request.

Community infrastructure definition and asset management assumptions

- 15.2 While the District does have distinct communities, community infrastructure provides widespread public benefits that are difficult to separately identify at a sub-District level. A single District wide catchment is therefore used for community infrastructure. A separate fee calculation for parks and reserves is provided in section 16.

FUTURE community infrastructure capital expenditure in the 10-Year Plan resulting from growth

- 15.3 Table 22 shows a total of \$23,038,494 for 10 year community infrastructure capital expenditure in the 2012-22 10-Year Plan. Growth costs net of third party contributions are \$6,708,269. Growth costs are allocated to either the 6,891 expected growth HEUs over 35 years to 2041 or the 2,643 10 year district growth for residential HEUs only.

Table 22

Development contribution fee components – DISTRICT-WIDE	10-Year Plan total capex	Growth capex component	Design capacity (HEU's) provided in growth capex	Fee per HEU (ex GST)
Cambridge covered pool	\$8,525,600	\$852,560	6,891	\$124
Te Awamutu library and museum (Community Hub)	\$4,260,594	\$426,059	6,891	\$62
Reserve development (excluding land acquisition) includes: amenity, conservation, neighbourhood, premier, special purpose & sports reserves.	\$4,893,800	\$4,893,800	2,643	\$1,852
Library – Cambridge & Karapiro	\$3,243,100	\$324,310	2,643	\$123
Parks/reserves – includes Waipuke (Geck) reserve property, Karapiro/ Arapuni lakes, Kihikihi Domain, parks upgrades, structure upgrades equipment & surface upgrades	\$1,690,100	\$169,010	2,643	\$64
Te Awamutu dog pound	\$425,300	\$42,530	2,643	\$16
Total	\$23,038,494	\$6,708,269		

HISTORIC community infrastructure capital expenditure already incurred in anticipation of growth

(i) Significant standalone historic projects

- 15.4 Table 23 shows historic capital expenditure of \$6,506,000 for assets designed with additional capacity for future growth. These works include expenditure for the Karapiro domain, and the Cambridge covered pool. The Karapiro growth costs are allocated across 7,578 expected residential HEU growth expectations for the period to 2031 (as defined in the 2009 DC Policy). Cambridge covered pool growth costs are allocated across the 6,891 District wide residential HEU growth expectations to 2041. 10-Year Plan expenditure for Cambridge pool is expected to serve the District for 26 years from 2006 when the asset requirement was identified. Household numbers are expected to increase by 6,891 over this period.

Table 23

Development contribution fee area	Total historical capex	Growth capex component	Design capacity (HEU's) provided in growth capex	Fee per HEU (ex GST)
District wide –Karapiro development	\$4,680,000	\$936,000	7,578	\$123
District wide Cambridge covered pool	\$1,826,000	\$182,600	6,891	\$26
Total District wide	\$6,506,000	\$1,118,600		

(ii) Existing network capacity for growth

There is no fee for access to existing community infrastructure capacity.

Identification of community infrastructure units of demand

- 15.6 The primary demand driver for community infrastructure is residential use, with the growth costs allocated to an average residential HEU except where a special assessment is required as per sections 8.10, 8.11, 8.14, 8.16, 9.26 - 9.27.

Non-residential development

- 15.7 No development contributions for community infrastructure is levied upon non-residential development.

Community infrastructure supply input to schedule of fees

- 15.8 Table 24 shows the total community infrastructure supply fee per HEU.

Table 24

Development contribution fee area	Historic capex fee per HEU	10-Year Plan capex fee per HEU	Fee per HEU (ex GST)
District wide	\$149	\$2,241	\$2,390

16 Methodology – Parks and Reserves

- 16.1 The development contributions calculation methodology is discussed in the section below. Methodology detail is contained in the development contribution calculation spreadsheet, which is available from Council by request.

Parks and reserves catchment definition and asset management assumptions

- 16.2 While the District has distinct communities, parks and reserves provide widespread public benefits that are difficult to separately identify at a sub-District level. A single District wide catchment is therefore used.

FUTURE community infrastructure capital expenditure in the 10-Year Plan resulting from growth

- 16.3 Ten year parks and reserves capital expenditure in the 10-Year Plan 2012-22 totals \$7,656,880, of which; \$4,833,400 caters for increased growth. These projects comprise land purchase at Kihikihi Domain and Lake Ngaroto for which 10% of costs are assessed as growth related. Buffer reserves are also included and 100% of these costs are allocated to growth.
- 16.4 The parks and reserves expenditure programme is aimed at building capacity to service growth in the District over the period of the 10-Year Plan. Development contributions will be charged to residential growth HEUs only. From 2012-2022, this is forecast to be 2,643 HEUs.

Table 25

Development contribution fee area	10-Year Plan total capex	Growth capex component	Design capacity (HEU's) provided in growth capex	Fee per HEU (ex GST)
District wide	\$7,656,880	\$4,833,400	2,643	\$1,829

HISTORIC community infrastructure capital expenditure already incurred in anticipation of growth

- 16.5 No material historic capital expenditure resulting in assets designed with additional capacity for future growth is recognised.

Identification of parks and reserves units of demand

- 16.6 The primary demand driver for parks and reserves is residential use, with the growth costs allocated to an average residential HEU except where a special assessment is required as per sections 8.10, 8.11, 8.14, 8.16, 9.26 - 9.27.

Non-residential development

- 16.7 No fee is levied upon non-residential development.

Parks and reserves supply input to schedule of fees

- 16.8 Table 26 below, shows the total parks and reserves supply fee per HEU.

Table 26

Development contribution fee area	Historic capex fee per HEU	10-Year Plan capex fee per HEU	Fee per HEU (ex GST)
District wide	-	\$1,829	\$1,829

Development Contribution Policy Appendices

Development Contribution Policy: Appendix 1

Development contribution fee summary per HEU by catchment (GST inclusive)

Catchment	Roading & Transport	Water Supply	Wastewater	Stormwater	Community Infrastructure	Parks & Reserves	Total
Te Awamutu	\$9,314	\$3,343	\$5,891	\$680	\$2,748	\$2,103	\$24,079
Picquet Hill	\$9,314	\$7,292	\$8,109	\$720	\$2,748	\$2,103	\$30,286
Cambridge / Karapiro	\$9,314	\$4,653	\$5,474	\$200	\$2,748	\$2,103	\$24,492
Cambridge North	\$9,314	\$5,036	\$9,076	\$11,684	\$2,748	\$2,103	\$39,961
Pirongia	\$9,314	\$3,343	-	\$680	\$2,748	\$2,103	\$18,188
Kihikihi	\$9,314	\$2,930	\$5,891	\$680	\$2,748	\$2,103	\$23,666
Rural	\$9,314	-	-	-	\$2,748	\$2,103	\$14,165

Development Contribution Policy: Appendix 2

Definitions

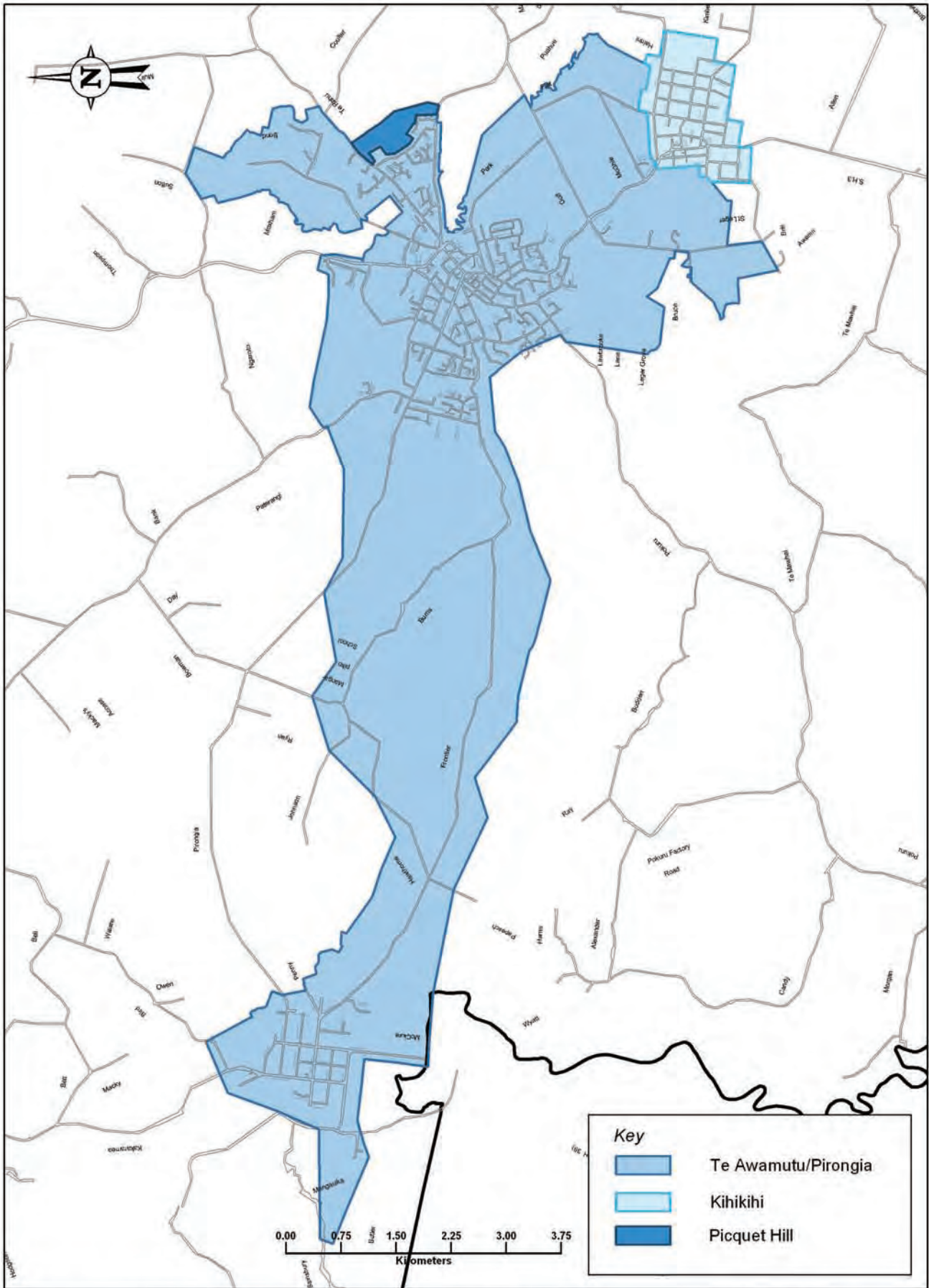
Activity	means a good or service provided by the Council (as per section 5 of the Local Government Act 2002), and for which development contributions are normally collected.
Allotment	means an allotment as defined by section 218 of the Resource Management Act 1991.
Asset manager	means an officer of Council involved in the management of Council infrastructure.
Authorised officer	means an officer authorised in accordance with Council's Delegations Register to carry out functions under this Policy.
Capex	means capital expenditure.
Catchment	means an area of the District that is subject to development contributions as identified in this Policy; and includes any future development which extends such catchment areas. Any area in the Waipa District which is not specifically shown to be within a catchment (i.e. Te Awamutu or Cambridge) shall be deemed to be in the rural catchment (unless the property has any connection (i.e. water) to another catchment, then it shall be deemed to be within that catchment)).
Commercial	means a non-residential development providing for activities that are conducted in an office setting and that generally focus on business, government, professional, or financial services; and includes the personal service elements of these activities that are offered to consumers or clients.
Community facilities	means parks and reserves, network infrastructure, or community infrastructure for which development contributions may be required.
Community infrastructure	means: <ol style="list-style-type: none">a) land, or development assets on land, owned or controlled by Council to provide public amenities; andb) includes land that Council will acquire for that purpose.

Council	means 'Waipa District Council'.
Development	means: a) any subdivision or other development that generates a demand for network infrastructure, parks and reserves, or community infrastructure; but b) excludes the pipes or lines of any non-Council owned network utility operator.
Development agreement	means any private agreement signed between a developer and Waipa District Council.
District Plan	means the Operative Waipa District Plan including any proposed plan or variation.
Education and community services	means a development providing for educational activities and support, including preschool (including day care facilities), primary, secondary and tertiary institutions; or a development providing services to benefit the community, such as sporting, religious, social, cultural or charitable activities.
Funded growth cell	means a catchment or part thereof that the Council has resolved to fund or part fund through its long term plan.
GFA	means gross floor area.
GFA	for the purpose of impervious area calculations for non-residential developments means all impermeable surfaces of the site.
GFA in terms of buildings	means the total area of all the floors of all buildings on a site, excluding mechanical service equipment areas, external stairways and balconies.
GST	means goods and services tax levied in accordance with the Goods and Services Tax Act 1985.
Health services	means medical services (e.g. doctors, optometrists, emergency services), veterinary services, dental services, or community care services (excludes accommodation).
Household unit	means a building or part of a building capable of being used as an independent residence and includes dwelling apartments, semi-detached or detached

<i>Household unit continued</i>	houses, units, town houses, granny flats (or similar), and caravans (where used as a place of residence or occupied for a period of time exceeding six months in a calendar year). For the avoidance of doubt the following shall also apply: <ul style="list-style-type: none"> ▪ Any dwelling which has two separate kitchen facilities of any nature, shall be deemed to be two household units regardless of the configuration of the dwelling; ▪ A 'sleepout' is considered to be any building or part of a building which is 20m² or less (excluding garaging), anything in addition to this will be considered to be a household unit.
<i>HEU</i>	means Household Equivalent Unit, which is a unit of demand representing one average household.
<i>Industrial</i>	means a non-residential development providing for activities in which goods are manufactured, fabricated, processed, converted, repaired, packaged, assembled, stored, distributed or serviced; and also includes the extraction, conversion or processing of natural resources.
<i>Industrial Zone</i>	means the area mapped in the operative Waipa District Plan Planning Maps.
<i>Impermeable surface area or ISA</i>	means a surface which is <u>not</u> capable of being entirely permeated by rainwater at a rate that avoids ponding or runoff; and includes pavements, gobi-blocks, grasscrete, gravel or metalled driveways or hard surfaced materials and other similar materials.
<i>LGA</i>	means the Local Government Act 2002.
<i>Minor household unit</i>	means a household unit not exceeding 70m ² in Gross Floor Area (GFA), provided that garaging and open deck areas are not included in the 70m ² GFA calculation.
<i>Network infrastructure</i>	means the provision of roads and other transport, water, wastewater, and stormwater collection and management.
<i>Non-residential development (or activity)</i>	means any development that is not a residential development.

<i>Residential development</i>	means a use of land and buildings by people for the purpose of permanent living accommodation in a household unit where the majority of occupiers intend to live at the site for a period of one month or more of continuous occupation per annum and will generally refer to the site as their home and permanent address. It includes accessory buildings and leisure activities associated with needs generated principally from living on the site.
<i>Retail</i>	means a non-residential development providing for activities connected with the sale, lease or rental of new or used products or services to the general public.
<i>Restaurants and hospitality</i>	means any developments, principally used for the sale of meals or light refreshments to the general public.
<i>RMA</i>	means Resource Management Act 1991.
<i>Rural in relation to 'catchment'</i>	means any area in Waipa District which is not specifically shown to be in any of the other defined catchments.
<i>Special assessment</i>	means that Council has determined that the development is of such a scale, or effect that the standard HEU assumptions and/or conversion factors in the DCP are not appropriate, and therefore that a special assessment is required.
<i>Vehicle movements</i>	for the purposes of calculating non residential demand means that one vehicle visiting equals two vehicle movements.
<i>Visitor accommodation</i>	means land or buildings which are offered for temporary accommodation of persons and includes bed and breakfast establishments, backpackers' accommodation, home stay facilities, motels, hotels, tourist lodges, holiday flats, tourist cabins, motor inns and ancillary workrooms, reception areas and accessory buildings or ancillary activities on the site. This definition does not include activities defined in this Policy as dwellings or residential activities.
<i>Warehousing</i>	means any building or land, where materials, articles or goods are stored pending sale or removal.

Development Contribution Policy: Appendix 3
Development contribution catchment maps



Development Contribution Catchment
WATER
Te Awamutu



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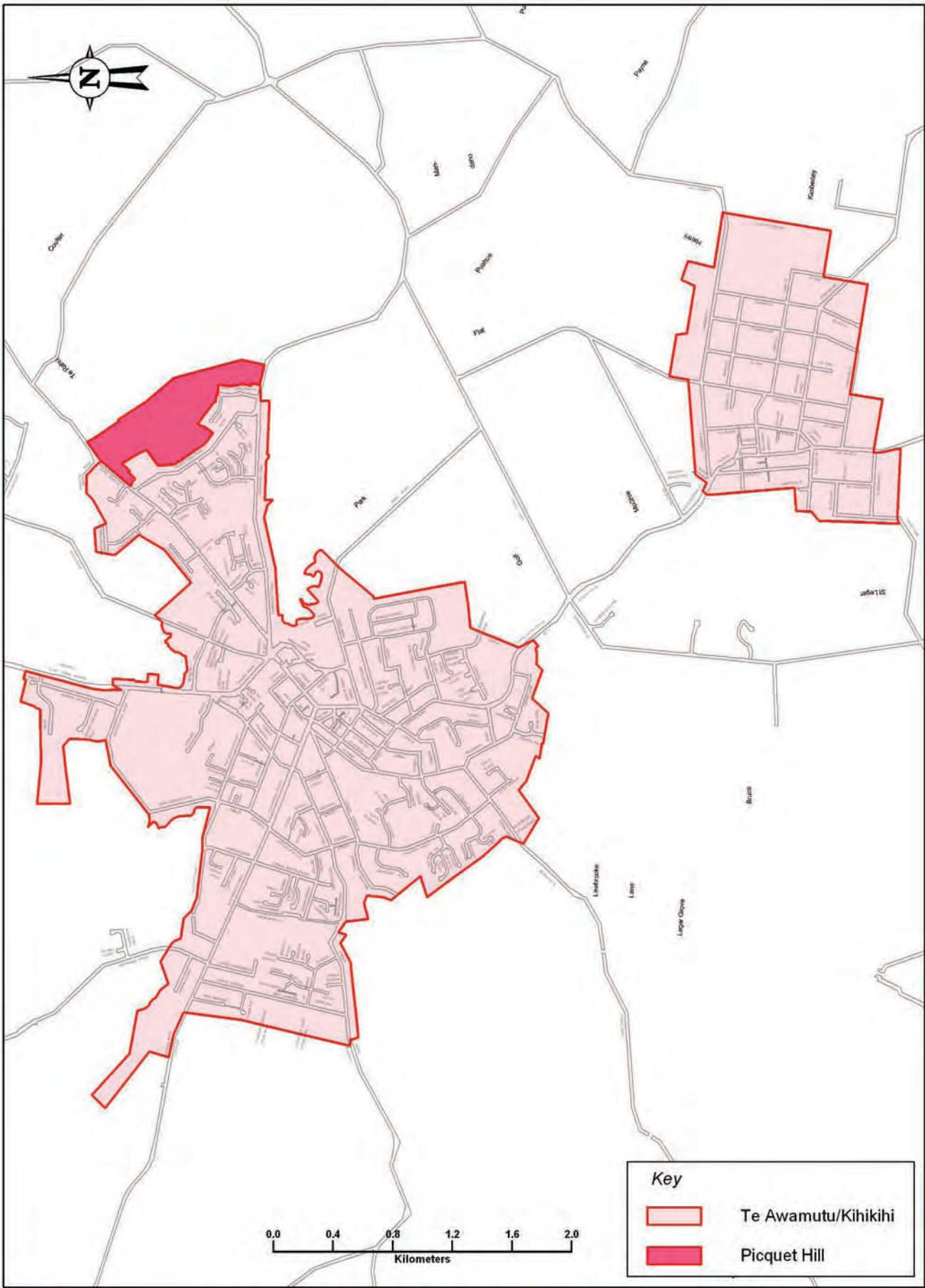


**Development Contribution Catchment
WATER
Picquet Hill**



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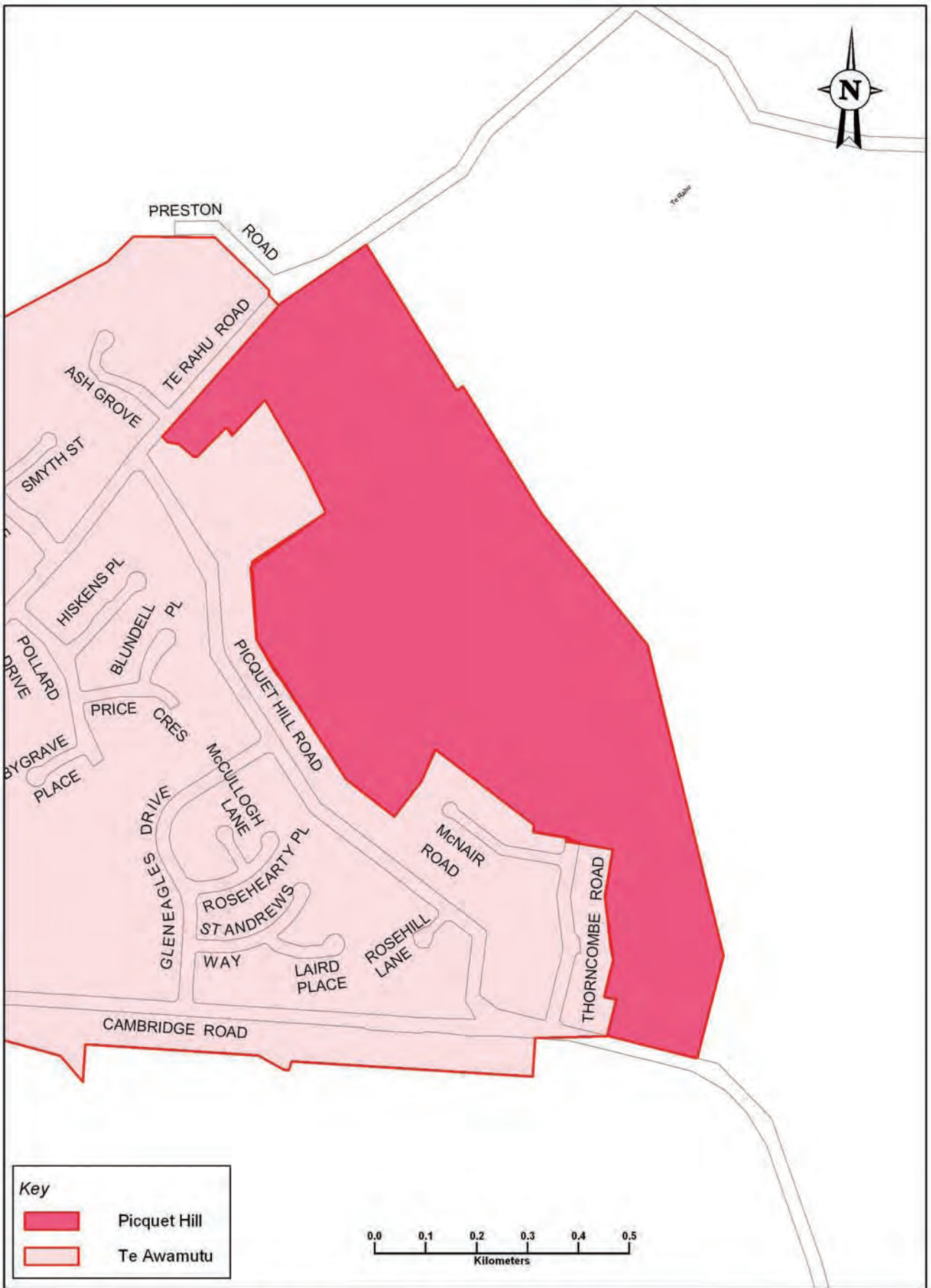


**Development Contribution Catchment
WASTEWATER
Te Awamutu**



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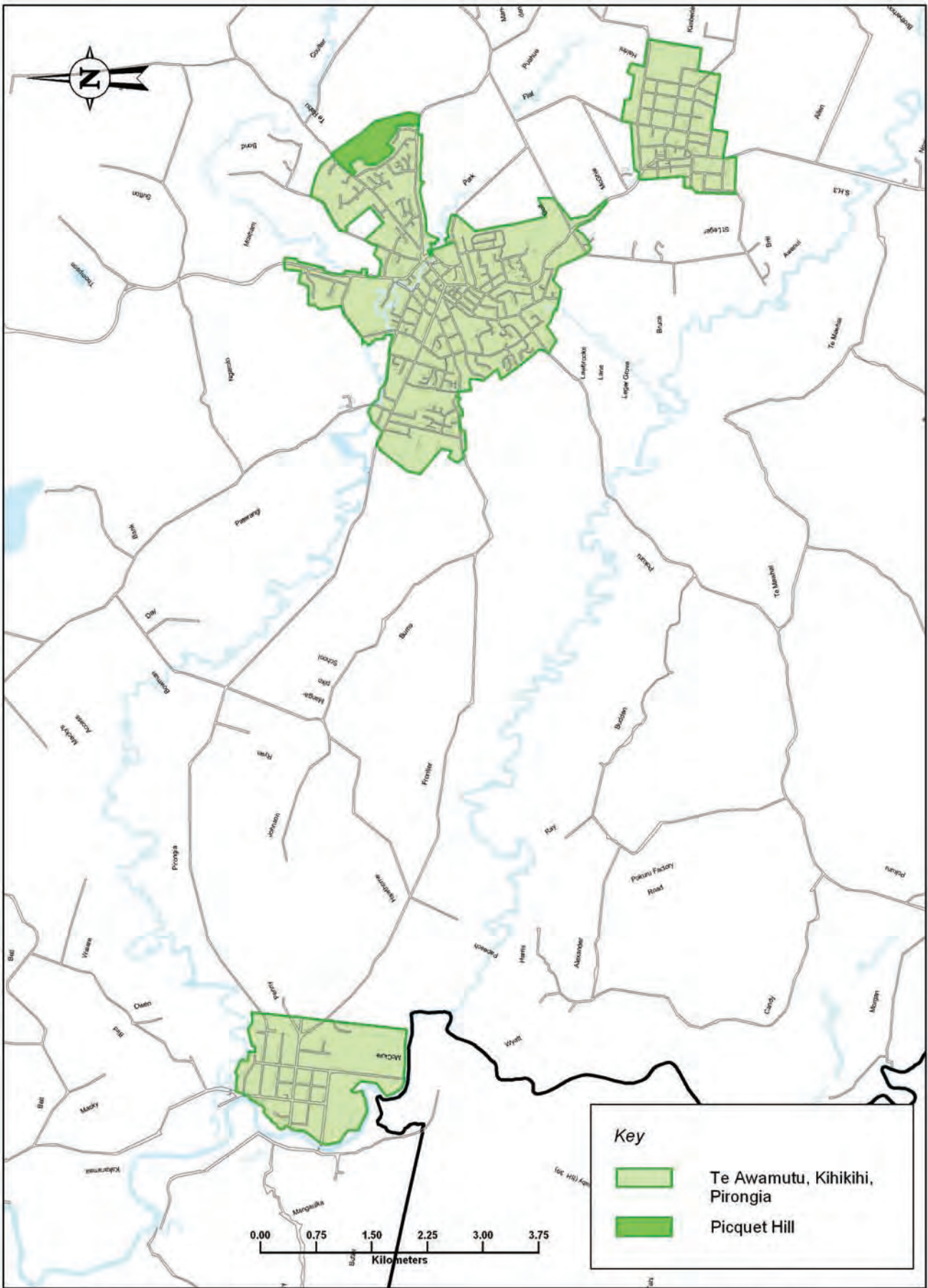
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Key	
	Picquet Hill
	Te Awamutu



<h2 style="margin:0;">Development Contribution Catchment</h2> <h3 style="margin:0;">WASTEWATER</h3> <h3 style="margin:0;">Picquet Hill</h3>	<p style="font-size: 8px; margin: 5px 0;"> <small> COPYRIGHT © WAIPA DISTRICT COUNCIL CADASTRAL INFORMATION DERIVED FROM LAND INFORMATION NEW ZEALAND'S DIGITAL CORE RECORD SYSTEM (DCRS) CROWN COPYRIGHT RESERVED </small> </p> <table style="font-size: 8px; border: none;"> <tr> <td style="border: none;">Revision</td> <td style="border: none;">Reference</td> </tr> <tr> <td style="border: none;">3</td> <td style="border: none;">11158574</td> </tr> <tr> <td style="border: none;">Scale</td> <td style="border: none;">Date</td> </tr> <tr> <td style="border: none;">NTS @ A4</td> <td style="border: none;">06/12/2011</td> </tr> <tr> <td style="border: none;">File</td> <td style="border: none;"></td> </tr> </table>	Revision	Reference	3	11158574	Scale	Date	NTS @ A4	06/12/2011	File	
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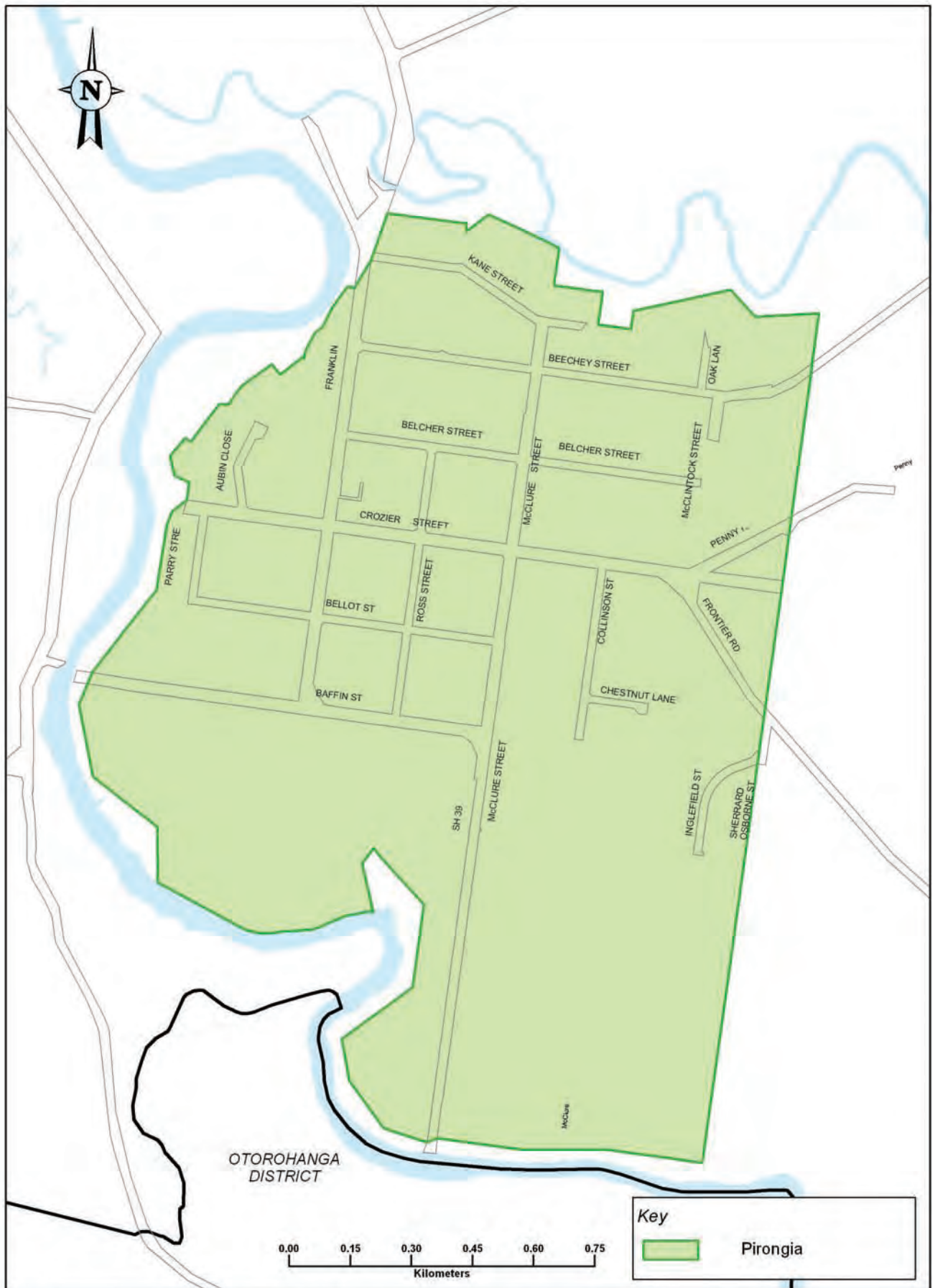


**Development Contribution Catchment
STORMWATER
Te Awamutu, Kihikihi, Pirongia, Picquet Hill**



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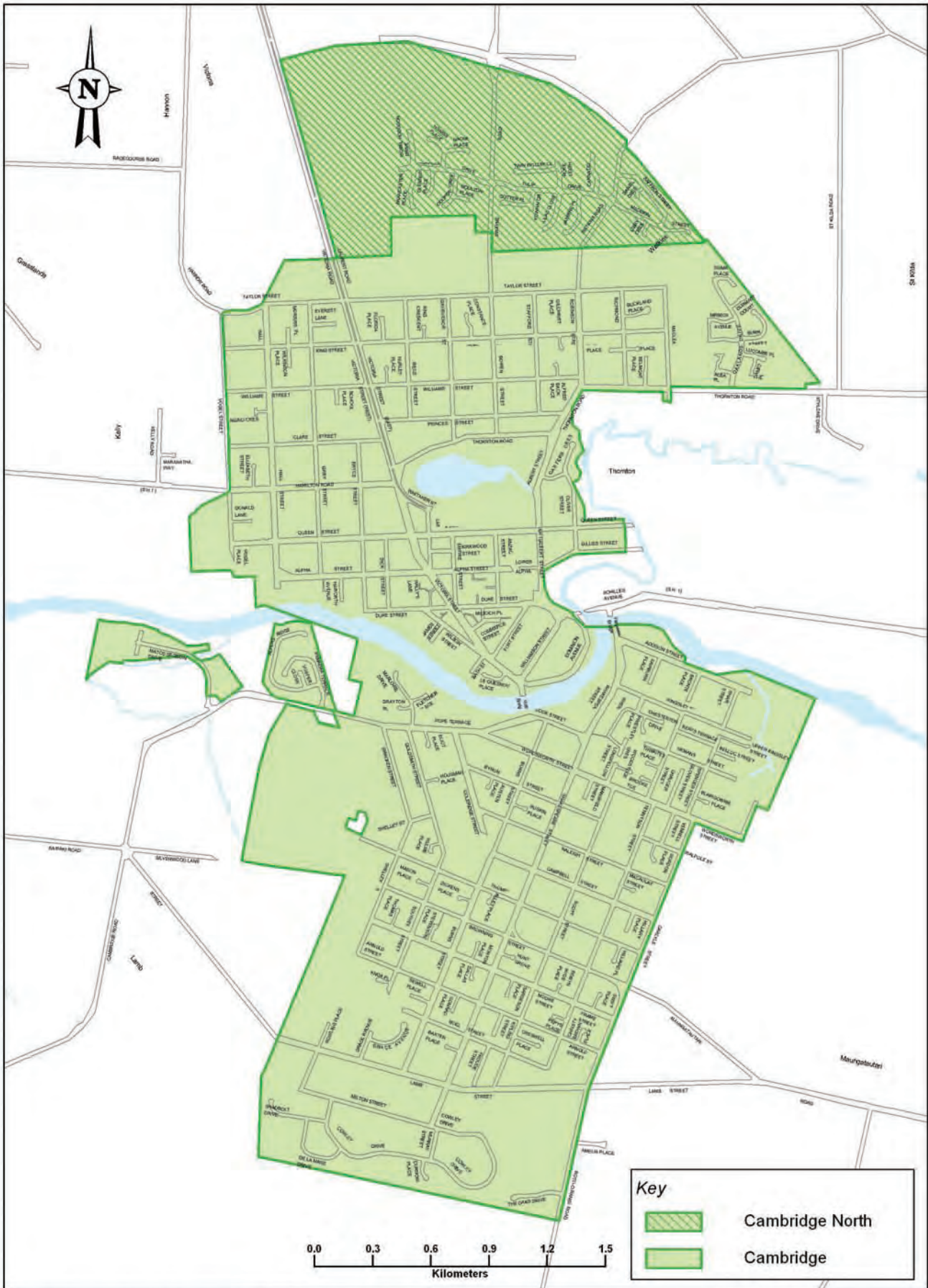


Development Contribution Catchment STORMWATER Pirongia



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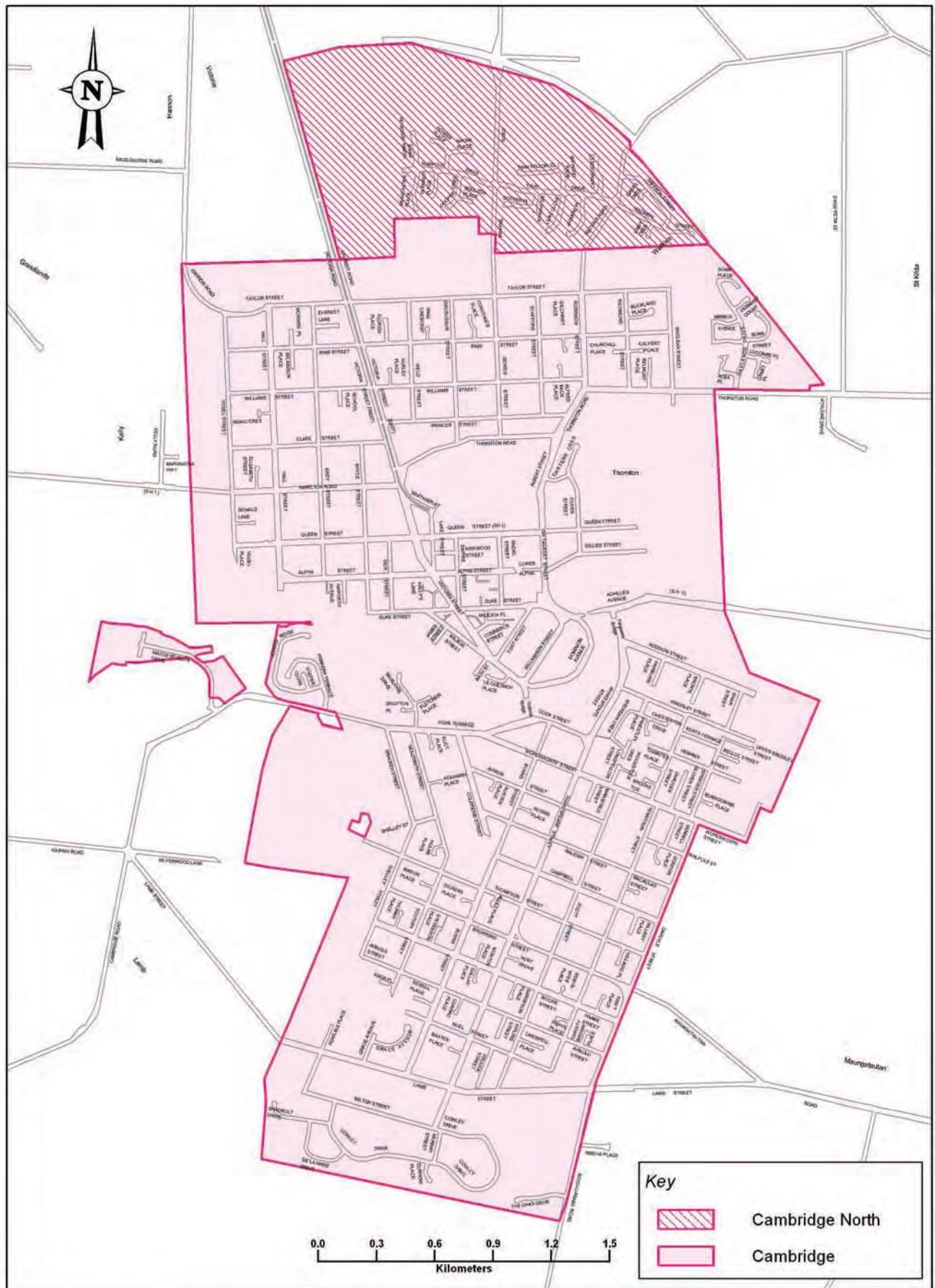
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Development Contribution Catchment STORMWATER Cambridge



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Development Contribution Catchment WASTEWATER Cambridge



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	Te Awamutu



Development Contribution Catchment STORMWATER Picquet Hill



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Policy on the Remission and Postponement of Rates

Remission of Rates

Remission Policy

This Policy is prepared pursuant to sections 109 and 110 of the Local Government Act 2002.

Remission for Community, Sporting and Other Organisations

Objective

This policy is intended to facilitate the ongoing provision of non commercial community services and recreational opportunities for the residents of Waipa District. The purpose of granting rates remission to an organisation is to:

1. Assist the organisation's survival; and
2. Make membership of the organisation more accessible and affordable to Waipa residents and ratepayers

Conditions and Criteria

This part of the policy will apply to land owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

The policy does not apply to organisations operated for private pecuniary profit. Nor will it apply to groups or organisations who engage in recreational, sporting or community services as a secondary purpose only.

Remission will be applied as follows to all rates with the exception of targeted rates for water supply, sewerage disposal or waste collection including recycling:

- A remission of the 50 percent residual rates will be given to those societies and associations who qualify for the 50 percent non rateable category under Schedule 1, Part 2 of the Local Government (Rating) Act 2002.
- All other community and sporting organisations fitting the criteria stated in this policy will receive a full remission of rates.

Due to the funding arrangements put in place with the Home of Cycling Charitable Trust this policy does not apply to the National Cycling Centre of Excellence building located adjacent to the St Peters School in Cambridge.

No remission will be granted on targeted rates for water supply, sewerage disposal or waste collection including recycling.

Remission Relating to Covenanted Land

Objective

To provide for relief for land where an open-space covenants under Section 22 of the Queen Elizabeth the Second National Trust Act 1977 has been registered against the title of a property.

To provide relief for land where a covenant or consent notice is registered on the title to the land to secure an appropriate interest in perpetuity for conservation, heritage and cultural purposes under either the Resource Management Act 1991 or Reserves Act 1977.

Conditions and Criteria

The Local Government (Rating) Act 2002 provides for land owned or used by the QE2 National Trust to be non rateable. Where the land to which the covenant relates remains in the ownership of the ratepayer, the covenanted land will be eligible for a remission of rate. Where a covenant or consent notice under the Resource Management Act 1991 as described in the objective above is registered, the covenanted land will be eligible for a remission of rates.

The remission applied will be 100 percent of all rates other than targeted rates for water supply, sewerage disposal or waste collection including recycling.

Remission of Penalties

Objective

The objective of this part of the remission policy is to enable Council to act fairly and reasonably in its consideration of overdue rates, due to circumstances outside the ratepayer's control.

Conditions and Criteria

Remission of Penalty will be granted where payment is made within 7 days of the penalty date provided the ratepayer has made no late payments for rates within the proceeding three years.

Remission of penalty may be granted at Council's discretion where regular payments are being made in accordance with an agreement which is set up to clear all outstanding rates by the end of the rating year.

In addition, remission of penalty will be considered where payment has been late due to significant family disruption or as a result of matters beyond the control of the ratepayer. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Decisions on remission of penalties will be delegated to officers as set out in Council's delegations resolution.

Remission of Sewerage Charges

Objective

- The sewerage charges levied by Council against separate rating units make provision to charge rates based on the number of toilets. The legislation to provide some relief to schools in their liability for sewerage charges has been repealed and in the absence of new legislation Council wishes to provide a partial remission to schools in line with the previous legislation.
- In some cases Council may wish to provide relief to not-for-profit organisations that choose to install more toilets than required by the building code.

Conditions and Criteria

- Sewerage charges for schools will be based on the required number of toilets based on staff/student numbers supplied by each school. The student numbers will be taken as those at the March roll. The difference between the required rate and the school calculation rate will be treated as a remission.
- Council may partially remit the sewerage charge for not-for-profit organisations where the number of toilets installed exceeds the number of toilets required under the building code.

Postponement of Rates

Objective

The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances that affect their ability to pay rates.

Conditions and Criteria

- Only rating units used solely for residential purposes will be eligible for consideration for rates postponement due to extreme financial circumstances.
- Only the person entered on council's rating information database as the ratepayer, or their authorised agent, may make an application for rated postponement due to extreme financial circumstances. The ratepayer must be the current owner of, and have owned for a minimum of five years, the rating unit which is the subject of the application. The ratepayer must not own any other rating units or investment properties (whether in the district or in another district).
- The ratepayer (or authorised agent) must make an application to Council for consideration. Council will consider on a case by case basis all applications received that meet the criteria above. When considering an application all of the ratepayers' personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
- Before approving an application, Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
- Where Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

- Any postponed rates will be postponed until:
 - The death of the ratepayer; or
 - Until the ratepayer ceases to be the owner of the rating unit; or
 - Until the ratepayer ceases to use the property as his/her residence; or
 - Until a date specified by Council – five yearly intervals as a minimum.
- In accordance with Section 88 of the Local Government (Rating) Act 2002, Council will charge an additional fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council administrative and financial costs, and will be based on the average bank borrowing rate in any one year. This fee would replace the six month penalty regime, and would require any six month penalties already charged to be remitted.
- 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.
- Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Policy on the Remission and Postponement of Rates on Māori Freehold Land

General

This policy is prepared pursuant to Sections 102 and 108 of the Local Government Act 2002 and Section 114 of the Local Government (Rating) Act 2002. In preparing this policy Council has considered the matters set out in Schedule 11 of the Local Government Act 2002.

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Only land that is the subject of such an order may qualify for the remission or postponement of rates under this policy.

Remission

This policy aims to:

1. Contribute to the fair and equitable collection of rates from all sectors of the community recognising that certain Māori lands have particular conditions, features, ownership, structures or other circumstances that make it appropriate to provide relief from rates; and
2. Put in place a means of providing relief on rating for Māori land pursuant to Section 108 of the Local Government Act 2002 by way of remission or postponement of rates.

Objectives

The objectives of this policy are:

1. To recognise situations where there is no person or owner gaining an economic or financial benefit from the land;
2. To set aside land that is better set aside for non-use because of its natural features;
3. To recognise matters related to the physical accessibility of the land;
4. To recognise and take account of the presence of wahi tapu that may affect the use of the land for other purposes;
5. Where part only of a block is occupied, to grant remission for the portion of the land not occupied; and
6. To facilitate development or use of the land where Council considers rates based on actual capital value make the actual use of the land uneconomic.

Principles

The principles used in establishing this policy are:

1. That, as defined in section 91 of the Local Government (Rating) Act 2002, Māori freehold land is liable for rates in the same manner as if it were general land.
2. That Council is required to consider whether it should have a policy which provides for remission of rates on Māori freehold land;
3. That 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. That applications for relief meet the criteria set by Council; and
5. That the policy does not provide for the permanent remission or postponement of rates on the property concerned.

Conditions and Criteria

Council will maintain a register called the Māori freehold land rates relief register (the register) for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy.

Applications for remission should include the following information:

- Details of the property.
- The objectives that will be achieved by providing a remission.
- Documentation proving that the subject land is Māori freehold land.

Applications made after commencement of the rating year may be accepted at the discretion of Council.

Any relief granted and the extent thereof is at the sole discretion of Council.

The register will be reviewed annually (or on a more regular basis at the discretion of Council). It may at its discretion add properties to the register. It may also determine that properties no longer comply either fully or in part, and either remove them from the register or reduce the extent of the relief.

Council will consider granting a remission of rates on a property where any one or more of its objectives 1 through to 5 as set out above will be met. Where a remission is granted this will, to the extent that the objective related to the entire property, be a 100 percent remission of all rates, except targeted rates for water supply, sewage disposal or waste collection including recycling. Where the objective relates to only part of the property, there will be a proportional remission of all rates, except targeted rates for water supply, sewage disposal or waste collection including recycling. Council will also consider granting a remission of rates on property where objective 6 will be met.

This will follow the principle that the property carries a best potential use value that is significantly in excess of the economic value arising from the actual use. The remission will be to a maximum of 50 percent of all rates except targeted rates for water supply, sewage disposal and waste collection including recycling and will reflect a measure of the difference between rates as assessed and the rates that would be assessed on actual use.

For the purposes of this Policy, rates are deemed to include penalties.

Postponement

This policy aims to:

1. Contribute to the fair and equitable collection of rates from all sectors of the community recognising that certain Māori lands have particular conditions, features, ownership, structures or other circumstances that make it appropriate to provide relief from rates; and
2. Put in place a means of providing relief on rating for Māori land pursuant to section 108 of the Local Government Act 2002 by way of postponement of rates.

Objectives

The objectives of this policy are:

1. To encourage the economic development of the land by a new occupier, where there are rate arrears; and
2. To facilitate the development and economic use of land where it is considered that utilisation would be uneconomic if full rates are required to be paid during the period of development and establishment.

Principles

The principles used in establishing this policy are:

1. That, as defined in section 91 of the Local Government (Rating) Act 2002, Māori freehold land is liable for rates in the manner as if it were general land;
2. That council is required to consider whether it should have a policy which provides for the postponement of rates or rates relief on Māori freehold land;
3. That applications for postponement or remission meet the criteria set by Council; and
4. That the policy does not provide for the permanent remission or postponement of rates on the property concerned.

Conditions and Criteria

Application for postponement of rates should be made in writing prior to commencement of the next rating year.

Applications made after commencement of the rating year may be accepted at the discretion of Council.

Owners or trustees making an application should include the following information in their applications:

- Details of the property
- The objectives that will be achieved by providing a remission
- Documentation proving that the subject land is Māori freehold land.

Any postponement granted and the extent thereof is at the sole discretion of Council.

No postponement will be granted on targeted rates of water supply, sewage disposal or waste collection including recycling.

Significance Policy

Significance is one of the most important concepts in the Local Government Act 2002 and is central to the purpose of Local Government enabling democratic local decision-making action. Section 90 of the Act requires that every local authority develop in consultation with their communities a policy on significance. The purpose of a “Significance” policy is to help local authorities direct the appropriate level of attention, consideration, consultation and disclosure to matters based on their relative importance to their communities. The following policy on significance is proposed by council:

General approach

In considering whether any issue, proposal, decision or other matter is of significance under this policy, council will be guided by the following matters:

- The likely impact/consequence of the issue, proposal, decision or other matter, on the current and future social, economic, environmental and cultural wellbeing of the community.
- The parties who are likely to be particularly affected by or interested in the issue, proposal, decision or other matter.
- The likely impact/consequences of the issue, proposal, decision or other matter from the perspective of those parties.
- The financial and non-financial costs and implications of the issue, proposal, decision or other matter having regard to council’s capacity to perform its role.

The more significant or material the impact or consequences of the issue, proposal, decision or other matter, the higher the standard of compliance required with Part 6 of the Local Government Act 2002, and the more likely the matter will be significant.

- In determining whether any issue, proposal, decision or other matter is significant, Council will consider the thresholds and apply the criteria and procedures set out below.

Thresholds

When undertaking a process to determine which issue, proposal, decision or other matter is significant, Council will recognise the following thresholds:

- Issues, proposals, decisions, assets, or other matters for which council will:
 - Incur operational expenditure exceeding 5 percent of its annual operating budget for that year and:
 - Incur capital expenditure exceeding \$5.0 million, or 15 percent of its annual capital expenditure budget which ever is the greater, for any single project or proposal, or where spent on a strategic asset or strategic asset as a whole as defined in the Local Government Act 2002, or in the accompanying table to this policy, exceeds \$5.0 million.

- Any transfer of ownership or control, or the disposal or abandonment, of a strategic asset as a whole as defined by the Local Government Act 2002.
- The sale of council's shareholding in any council-controlled trading organisation, or council-controlled organisation.
- A decision that will, directly or indirectly severely affect the capacity (including financial capacity) of council to carry out any activity identified in the 10-Year Plan.
- Entry into any partnership with the private sector to carry out a significant activity.
- Where any issue, proposal, decision or other matter triggers one or more of the above thresholds, it shall be considered against the criteria set out below in determining whether it is significant.

Criteria

In considering whether any issue, proposal, decision or other matter is significant the following criteria will be used:

- The issue, proposal, decision or other matter affects all or a large portion of the community in a way that is not inconsequential.
- The impact or consequences of the issue, proposal, decision or other matter on the affected persons will be substantial.
- The financial implications of the issue, proposal, decision or other matter on council's overall resources are substantial.
- The issue, proposal, decision or other matter has a history of wide public interest in the District or is likely to generate considerable public concern.
- The issue, proposal, decision or other matter is not able to utilise any other consultation procedure provided for under the Local Government Act 2002, or any other specific legislation.

Procedures

In achieving this policy:

- Where any issue, proposal, decision or other matter triggers one or more of the thresholds the matter shall be reported to council.
- Each report shall include a statement indicating that the issue, proposal, decision or other matter has been considered in regard to council's policy on significance. The report shall include an assessment of the degree of significance of the issue, proposal, decision or other matter based on the criteria outlined in this policy, and make a recommendation to council.
- If the issue, proposal, decision or other matter is considered to be significant, the report to council will also include a statement addressing the appropriate observance of such of sections 77, 78, 80, 81 and 82 of the Local Government Act 2002 as are applicable.
- Once an issue, proposal, decision or other matter is determined as significant in accordance with the application of this policy, the decision making provisions of the Local Government Act 2002, shall be applied as outlined in sections 76 to 81 of the Local Government Act 2002.
- Council will report annually through its Annual Report on all issues, proposals, decisions or other matters determined to be significant, and subject to the procedure outlined in sections 76, 77, 78, 80 and 81 of the Local Government Act 2002 as appropriate.

Strategic assets of Waipa District Council

Asset	Notes
District Libraries (collectively)	Includes books and resource collections
Te Awamutu Events Centre	Includes all land, buildings and structures
Cambridge Swimming Pool	Includes all land, buildings and structures
Pensioner Housing (collectively)	Includes all land, buildings and structures
Cemeteries (collectively)	Includes all land, buildings and structures
Wastewater reticulation system	Includes all pipes and pump stations
Stormwater reticulation system	Includes all pipes and pump stations
Amenity Parks, Sport Parks and other recreation facilities covered by the Reserves Act 1977	Includes all land, building and structures
Roading network	Includes footpaths, off street parking and bridges
Reservoirs and water reticulation system	Includes all land and structures
Wastewater treatment plants – Te Awamutu and Cambridge	Includes all land, buildings and plant
Water Treatment plants- Hicks Road, Karapiro, Pukerimu, Alpha Street, Kihikihi, Te Tahi Road, Te Rore	Includes all land, buildings, treatment plants, tanks and other structures
Equity Securities in Waikato Regional Airport Ltd	
Waipa District Council administration offices – Cambridge and Te Awamutu	Includes all land and structures
Forestry Assets	Includes all land, trees and structures

NOTES:

Strategic Asset, in the context of this Policy, means an asset or group of assets held by council and which council needs to retain in order to maintain or promote the current and future wellbeing of the community.

Waste Management

The Waste Minimisation Act 2008 requires us to promote effective and efficient waste management and minimisation in the district, and to do this through a waste management and minimisation plan. This does not mean that we are required to actually provide waste services itself but the Waste Minimisation Act provides us with tools to influence, promote and implement measures to reduce and minimise waste.

The Waste Minimisation Act also sets a levy on all waste disposed to landfills, some of which is then returned to Local Government to help fund initiatives that promote and achieve waste minimisation. The initiatives need to have been outlined in our Waste Management and Minimisation Plan to qualify for the levy funding. We currently receive about \$130,000 in waste levy funding annually.

We adopted our Waste Management and Minimisation Plan 2011-17 in October 2011. The Waste Management and Minimisation Plan outlines where we want to be in relation to waste management and minimisation, highlights waste issues in the Waipa district that were identified in the waste assessment, and sets out an action plan to address those issues.

Our vision for waste management and minimisation is:

'Progress towards zero waste and a sustainable Waipa'

The goals for waste management and minimisation in Waipa district are:

- To reduce the harmful effects of waste generation and disposal; and
- To improve the efficiency of resource use.

The following objectives will assist the district to achieve its waste management and minimisation goals:

- To promote and encourage cost effective, efficient and sustainable waste management practices within the Waipa district, and
- To minimise the quantity of waste being generated and disposed of within the Waipa district by providing strategies and tactics to encourage waste reduction, reuse, recycling and recovery before residual disposal.

We will work closely with Waikato Regional Council to implement the Waste Management and Minimisation Plan. This approach will help ensure a greater degree of coordination across the region and make the best use of limited resources available to promote effective waste management.

Waste Management and Minimisation Plan – action plan

For the six year term of the Waste Management and Minimisation Plan, we intend to continue providing the following waste services in the district, to be funded by rates:

- Kerbside recycling collection;
- Litterbin servicing;

- Collection and disposal of fly tipping (illegal dumping);
- Ongoing monitoring of its three closed landfills to ensure that resource consent conditions continue to be met;
- Waste minimisation promotion and education.

The following key actions are drawn from our Waste Management and Minimisation Plan action plan, which will be updated annually and fully reviewed every six years in accordance with the Waste Minimisation Act. Full details of the action plan, including timeframes, costs and funding sources, are contained within the Waste Management and Minimisation Plan.

Policy

- Investigate options for the future procurement and delivery of waste services – and that these be signalled in the plan for public consideration and feedback
- Investigate provision of organic waste collection
- Review Refuse Collection and Disposal Bylaw
- Appoint a waste minimisation officer
- Develop sustainability and procurement policies to promote efficient use of resources and waste minimisation in council.

Communicate and educate

- Support environmental education programmes and courses that promote waste minimisation
- Promote, educate and incentivise home composting to reduce green and food waste
- Investigate and provide (if appropriate) promotional support for commercial waste minimisation programmes
- Investigate an annual Waste Management Award and Recognition programme
- Undertake monitoring and reporting of waste minimisation trends

Recycling/diversion

- Investigate extending recycling contract to include other groups

Objective	Specific Action	New/Existing Action?	Recommended Timeframe	Cost	Funding Source
To encourage recycling of material and diversion from landfill where possible.	(e.g. commercial, schools, large function venues, schools (Karapiro etc)).	New	Ongoing	Investigation – staff time and promotion. Cost to provide – user pays (possibly part subsidised).	Mixture of user charges & levy funding.
	A review be undertaken of the need for continued Council subsidisation of the Cambridge Refuse Transfer Station.	Existing	2011/12	Cost to subsidise – currently \$28,000 per year.	Targeted rates/ Levy Funds.
	Investigate options re: provision of weekly collection service for food waste.	New	2012/13	Annual cost per household to be determined.	Mixture of user charges & levy funding.
	Investigate providing a wheelie bin option for recycling collection.	New	2012/13	Annual cost per household to be determined.	Mixture of rates/user charges.
	Investigate options to increase recycling in CBD (e.g. recycling bins in CBD and high profile areas).	New	2012/13	Cost to provide uncertain.	Levy funding.
	Investigate the provision of free drop-off of large household inorganic items (e.g. whiteware) to a Refuse Transfer Station (RTS) in collaboration with RTS operators.	New	2012/13	Investigation – staff time. Cost to provide uncertain.	Levy Funding.
	Investigate and implement options to target specific waste streams e.g. hazardous waste, e-waste.	New	2012/13	Investigation – staff time. Cost to provide uncertain.	Levy Funding.

Collaboration

Objective	Specific Action	New/Existing Action?	Recommended Timeframe	Cost	Funding Source
To identify and support activities where economies of scale and efficiencies can be obtained.	Continue to build partnerships with other local councils and regional council.	Existing	Continuing	Minimal	Operational
	Support regional appeals to central government for waste minimisation initiatives as appropriate.	New	As required	As required	Operational
	Advocate to central government as appropriate on product stewardship.	New	As required	As required	Operational
	Support regional education and promotion on what hazardous wastes are and how to deal with them.	New	As required	As required	Levy Funds
	Support and participate in regional initiatives to reduce/reuse greenwaste.	New	As required	As required	Waste Levy
	Support and participate in regional initiatives to assist Waikato businesses to reduce waste and integrate sustainable practices into their operations through the Sustainabiz programme.	New	Annually	\$6,000 per year	Waste Levy
	Support and participate in regional initiatives to reduce/reuse construction and demolition waste (e.g. Waste Exchange).	New	As required	As required	Waste Levy
	Support any regional council hazardous waste initiatives proposed for the District (e.g. Hazmobile collection).	New	As required	As required	Waste Levy
	Support and participate in the regional council development of educational and promotional resources.	New	As required	As required	Waste Levy

Assessment of Water and Sanitary Services

There are no significant variations between the proposals outlined in this plan and the current assessments of water and sanitary services contained in the 10-Year Plan 2009-19.

No further assessments have been undertaken since the 10-Year Plan 2009-19 was adopted.



Council Controlled Organisations

Council Controlled Organisations

The Local Government Act 2002 requires the Council to include in the 10-Year Plan information on those organisations in which it is a stakeholder. In particular, the council must include:

- Its significant policies and objectives regarding ownership and control of the organisation.
- The nature and scope of the activities to be provided by the organisation.
- The key performance targets and other measures by which performance may be judged.

We are a shareholder in four organisations that are classified as council controlled organisations as defined by the Local Government Act 2002. The organisations are:

- Waikato Regional Airport Limited, also known as Hamilton International Airport.
- Local Government Funding Agency Limited.
- New Zealand Local Government Insurance Corporation, also known as Civic Assurance.
- Local Authority Shared Services Limited.

Waikato Regional Airport Limited

Waikato Regional Airport Limited (Hamilton International Airport) is jointly owned by five local authorities – Hamilton City, Waipa District, Waikato District, Matamata-Piako District and Otorohanga District Councils.

Waipa District Council's Shareholdings is 15.625 percent.

Corporate Mission

The mission of Waikato Regional Airport Limited is to operate a successful commercial business providing safe, appropriate and efficient services for the transportation of people and freight in and out of Hamilton Airport.

Goal

The retention of the Airport as a major infrastructural facility is important to the Waikato economy.

A Statement of Intent provided by the Waikato Regional Airport Limited (as required by Section 64 of the Local Government Act 2002) is available but does not form part of this plan.

Policies and Objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Waikato Regional Airport.

Nature and Scope of Activities

The nature and scope of the activities for the company is to:

- Deliver sustainable operations for the central North Island;
- Protect and grow Hamilton Airport's national and international connectivity according to demand;
- Utilise airport property to enable economic development in the region;
- Protect and develop airport capability;
- Deliver value to our customers;
- Enable our people to deliver; and
- Support the formal establishment of a Regional Tourism Organisation as a 100 percent shareholder in a subsidiary company to be formed to carry out the regional tourism activity.

Capital Expenditure

Planned major capital expenditure in the three year forecast is:

	2012 \$000s	2013 \$000s	2014 \$000s
Runway designation	100	0	0
Runway and apron	400	4000 ⁵⁴	0
Other projects	250	200	200
	750	4200	200

Performance Targets

(Extracted from the company's long term forecast and subject to change)	Year ended 30 June		
	2012	2013	2014
Earnings Before Interest, Taxation & Depreciation (EBITDA)	\$2.22 m	\$3.25 m	\$3.39 m
Net Surplus/(Deficit) after Tax	\$254 k	\$759 k	\$1.36 m
Net profit after tax to shareholders' funds	0.43%	1.27%	2.22%
Net profit after tax to total assets	0.32%	0.94%	1.73%
Percentage of non landing charges revenue	78.76%	77.25%	76.62%
Total Liabilities/Shareholder Funds: (Debt/Equity Ratio)	24:76	26:74	22:78

Dividend policy

In view of projected capital expenditure, the Directors propose to recommend that no dividend be paid for the next three years and that the dividend payment decisions for subsequent years are determined annually at the annual general meeting each year. The payment of dividends is subject to the approval of the Company's bankers and pursuant to the provisions of the covenants associated with the banks advances to the Company.

⁵⁴ \$4 million is the estimated cost of the runway overlay. The particular timing of expenditure will be subject to runway condition assessment advice, but will be no earlier than the 2013 financial year.

Local Government Funding Agency Limited

The Local Government Funding Agency Limited, which is a council controlled trading organisation, has been established by the Local Government sector and the Crown to enable local authorities to borrow at lower interest margins than would otherwise be available.

The Local Government Funding Agency Limited will raise debt funding either domestically and/or offshore in either New Zealand dollars or foreign currency and provide debt funding to New Zealand local authorities and may undertake any other activities considered by the Board of Local Government Funding Agency Limited to be reasonably related or incidental to, or in connection with, that business.

The Local Government Funding Agency Limited will only lend to local authorities that enter into all the relevant arrangements with it and comply with the Local Government Funding Agency Limited's lending policies.

The main objectives of the Local Government Funding Agency Limited will be to:

- Achieve the objectives of the shareholders in the Local Government Funding Agency Limited (both commercial and non-commercial);
- Be a good employer;
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so;
- Conduct its affairs in accordance with sound business practice;
- Provide debt to participating local authorities at the lowest possible interest rates;
- Make longer-term borrowings available to participating local authorities commensurate with the relevant maturity; and
- Enhance the certainty of access to debt markets for participating local authorities, subject always to operating in accordance with sound business practice.

Performance Targets

The Local Government Funding Agency Limited's average cost of funds relative to the average cost of funds for New Zealand Government Securities for the period to:

- 30 June 2012 will be less than 0.50 percent higher
- 30 June 2013 will be less than 0.50 percent higher
- 30 June 2014 will be less than 0.40 percent higher

The average margin above Local Government Funding Agency Limited's cost of funds charged to the highest rates participating local authorities will be no more than 0.40 percent.

The Local Government Funding Agency Limited's annualised operating overheads will be less than \$3.0 million.

- The total lending to participating local authorities at:
 - 30 June 2012 will be at least \$500 million
 - 30 June 2013 will be at least \$900 million
 - 30 June 2014 will be at least \$1.4 billion

- The total number of participating local authorities shareholders in the Local Government Funding Agency Limited at 30 September 2012 will be at least 30.
- The total number of participating local authorities (i.e. shareholders and eligible borrowers) in the Local Government Funding Agency Limited at 30 September 2012 will be at least 40.

Dividend policy

The Local Government Funding Agency Limited will seek to maximise benefits to participating local authorities as borrowers rather than shareholders. Consequently it is intended to pay a limited dividend to shareholders.

The board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to Local Government Funding Agency Limited cost of funds plus 2.00 percent over the medium term, recognising that, to assist in the start-up period, the initial expectation is for no dividend for the part period to 30 June 2012, and for a dividend equal to 50 percent of the target dividend in the two periods to 30 June 2014 to be paid. Thereafter, the intention is to pay at least the full target dividend until the target dividend is achieved as measured from commencement, including consideration of the time value of money at the target annual rate of return.

New Zealand Local Government Insurance Corporation

The New Zealand Local Government Insurance Corporation is wholly owned by New Zealand city, district and regional councils. It provides a range of products and services to prevent loss and manage risk.

Waipa District Council's shareholding is 1.1 percent.

Mission Statement

To ensure the long term provision of stable, cost effective, and proactive financing and risk-financing solutions for the local government sector.

Corporate Goals

The specific goals of the New Zealand Local Government Insurance Corporation are:

- To operate as a sound and successful business.
- To be the primary supplier of insurance and superannuation services to the local government sector.
- To optimise the cost of risk for local government by providing or supporting the most suitable risk-financing products to cover property and liability risks. These products may include insurance, risk pooling, mutual funding and trust operations.
- To investigate and facilitate as appropriate new products and markets in financing and risk-financing that will prove beneficial to the New Zealand Local Government Insurance Corporation's shareholders, clients and their staff.
- To maintain a claims paying ability rating of A (Excellent).

Nature and Scope of Activities

The New Zealand Local Government Insurance Corporation's primary role is providing long term value to the Local Government sector through the provision of financial services.

1. For traditional insurance, the New Zealand Local Government Insurance Corporation offers:
 - A vehicle supported by a strong reinsurance programme for local government to pool risk, the profits from which are returned to the sector through the New Zealand Local Government Insurance Corporation's local government shareholders.
 - Dependable, competitive prices in all cycles of the insurance market.
 - An honest and fair process for managing claims.
 - Expert, unbiased risk-financing advice to local authorities.
- (a) The New Zealand Local Government Insurance Corporation provides administration, reinsurance, accounting, and a range of other services for mutual funding and trust initiatives for Local Government Mutual Funds Trustee Limited (Riskpool) and the New Zealand Local Authority Protection Programme Disaster Fund.
- (b) The New Zealand Local Government Insurance Corporation provides superannuation services for local government and local government staff via SuperEasy and SuperEasy Kiwisaver.
- (c) The New Zealand Local Government Insurance Corporation provides accounting services to Local Government New Zealand, the New Zealand Society of Local Government Managers, Local Government Industry Training Organisation and, Local Government Online.
- (d) The New Zealand Local Government Insurance Corporation continues to investigate and facilitate, as appropriate, new products and markets that it believes will prove beneficial to its shareholders, clients and their staff.
- (e) Ownership and management of Civic Assurance in Wellington's business district provides a centre for Local Government, offices for the New Zealand Local Government Insurance Corporation and, diversity of investment risk.
- (f) In a modest and selective way, the New Zealand Local Government Insurance Corporation provides sponsorship for a range of local government activities at regional and national level.

Performance Targets and Measures

- To maintain a claims paying ability rating from rating agency AM Best of "A (Excellent)".
- To provide financial services to at least 90 percent of local authorities.
- To be acknowledged as the preferred supplier for the local government market of superannuation services.
- To continue to be an efficient and effective Fund Manager for Riskpool and an efficient and effective Administration Manager for Local Authority Protection Programme Disaster Fund.

Profits, Dividend Policy and Projections

The New Zealand Local Government Insurance Corporation has three main sources of revenue: insurance premiums, investment income, and fees from providing administration and accounting services. The profit outlook is as follows:

Profits from providing insurance

The insurance business has been extremely competitive with insurance rates well below what they were in 2001, which was the bottom of the last insurance rate cycle. Prices following the two Christchurch earthquakes will increase substantially.

Profits from investment income

An environment of lower interest rates and investment returns inevitably means less investment income. Civic Assurance investment return is strongly influenced by the investment performance of its nine-story office block at 114 Lambton Quay, Wellington.

Profits from providing administration and accounting services

After allowing for Civic Assurance expenses, these are very modest, but will increase as the amount of the subsidy for maintaining SuperEasy KiwiSaver decreases.

The effect of the two large Christchurch earthquakes on Civic Assurance will be back-to-back losses for 2010 and 2011. The New Zealand Local Government Insurance Corporation's net equity has reduced from \$19.5 million at 30 June 2010 to \$13.4 million (unaudited) at 28 February 2011, which has reduced the New Zealand Local Government Insurance Corporation's solvency margin on the Reserve Bank of New Zealand basis to 133 percent. The New Zealand Local Government Insurance Corporation therefore proposes to withhold dividends until such time as it has restored its capital base. Financial projections are shown below:

Year Ended	31 December 2011	31 December 2012	31 December 2013
Pre-tax surplus	-\$2,000,000	\$2,500,000	\$2,500,000
Gross cost of dividend	0	0	0
Net asset value	\$14,074,000	\$15,824,000	\$17,574,000
Net asset value per share	\$2.20	\$2.48	\$2.75

Local Authority Shared Services Limited

Shareholders

Local Authority Shared Services Limited is jointly owned by 12 local authorities.

- Waikato Regional Council
- 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
- Waitomo District Council

Background

The local authorities within the boundaries of the Waikato region have adopted shared services as a mechanism for providing back of office type services in a coordinated manner across the region to leverage opportunities and deliver benefits. Over the period that Local Authority Shared Services Limited has been operating, the following positive outcomes have been achieved:

- Improved level and quality of service provided through the Shared Valuation Database Service.
- Coordinated approach to the provision of services.
- Reductions in the cost of services.
- Opportunities to develop new initiatives.
- Opportunities for all councils, irrespective of location or size, to benefit from joint initiatives.
- Economies of scale, resulting in cost saving, have been achieved in procurement.

There are two shared services currently operating. The Shared Valuation Data Service provides valuation data services to the councils and has been established to ensure that valuation data is both accurate and current. The Waikato Regional Transport Model has been developed to collect information on traffic type and flows which will be used to develop a transport model for the Waikato region. New services will only be adopted where a business case shows that they provide some form of benefit to the shareholders.

Council Policies and Objectives Relating to Council Controlled Organisations

The Constitution of Local Authorities Shared Services Limited set out the principles and expectations around how the company will be governed and operated. While council has no formal policies and objectives, it has become a shareholder on the basis that the Local Authority Shared Services Limited will develop products and services of significant benefit to Waipa residents and ratepayers.

Company Objectives

The objective of the Local Authority Shared Services Limited is to provide Waikato region's local authorities with a vehicle to procure shared services. It provides a mechanism for the development of new services which are available to any shareholder that chooses to join. It also provides those councils that wish to develop new services with a company structure under which they can develop and promote services to other local authorities.

Nature and Scope of Activities

There are currently two major operations under the Local Authority Shared Services Limited umbrella:

Shared Valuation Data Service

This operational system is providing both timely and accurate valuation data for the participating councils. The Shared Valuation Data Service has become the accepted valuation service in the region, and the service is showing interest from councils outside the present shareholders.

Waikato Regional Transportation Model

This model provides accurate information to councils for their transport modelling requirements. It is expected that this model will become the industry standard, and it is already attracting interest from outside the shareholding councils.

No specific shared services are under review at the present time. However, some opportunities in the area of procurement have been identified and will be reviewed in early 2012.

The Local Authority Shared Services directors will continue to discuss their role in the development of business cases for shared services at future meetings. These investigations will include reporting to shareholders on the alternative mechanisms to develop shared services.

Directors are mindful of the current political environment, and see these investigations of possible shared services as a key focus of their role.

Performance Targets

Performance targets relate to the level of services that are current or under development. It is envisaged that these targets will expand as new services are developed. The targets include:

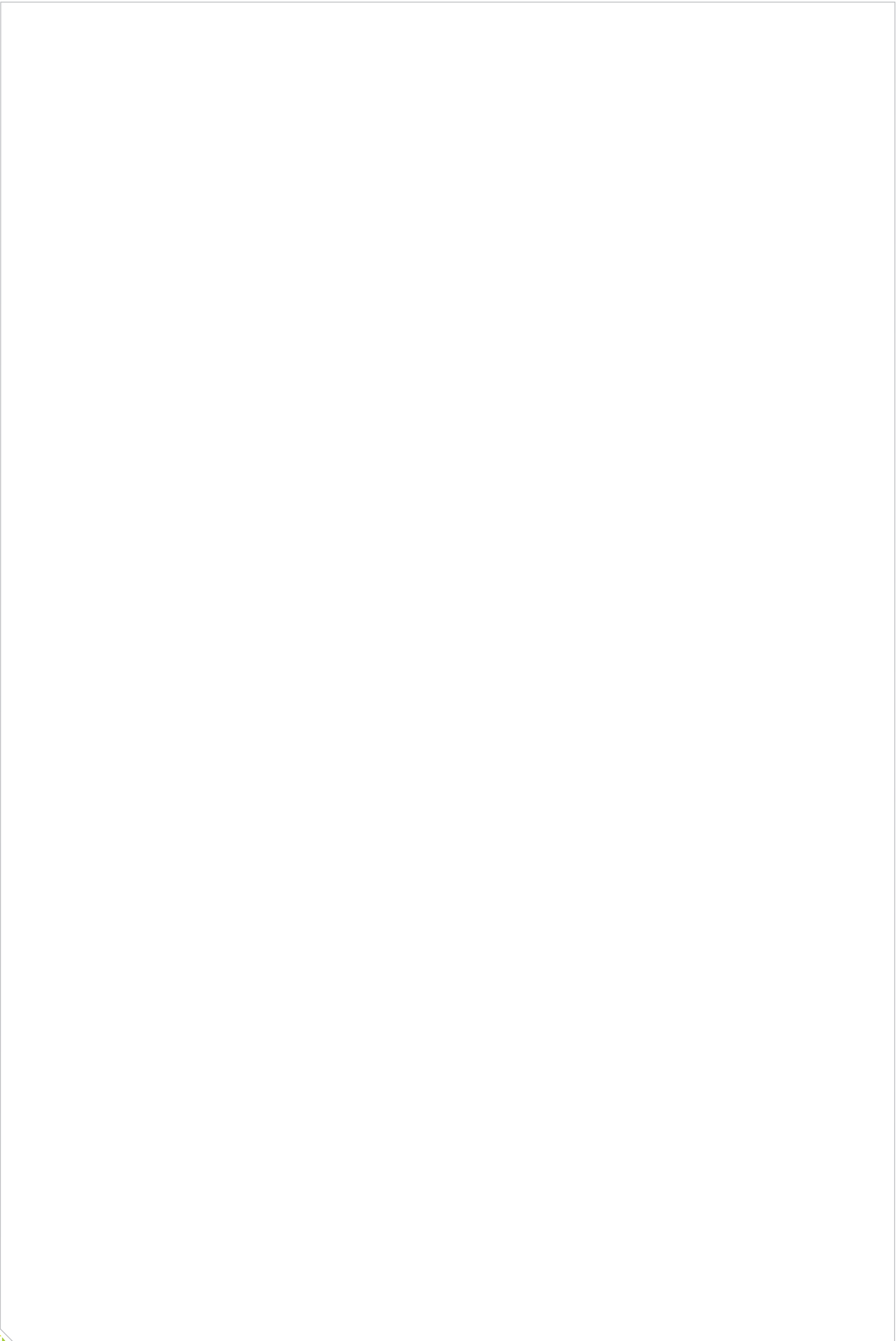
- **Shareholder Survey:** Local Authority Shared Services Limited will carry out an annual survey of shareholders to assist the directors in developing improvements on behalf of the shareholders, and to receive a majority of shareholder approval on the service provided.
- **Costs control:** Administration expenditure shall not exceed that budgeted by more than 5 percent unless prior approval is obtained from the Directors.
- **Cashflow:** Local Authority Shared Services Limited maintains an overall positive cashflow position.
- **Reporting:** The Board will provide a written report on the business operations and financial position of Local Authority Shared Services Limited on a six monthly basis.
- **Statutory adherence:** There will be annual report to directors that all statutory requirements of the Local Authority Shared Services Limited are being adhered to.
- **Shared Valuation Database Service availability:** That Shared Valuation Database Service is available to users at least 99 percent of normal working hours.
- **Shared Valuation Database Service Sales Data delivery:** That at least 98 percent of agreed timelines are met for sale and property files that have been delivered to the File Transfer Protocol server for access to customers.
- **Shared Valuation Database Service Major Enhancement Development Hours:** That over 50 percent of the Interagen support hours are spent on major development work.

- Waikato Regional Transport Model: That all required modelling reports are actioned within the required timeframe.
- Waikato Regional Transport Model: That a full report on progress of the model be provided to the Local Authority Shared Services Limited Board twice each year.





Organisational Snapshot



Organisational Snapshot

Introduction

This section provides an overview of the elected members and governance structures within the district. It also provides an overview of the council management structure. Community input into our decision-making is vital, and this section shows ways that this can occur. It also outlines how we support and promote Māori involvement in decision-making.

The elected council members, consisting of the Mayor and 12 Councillors, represent the district's five wards by providing input to plans and participating in decision-making on the communities' behalf. They also ensure that we are working to achieve the aspirations of the district as outlined in the four wellbeing areas (social, cultural, economic and environmental).

The Mayor and Councillors are appointed to various council committees and subcommittees to consider and recommend policy to the council, and to monitor the implementation of policy and the operation of services relating to the particular function of the committee. Further details of these committees and subcommittees are included later in this section.

Waipa District has two community Boards, Cambridge and Te Awamutu. The Board members are elected by the communities they represent, with the responsibilities of the Boards being determined by the elected council members. Further detail on the Community Boards is provided later in this section.

Opportunities for Community Involvement in Decision Making

Each year we provide opportunities for the community to participate in our decision making such as the 10-Year Plan and Annual Plan submission processes. We also advise Waipa residents of other proposals that are available for public submission through the local newspapers, “Word on Waipa”, and the our website www.waipadc.govt.nz.

Elected members, staff and community board members can be contacted throughout the year if people want to discuss issues or have information to contribute.

We have a formal structure to enable Māori involvement in our decision-making and this is outlined on the following page.

Māori Involvement in Decision Making

We have developed a policy and structure with Māori to facilitate participation by Māori in Local Government decision-making processes.

We have a governance structure which includes the Iwi Consultative Committee. The committee consists of the Mayor, Deputy Mayor, Chairpersons of the Regulatory and Strategic Planning and Policy Committees, and representatives of hapu within the District, the chairperson of Ngā Iwi Toopu o Waipa, and one of three Kaumatua representatives.

The consultative committee considers all significant matters, particularly in relation to the development of policy, and then makes appropriate recommendations for council's consideration.

We have a formal agreement with Ngā Iwi Toopu o Waipa for the purpose of reviewing all resource consent applications and considering other matters of significance. This arrangement recognises the mandate Ngā Iwi Toopu o Waipa has in acting on behalf of Iwi within the District.

Council Committees

There are currently twelve standing committees in the Waipa District; these committees and their membership are outlined in this section.

The full council meets 11 times a year, with other committee meetings held as needed.

Executive Committee

Considers and makes decisions based on urgent matters that arise between Council meetings or matters referred by Council.

Mayor Alan Livingston (chair), Deputy Mayor Grahame Webber, Cr Laurie Hoverd, Cr Joe Scaramuzza, Cr Diane Sharpe.

Chief Executive Performance Management Committee

Conducts the reviews of the performance of the Chief Executive and makes recommendations to Council.

Mayor Alan Livingston (chair), Deputy Mayor Grahame Webber, Cr Laurie Hoverd.

Strategic Planning & Policy Committee

Oversees the development and review of our strategic and resource management plans and strategies. Oversee development and review of community plans, policies and bylaws.

Cr Laurie Hoverd (chair), Mayor Alan Livingston, Deputy Mayor Grahame Webber, Cr Hazel Barnes, Cr Marcus Gower, Cr Vern Wilson, Cr Dennis Finn, Cr Joe Scaramuzza, Cr Diane Sharpe, Cr George Simmons, Cr Barbara Taranaki, Cr Bruce Thomas, Cr Sue Milner, Gaylene Roberts (Ngā Iwi Toopu o Waipa).

Regulatory Committee

Conducts hearings and exercises statutory responsibilities for resource management, animal, building and health controls, liquor licensing and any other regulatory matter.

Cr Diane Sharpe (chair), Mayor Alan Livingston, Cr Barbara Taranaki, Cr Bruce Thomas, Cr Sue Milner, Gaylene Roberts (Ngā Iwi Toopu o Waipa).

Service Delivery Committee

Oversees the development of strategies, plans and projects in relation to the road corridor, three waters, waste management, community facilities and the capital expenditure programme.

Deputy Mayor Grahame Webber (chair), Mayor Alan Livingston, Cr Hazel Barnes, Cr Diane Sharpe, Cr George Simmons, Cr Barbara Taranaki, Cr Sue Milner.

Finance and Corporate Committee

Oversees corporate and governance functions and duties specifically in relation to financial and non-financial reporting, financial policies and treasury matters, and property management.

Cr Joe Scaramuzza (chair), Mayor Alan Livingston, Cr Marcus Gower, Cr Laurie Hoverd, Cr Vern Wilson, Cr Dennis Finn, Cr Bruce Thomas.

Pirongia Ward Consultative Committee

Allocates funds from the Pirongia Ward minor community works budget, to consider and approve applications for community grant funding; to approve projects for reserve development funding, and to consider draft Annual Plans and draft plans.

Mayor Alan Livingston (chair), Cr Diane Sharpe, Cr Bruce Thomas, John Turnwald (Ohaupo) John Wood (Pirongia) Alan Rawlings (Te Pahu).

Maungatautari Reserve Committee

Facilitates communication between Reserve stakeholders, advises on reserve management issues, oversees the activities of the Maungatautari Ecological Island Trust and oversees the preparation of an updated Reserve Management Plan.

Deputy Mayor Grahame Webber (chair), Mayor Alan Livingston, Cr Laurie Hoverd, Ted Tauroa (Ngati Koroki Kahukura Trust), Carlson Wirihana (Ngati Koroki Kahukura Trust), Rose Smith (Parawera Marae), Vacant (Ngati Haua), Albert Andree-Wiltens (Maungatautari Ecological Island Trust), Matt Cook (Department Of Conservation), Cr Stuart Kneebone (Waikato Regional Council), Kataraina Hodge (Landowner).

Iwi Consultative Committee

Facilitates communications between Council and tangata whenua. Will consider any matter impacting on the interests of tangata whenua and advise on Treaty of Waitangi implications for policies and activities.

Mayor Alan Livingston (chair), Deputy Mayor Grahame Webber, Cr Laurie Hoverd, Cr Joe Scaramuzza, Cr Diane Sharpe, Garry Dyet (CE Waipa District Council), Gaylene Roberts (Ngā Iwi Toopu o Waipa), Charlie Maikuku (Kaumatua), Vacant (Ngati Haua), Jenny Charman (Pirongia), Harold Maniapoto (Puniu), Vacant (Puniu – Proxy), Doris Walters (Te Kopua), Hinerangi Kara (Maungatautari), Louise Doyle (Kakepuku), George Searancke (Ngati Ngawaero), Kataraina Hodge (Wharepuhunga), Brenda Riki (Kaniwhaniwha).

Pirongia Reserves Management Committee

Oversees the management and development of three Pirongia reserves (sections 1,167 and 550) as authorised by the Department Of Conservation.

Mayor Alan Livingston (chair), Cr Diane Sharpe, Cr Bruce Thomas, Sabina Owen (Pirongia Rep), Claire St Pierre (Pirongia Rep), Sally Uerata (Purekireki Marae), Haupai Puke (Te Kauhanganui o Waikato).

District Promotions Committee

Consider and approve, in accordance with specific criteria, applications for financial assistance for the promotion and sponsorship of significant events within the district.

Mayor Alan Livingston (chair), Deputy Mayor Grahame Webber, Cr Laurie Hoverd.

Mighty River Domain and Karapiro Reserves Committee

Monitor implementation of the Karapiro Domain Strategic Plan and Reserve Management Plan, and to ensure effective communication between Council, tangata whenua and other key stakeholders.

Cr Dennis Finn (chair), Mayor Alan Livingston, Deputy Mayor Grahame Webber, Simon Peterson (Rowing NZ), Leroy Leach (Mighty River Power), Cr Russell Rimmington (Waikato Regional Council), Mokoroa Gillett (Ngati Haua), Johnson Raumati (Ngati Koroki Kahukura Trust), Alison Storey (Community Rep), Mike Rodger (Community Rep).

Community Boards

There are two Community Boards – Cambridge, which serves the Cambridge and Maungatautari Wards, and Te Awamutu which serves the Te Awamutu and Kakepuku Wards. The Community Boards are not Council Committees, they are separate statutory authorities established under Part 4 of the Local Government Act 2002.

Te Awamutu Community Board

Represents and acts as an advocate for community interests. Overview of service delivery throughout Te Awamutu and surrounding areas. Performs such functions as are delegated to it by Council.

Dean Taylor (chair), Bernard Westerbaan, Kellie Ellis, Richard Hurrell, Colin Pinkerton, Cr Hazel Barnes, Cr Laurie Hoverd.

The Te Awamutu Community Board has the following Committees:

Te Awamutu Alive

Which maintains an overview of promotional activities for the Te Awamutu area and liaise with local interest groups involved in promoting the Te Awamutu area.

Reserves Landscape

The Committee maintains an overview of reserve development and management proposals for the Te Awamutu area including liaising with local interest groups.

Cambridge Community Board

Acts in exactly the same way the Te Awamutu Community Board does, except it services Cambridge and surrounding areas.

John Bishop (chair), Elwyn Andree-Wiltens, Mike Petit, Philip Coles, Richard Wright, Cr Sue Milner, Cr Grahame Webber.

The Cambridge Community Board has the following Committees:

Sister Cities

Whose purpose is to positively promote friendly exchanges and to encourage mutually beneficial understanding in the fields of economic development, tourism, culture, education, science, technology and sport with our sister cities, Bihoro in Japan and Le Quesnoy in France.

Light Up Cambridge

Whose purpose is to initiate and progress Christmas and/or other lighting projects in Cambridge.

Reserve Landscape

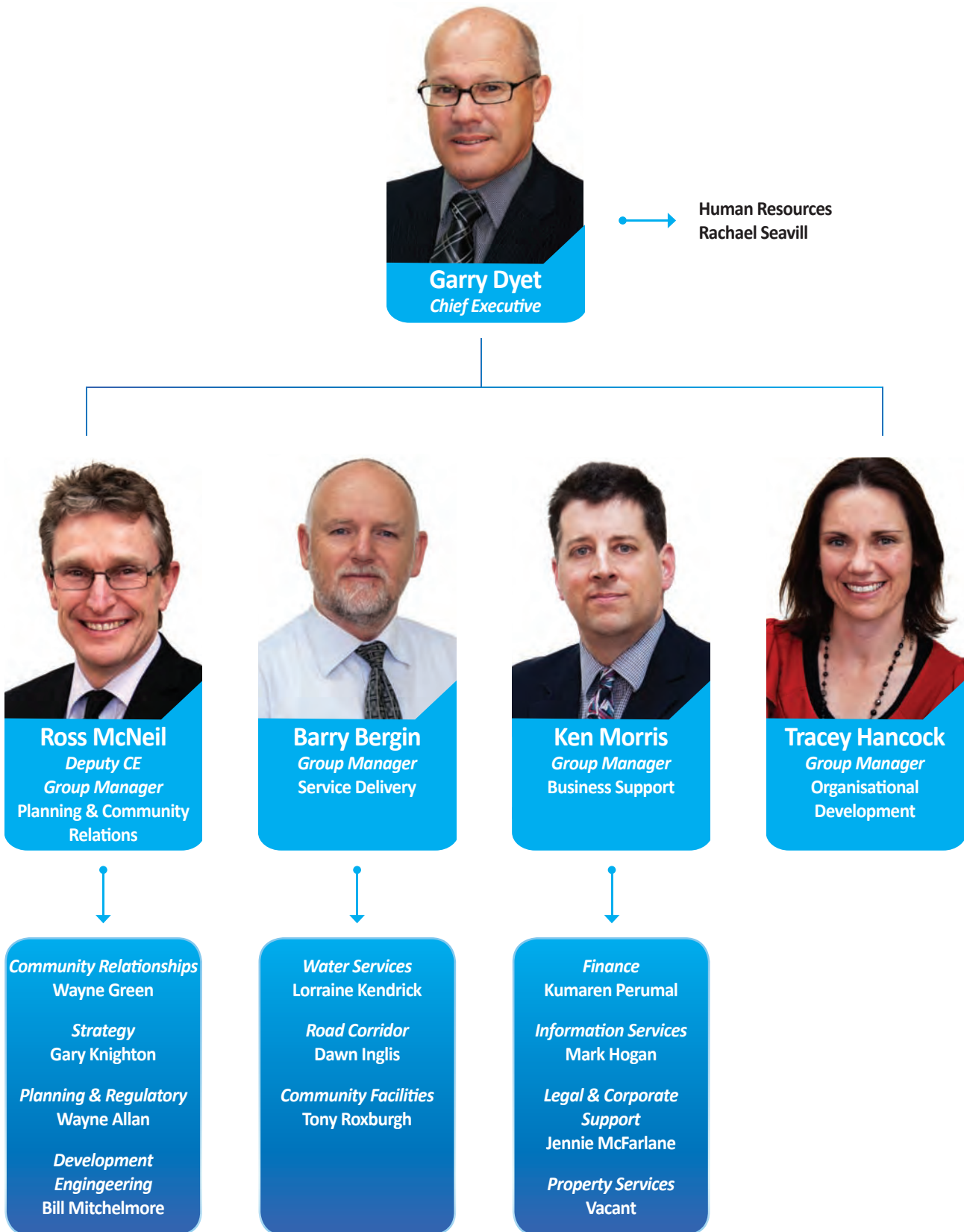
Plans and organises, with Council's approval and in conjunction with staff, the facilitation of the development and renewal of the Cambridge greenbelt reserve management plan.

ANZAC

The purpose of this Committee is to organise the annual ANZAC Day commemorations in Cambridge.

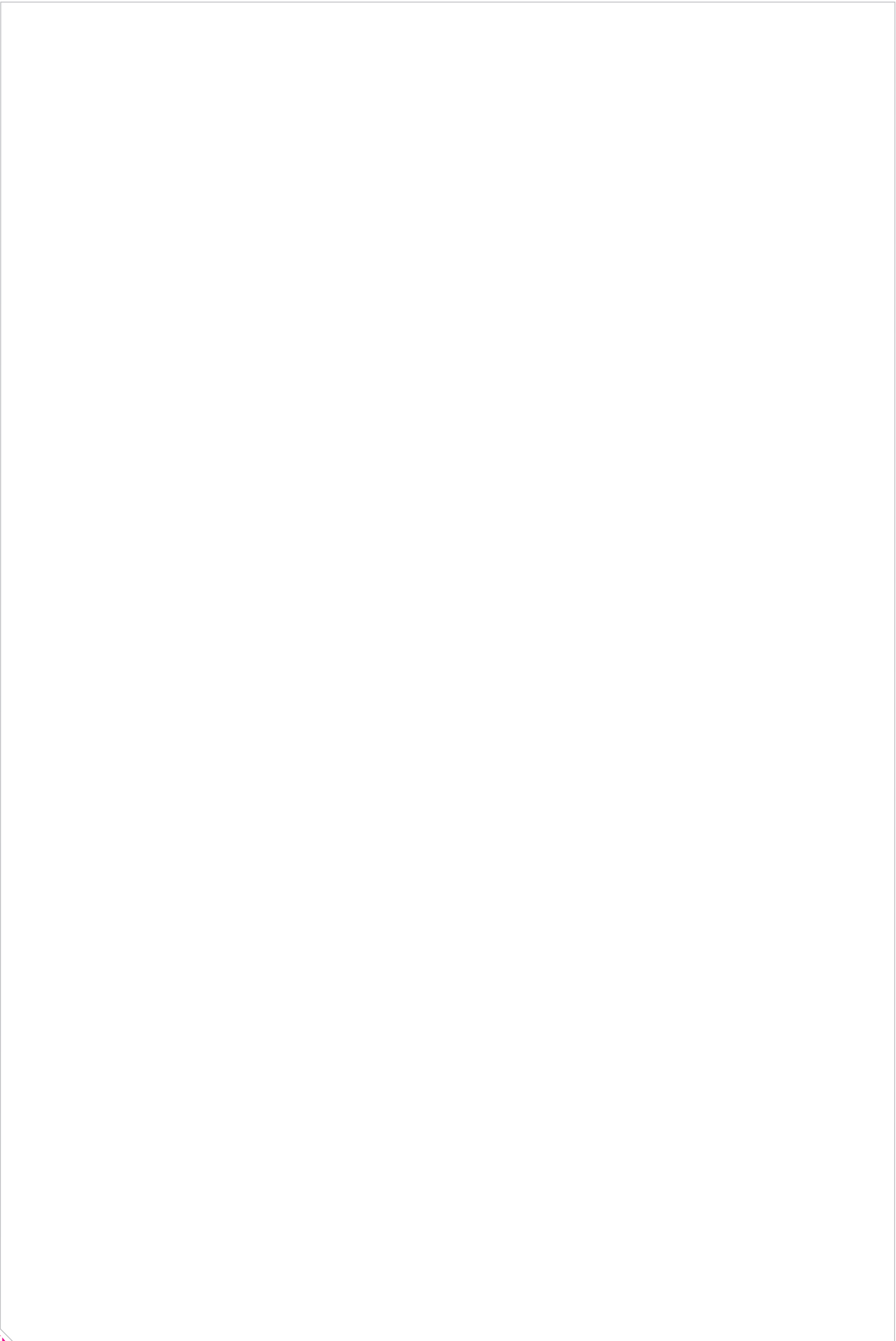
Management Structure

Waipa district is led by Chief Executive Garry Dyet and four group managers who comprise the Executive Team. The group managers each head an operational group (refer figure below). The group departments are each headed by a separate manager.



Glossary

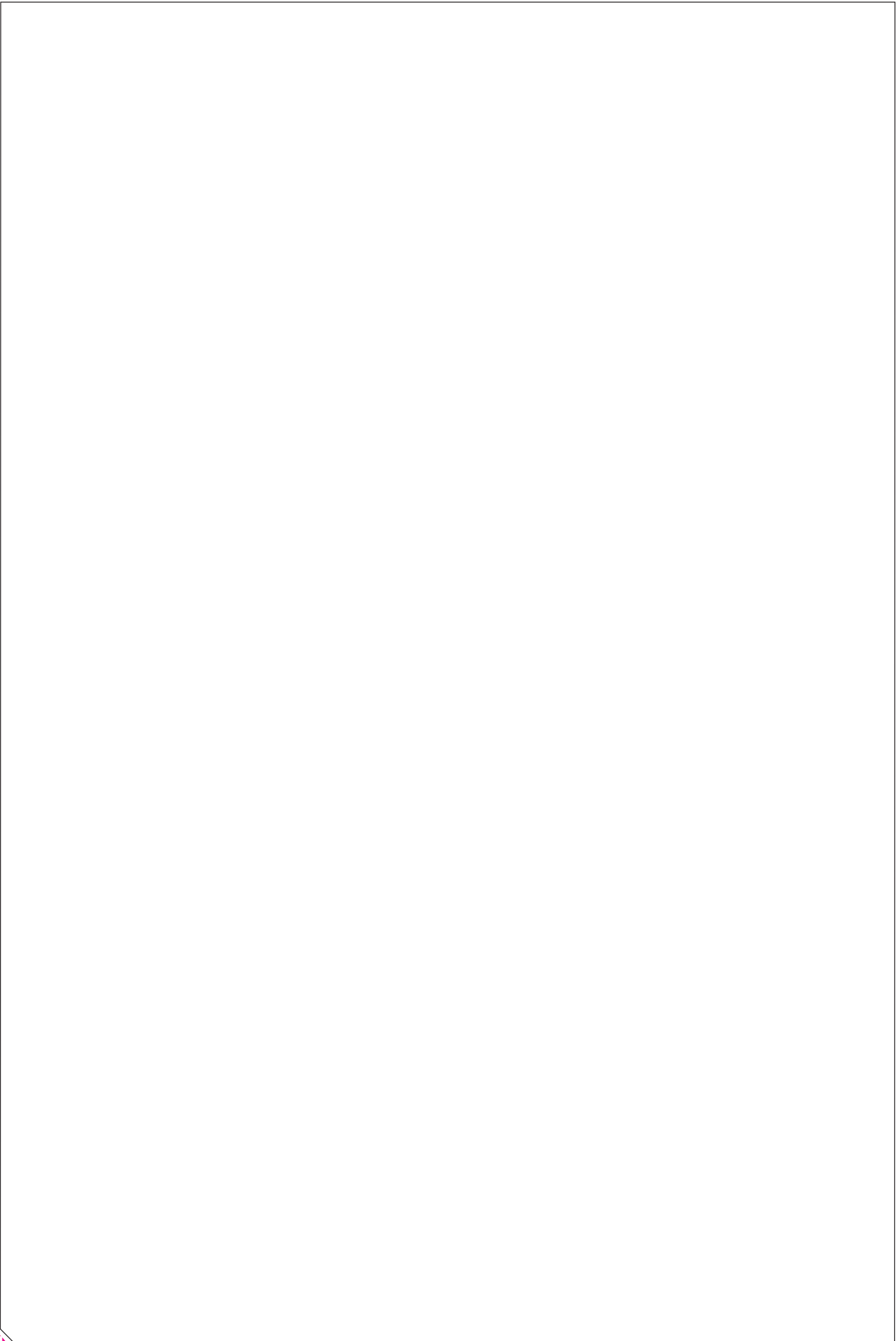
[n] an alphabetical list of terms peculiar to a field of knowledge with definitions or explanations, often placed at the back of a book



Action Plan	A plan identifying a series of actions to be taken to achieve defined outcomes.
Activity	Services provided by or on behalf of the council.
Amortisation	The reduction of the value of an asset by prorating its cost over a period of years.
Annual Plan	Contains details of the council's action plan for the next financial year, the budget and the level of rates required to fund that spending. It also contains details of any variation from the financial statements and funding impact statement that are included in the council's current 10-Year Plan.
Annual report	Report prepared once a year to assess the council's performance against its objectives, activities, performance targets and budgets as outlined in the 10-Year Plan.
Asset	A resource; the council's asset ownership extends over land, buildings, plant, equipment, forestry and infrastructure such as roads, bridges, footpaths, sewerage schemes, water supply and stormwater reticulation.
Asset Management Plans	A plan for the management of one or more assets that combine multidisciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to provide a specified level of service.
Capital Expenditure	Money spent to build or buy a new asset, or to improve the standard of any existing asset.
Community	A group of individuals and organisations that are linked together by some common factor, interest, identity or administrative boundary.
Community Boards	Pass on community concerns and make recommendations to the elected council and its committees.
Community Outcomes	The outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural wellbeing of its district or region, in the present and for the future.
Community Wellbeing	The overall wellbeing (quality of life) of the community taking into account economic, cultural, social and environmental wellbeing.
Council Controlled Organisations	A company or entity in which one or more local authority has a shareholding of 50 percent or more, voting rights of 50 percent or more, or the right to appoint 50 percent or more of the directors. Section 6(4) of the Local Government Act 2002 details entities which are exceptions.
Development Contributions	Payment from developers to help fund new infrastructure required by growth (as set out in the Local Government Act 2002).
District Plan	Required by the Resource Management Act 1991, it defines how resources and development will be managed by the district. The Plan is based on economic, cultural, social and environmental wellbeing.
Equity	The market value of assets less any liabilities.
Funding Impact Statement	A financial statement that discloses the revenue and financial mechanisms that council proposes to use.

Future Proof	The term used to refer to the growth strategy that is being prepared for the sub-region. Included in the sub-region are the following authorities – Waipa District Council, Waikato District Council, Waikato Regional Council and Hamilton City Council.
General Rate	A charge calculated using the rateable value of property that is paid to council to fund its general services but not services funded by targeted rate, fees or charges.
Governance	Is how the council engages with the community, oversees the effective and responsible management of resources, delivers services and sets the strategic direction for the District.
Hapū	A cluster of related whanau (extended family), descended from a single ancestor that has collective decision-making rights over its territory.
Hearing	A meeting at which members of the public speak to elected representatives and/or staff about an issue.
Indicator	A measure or combination of measures, either qualitative or quantitative, against which performance or progress can be assessed.
Interest	Interest on bank accounts, overdrafts and debt.
Iwi	Larger than the hapū - A cluster of related hapū, descended from a single ancestor, varying in size.
Levels of Service (LOS)	The extent of a service provided by the council.
Local Authority	A regional, district or city council.
Local Government Act 2002	The legislation that defines the powers and responsibilities of Local Government organisations (regional, city and district councils).
Long Term Plan	Refer to 10-Year Plan.
Ngā Iwi Toopu o Waipa	A representative group of local tangata whenua, made up of mandated hapū representatives appointed by relevant Marae committees.
Operating Costs	These are costs to run the council's services on a day-by-day basis and range from maintenance of infrastructure to staff salaries.
Partnership	This refers to the council's relationship with groups within the community to achieve outcomes. This does not refer to a legal partnership.
Passenger Transport	Can also be referred to as public transport – includes buses.
Rates	Rates are what each property owner pays for the services provided by councils. The charge is set in accordance to the Local Government (Rating) Act 2002.
Resource Management Act 1991	Legislation setting out Local Government's responsibilities to promote the sustainable management of natural and physical resources. The Act includes a range of regulatory and other responsibilities for the councils, including requirements for the state of the environment monitoring and reporting.
Renewals	Activities required to upgrade, refurbish or replace current facilities or assets, with facilities or assets of equivalent capability or service potential.

Revenue	Revenue received by the council to fund the services it provides. Revenue sources include – rates; fees and charges for using a particular service; penalties and fines; and grants and subsidies.
Significance	The degree of importance that council has given to an issue, proposal, decision or any other matter that is likely to impact on the District’s wellbeing.
Strategic Plan	An explanation of the overall direction and emphasis that the council’s activities and programmes will take to realise the long-term vision.
Strategy	A plan of action designed to guide progress towards the long-term vision.
Submission	Feedback or proposal from an individual or group on an issue.
Sustainability	Using our resources in such a way that we meet the needs of the present generation without compromising the ability of the future generations to meet their own needs.
Tangata Whenua	Māori people who belong to a particular area by ancestral connection.
Targeted Rate	A rate that is levied to fund a particular service or facility.
Te Kauhanganui o Waikato	Kauhanganui is made up of marae representatives from throughout the wider region of Tainui with emphasis on those who faced raupatu (land confiscation). Each marae is represented by two delegates, one Kaumatua (elder) and one rangatahi (youth), who are appointed for a set term.
Ward	An administrative and electoral area of the district. There are five wards in our District – Cambridge; Te Awamutu; Pirongia; Maungatautari and Kakepuku.
Waipa 2050	Waipa 2050 is a project through which a review of the Waipa District growth strategy will be reviewed. The work will focus on looking at growth in the District and how to best manage it. Also included in this work is the development of town concept plans for Cambridge, Te Awamutu/Kihikihi, Pirongia and Ohaupo.
Wellbeings	The four wellbeings refer to the social, economic, environmental and cultural wellbeing of communities in the present and for the future.
Vested Assets	An existing right to the immediate or future possession of property, resources, cash, stock and goodwill.
10-Year Plan	A strategic plan, covering at least 10 years, that describes a local authorities activities and the community outcomes of the authorities district or region. A council’s 10-Year Plan is the basis for its accountability to the community.



Appendices

[n] A plural of appendix.
A body of separate
additional material at the
end of a book, magazine,
etc., esp one that is
documentary or explanatory.

Proposed Disposal of Endowment Land and Use of Endowment Funds

As a result of the Local Government reorganisation in 1989 and subsequent property purchases Waipa District Council currently holds 69 properties “in trust” for the benefit of the people of the district. We hold cash within separate Cambridge, Te Awamutu, Pirongia and District-wide Endowment Funds. The money in the funds is available pending future property purchases or development, and the funds may be used to offset external debt. Any internal lending of this type would be at an interest rate based on council’s Cost of Capital and would be repaid to the endowment account on an annual basis.

The Local Government Act 2002 places restrictions around how the properties are dealt with, especially when we are contemplating the disposal of the properties and the use of the funds generated from the disposal.

The proceeds of any sale will be reinvested, including for the development of community facilities for the long term benefit of the district. We will seek approval from the Minister of Local Government under section 140(4) (a) (ii) of the Local Government Act 2002 in situations where the original purpose for which a property was vested in council differs from the purpose to utilise the proceeds arising from the subsequent sale of that property. An example of this is the proposal to use a combined total of around \$1.6 million of Te Awamutu and District-wide endowment funds to build a new Te Awamutu library. Fuller disclosure of the use of these endowment funds and the project itself is provided in the Key Projects section of this plan (refer to pages 44-59).

Previously we were required to identify properties considered for disposal and include them in their Long Term Plan. A recent amendment to the Local Government Act 2002 removes this requirement. However Waipa District Council has decided that it is in the interest of Waipa District residents that where council is contemplating the sale of any endowment property then these will be identified within the plan. The table below describes these properties.

A full list of endowment properties including location maps is available and can be found on our website (www.waipadc.govt.nz).

Location	Legal Description	Land Area (HA)
Addison St	Allotment 8, Town of Cambridge West	1.6187
Burns St	Allotment 199, Town of Cambridge West	0.215
Cnr Burns St/Thompson St	Lot 2, DPS 52341	1.054
899 Maungatautari Rd (ex Geck Farm)	Lot 2, DPS 89441	40.58
Cnr Taylor/Vogel/King St	Lot 1 DP 423118	0.4318
Cnr Taylor/Vogel/King St	Lot 2 DP 423118	0.4086
312 Roche St	Lot 9, DPS 35638	0.0513

Location	Legal Description	Land Area (HA)
387 Roche St	Allotment 82, Village of Te Awamutu	0.0728
387 Roche St	Allotment 84, Village of Te Awamutu	0.1012
387 Roche St	Allotment 86, Village of Te Awamutu	0.1012
387 Roche St	Allotment 88, Village of Te Awamutu	0.1012
387 Roche St	Allotment 90, Village of Te Awamutu	0.1012
387 Roche St	Lot 2 DPS 20361,	0.0043
65 Bradley Pl	Part Allotment 399, Parish of Mangapiko	0.1411
65 Bradley Pl	Lot 37, DPS 20180	0.0129
1244 Rewi St	Part Allotment 399, Parish of Mangapiko	2.114
Kane St	Section 517, Town of Pirongia East	6.0096
Baffin St	Section 123, Town of Pirongia East	0.3541

TABLE ONE – Business and Economic Research Limited Price Adjusters

	Roading %	Water %	Property %	Other %
2012/13	3.8	4.2	3	2.4
2013/14	3.1	3.9	2.9	3.2
2014/15	3.5	3.5	2.9	3.2
2015/16	3.1	3.7	3.0	3.4
2016/17	3.0	3.8	3.1	3.5
2017/18	3.2	3.5	2.8	3.4
2018/19	3.5	3.5	2.8	3.3
2019/20	3.7	3.8	3.0	3.3
2020/21	3.4	4.1	3.3	3.6
2021/22	3.5	4.1	3.3	3.5

TABLE TWO - Interest Rates Table

The interest rates used are a combination of what we know due to fixing the interest rate through the use of swaps and an estimate of what may occur in the future prepared by Bancorp (Council's Treasury Consultants).

The interest rates for new loans are as follows:

Year	Rate %
2012/13	6.5
2013/14	7.0
2014/15	7.0
2015/16 onwards	7.5

TABLE THREE – Growth and Rating Base

Year	Percent
2012/13	0.56
2013/14	0.61
2014/15	0.95
2015/16	0.97
2016/17	1.15
2017/18	1.26
2018/19	1.43
2019/20	1.46
2020/21	1.44
2021/22	1.42

Changes made from the draft 10-Year Plan

These are some of the key decisions, changes and associated financial impacts made as a result of submissions received, hearings and deliberations.

Rating Levels (Years 1 to 4)

The proposed rate increases for years 1 to 4 and the revised rate levels, after consideration of submissions, are shown in the table below:

Year	Included in draft plan	After hearings and deliberations	Change
Year 1 - 2012/13	4.9%	4.3%	Decrease
Year 2 - 2013/14	6.2%	4.7%	Decrease
Year 3 - 2014/15	5.8%	4.7%	Decrease
Year 4 - 2015/16	3.6%	5.7%	Increase

Commitments made after the draft Plan was finalised

Since the draft Plan was notified there have been other commitments made which were not included in the draft 10-Year Plan budgets, but have now been included:

Commitment	Rates Impact
Property purchases	Additional \$75,000 for each year
Stormwater reduction expenses	Reduction of \$30,000 in year 1
Economic Development Initiatives	Funding of \$20,000 for years 1, 2 and 3

Key Projects

The draft Plan signalled key projects (including options) on which public feedback was specifically sought. Following hearings and deliberations the following decisions were made in regards to these proposals:

Project	Decision	Changes to Plan
Changing the way we charge for metered water	Confirmed	\$200,000 reduction in water rates for each year of the plan
Cambridge Pool	Deferred the construction of the pool until 2014/15 and 2015/16	Movement in Operating Expenditure Year 1 - increase in budget of \$377,000 Year 2 - decrease in budget of \$575,000 Year 3 - decrease in budget of \$1,133,000
Victoria Road Boulevard	Proceed with preferred option	Additional capital spend of \$7,839,600 included into the plan for years 5 and 6
Te Awamutu Library	Confirmed	No Change
Te Awamutu Museum	Confirmed	No Change
Heritage Fund	Confirmed	No Change
Financial Strategy on borrowing limits	Reduce our limit on interest to annual rates and fees and charges from 15% to 10%	Limit reduced to 10% in the Financial Strategy

Other key issues with significant implications

Key Issue	Decision	Changes to Plan
Seal Extension		\$250,000 additional capital in years 1, 2 and 3

Funding Requests

The following funding requests were confirmed:

Organisation/Individual	Decision	Changes to Plan
Pirongia Heritage and Information Centre	Increase funding for inflation impacts	Additional \$200 per year included in budgets
Whitehall	New hall rate set up for area surrounding Whitehall hall	Additional \$1,700 per year included in budgets
Cambridge Citizens Advice Bureau	Approved funding to level requested	\$1,000 reduction per year included in budgets

Auditor's Report

auditor [n] A person qualified to audit accounts.

re-report [n] A formal account of the proceedings and transactions of a business presented in detail.

Independent auditor's report**To the readers of
Waipa District Council's
Long-Term Plan
for the ten years commencing 1 July 2012**

The Auditor-General is the auditor of Waipa District Council (the District Council). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to report on the Long-Term Plan (LTP), on her behalf. We have audited the District Council's LTP incorporating pages 1 to 325 dated 26 June 2012 for the ten years commencing 1 July 2012.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion**Overall opinion**

In our opinion the District Council's LTP incorporating pages 1 to 325 dated 26 June 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on specific matters required by the Act

In our view:

- the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and
- the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 26 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the District Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;

- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement.

The Council's responsibilities arise from section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the District Council or any of its subsidiaries.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

Matters Relating to the Electronic Presentation of the Report to readers of the Long-Term Plan

This audit report relates to the Long-Term Plan of Waipa District Council for the ten years commencing 1 July 2012 included on the Council's website. Waipa District Council is responsible for the maintenance and integrity of its website. We have not been engaged to report on the integrity of Waipa District Council's website. We accept no responsibility for any changes that may have occurred to the Long-Term Plan since they were initially presented on the website.

The audit report refers only to the Long-Term Plan named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long-Term Plan. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Long-Term Plan as well as the related audit report dated 26 June 2012 **Error! Reference source not found.**to confirm the information included in the audited Long-Term Plan presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.



TE AWAMUTU - HEAD OFFICE

101 Bank Street, Private Bag 2402, Te Awamutu Ph 07 872 0030

CAMBRIDGE - SERVICE CENTRE

23 Wilson Street, Cambridge Ph 07 823 3800

www.waipadc.govt.nz | www.facebook.com/WaipadistrictCouncil